ANNUAL REPORT 2018

WIDETECH
(MALAYSIA) BERHAD (113939-U)

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Lim Kim Huat
Executive Chairman

Tan Sri Dato' Cheng Joo Teik
Executive Director

Tan Sri Datuk Chu Sui Kiong
Executive Director

Loh Suan Phang
Executive Director

Tan Boon Seng
Executive Director

Datuk Dr. Ng Bee Ken
Senior Independent Non-Executive Director

Kong Sin Seng
Non-Independent Non-Executive Director

Dato' Lim Sin Khong
Independent Non-Executive Director

Chen Keng Sam
Independent Non-Executive Director

AUDIT COMMITTEE

Datuk Dr. Ng Bee Ken
Chairman of Audit Committee
Senior Independent Non-Executive Director

Dato' Lim Sin Khong
Independent Non-Executive Director

Kong Sin Seng
Non-Independent Non-Executive Director

Chen Keng Sam
Independent Non-Executive Director

NOMINATION COMMITTEE

Datuk Dr. Ng Bee Ken
Chairman of Nomination Committee
Senior Independent Non-Executive Director

Dato' Lim Sin Khong
Independent Non-Executive Director

Chen Keng Sam
Independent Non-Executive Director

REMUNERATION COMMITTEE

Dato' Lim Sin Khong
Chairman of Remuneration Committee,
Independent Non-Executive Director

Datuk Dr. Ng Bee Ken
Senior Independent Non-Executive Director

Chen Keng Sam
Independent Non-Executive Director

SECRETARIES

Lim Seck 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 (187984-H)
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

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

PRINCIPAL BANKERS

CIMB Bank Berhad
Maybank Berhad
Public Bank Berhad
RHB Asset Management Sdn Bhd

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 Thirty-Fourth 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 Tuesday, 28 August 2018 at 11.30 a.m. for the following purposes:-

A G E N D A

1. To table the Audited Financial Statements for the financial year ended 31 March 2018 together with the Reports of the Directors and Auditors thereon.

2. To approve the payment of Directors' allowances of RM498,458 for the financial year ended 31 March 2018. **Ordinary Resolution 1**

3. To approve the payment of Directors' benefits up to RM534,000 from 1 April 2018 until 31 March 2019. **Ordinary Resolution 2**

4. To re-elect the following Directors retiring by rotation pursuant to Article 124 of the Company's Articles of Association:
   (i) Dato' Lim Kim Huat **Ordinary Resolution 3**
   (ii) Datuk Dr. Ng Bee Ken **Ordinary Resolution 4**
   (iii) Mr Tan Boon Seng **Ordinary Resolution 5**
   (iv) Mr Kong Sin Seng **Ordinary Resolution 6**

5. To re-appoint Messrs Grant Thornton Malaysia as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 7**

SPECIAL BUSINESS

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

6. **RETENTION OF INDEPENDENT DIRECTOR**

   "THAT subject to the passing of Ordinary Resolution 4, Datuk Dr. Ng Bee Ken, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years be and is hereby retained as Independent Non-Executive Director of the Company." **Ordinary Resolution 8**

7. **AUTHORITY TO ISSUE SHARES**

   "THAT pursuant to Section 75 and 76 of the Companies Act 2016, 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 total number of issued shares of the Company at the time of submission to the authority 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." **Ordinary Resolution 9**

BY ORDER OF THE BOARD

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

COMPANY SECRETARIES

30 July 2018
Kuala Lumpur

NOTES:

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the Thirty-Fourth Annual General Meeting, the Company shall be requesting the Record of Depositors as at 21 August 2018. Only a depositor whose name appears on the Record of Depositors as at 21 August 2018 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.

2. A proxy may but need not be a member of the Company. A member may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy in a poll and the first named proxy shall be entitled to vote on a show of hands.

3. Where a member is an authorised nominee as defined under the Central Depositories Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

4. 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.

5. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing, and in the case of a corporation, shall be executed under its Common Seal or under the hand of an officer or attorney of the corporation duly authorised.

6. The Form of Proxy shall 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 set for holding the meeting or any adjournment thereof.

7. Explanatory Notes:-

Ordinary Resolution 8
Retention of Independent Director

The proposed Resolution 8, if passed, will enable Datuk Dr. Ng Bee Ken to continue to hold office as Independent Director. Datuk Dr. Ng Bee Ken has served as an Independent Non-Executive Director of the Company for a cumulative term of 9 years. To be in line with the Malaysian Code on Corporate Governance, the Board on the recommendation of the Nomination Committee who has carried out an assessment of the Director has recommended that Datuk Dr. Ng Bee Ken be retained as Independent Non-Executive Director of the Company based on the following justifications:-

i) He has fulfilled the criteria under the definition of Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
ii) He remains independent and actively participate in the Board's deliberations and provide independent opinion to the Board.
iii) He has in depth knowledge of the Company's business operations and he is committed to devote sufficient time and attention to the Company.
iv) He has extensive experience in his profession to provide constructive opinions and ideas to the Board and Company.

Ordinary Resolution 9
Authority to Issue Shares

The proposed Ordinary Resolution 9, 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 total number of issued shares of the Company at the time of submission to the authority and for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

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

OVERVIEW

Widetech (Malaysia) Berhad ("Widetech") is principally engaged in investment holding, provision of management services and rental of properties. The principal activities of its subsidiaries include manufacturing of precision springs, supply of consumer products, providing financing services, hotel and management of gaming operations.

GROUP PERFORMANCE REVIEW

For the financial year under review, the Group registered an improved revenue of RM7.417 million and pre-tax profit of RM1.922 million, as compared to RM6.622 million and RM0.912 million respectively in financial year ("FY") FY2017.

The improved financial results were primarily attributable to higher revenue recorded by the manufacturing division, whilst our associated company was the main profit contributor to the Group's pre-tax profit.

BUSINESS OPERATIONS REVIEW

a) MANUFACTURING SEGMENT

Overview

Wire Master Spring Sdn Bhd ("WMS") was incorporated in 1990 to be principally specialised in the manufacturing of precision springs of various shapes and sizes. The Company is ISO 9001 and ISO 14001 certified.

Performance Review

For the financial year under review, WMS recorded higher revenue of RM5.095 million compared to RM4.276 million in FY2017. Despite achieving a sales growth of 19% this year, WMS posted a lower pre-tax profit of RM0.395 million against RM0.500 million in FY2017, whereby FY2017 profit was partly due to a one-off gain on disposal of fixed assets amounting to RM0.073 million.

During the financial year under review, WMS's pre-tax profit was impacted by higher operating costs mainly resulting from increased manpower and higher depreciation costs on new machineries acquired in the second half of FY2017 to enhance its competitive edge. Furthermore, China's pollution crackdown on their manufacturers has nudged up raw material prices, which impacted the profit margin of certain sales.

Business Strategy and Future Prospects

Moving forward, WMS will continue to review its operational procedures for business sustainability to optimise cost effectiveness and to remain competitive in this industry. WMS will also strive to increase customers satisfaction and quality excellence through continual improvement in productivity and efficient deliveries.

b) SUPPLY SEGMENT

Overview

The supply division supplies consumer products to co-operatives and accept payment of the purchase consideration through installment payments. However, this division ceased its marketing activities since June 2010 due to the entry of financial institutions which offered lower interest rates and longer tenure to their customers and, thus making this business unattractive to the Group.

Performance Review

The supply division posted a revenue of RM0.045 million and a pre-tax profit of RM0.221 million, as compared to RM0.096 million and RM0.154 million respectively in FY2017. Its FY2018 profit was mainly derived from tax exempted interest income of RM0.267 million derived from short term fund placement with financial institutions.

During the financial year under review, the supply division has successfully collected all outstanding loans from the co-operative and thus, ceased operation in FY2018.

c) **GAMING SEGMENT**

Overview

Probusiness Investments Limited ("PIL") commenced its gaming operation on a revenue sharing basis with a casino in Cambodia since April 2009.

Performance Review

During the financial year under review, this division performed well with a higher revenue at RM0.627 million as compared to RM0.298 million in FY2017. In tandem with the improved revenue, pre-tax profit was higher at RM0.474 million, as opposed to RM0.165 million in FY2017.

Business Strategy and Future Prospects

Barring any unforeseen circumstances, the Cambodia operation is expected to continue to contribute positively to the financial results ending 31 March 2019.

d) **HOTEL SEGMENT**

Overview

Lao-Malaysia Investments Group ("LMIG"), a 75% owned subsidiary of Asia Pacific Winning Limited, was incorporated in Laos. It is principally engaged in the operation of Hotel Riveria in Khamouanne Province, Thakhek, Laos.

Performance Review

In FY2018, LMIG posted revenue of RM1.291 million and pre-tax loss of RM0.478 million, as compared to revenue of RM1.592 million and pre-tax loss of RM0.339 million in FY2017. The lower revenue was largely impacted by intense competition arising from the mushrooming of budget and boutique hotels within the vicinity of Hotel Riveria.

In 2017, Laos also experienced a decline in tourists arrivals by 8.73% as compared to the previous year. Amid this challenging market conditions, the hotel and tourism industry in Laos encountered an industry slowdown.

Business Strategy and Future Prospects

In response to dampened demand and intense competition in the food and lodging business, the management have re-strategised the pricing structure according to the guests' needs. Hotel Riveria now adopts a floating price structure for daily room rates with the aim to boost the overall occupancy of the hotel.

Mindful of the highly competitive environment, LMIG will strive to increase revenue from other income streams by introducing attractive marketing initiatives to promote its ballroom, function rooms and banqueting facilities. LMIG will continue to regularly upgrade its rooms and amenities to maintain the quality of the hotel for business sustainability.

As part of the Laos government's effort to revive and promote the tourism industry, they have launched the "Visit Laos 2018".

e) **JOINT VENTURE**

Overview

Goldshore Capital Limited ("Goldshore"), a 40% owned associated company, was incorporated in the British Virgin Islands. It is principally engaged in the management and operation of four electronic gaming clubs in Nepal, along the Nepal and Indian border, on a joint venture basis with a local company since 2012.

Performance Review

The Group enjoyed a higher contribution from its associated company in FY2018. The increased contribution by 51.1% from RM0.941 million to RM1.422 million was driven by its relentless efforts in more aggressive marketing campaigns to reach out to new players, in addition to offering more attractive promotions and events to retain and attract both existing and potential players.

During the financial year under review, the operating environment in Nepal was more conducive as the political situation in Nepal was more stable whereby there was no forced closure of our clubs arising from political strikes, as opposed to the previous year.

Business Strategy and Future Prospects

Going forward, Goldshore will continue in its effort to identify new and potential club venues with better amenities, such as bigger parking space and gaming hall to cater for additional gaming machines, to further increase its market shares.

As part of its effort to achieve hospitality and customers service excellence, Goldshore continues to place great emphasis in improving staff training to strengthen the customers relationship.

LOOKING FORWARD

Moving forward, the Group foresees a continued challenging local and global economic environment. In these highly competitive environments, the Group will continue to build on our market position by ensuring the high quality of our products and services offering. The Group will remain focus on our effort to drive further costs efficiencies and improve operational efficiency.

Nevertheless, the Board will strive to continue cautiously to explore opportunities that may arise to further enhance shareholders value.

PROFILE OF DIRECTORS

DATO' LIM KIM HUAT
Malaysian, Male, Aged 58
Executive Chairman

Dato' Lim Kim Huat was appointed to the Board of Directors ("the Board") on 26 February 2004 as Non-Independent Non-Executive Director and subsequently, assumed the position of Executive Chairman on 25 July 2006.

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.

TAN SRI DATO' CHENG JOO TEIK
Malaysian, Male, Aged 72
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 specialising 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 organisations and has contributed extensively to fund raising and charitable activities for the needy and underprivileged.

Tan Sri Dato' Cheng does not hold any directorship in other public company or listed corporation.

TAN SRI DATUK CHU SUI KIONG
Malaysian, Male, Aged 59
Executive Director

Tan Sri 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.

Tan Sri 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.

Tan Sri Datuk Chu does not hold any directorship in other public company or listed corporation.

LOH SUAN PHANG
Malaysian, Male, Aged 58
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.

Mr Loh does not hold any directorship in other public company or listed corporation.

TAN BOON SENG
Malaysian, Male, Aged 36
Executive Director

Mr Tan Boon Seng was appointed to the Board on 25 November 2014.

He holds a BSc in Finance, Marshall School of Business, University of Southern California, USA, 2005.

Mr Tan joined AmInvestment Bank Berhad as an Analyst in Investment Banking from 2006 to 2007. In 2007, he joined Maybank Investment Bank Berhad as a Senior Analyst in Corporate and Investment Banking until 2009. He joined Malayan Banking Berhad and was appointed as an Assistant Vice President in Corporate Banking until 2010. Currently, he holds the position as Chairman in Dragon-I Restaurant Sdn. Bhd.

Mr Tan also holds directorship in Lone Pine Resorts Berhad and Purerich Realty Berhad.

DATUK DR. NG BEE KEN
Malaysian, Male, Aged 63
Senior Independent Non-Executive Director

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

Datuk Dr. Ng 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 Doctor of Divinity, Master of Science (Corporate Communication) from Universiti Putra Malaysia and is an Associate of the Association of Costs and Executive Accountants, England.

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

KONG SIN SENG
Malaysian, Male, Aged 62
Non-Independent Non-Executive Director

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. He resigned as Chief Executive Officer and redesignated to Non-Independent Non-Executive Director on 31 October 2015. He is also a member of the Audit Committee.

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. He resigned as Chief Executive Officer of Goldwealth Capital Sdn Bhd on 31 October 2015.

Mr Kong does not hold any directorship in other public company or listed corporation.

DATO' LIM SIN KHONG
Malaysian, Male, aged 69
Independent Non-Executive Director

Dato' Lim Sin Khong was appointed to the Board on 8 May 2014. He is the Chairman of the Remuneration Committee, a member of the Audit Committee and Nomination 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 is very active in community and charitable activities and currently sits on the board and committee of several non-profit making organisations.

Dato' Lim does not hold any directorship in other public company or listed corporation.

CHEN KENG SAM
Malaysian, Male, aged 52
Independent Non-Executive Director

Mr Chen Keng Sam was appointed to the Board on 22 May 2017. He is a member of the Nomination, Remuneration and Audit Committee.

Mr Chen holds a Bachelor of Economic from Monash University, Australia.

Mr Chen was previously attached to Public Finance Bhd in 1989 before moving on to Hume Industries Berhad and Mesiniaga Berhad. He is currently a remisier since 1996.

Mr Chen does not hold any directorship in other public company or listed corporation.

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 been charged on any convictions of offences within the past 5 years other than traffic offences, if any, and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.
3. The Group has entered into recurrent related party transactions with parties in which the Directors of the Company, namely, Tan Sri Dato' Cheng Joo Teik have deemed substantial financial interest as disclosed in note 22 of Financial Statements section of this annual report.
4. Save for the abovementioned disclosure, none of the other Directors have conflict of interest with the Widetech Group.
5. The details of Directors' attendance of Board Meetings during the financial year ended 31 March 2018 are disclosed on page 24 of this Annual Report.

PROFILE OF KEY SENIOR MANAGEMENT

LEE HENG CHO
Malaysian, Male, Aged 62
General Manager - International Division

Mr Lee Heng Cho is appointed as the General Manager of the International Division since 2007.

Mr Lee is a Diploma holder in Hospitality, Leisure and Food and Beverages services Industry from Wales, United Kingdom. He started his career with E & O Hotel, Penang. He moved to Kuala Lumpur as a Restaurateur in 1980. His other long posting was at Hotel Equatorial as well as was in the clubbing sector, as General Manager of the Royal Selangor Yacht Club & Royal Lake Club and had held his last Senior Management career as an Assistant Vice President of the 7,000 rooms First World Hotel in the Leisure Industry at Resort World, Genting Highland prior to joining Widetech (Malaysia) Berhad.

FOO TOON CHAI
Malaysian, Male, Aged 48
Executive Director (Subsidiary)

Mr Foo Toon Chai started his career in Widetech Group since 1992. In 2003, he was promoted to Deputy General Manager and subsequently to General Manager of the manufacturing division in 2005 before assuming the current position of Executive Director of a subsidiary in 2017.

Mr Foo holds an Advanced Diploma in Marketing from University of Abertay Dundee, Scotland.

He also holds a Master of Business Administration from Southern Pacific University.

Mr Foo has more than 20 years of experience in the senior management of manufacturing industry.

HO WAI LING
Malaysian, Female, Aged 47
Group Accountant

Ms Ho Wai Ling is the Group Accountant of Widetech Group since 2002. She graduated with a Bachelor of Accountancy from Royal Melbourne Institute of Technology, Melbourne, Australia. She is a member of the Australian Society of Certified Practising Accountants.

Ms Ho started her career with Shamsir Jasani & Co (now known as Grant Thornton Malaysia) in 1994 and has more than 20 years of experience in the auditing, accounting and finance field.

None of the above Key Senior Management has any:-
- directorships in the Company, public companies and public listed companies;
- family relationship with any Directors and/or major shareholders of the Company;
- personal interest or conflict of interest with the Company;
- conviction for offences within the past five (5) years other than traffic offences (if any); and
- public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 March 2018

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 2018.

COMPOSITION AND MEETINGS

The Audit Committee composition comprising 4 Directors where all the Committee members are Non-Executive Directors, with a majority of whom are Independent Directors and at least 1 member shall be a member of the Malaysian Institute of Accountants or possess such other qualifications and/or experience as approved by the Bursa Malaysia Securities Berhad ("Bursa Securities").

The Chairman of Audit Committee is not Chairman of the Company. The Company complies with the Main Market Listing Requirements and Malaysian Code on Corporate Governance.

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

Chairman
Datuk Dr. Ng Bee Ken - Senior Independent Non-Executive Director

Members
Dato' Lim Sin Khong - Independent Non-Executive Director
Kong Sin Seng - Non-Independent Non-Executive Director
Chen Keng Sam - Independent Non-Executive Director

The Audit Committee members possess a wide range of necessary skills to discharge their duties and are financially literate and have sufficient understanding of the Company's business and operations.

Meetings

The Audit Committee met four (4) times during the financial year ended 31 March 2018 and the details of attendance of the Audit Committee are as follows:-

Name of Director	Attendance
Datuk Dr. Ng Bee Ken	4/4
Dato' Lim Sin Khong	3/4
Kong Sin Seng	4/4
Chen Keng Sam	4/4

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

TERMS OF REFERENCE

The terms of reference of the Audit Committee is made publicly available on the Company's website at http://www.widetechbhd.com.my.

SUMMARY OF WORKS 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 2018, 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 plan, the internal audit report and the recommendations arising from the reviews conducted by the outsourced internal auditor.

(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.

INTERNAL AUDIT FUNCTION

During the financial year ended 31 March 2018, the Group's internal audit function was outsourced to an independent professional firm to review and improve its existing internal control process and to assist in identifying and managing the Group's risks and the control procedures to manage those risks.

During the financial year under review, the Internal Auditors carried out an independent internal audit review on the costing function of the subsidiary, Wire Master Spring Sdn. Bhd., based on the approved internal audit plan to assess the adequacy and effectiveness of internal controls within the Group.

The total cost incurred for the internal audit service for the financial year was RM15,000.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 ("MCCG") and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad.

BOARD LEADERSHIP AND EFFECTIVENESS

1.1 Composition of the Board

The Board currently comprises nine (9) members, of whom, five (5) are Executive Directors (including the Executive Chairman), three (3) are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. The profiles of the Directors are set out on pages 8 to 11 of this Annual Report.

The Board comprises highly respectable and professional persons and represent a diverse background of knowledge, expertise and experience. With their combined experiences and knowledge, they provide sound advice and balance 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 benefits of stakeholders and bring forth a balanced, unbiased and independent judgment on all aspects of the Group's strategies and performance.

All Board members participated actively, including the 3 Independent Non-Executive Directors on any proposal bought up by the Management, there is no individual or small group of individuals dominate the Board's decision making processes.

1.2 Board Responsibilities

1.2.1 Functions of the Board and 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 and resources in place, risk assessment and controls over business operations to meet the Company's goals and objective.

The Board delegates and confers some of its authorities and discretion to 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 Company and the Executive Directors. The Chairman leads strategic planning at the Board level, while the Executive Directors, are responsible for the implementation of the policies laid down and execute the decision-making.

The Chairman is responsible for the Group's future business and strategy plan, setting goal to achieve the mission and vision. He provides leadership and governance of the Board, ensuring its effectiveness and assumes the formal role as the leader in chairing all Board meetings and shareholders' meetings. He leads the Board in overseeing Management and principally ensures that the Board fulfills its obligations and as required under the relevant legislations.

Some of the specific responsibilities of the Chairman include:-

i) Manage Board meetings and boardroom dynamics by promoting a culture of openness and debate where Directors are encouraged to provide their views;
ii) Work closely with the Executive Directors to ensure provision of accurate, timely and clear information to facilitate the Board to perform effectively, able to make informed decisions and to monitor the effective implementation of the Board's decisions;
iii) To provide his view and decision objectively;
iv) Ensure meetings of the shareholders are conducted in an open and proper manner with appropriate opportunity for them to ask questions; and
v) As Group's official spokesperson.

The duties of Executive Directors include implementation of decisions and policies approved by the Board. The business issues and decisions are reserved and subject to the Board. The Board oversees and manages the Group's day-to-day business, and makes strategic decisions. Each Executive Director is responsible for the respective business unit that there is no overlapping of each role and duty.

The role of Management is to support the Executive Directors to implement and execute 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 from Management. Their roles are to check and 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 direct access to the 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.

The following matters reserved for the Board's approval (including changes to any such matters), except where they are expressly delegated to a Committee of the Board:-

(A) Strategy and Management

1. Responsibility for the overall strategic direction and strategic plans for, and the overall management of Widetech and its subsidiaries (the "Group").

2. Approval of the Group's long-term objectives and sustainability strategy.

3. Approval of the annual operating and capital expenditure budgets and any material changes thereto.

4. Review of performance in the light of the Group's strategy, objectives, business plans, borrowings from financial institution, budgets and ensuring that any necessary corrective action is taken.

5. Oversight of the Group's operations ensuring:-

   (a) competent and prudent management
   (b) sound planning
   (c) adequate system of internal control
   (d) adequate accounting and other records
   (e) compliance with statutory and regulatory obligations

6. Expansion of the Group's activities into new business or geographical areas.

7. Decision to cease to operate all or any material part of the Group's business or to cease to operate in any country that would result in the Group no longer having a presence in that country.

8. Any matters materially affecting the Group' overall reputation, including its brand and values.

(B) Structure and Capital

Changes relating to Group's capital structure including:-

1. share split, capital reduction, issuance of unsecured securities
2. new share issues (except pursuant to approved option scheme)
3. establishment of employees' share and/or performance option scheme(s)

(C) Financial Reporting and Controls

1. Approval of the announcements of the interim and final results.
2. Approval of Widetech's audited financial statement and annual report.
3. Approval of any significant changes in accounting policies or practices.

(D) Investment

1. Approval of major investment proposal, such as expansion of the Group's activities into new business, acquisitions, disposals and other contractual commitments entered into by the Group (not in the ordinary course of business).

(E) Communication

1. Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
2. Approval of all circulars, prospectuses and listing particulars.

(F) Board Membership and Other Appointments

1. Following recommendations from the Nomination Committee, changes to the structure, size and composition of the Board (including appointment, re-designation, resignation and removal).

2. Establishment of Board committees, membership and terms of reference.

3. Review the continuation in office of directors at the end of their term of office, when they are due for retirement by rotation and consider recommendation of Nomination Committee on the continuation of office of directors.

4. Appointment or removal of Company Secretary.

5. Appointment, reappointment or removal of external auditors and determination of their remuneration, upon recommendation from the Audit Committee.

(G) Remuneration

1. Review and approve the remuneration package for the Executive Directors upon recommendation from Remuneration Committee.

(H) Internal Controls and Governance

1. Review of the Group's internal controls and risk management, including the effectiveness of the system of internal controls, and consider significant risk issues referred to it.

2. Review of the Group's compliance with MCCG.

3. Approve prosecution, defence and settlement of major litigation involving more than 10% of the Group's latest audited net profit or otherwise material to the interests of the Group.

4. Review of the performance of the Board, its Committees and individual Directors.

1.2.2 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 Executive Director 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

Executive Directors are responsible for the day-to-day management of the business and operations of the Group in respect of both its regulatory and commercial functions. They are supported by the Management.

The Management's performance, under the leadership of the Executive Directors, 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, with the assistance from the internal audit, advises the Board to beef up the internal control system through a check and balance and highlighted on the high risk register faced by the Group and the adequacy of risk monitoring and control throughout the organisation. The AC reviews the action plan implemented and makes relevant recommendations to the Board to manage risks and improve the internal control system.

(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 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 at the corporate website.

(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 Company Secretaries

The Company Secretaries are qualified officers and meet the provision in Companies Act, 2016. The Directors have the unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Board is regularly updated and apprised by the Company Secretaries on relevant regulatory requirements, codes or new statutes issued from time to time, issued by the regulatory authorities. The Company Secretaries are MAICSA member, experienced and competent on statutory and regulatory requirements.

The Company Secretaries' roles are to:

a) Support the Board and Board Committees;
b) Update and advise the Board and its Committees on the Companies Act 2016, the Company's Articles of Association, MCCG and compliance with MMLR;
c) Maintenance of statutory records;
d) Serve notice to Directors and principal officers reminding them on trading in the Company's shares, during closed period in accordance with the MMLR;
e) Ensure the quarterly financial results and all other relevant announcements are released to Bursa Securities on a timely basis;
f) Play an important role in the annual and extraordinary general meetings in ensuring that the due processes and proceedings are in place and properly managed. During the meeting, the Company Secretaries will assist the Chairman and the Board in the conduct of the meetings and ensure the minutes are properly recorded, particularly questions and issues raised by the shareholders; and
g) Attend all Board and Committee meetings and ensure that all meetings are properly convened, accurate and proper records of the proceedings, and resolutions passed are taken and maintained in the statutory register of the Company.

The Company Secretaries also work closely with the Management to ensure that there are timely and appropriate information flows within and to the Board and Board Committees. The Company Secretaries also facilitate the communication of key decisions and policies between the Board, Board Committees and the Senior Management.

1.4 Supply of Information

The Board is supplied with timely information in the form and of a quality appropriate to enable it to discharge its duties. A structured agenda and comprehensive Board papers are circulated to all Directors at least three (3) days before meetings. Exceptions may be made for certain ad-hoc or urgent instances when Directors consent to shorter notice.

The Board recognizes that the decision-making process is highly contingent on the quality of information furnished. As such, all Directors have unrestricted access to any information pertaining to the Company and the Group. All the Directors are supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports or upon specific requests, for decisions to be made on an informed basis and effective discharge of Board's responsibilities. Where necessary, the Board may seek independent professional advice and information in the furtherance of their duties at the Company's expenses, so as to ensure the Directors are able to make independent and informed decisions. Minutes of each Board and Committee meeting and circular resolutions of the Board are kept at the registered office and are accessible by any Director during office hours.

BOARD CHARTER

The Board has adopted a Board Charter which defines the roles and responsibilities of the Board, its Committees, individual Directors and the Management. It also serves as a guide to Board members and senior management on the functions of the Board.

The Board Charter also defines the issues and decisions that are reserved for the Board. The Board Charter is available on the Company's corporate website at http://www.widetechbhd.com.my. The Board Charter which was last reviewed on 30 May 2018, shall be reviewed regularly or where the need arises, and/or updated from time to time to reflect changes to the Board's practices and amendments to the relevant rules, requirements and regulations.

BOARD COMMITTEE

Nomination Committee ("NC")

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

The composition of NC and their attendance records of NC meetings are as follows:-

Name of Director	Position	Meeting Attendance
Datuk Dr. Ng Been Ken (Senior Independent Director) (Re-designated as Chairman on 30/5/2018)	Chairman	2/2
Dato' Lim Sin Khong (Independent Director) (Re-designated as Member on 30/5/2018)	Member	2/2
Chen Keng Sam (Independent Director)	Member	2/2

The terms of reference of NC are uploaded on the corporate website at http://www.widetechbhd.com.my.

The main duties of NC as follows:-

1. 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.

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.

Any person appointed as a Director, either to fill a casual vacancy or as an addition to the existing Directors shall hold office only until the conclusion of the next annual general meeting, and shall be eligible for re-election but shall not be taken into account in determining the directors who are to retire by rotation at that meeting.

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:-

1. Probity, personal integrity and reputation – the person must have the personal qualities such as honesty, integrity, diligence and independence of mind and fairness.

2. Competence and capability – the person must have the necessary skills, ability and commitment to carry out the role.

2. Annual Assessment

The Board is tasked to review and evaluate its own performance and the performance of its Committees on an annual basis.

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 integrity and ethics, governance, strategic perspective, adding value, judgment and decision-making, teamwork, communication and commitment.

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.

3. Gender diversity policy

The Board acknowledges the recommendations of the MCCG on the establishment of a gender diversity policy. The Board has yet to formalize a policy on gender diversity but will adhere to the practice of non-discrimination of any form, whether based on age, race, religion or gender, throughout the group. This includes the selection of Board members. The Company believes in and provides equal opportunity to candidates with merit.

The Board, through the NC will consider the female representation when a vacancy arises. However, the appointment of a new Board member will not be guided solely by gender but will take into account the skills, experience, expertise, character, time commitment, integrity and other qualities in meeting the needs of the Company.

Remuneration Committee ("RC")

The composition of RC and their attendance records of RC meetings are as follows:-

Name of Director	Position	Meeting Attendance
Dato' Lim Sin Khong (Independent Director)	Chairman	2/2
Datuk Dr. Ng Been Ken (Senior Independent Director)	Member	2/2
Dato' Lim Kim Huat (resigned on 6.2.2018) (Executive Chairman)	Member	2/2
Mr Chen Keng Sam (appointed on 6.2.2018) (Independent Director)	Member	-

The terms of reference of RC are uploaded on the corporate website at http://www.widetechbhd.com.my.

The main duties and responsibilities of RC as follows:-

1. Remuneration Policies and Procedures of RC

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.

Details of the Directors' remunerations, fees and benefits payable to the Directors for the financial year ended 31 March 2018 are as follows:

WIDETECH	Salary	Bonus	Fee	Allowance	Benefit-in-kind	Total
Executive Director						
Dato' Lim Kim Huat	-	-	-	96,000	-	96,000
Tan Sri Dato' Cheng Joo Teik	-	-	-	96,000	-	96,000
Tan Sri Datuk Chu Sui Kiong	-	-	-	68,458	-	68,458
Mr. Loh Suan Phang	-	-	-	96,000	-	96,000
Mr. Tan Boon Seng	-	-	-	96,000	-	96,000
Non- Executive Director						
Mr. Kong Sin Seng	-	-	-	12,000	-	12,000
Datuk Dr. Ng Bee Ken	-	-	-	12,000	-	12,000
Dato' Lim Sin Khong	-	-	-	12,000	-	12,000
Mr. Chen Keng Sam	-	-	-	10,000	-	10,000
SUBSIDIARIES						
Executive Director						
Foo Toon Chai	219,291	37,770	-	-	-	257,061
Total	219,291	37,770	-	498,458	-	755,519

Reinforce Independence

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.

2 Tenure of Independent Directors

The Board has adopted a nine-year policy for Independent Non-Executive Directors. The Board would seek yearly shareholders' approval at the AGM if an Independent Director who has served in that capacity for more than nine years is to 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 recommend to the Board for recommendation to shareholders for approval. Justification for the Board's recommendation would be provided to shareholders.

3 Separation of the Positions of the Chairman and the Chief Executive Officer ("CEO")

Currently, the Company does not have a CEO. The Chairman leads the Board to ensure its effectiveness whereas the Executive Directors are responsible for the efficient and effective management of the business and operations of the Company.

Sustainability of Business

The Board is mindful of the importance of business sustainability and, in conducting the Group's business, the impact on the environmental, social, health and safety, staff welfare and governance aspects are taken into consideration. The Board takes heed of go green and energy saving by implementing several measures on sustainability.

Access to information and advice

The Board is supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports or upon specific requests, for decisions to be made on an informed basis and effective discharge of Board's responsibilities.

Good practices have been observed for timely dissemination of meeting agenda, including the relevant Board and Board Committee papers to all Directors prior to the Board and Board Committee meetings, to give effect to Board decisions and to deal with matters arising from such meetings. The Executive Directors and/or other relevant Board members furnish comprehensive explanation on pertinent issues and recommendations by Management. The issues are then deliberated and discussed thoroughly by the Board prior to decision making.

In addition, the Board members are updated on the Company's activities and its operations on a regular basis. All Directors have access to all information of the Company on a timely basis in an appropriate manner and quality necessary to enable them to discharge their duties and responsibilities.

Senior Management of the Group and external advisers are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda. Besides direct access to Management, Directors may obtain independent professional advice at the Company's expense, if considered necessary, in furtherance of their duties.

Foster Commitment

1.1 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 31/03/2018)
Dato' Lim Kim Huat	4/4
Tan Sri Dato' Cheng Joo Teik	3/4
Tan Sri Datuk Chu Sui Kiong	3/4
Tan Boon Seng	3/4
Loh Suan Phang	4/4
Kong Sin Seng	4/4
Datuk Dr. Ng Bee Ken	4/4
Dato' Lim Sin Khong	3/4
Chen Keng Sam	4/4

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.

1.2 Training

In compliance with MMLR, the Directors are mindful that they shall attend appropriate training which may be required from time to time to keep abreast with the current developments of the industry as well as the new statutory and regulatory requirements. The Board identifies the training needs of the Company's Directors based on feedback provided by the NC during the annual board evaluation. The Directors will continue to attend appropriate training or education to fulfill the MMLR.

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 duties 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.

During the financial year ended 31 March 2018, the Directors had attended the following which they considered vital in keeping abreast with changes in laws and regulations, business environment, and corporate governance development:-

i) Sun Tzu Art of Management and Leadership
ii) 18th China (Guangzhou) International Spring Industry Exhibition
iii) Updates on applicable amendments of Malaysian Financial Reporting Standards and International Financial Reporting Standards
iv) Updates an applicable amendments of MMLR, MCCG and Companies Act, 2016

EFFECTIVE AUDIT AND RISK MANAGEMENT

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.

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.

Details of statutory audit, audit-related and non-audit fees paid/payable in the financial year ended 31 March 2018 to the external auditors are set out below:-

Fees paid/payable to Grant Thornton Malaysia (RM)

Description	Company	Subsidiary	Total
Audit Fees	25,000	48,700	73,700
Non-Audit Fees	4,000	-	4,000
Total	29,000	48,700	77,700

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

3. 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.

4. Internal Audit Function

The Company has outsourced its internal audit function to a professional service 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 28 to 30 of this Annual Report provides the overview of the internal control framework adopted by the Company during the financial year ended 31 March 2018.

CORPORATE REPORTING AND RELATIONSHIP WITH SHAREHOLDERS

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 Executive Directors 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.

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.

Relationship between Company and Shareholders

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.

2. **Effective communication and proactive engagement**

   At the 33rd AGM, Directors were present in person to engage directly with, and be accountable to the shareholders for their stewardship of the Company. The Directors, the Chairman of NC, RC and AC, 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 strives to ensure that the Company complies with Principles and Best Practice of MCCG. The Board will endeavour to improve and enhance the Procedures from time to time.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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, during the financial year ended 31 March 2018. 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 the Malaysian Code on Corporate Governance, with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD'S RESPONSIBILITY

The Board 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.

In view of the 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 corporate 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, respective key management staff and Heads of Department are responsible for managing and reviewing risks of their departments. They are required to continuously monitor and identify new risks that may emerge from time to time through the use of a checklist of sources of risks. Having identified the risks, their potential impact and the likelihood of occurrence, these risk are further narrowed down to key risks.

Periodic management meetings, attended by Heads of Department and key management staff are held in which key risks and appropriate mitigating action plans and control strategies 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 formulates the Group's business strategies and re-evaluate the existing risk management practises, and where appropriate and necessary, revise such practises accordingly.

INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to a professional service firm, whose resources comprise of experienced degree holders and professionals from related disciplines, 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 2018, the internal audit function carried out an internal audit review on a subsidiary focusing on the adequacy of its Costing function. The results of the reviews were presented to the 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.

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 Audit Committee reviewed and discussed with the External Auditors their scope of work, audit plans and reporting requirements prior to the commencement of their audit of the Group. The external auditors provide assurance in the form of their statutory audit for the financial statements. Further areas for improvement during the course of the statutory audit by the external auditors are brought to the attention of the Audit Committee through management letters, or discussed at Audit Committee meetings.

4. 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.

5. Experienced and dedicated teams of personnel across key functional units.

6. Scheduled periodic management meetings are held to discuss the Group's performance, business operations issues, potential risks and control issues, as well as to formulate appropriate measures to address them to ensure business goals and targeted financial performance are closely monitored.

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

8. One of the Group's operations is ISO 9001:2015 and ISO 14001:2015 certified. With such certifications, audits are periodically conducted by external ISO auditors to ensure continuous compliance and enhancement of quality management system.

9. Regular site visits are conducted by the Executive Director and management team to the business units to ensure operations are running smoothly.

10. Whistleblowing policy is in place to provide an avenue to report suspected improprieties relating to fraud and unlawful conduct, abuse and non-adherence to Group's policy and procedures.

ASSOCIATES

In the case of material associate, the Group ensures that its interests and investments are safeguarded by having Board and Senior Management representations at the associate. Financial and operational information of material associate are provided regularly to the management of the Group for their review and enquiries thereon.

During the year, the Audit Committee carried out a review on the internal audit plan and reports of the material associate and the external auditors conducted a site visit to one of its major club in Nepal.

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

The Board has received assurance from the Executive Directors and the management team that the Group's risk management and internal control system are operating adequately and effectively in all material aspects, including systems for compliance with applicable laws, regulations, rules, directives and guidelines. The Board 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.

The Board will strive for continous improvement and enhancement in the Group's risk management and internal control system by putting in place appropriate action plans, where necessary, to ensure the acheivement of the Group's business objectives.

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 2018 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 2 July 2018.

The Board of Directors of Widetech (Malaysia) Berhad is committed to operate the Group's business in a responsible and sustainable manner to the environment, the community, our employees, our shareholders and other stakeholders.

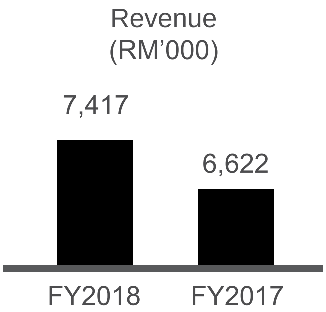
The Board oversees the Group's sustainability practices and is assisted by the respective Head of Department of the Group.

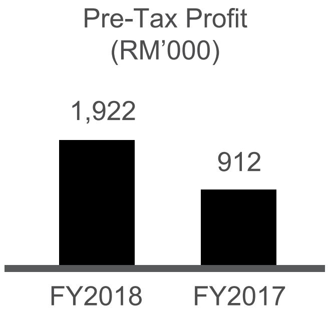
The scope for this report covers our manufacturing arm, Wire Master Spring Sdn Bhd, and associated company, Goldshore Capital Limited, which collectively contributed to 94.5% of the Group's pre-tax profit for the financial year ended 31 March 2018.

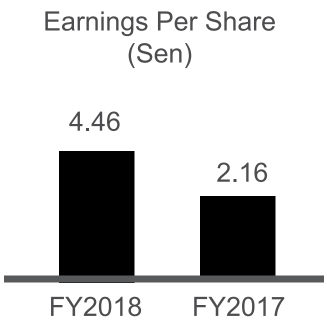
The identified key sustainability matters that greatly impacted the stakeholders' assessment and decisions are organised into economic, social and environmental considerations in line with Bursa Malaysia Sustainability Guidelines.

Economic

The Board recognizes the need to create long term positive economic value for our stakeholders.
The table below highlights the Group's economic performance in FY2018:







Environment

The Group is committed to playing its part for the conservation and protection of our environment.

The Group encourages our staff to adopt a paperless environment, recycling and energy conservation practices. Our manufacturing division is ISO14001 certified and complies with environmental laws and regulations. We strive to continuously improve our environmental best practices to mitigate any adverse impact to the environment.

Social

i) Our People

The Board recognises the importance of our staff 's contributions to the success of the Group.

As part of our efforts to equip and enhance our staff of different levels with the necessary knowledge and skills, the Group continuously provides training from time to time.

ii) Workplace Diversity

The Group embraces diversity in the workforce. We do not discriminate against race, age or gender in the provision of employment and development opportunities.

iii) Occupational Safety & Health

As part of our commitment to safeguard our staff, continuous efforts are undertaken in providing a conducive, safe and healthy work place for them in our business premises by adopting industry best practices on health and safety.

iv) Our Operations

The Group is committed to increasing customer satisfaction and quality excellence through continuous quality improvement in our products and services offering.

Our manufacturing division is ISO 9001 certified, which ensures continuous compliance and enhancement of our quality management system.

v) Our Society

Both the Board and staff affirmed their continuous support to various charitable organisations by way of donations for the needy.

CONCLUSION

The Board is committed to continually improve its integration of sustainability and social responsibility initiatives into the Group's business operations to ensure that our businesses operate in an efficient, ethical and responsible manner.

ADDITIONAL COMPLIANCE INFORMATION

1. **Utilisation of Proceeds**

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

2. **Material Contracts**

   There were no material contracts entered into by the Company and its subsidiaries involving directors' and major shareholders' interests at the end of the financial year ended 31 March 2018.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

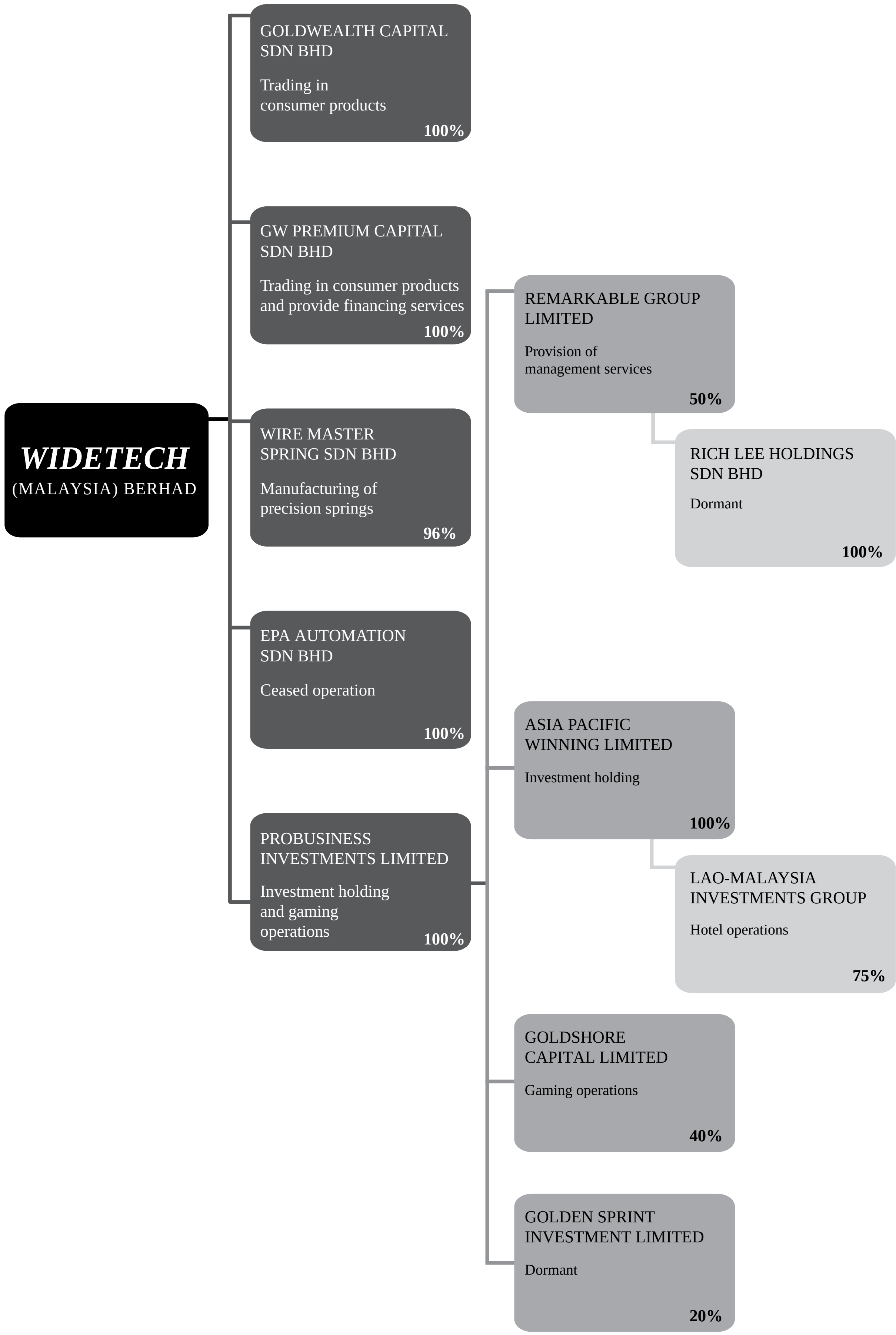
The Directors are required to prepare the financial statements that give a true and fair view of the state of affairs of the Company and of the Group at the end of each financial year and of the results and cashflow for that year. The financial statements must be prepared in compliance with the Companies Act 2016 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 2018, 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 2016 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.

CORPORATE STRUCTURE



FINANCIAL STATEMENTS

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2018.

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 except a subsidiary had been struck off during the financial year.

Financial results

	Group RM	Company RM
Profit/(Loss) for the financial year attributable to:-		
Owners of the Company	1,994,942	(1,283,466)
Non-controlling interest	(132,238)	-
	1,862,704	(1,283,466)

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 proposed, 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 name of the Directors of the Company in office during the financial year and during the period commencing from the end of the financial year to the date of this report are as follows:-
Dato' Lim Kim Huat
Tan Sri Dato' Cheng Joo Teik
Tan Sri Datuk Chu Sui Kiong
Loh Suan Phang
Tan Boon Seng
Kong Sin Seng
Dato' Lim Sin Khong
Datuk Dr. Ng Bee Ken
Chen Keng Sam

Subsidiaries	Name of Directors
Wire Master Spring Sdn. Bhd.	Tan Sri Dato' Cheng Joo Teik Tan Sri Datuk Chu Sui Kiong Dato' Lim Kim Huat Tan Boon Seng Loh Suan Phang Foo Toon Chai
Goldwealth Capital Sdn. Bhd.	Tan Sri Dato' Cheng Joo Teik Tan Sri Datuk Chu Sui Kiong Dato' Lim Kim Huat Tan Boon Seng Loh Suan Phang
GW Premium Capital Sdn. Bhd.	Tan Sri Dato' Cheng Joo Teik Tan Sri Datuk Chu Sui Kiong Dato' Lim Kim Huat Tan Boon Seng Loh Suan Phang
Probusiness Investments Limited	Tan Sri Dato' Cheng Joo Teik Tan Sri Datuk Chu Sui Kiong Dato' Lim Kim Huat Tan Boon Seng Loh Suan Phang
EPA Automation Sdn. Bhd.	Tan Sri Dato' Cheng Joo Teik Tan Sri Datuk Chu Sui Kiong Dato' Lim Kim Huat Loh Suan Phang Kong Sin Seng

Director's remuneration

During the financial year, the fees and other benefits received and receivable by the Directors of the Company are as follows:-

	Incurred by the Company RM	Incurred by the subsidiaries RM	Group RM
Directors' salaries and other emoluments	46,000	681,209	727,209
Directors' other benefits	-	28,310	28,310
	46,000	709,519	755,519

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects 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.

Directors' interests in shares

According to the register of Director's shareholdings required to the kept under Section 59 of the Companies Act 2016, the interests in the ordinary shares of the Company and its related corporation of those who were Directors as at year end are as follows:-

	Ordinary shares			
	Balance at 1.4.2017/ At date of appointment	**Bought**	**(Sold)**	**Balance at 31.3.2018**
The Company				
Direct interest				
Tan Sri Dato' Cheng Joo Teik				
- own	200,000	-	-	200,000
- others @	1,559,900	-	-	1,559,900
Tan Sri Datuk Chu Sui Kiong	737,736	-	-	737,736
Loh Suan Phang	2,011,300	-	-	2,011,300
Dato' Lim Sin Khong	413,514	-	-	413,514
Tan Boon Seng	827,032	-	-	827,032
Dato' Lim Kim Huat	271,749	-	-	271,749
Indirect interest				
Tan Sri Dato' Cheng Joo Teik @	4,198,952	-	-	4,198,952
Tan Sri Datuk Chu Sui Kiong *	8,030,652	-	-	8,030,652
Tan Boon Seng *	8,030,652	-	-	8,030,652
Dato' Lim Sin Khong #	2,007,664	-	-	2,007,664
Chen Keng Sam (held by spouse)	197,900	-	-	197,900
Subsidiaries				
Direct interest				
Tan Sri Dato' Cheng Joo Teik				
- Wire Master Spring Sdn. Bhd.				
- own	1	-	-	1
Indirect interest				
Tan Sri Datuk Chu Sui Kiong				
- Wire Master Spring Sdn. Bhd.	1,439,998	-	-	1,439,998
Tan Boon Seng				
- Wire Master Spring Sdn. Bhd.	1,439,998	-	-	1,439,998

Directors' interests (Cont'd)

	Ordinary shares			
Subsidiaries	**Balance at 1.4.2017/ At date of appointment**	**Bought**	**(Sold)**	**Balance at 31.3.2018**
Indirect interest				
Tan Sri Datuk Chu Sui Kiong				
- Remarkable Group Limited	1	-	-	1
- Lao-Malaysia Investments Group	750,000	-	-	750,000
Tan Boon Seng				
- Remarkable Group Limited	1	-	-	1
- 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 59 (11) (c) of the Companies Act 2016.
* Deemed interest by virtue of the shareholding in Distinct Rich Sdn. Bhd.
# Deemed interest by virtue of the shareholdings in Actual Ace Sdn. Bhd.

By virtue of their interest in the shares of the Company, Tan Sri Dato' Cheng Joo Teik, Tan Sri Datuk Chu Sui Kiong and Tan Boon Seng 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 2018 had any interest in the ordinary shares of the Company and its related corporations during the financial year.

Issue of shares and debentures

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

There were no debentures issued during the financial year.

Options granted over unissued shares

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

Indemnity and insurance for Directors and officers

The amount of indemnity coverage and insurance premium paid for Directors and officers of the Company during the financial year amounted to RM15,000,000 and RM16,915 respectively.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and satisfied themselves that adequate provision had been made for doubtful debts and there were no bad debts to be written off; 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 it necessary to written off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; 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.

Auditors

The total amount of fees paid to or receivable by the Auditors, Messrs Grant Thornton Malaysia, as remuneration for their services as auditors of the Company and its subsidiaries for the financial year ended 31 March 2018 amounted to RM29,000 and RM48,700 respectively.

There was no indemnity given to or insurance effected for the auditors of the Company.

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

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

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TAN SRI DATO' CHENG JOO TEIK)
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DATO' LIM KIM HUAT)

Kuala Lumpur

12 July 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2018

	Note	2018 RM	2017 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	10,449,072	11,213,653
Investment in associates	6	-	-
Receivables	7	-	139,361
Deferred tax assets	8	300,000	359,000
Total non-current assets		10,749,072	11,712,014
Current assets			
Inventories	9	1,127,288	878,498
Receivables, deposits and prepayments	7	1,394,731	1,309,665
Amount due from associates	10	2,680,864	2,622,352
Tax recoverable		125,600	65,000
Cash and cash equivalents	11	22,697,512	21,728,814
Total current assets		28,025,995	26,604,329
Total assets		38,775,067	38,316,343
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	44,885,567	44,885,567
Reserves	13	(10,000,050)	(11,048,039)
Total equity attributable to owners of the Company		34,885,517	33,837,528
Non-controlling interest	14	(512,830)	(486,213)
Total equity		34,372,687	33,351,315
LIABILITIES			
Non-current liabilities			
Borrowings	15	2,706,347	3,058,423
Total non-current liability		2,706,347	3,058,423
Current liabilities			
Payables and accruals	16	1,343,337	1,566,951
Borrowings	15	352,696	339,654
Total current liabilities		1,696,033	1,906,605
Total liabilities		4,402,380	4,965,028
Total equity and liabilities		38,775,067	38,316,343

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 2018

	Note	2018 RM	2017 RM
Revenue	17	7,417,230	6,621,752
Changes in manufactured inventories		115,196	93,753
Raw materials and consumables used		(2,042,113)	(1,417,694)
Staff costs	18	(2,909,332)	(2,751,934)
Depreciation of property, plant and equipment	4	(1,004,763)	(1,033,689)
Operating expenses		(2,123,937)	(2,110,118)
Other operating income		1,222,985	764,149
Operating profit		675,266	166,219
Finance costs		(175,382)	(194,728)
Share of profit on associate		1,421,820	940,959
Profit before tax	19	1,921,704	912,450
Tax expense	20	(59,000)	(68,158)
Profit for the financial year		1,862,704	844,292
Other comprehensive income			
Item that will be reclassified subsequently to profit or loss			
- Exchange translation differences		(841,332)	1,462,628
Total comprehensive income for the financial year		1,021,372	2,306,920
Profit for the financial year attributable to:-			
Owners of the Company		1,994,942	968,731
Non-controlling interest		(132,238)	(124,439)
Profit for the financial year		1,862,704	844,292
Total comprehensive income attributable to:-			
Owners of the Company		1,047,989	2,534,801
Non-controlling interest		(26,617)	(227,881)
Profit for the financial year		1,021,372	2,306,920
Basic earnings per ordinary share (sen)	21	4.46	2.16

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 March 2018

	← Attributable to owners of the Company →						
		← Non-distributable →					
	Share capital RM	Share premium RM	Exchange fluctuation reserve RM	Accumulated losses RM	Total RM	Non-controlling interest RM	Total equity RM
At 1 April 2016	44,753,400	132,167	3,342,034	(16,924,874)	31,302,727	(258,332)	31,044,395
Total comprehensive income for the financial year	-	-	1,566,070	968,731	2,534,801	(227,881)	2,306,920
Transition to no-par value regime on 31 January 2017	132,167	(132,167)	-	-	-	-	-
At 31 March 2017	44,885,567	-	4,908,104	(15,956,143)	33,837,528	(486,213)	33,351,315
Total comprehensive income for the financial year	-	-	(946,953)	1,994,942	1,047,989	(26,617)	1,021,372
At 31 March 2018	44,885,567	-	3,961,151	(13,961,201)	34,885,517	(512,830)	34,372,687

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

CONSOLIDATED STATEMENT OF CASH FLOWS
for the financial year ended 31 March 2018

	Note	2018 RM	2017 RM
Cash flows from operating activities			
Profit before tax		1,921,704	912,450
Adjustments for:-			
Allowance for obsolete inventories		19,877	8,673
Bad debts written off		-	132,979
Depreciation of property, plant and equipment		1,004,763	1,033,689
Fair value adjustment on trade receivables recognised in profit or loss		(15,052)	(47,974)
Gain on disposal of property, plant and equipment		(1,267)	(73,133)
Interest expense		175,382	194,728
Property, plant and equipment written off		47	223
Waiver of debts due from a director		(112,878)	-
Share of result of associate		(1,421,820)	(940,959)
Interest income		(702,989)	(622,562)
Unrealised (gain)/loss on foreign exchange		(18,383)	20,108
Operating profit before changes in working capital		849,384	618,222
Changes in working capital:-			
Associates		1,363,308	396,954
Inventories		(268,667)	(201,225)
Payables and accruals		(223,614)	(1,328,005)
Receivables, deposits and prepayments		(448,400)	3,718,776
Cash generated from operations		1,272,011	3,204,722
Tax paid		(60,600)	(35,707)
Net cash from operating activities		1,211,411	3,169,015

	Note	2018 RM	2017 RM
Cash flows from investing activities			
Interest received		702,989	622,562
Proceeds from disposal of property, plant and equipment		1,267	73,519
Purchase of property, plant and equipment	A	(450,936)	(781,589)
Net cash from/(used in) investing activities		253,320	(85,508)
Cash flows from financing activities			
Repayment of finance lease liabilities		(51,585)	(33,668)
Repayment of term loans		(287,449)	(270,059)
Interest paid		(175,382)	(194,728)
Net cash used in financing activities		(514,416)	(498,455)
Net increase in cash and cash equivalents		950,315	2,585,052
Effect of exchange rate changes		18,383	(20,108)
Cash and cash equivalents at 1 April		21,728,814	19,163,870
Cash and cash equivalents at 31 March (Note 11)		22,697,512	21,728,814

NOTES

A. Purchase of Property, Plant and Equipment

The Group acquired property, plant and equipment with an aggregate cost of RM450,936 (2017: RM936,389) of which Nil (2017: RM154,800) was acquired by means of finance lease arrangement. Cash payment of RM450,936 (2017: RM781,589) was made to purchase property, plant and equipment.

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

STATEMENT OF FINANCIAL POSITION
as at 31 March 2018

	Note	2018 RM	2017 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	5,338,825	5,470,988
Investments in subsidiaries	5	3,975,004	3,975,004
Total non-current assets		9,313,829	9,445,992
Current assets			
Receivables, deposits and prepayments	7	1,236,786	3,577,791
Cash and cash equivalents	11	13,198,775	12,288,511
Total current assets		14,435,561	15,866,302
Total assets		23,749,390	25,312,294
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	44,885,567	44,885,567
Reserves	13	(24,271,692)	(22,988,226)
Total equity		20,613,875	21,897,341
LIABILITIES			
Non-current liability			
Borrowings	15	2,688,425	2,988,896
Total non-current liability		2,688,425	2,988,896
Current liabilities			
Payables and accruals	16	146,019	138,008
Borrowings	15	301,071	288,049
Total current liabilities		447,090	426,057
Total liabilities		3,135,515	3,414,953
Total equity and liabilities		23,749,390	25,312,294

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 2018

	Note	2018 RM	2017 RM
Revenue	17	659,064	659,064
Staff costs	18	(353,423)	(310,463)
Depreciation of property, plant and equipment	4	(138,776)	(134,470)
Operating expenses		(2,952,689)	(373,672)
Other operating income		1,664,069	3,039,300
Finance costs		(161,711)	(179,101)
(Loss)/Profit before tax	19	(1,283,466)	2,700,658
Tax expense	20	-	-
(Loss)/Profit for the financial year		(1,283,466)	2,700,658
Other comprehensive income		-	-
Total comprehensive (loss)/ income for the financial year		(1,283,466)	2,700,658

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

STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 March 2018

		← Non-distributable →		
	Share capital RM	Share premium RM	Accumulated losses RM	Total RM
At 1 April 2016	44,753,400	132,167	(25,688,884)	19,196,683
Total comprehensive income for the financial year	-	-	2,700,658	2,700,658
Transition to no-par value regime on 31 January 2017	132,167	(132,167)	-	-
At 31 March 2017	44,885,567	-	(22,988,226)	21,897,341
Total comprehensive loss for the financial year	-	-	(1,283,466)	(1,283,466)
At 31 March 2018	44,885,567	-	(24,271,692)	20,613,875

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

STATEMENT OF CASH FLOWS
for the financial year ended 31 March 2018

	2018 RM	2017 RM
Cash flows from operating activities		
(Loss)/Profit before tax	(1,283,466)	2,700,658
Adjustments for:-		
Gain on disposal of property, plant and equipment	(500)	-
Property, plant and equipment written off	47	-
Reversal of impairment loss on amount due from subsidiary	(1,228,257)	-
Depreciation of property, plant and equipment	138,776	134,470
Interest expense	161,711	179,101
Unrealised loss/(gain) on foreign exchange	2,579,513	(2,663,334)
Interest income	(435,312)	(375,966)
Operating loss before changes in working capital	(67,488)	(25,071)
Changes in working capital:-		
Receivables, deposits and prepayments	989,749	2,895,442
Payables and accruals	8,011	4,248
Net cash from operating activities	930,272	2,874,619
Cash flows from investing activities		
Interest received	435,312	375,966
Proceed of disposal of property, plant and equipment	500	-
Purchase of property, plant and equipment	(6,660)	(11,818)
Net cash from investing activities	429,152	364,148
Cash flows from financing activities		
Interest paid	(161,711)	(179,101)
Repayment of term loans	(287,449)	(270,059)
Net cash used in financing activities	(449,160)	(449,160)
Net increase in cash and cash equivalents	910,264	2,789,607
Cash and cash equivalents at 1 April	12,288,511	9,498,904
Cash and cash equivalents at 31 March (Note 11)	13,198,775	12,288,511

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 Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur and the principal place of business of the Company is located at K-09-01, Block K, 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 principal activities of the Company and its subsidiaries except a subsidiary that had been struck off 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 12 July 2018.

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 requirements of Companies Act, 2016 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.

2. BASIS OF PREPARATION (CONT'D)

2.2 Basis of measurement (cont'd)

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:-

Level 1	-	Quoted (unadjusted) 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 and all values are rounded to the nearest RM except when otherwise stated.

2.4 Adoption of Amendments/Improvements to MFRSs

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

At the beginning of the current financial year, the Group and the Company adopted amendments/ improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 April 2017.

Initial application of the amendments/improvements to the standards did not have material impact to the financial statements, except for:-

Amendments to MFRS 107 Statement of Cash Flows: Disclosure Initiative

The Group and the Company have applied these amendments for the first time in the current year. The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The information are provided in Note 26. Consistent with the transition provisions of the amendments, the Group and the Company have not disclosed comparative information for the prior period.

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 Malaysian Accounting Standards Board but are not yet effective, and have not been adopted early by the Group and the Company.

Management anticipates that all relevant pronouncement 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 have impact on 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 company's financial statements.

2. BASIS OF PREPARATION (CONT'D)

2.5 Standards Issued But Not Yet Effective (cont'd)

The initial application of above standards, amendments and interpretations are not expected to have any financial impacts to the financial statements, except for:-

MFRS 9 Financial Instruments – effective 1 January 2018

MFRS 9 Financial Instruments replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. MFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Group plan to adopt the new standard on the required effective date and will not restate comparative information for first time in the current year. During 2018, the Group has performed a detailed impact assessment of all three aspects of MFRS 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group in 2019 when the Group will adopt MFRS 9. Overall, the Group expects no significant impact on its statements of financial position and equity except for the effect of applying the impairment requirements of MFRS 9. The Group expects an increase in the loss allowance resulting in a negative impact on equity as discussed below. In addition, the Group will implement changes in classification of certain financial instruments.

i. Classification and measurement of financial assets

The Group does not expect a significant impact on its statements of financial position or equity on applying the classification and measurement requirements of MFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value. Quoted equity shares currently held as available-for-sale (AFS) with gains and losses recorded in OCI will, instead, be measured at fair value through profit or loss, which will increase volatility in recorded profit or loss.

The equity shares in non-listed companies are intended to be held for the foreseeable future. No impairment losses were recognised in profit or loss during prior periods for these investments. The Group will apply the option to present fair value changes in OCI, and, therefore the application of MFRS 9 would not have a significant impact.

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under MFRS 9. Therefore, reclassification for these instruments is not required.

ii. Impairment

MFRS 9 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group will apply the simplified approach and record lifetime expected losses on all trade receivables. The Group does not expect a significant impact on its statements of financial position.

2. BASIS OF PREPARATION (CONT'D)

2.5 Standards Issued But Not Yet Effective (cont'd)

The initial application of above standards, amendments and interpretation are not expected to have any financial impacts to the financial statements, except for (cont'd):-

MFRS 15 Revenue from Contracts with Customers – effective 1 January 2018

MFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under MFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018, with early adoption permitted. The Group plans to adopt the new standard on the required effective date using the full retrospective method. During 2018, the Group performed a preliminary assessment of MFRS 15, which was continued with a more detailed analysis completed in 2019.

The Group is in the business of providing sales of precision springs, consumer products, leisure, rental and management of hotel. The abovementioned are sold both on their own in separate identified contracts with customers services.

i. Sale of goods

For contracts with customers in which the sale of precision springs is generally expected to be the only performance obligation, adoption of MFRS 15 is not expected to have any impact on the Group's revenue and profit or loss. The Group expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

ii. Rendering of services

The Group and the Company has provide services for leisure, rental and management of hotel. The Group and the Company recognises service revenue at a point in time.

The Group concluded that the services are satisfied at a point in time given that the customer simultaneously receives and consumes the benefits provided by the Group. Consequently, under MFRS 15 the Group would continue to recognise revenue for these services at a point of time.

Adoption of MFRS is not expected to have any impact on the Group's and the Company's revenue and profit or loss as the Group and the Company expects the revenue recognition at a point in time.

MFRS 16 Leases – effective 1 January 2019

MFRS 16 replaces MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

2. BASIS OF PREPARATION (CONT'D)

2.5 Standards Issued But Not Yet Effective (cont'd)

The initial application of above standards, amendments and interpretation are not expected to have any financial impacts to the financial statements, except for (cont'd):-

16 Leases – effective 1 January 2019 (cont'd)

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under MFRS 16 is substantially unchanged from today's accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

MFRS 16 also requires lessees and lessors to make more extensive disclosures than under MFRS 117.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies MFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

The Group plans to assess the potential effect of MFRS 16 on its consolidated financial statements in 2018.

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, 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 judgement, 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 2018, 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.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty (cont'd)

Information about significant judgement, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:- (cont'd)

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences 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.

Inventories

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

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 7 to the financial statements.

2.6.2 Significant management judgement

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.2 Significant management judgement (cont'd)

Leases

In applying the classification of leases in MFRS 117, management considers some of its leases of leasehold land as finance lease arrangements. The lease transaction is not always conclusive, and management uses judgement in determining whether the lease is a finance lease arrangement that transfers substantially all the risks and rewards incidental to ownership, whether the lease term is for the major part of the economic life of the asset even if title is not transferred and others in accordance with MFRS 117 Leases.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Goodwill (cont'd)

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.

3.3 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 statements 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Associates (cont'd)

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 statements 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.

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 remeasured. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Property, plant and equipment and depreciation (cont'd)

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%

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 the 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.

3.9.2 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 date 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment of assets (cont'd)

3.9.2 Financial assets (cont'd)

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.

3.10 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Financial instruments (cont'd)

3.10.1 Financial assets – categorisation and subsequent measurement

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.

3.10.2 Financial liabilities – categorisation and subsequent measurement

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Financial instruments (cont'd)

3.10.2 Financial liabilities – categorisation and subsequent measurement (cont'd)

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.

At the reporting date, the Group and the Company carried only other financial liabilities on their statements of financial position.

Other financial liabilities

The Group's and the Company's other 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 and short term demand deposits which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

3.12 Tax expense

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

3.12.1 Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

3.12.2 Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Tax expense (cont'd)

3.12.2 Deferred tax (cont'd)

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.

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

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.

3.15 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Foreign currency translations (cont'd)

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.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Revenue recognition (cont'd)

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.

3.17 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Employee benefits (cont'd)

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.

Retained earnings include all current and prior period retained profits.

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

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 23 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.21 Goods and Services Tax

Goods and Services Tax ("GST") is a consumption tax based on value-added concept. GST is imposed on goods and services at every production and distribution stage in the supply chain including importation of goods and services, at the applicable tax rate of 6%. Input GST that the Company paid on purchases of business inputs can be deducted from output GST.

Revenues, expenses and assets are recognised net of the amount of GST except:-

- Where the GST incurred in a purchase of assets or services is not recoverable from the authority, in which case the GST is recognised as part of the cost of acquisition of the assets or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3.22 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 party is related for an entity if:-

(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 Company or an entity related to the Company;
    (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 entity or is a member of the key management personnel of the Company or of the parents of the Company; or
    (viii) the entity, or any member of a company of which it is a part, provides key management personnel services to the Company or to the parents of the Company.

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
Cost						
At 1 April 2016	1,899,466	16,246,445	2,482,311	3,923,155	304,733	24,856,110
Additions	-	9,403	555,874	143,219	227,893	936,389
Disposals	-	-	-	(4,100)	(181,836)	(185,936)
Written off	-	-	(3,109)	(104,662)	-	(107,771)
Translation differences	129,498	765,531	-	251,600	12,846	1,159,475
At 31 March 2017	2,028,964	17,021,379	3,035,076	4,209,212	363,636	26,658,267
Additions	-	-	276,885	161,094	12,957	450,936
Disposals	-	-	-	(23,427)	-	(23,427)
Written off	-	-	-	(38,518)	-	(38,518)
Translation differences	(140,002)	(828,791)	-	(287,718)	(13,888)	(1,270,399)
At 31 March 2018	1,888,962	16,192,588	3,311,961	4,020,643	362,705	25,776,859

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

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
Depreciation and impairment loss						
At 1 April 2016	437,163	6,923,145	2,476,426	3,682,244	283,388	13,802,366
Depreciation for the financial year	36,209	798,430	45,457	112,518	41,075	1,033,689
Disposals	-	-	-	(3,715)	(181,835)	(185,550)
Written off	-	-	(3,102)	(104,446)	-	(107,548)
Translation differences	22,447	635,759	-	230,605	12,846	901,657
At 31 March 2017	495,819	8,357,334	2,518,781	3,917,206	155,474	15,444,614
Depreciation for the financial year	36,104	652,689	157,838	105,907	52,225	1,004,763
Disposals	-	-	-	(23,427)	-	(23,427)
Written off	-	-	-	(38,471)	-	(38,471)
Translation differences	(27,067)	(757,071)	-	(261,666)	(13,888)	(1,059,692)
At 31 March 2018	504,856	8,252,952	2,676,619	3,699,549	193,811	15,327,787
Net carrying amounts						
At 31 March 2018	1,384,106	7,939,636	635,342	321,094	168,894	10,449,072
At 31 March 2017	1,533,145	8,664,045	516,295	292,006	208,162	11,213,653

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

Company	Buildings RM	Furniture, fixtures and office equipment RM	Total RM
Cost			
At 1 April 2016	6,615,548	1,431,817	8,047,365
Additions	-	11,818	11,818
Transfer from a subsidiary	-	13,637	13,637
At 31 March 2017	6,615,548	1,457,272	8,072,820
Additions	-	6,660	6,660
Disposal	-	(4,102)	(4,102)
Written off	-	(38,518)	(38,518)
At 31 March 2018	6,615,548	1,421,312	8,036,860
Accumulated depreciation			
At 1 April 2016	1,037,488	1,429,874	2,467,362
Depreciation for the financial year	132,311	2,159	134,470
At 31 March 2017	1,169,799	1,432,033	2,601,832
Depreciation for the financial year	132,311	6,465	138,776
Disposal	-	(4,102)	(4,102)
Written off	-	(38,471)	(38,471)
At 31 March 2018	1,302,110	1,395,925	2,698,035
Net carrying amounts			
At 31 March 2018	5,313,438	25,387	5,338,825
At 31 March 2017	5,445,749	25,239	5,470,988

(i) Assets under finance lease

Included under property, plant and equipment of the Group are motor vehicles with carrying amount of RM145,564 (2017: RM190,902) acquired under finance lease installment plans.

(ii) Security

The buildings of the Group and of the Company with the carrying amount of RM5,313,438 (2017: RM5,445,749) respectively are pledged for banking facilities (Note 15).

5. INVESTMENTS IN SUBSIDIARIES

	Company 2018 RM	Company 2017 RM
Unquoted shares, at cost	5,708,544	5,708,544
Less : Allowance for impairment loss	(1,733,540)	(1,733,540)
	3,975,004	3,975,004

Details of the subsidiaries are as follows:-

Name of subsidiaries	Place of incorporation	Equity Ownership interest 2018	Equity Ownership interest 2017	Principal activities
Wire Master Spring Sdn. Bhd.	Malaysia	96%	96%	Manufacturing of precision springs
EPA Automation Sdn. Bhd.	Malaysia	100%	100%	Ceased operations
Goldwealth Capital Sdn. Bhd.	Malaysia	100%	100%	Trading in consumer products
GW Premium Capital Sdn.Bhd.	Malaysia	100%	100%	Trading in consumer products and providing financing services
Probusiness Investments Limited	British Virgin Islands	100%	100%	Investment holding and gaming operations
Subsidiaries of Probusiness Investments Limited				
- Remarkable Group Limited #	British Virgin Islands	-	50%	Provision of club equipment and management services for gaming operations
- Asia Pacific Winning Limited	British Virgin Islands	100%	100%	Investment holding

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiaries	Place of incorporation	Equity Ownership interest 2018	Equity Ownership interest 2017	Principal activities
Subsidiary of Asia Pacific Winning Limited				
- Lao-Malaysia Investments Group	Republic of Laos	75%	75%	Hotel operations
Subsidiary of Remarkable Group Limited				
- Rich Lee Holdings Sdn. Bhd. *	Malaysia	-	100%	Dormant

\# The subsidiary has been struck off on 1 May 2017.
* The subsidiary has been written off on 1 May 2017.

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	Lao-Malaysia Investments Group	Total
2018				
NCI percentage of ownership interests and voting interest (%)	4%	50%	25%	
Carrying amount of NCI (RM)	225,342	-	(738,172)	(512,830)
Loss allocated to NCI (RM)	(2,466)	(10,367)	(119,405)	(132,238)
2017				
NCI percentage of ownership interests and voting interest (%)	4%	50%	25%	
Carrying amount of NCI (RM)	227,808	50,227	(764,248)	(486,213)
Profit/(Loss) allocated to NCI (RM)	1,380	(41,071)	(84,748)	(124,439)

5. INVESTMENTS 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	Lao-Malaysia Investments Group RM	Total RM
2018				
Financial position as at 31 March				
Non-current assets	4,708,156	-	1,278,673	5,986,829
Current assets	2,571,352	-	573,775	3,145,127
Non-current liabilities	(17,922)	-	-	(17,922)
Current liabilities	(1,628,441)	-	(6,091,441)	(7,719,882)
Net assets	5,633,145	-	(4,238,993)	1,394,152
Summary of financial performance for the financial year ended 31 March				
Loss for the financial year	(61,651)	(4)	(477,620)	(539,275)
Other comprehensive (loss)/income	-	(79,719)	581,922	502,203
Total comprehensive (loss)/income	(61,651)	(79,723)	104,302	(37,072)
Included in the total comprehensive income is:-				
Revenue	5,094,907	-	1,290,927	6,385,834
Summary of cash flows for the financial year ended 31 March				
Net cash (outflow)/inflow from				
- operating activities	(248,337)	-	886,240	637,903
- investing activities	220,856	-	(83,362)	137,494
- financing activities	(56,292)	-	(1,097,492)	(1,153,784)
Net cash outflow	(83,773)	-	(294,614)	(378,387)

5. INVESTMENTS 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	Lao-Malaysia Investments Group RM	Total RM
2017				
Financial position as at 31 March				
Non-current assets	4,723,880	3	1,961,032	6,684,915
Current assets	1,900,377	-	885,647	2,786,024
Non-current liabilities	(69,527)	-	-	(69,527)
Current liabilities	(859,543)	-	(7,189,974)	(8,049,517)
Net assets	5,695,187	3	(4,343,295)	1,351,895
Summary of financial performance for the financial year ended 31 March				
Profit/(Loss) for the financial year	34,506	(82,141)	(338,993)	(386,628)
Other comprehensive income/(loss)	-	36,795	(487,358)	(450,563)
Total comprehensive income/(loss)	34,506	(45,346)	(826,351)	(837,191)
Included in the total comprehensive income is:-				
Revenue	4,276,399	-	1,592,299	5,868,698
Summary of cash flows for the financial year ended 31 March				
Net cash inflow/(outflow) from				
- operating activities	237,493	203,433	(351,443)	89,483
- investing activities	(411,671)	-	(133,604)	(545,275)
- financing activities	(36,614)	(203,434)	695,887	455,839
Net cash (outflow)/inflow	(210,792)	(1)	210,840	47

6. INVESTMENT IN ASSOCIATES

	Group 2018 RM	Group 2017 RM
Unquoted shares outside Malaysia, at cost	1,987,379	1,987,379
Share of post acquisition loss	(1,987,379)	(1,987,379)
	-	-
Represented by:-		
Share of net assets	-	-

Details of the associate are as follows:-

Name of associates	Place of incorporation	Equity Ownership interest 2018	Equity Ownership interest 2017	Principal activities
Goldshore Capital Limited*	British Virgin Islands	40%	40%	Gaming operations
Golden Sprint Investment Limited*	British Virgin Islands	20%	20%	Dormant

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

The summarised financial information of the associates are as follows:-

	Group 2018 RM	Group 2017 RM
Assets and liabilities:-		
Non-current assets	4,470,576	5,138,839
Current assets	4,109,611	2,577,342
Current liabilities	(16,780,165)	(20,769,030)
Net liabilities	(8,199,978)	(13,052,849)
Revenue	4,694,030	3,659,633
Profit for the financial year/Total comprehensive income	3,553,441	2,350,668
Group's share of results for the financial year ended 31 March		
Group's share of income/total comprehensive income	1,421,820	940,959
Other information		
Dividend received	-	-

The associates have no capital commitments and contingent liabilities as at the reporting date.

7. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	Group 2018 RM	Group 2017 RM	Company 2018 RM	Company 2017 RM
Non-current					
Trade					
Trade receivables		-	100,603	-	-
Less : Unearned service charges		-	(9,216)	-	-
Fair value adjustment		-	47,974	-	-
Total non-current receivables		-	139,361	-	-
Current					
Trade					
Trade receivables		1,150,999	1,088,567	-	-
Less : Unearned service charges		-	(59,649)	-	-
		1,150,999	1,028,918	-	-
Less : Allowance for impairment loss		(9,049)	(10,359)	-	-
		1,141,950	1,018,559	-	-
Non-trade					
Amounts due from subsidiaries		-	-	18,116,803	21,685,969
Less : Allowance for impairment loss		-	-	(16,993,393)	(18,221,650)
	7.1	-	-	1,123,410	3,464,319
Non-trade					
Other receivables	7.2	5,072,493	5,102,574	5,000,000	5,000,000
GST receivables		8,266	41,813	4,256	4,362
Deposits		122,427	100,107	82,869	82,869
Prepayments		49,595	46,612	26,251	26,241
Less : Allowance for impairment loss		(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
		252,781	291,106	113,376	113,472
Total current receivables		1,394,731	1,309,665	1,236,786	3,577,791

7. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Brought forward	10,359	34,430	-	-
Written off	-	(25,284)	-	-
Translation differences	(1,310)	1,213	-	-
Carried forward	9,049	10,359	-	-

The normal trade credit terms granted by the Group to the trade receivables range from 30 to 90 days (2017: 30 to 90 days).

Included in the trade receivables was an amount of Nil (2017: RM484,390) bearing interest rate of Nil (2017: 10.49%) per annum.

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

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Brought forward	5,000,000	5,000,000	23,221,650	23,221,650
Impairment loss reversed	-	-	(1,228,257)	-
Carried forward	5,000,000	5,000,000	21,993,393	23,221,650

7.1 Amounts due from subsidiaries

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

7.2 Other receivables

Included in other receivables of the Group and of the Company is an amount of RM5,000,000 (2017: RM5,000,000) respectively due from a third party which is unsecured, interest free and repayable on demand. Allowance for impairment loss has been fully made as at reporting date.

8. DEFERRED TAXATION

8.1 Deferred tax liabilities/(assets)

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

	At 1 April 2016 RM	Recognised in profit or loss RM	At 31 March 2017 RM	Recognised in profit or loss RM	At 31 March 2018 RM
Group					
Carrying amount of qualifying property, plant and equipment in excess of their tax base	(406,154)	107,154	(299,000)	37,000	(262,000)
Unabsorbed capital allowance	(20,917)	(39,083)	(60,000)	22,000	(38,000)
	(427,071)	68,071	(359,000)	59,000	(300,000)
		Note 20		**Note 20**	

8.2 Deferred tax assets not recoginsed

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

	Group 2018 RM	Group 2017 RM
Unutilised tax losses	(2,417,000)	(2,495,000)
Unabsorbed capital allowances	(317,000)	(317,000)
Property, plant and equipment	9,000	17,000
	(2,725,000)	(2,795,000)

	Company 2018 RM	Company 2017 RM
Unutilised tax losses	(852,000)	(975,000)
Unabsorbed capital allowances	(256,000)	(256,000)
Property, plant and equipment	9,000	17,000
	(1,099,000)	(1,214,000)

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.

9. INVENTORIES

	Group	
	2018	2017
	RM	RM
Raw materials	799,329	674,542
Finished goods	327,959	203,956
	1,127,288	878,498
Recognised in profit and loss:-		
Inventories recognised as cost of sales	1,284,272	1,017,910
Allowance for obsolete inventories	19,877	8,673

10. AMOUNT DUE FROM ASSOCIATES

	Group	
	2018	2017
	RM	RM
Amount due from associates	5,548,927	7,429,611
Share of post acquisition loss	(2,868,063)	(4,807,259)
	2,680,864	2,622,352

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

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

11. CASH AND CASH EQUIVALENTS

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Short-term deposits with licensed banks and financial institutions	20,131,961	18,938,241	12,406,933	11,777,831
Fixed deposits with licensed banks and financial institutions	8,000	8,000	-	-
Cash and bank balances	2,557,551	2,782,573	791,842	510,680
	22,697,512	21,728,814	13,198,775	12,288,511

The interest rate of short-term deposits with licensed banks ranges from 3.20% to 3.52% (2017: 3.20% to 3.89%) per annum.

Included in the Group's fixed deposits is an amount of RM8,000 (2017: RM8,000) pledged to a licensed bank for banking facilities granted to a subsidiary.

12. SHARE CAPITAL

	Group and Company			
	2018		2017	
	Number of shares Unit	Amount RM	Number of shares Unit	Amount RM
Issued and fully paid:-				
Ordinary shares				
At beginning of financial year	44,753,400	44,885,567	44,753,400	44,753,400
Issued during the financial year:-				
- Transition to no-par value regime on 31 January 2017	-	-	-	132,167
At end of financial year	44,753,400	44,885,567	44,753,400	44,885,567

The new Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account and capital redemption reserves become part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Nowithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM132,167 for purposes as set out in Section 618(3) for the bonus issue pursuant to Section 618(4) of the Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

13. RESERVES

		Group		Company	
	Note	2018 RM	2017 RM	2018 RM	2017 RM
Non-distributable					
Share premium	13.1	-	-	-	-
Exchange fluctuation reserve	13.2	3,961,151	4,908,104	-	-
		3,961,151	4,908,104	-	-
Accumulated losses		(13,961,201)	(15,956,143)	(24,271,692)	(22,988,226)
		(10,000,050)	(11,048,039)	(24,271,692)	(22,988,226)

13. RESERVES (CONT'D)

13.1 Share premium

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

	Group and Company	
	2018	2017
	RM	RM
At 1 April	-	132,167
Movement during the year		
- Transition to no-par value regime on 31 January 2017 (Note12)	-	(132,167)
	-	-

13.2 Exchange fluctuation reserve

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

14. NON-CONTROLLING INTEREST

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

15. BORROWINGS

		Group		Company	
	Note	2018	2017	2018	2017
		RM	RM	RM	RM
Current					
Term loans - secured	15.3	301,071	288,049	301,071	288,049
Finance lease liabilities	15.4	51,625	51,605	-	-
		352,696	339,654	301,071	288,049
Non-current					
Term loans - secured	15.3	2,688,425	2,988,896	2,688,425	2,988,896
Finance lease liabilities	15.4	17,922	69,527	-	-
		2,706,347	3,058,423	2,688,425	2,988,896
Total current and non-current borrowings		3,059,043	3,398,077	2,989,496	3,276,945

15. BORROWINGS (CONT'D)

15.1 Securities

Group/Company

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

15.2 Interest rate

Group/Company

The term loans are subject to interest rate at 1.50% (2017: 1.50%) above bank's prevailing 3 months effective cost of fund.

Group

Finance lease liabilities are subject to fixed interest rate of range from 2.80% - 3.43% (2017: 2.80% - 3.43%) per annum.

15.3 Terms and debt repayment schedule

	Year of maturity	Carrying amount RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	Over 5 years RM
Group						
2018						
Term loans - secured	2029	2,989,496	301,071	316,727	1,055,914	1,315,784
Finance lease liabilities	2019	69,547	51,625	17,922	-	-
		3,059,043	352,696	334,649	1,055,914	1,315,784
2017						
Term loans - secured	2029	3,276,945	288,049	303,148	1,007,787	1,677,961
Finance lease liabilities	2019	121,132	51,605	51,605	17,922	-
		3,398,077	339,654	354,753	1,025,709	1,677,961
Company						
2018						
Term loan - secured	2029	2,989,496	301,071	316,727	1,055,914	1,315,784
2017						
Term loan - secured	2029	3,276,945	288,049	303,148	1,007,787	1,677,961

15. BORROWINGS (CONT'D)

15.4 Finance lease liabilities

Finance lease liabilities are payable as follows:-

	2018			2017		
	Repayments RM	Interest RM	Principal RM	Repayments RM	Interest RM	Principal RM
Group						
Less than 1 year	56,292	4,667	51,625	56,292	4,687	51,605
Later than 1 year and not later than 2 years	19,664	1,742	17,922	56,292	4,687	51,605
Later than 2 years and not later than 5 years	-	-	-	19,664	1,742	17,922
	75,956	6,409	69,547	132,248	11,116	121,132

16. PAYABLES AND ACCRUALS

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Trade				
Trade payables	390,925	215,037	-	-
Non-trade				
Other payables	471,119	895,258	146,019	137,636
Accrued expenses	481,293	456,656	-	372
	952,412	1,351,914	146,019	138,008
	1,343,337	1,566,951	146,019	138,008

The normal trade credit terms granted by trade payables range from 30 to 90 days (2017: 30 to 90 days).

17. REVENUE

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Sale of goods	5,094,907	4,276,399	-	-
Service charges	45,264	95,759	-	-
Management fees	-	-	300,000	300,000
Gaming income	627,068	298,231	-	-
Hotel income	1,290,927	1,592,299	-	-
Rental income	359,064	359,064	359,064	359,064
	7,417,230	6,621,752	659,064	659,064

18. STAFF COSTS

	Group		Company	
	2018 RM	2017 RM	2018 RM	2017 RM
Salaries, wages and other emoluments	2,668,176	2,527,723	309,032	271,725
Defined contribution plan	180,078	169,660	31,549	27,459
Social security contributions	30,158	27,339	1,864	1,797
Other benefits	30,920	27,212	10,978	9,482
	2,909,332	2,751,934	353,423	310,463

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

	Group	
	2018 RM	2017 RM
Executive Directors:-		
Salaries and other emoluments	681,209	470,126
Defined contribution plan	27,458	1,759
Social security contributions	852	69
	709,519	471,954

	Group and Company	
	2018 RM	2017 RM
Non-executive Directors:-		
Other emoluments	46,000	44,000

19. PROFIT BEFORE TAX

Profit before tax is arrived at:-

	Group and Company	
	2018	2017
	RM	RM
After crediting:-		
Rental income from:-		
- third parties	200,448	200,448

20. TAX EXPENSE

	Group		Company	
	2018	2017	2018	2017
	RM	RM	RM	RM
Current tax expense				
- Underprovision in prior years	-	87	-	-
Total current tax recognised in the profit or loss	-	87	-	-
Deferred tax expense				
- Current year	59,000	64,000	-	-
- Underprovision in prior years	-	4,071	-	-
Total deferred tax recognised in the profit or loss (Note 8)	59,000	68,071	-	-
Total tax expense	59,000	68,158	-	-

20. TAX EXPENSE (CONT'D)

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

	Group		Company	
	2018	**2017**	**2018**	**2017**
	RM	**RM**	**RM**	**RM**
Profit/(Loss) before tax	1,921,704	912,450	(1,283,466)	2,700,658
Tax calculated using Malaysian tax rate of 24%	461,209	218,988	(308,032)	648,158
(Gain)/Loss of foreign subsidiaries not available for set-off	(390,736)	60,451	-	-
Non-deductible expenses	294,621	158,934	735,009	113,674
Non-taxable income	(289,294)	(373,413)	(399,377)	(729,432)
Deferred tax assets not recognised	(16,800)	(960)	(27,600)	(32,400)
	59,000	64,000	-	-
Under provision in prior years				
- current tax	-	87	-	-
- deferred tax	-	4,071	-	-
Tax expense	59,000	68,158	-	-

The unutilised tax losses and unabsorbed capital allowances which can be carried forward to offset against future taxable profit amounted to approximately RM2,417,000 (2017: RM2,495,000) and RM317,000 (2017: RM317,000) for the Group and RM852,000 (2017: RM975,000) and RM256,000 (2017: RM256,000) for the Company.

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

21. BASIC EARNINGS PER ORDINARY SHARE

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

	Group	
	2018	**2017**
	RM	**RM**
Earnings attributable to owners of the Company (RM)	1,994,942	968,731
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.

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:-

	2018 RM	2017 RM
Management fees receivable	300,000	300,000

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:-

	Group and Company 2018 RM	 2017 RM
Rental receivable	158,616	158,616

22. RELATED PARTIES DISCLOSURES (CONT'D)

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. SEGMENTAL INFORMATION - GROUP

(i) Business segments

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

Manufacturing	Manufacture of precision springs
Supply	Supply of consumer products
Gaming	Management of gaming operations and provision of club equipment
Hotel	Hotel operations
Others	(i) Investment holding (ii) Provision of management services (iii) Provision of financing service (iv) Rental of properties

23. SEGMENTAL INFORMATION – GROUP (CONT'D)

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

2018	Manufacturing RM	Supply RM	Gaming RM	Hotel RM	Others RM	Eliminations RM	Consolidated RM
Revenue from external customers	5,094,907	45,264	627,068	1,290,927	359,064	-	7,417,230
Inter-segment revenue	-	78,000	-	-	300,000	(378,000)	-
Total revenue	5,094,907	123,264	627,068	1,290,927	659,064	(378,000)	7,417,230
Result:-							
Interest income	829	266,848	-	-	435,312	-	702,989
Depreciation of property, plant and equipment	(219,832)	-	(344)	(555,036)	(229,551)	-	(1,004,763)
Finance costs	(4,707)	-	-	(8,964)	(161,711)	-	(175,382)
Other non-cash (expense)/income Note (a)	(19,877)	15,052	767	18,383	113,331	-	127,656
Tax expense	(59,000)	-	-	-	-	-	(59,000)
Segment profit/(loss)	(61,651)	221,469	(1,991,005)	(477,620)	(954,414)	5,125,925	1,862,704
Assets:-							
Additions to non-current assets Note (b)	360,916	-	-	83,360	6,660	-	450,936
Unallocated assets							20,565,561
Segment assets	3,385,373	197,243	3,646,059	1,852,448	9,128,383	-	18,209,506
Liabilities:-							
Unallocated liabilities							3,059,043
Segment liabilities	482,462	21,742	98,762	325,205	415,166	-	1,343,337

23. SEGMENTAL INFORMATION – GROUP (CONT'D)

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

2017	Manufacturing RM	Supply RM	Gaming RM	Hotel RM	Others RM	Eliminations RM	Consolidated RM
Revenue from external customers	4,276,399	95,759	298,231	1,592,299	359,064	-	6,621,752
Inter-segment revenue	-	170,000	-	-	300,000	(470,000)	-
Total revenue	4,276,399	265,759	298,231	1,592,299	659,064	(470,000)	6,621,752
Result:-							
Interest income	8,142	238,454	-	-	375,966	-	622,562
Depreciation of property, plant and equipment	(91,960)	(11,153)	(4,168)	(701,163)	(225,245)	-	(1,033,689)
Finance costs	(2,946)	-	-	(12,681)	(179,101)	-	(194,728)
Other non-cash income/(expense) Note (a)	64,334	47,877	(133,154)	(19,933)	-	-	(40,876)
Tax expense	(68,071)	-	(87)	-	-	-	(68,158)
Segment profit/(loss)	34,506	153,540	82,585	(338,993)	2,695,609	(1,782,955)	844,292
Assets:-							
Additions to non-current assets Note (b)	790,967	-	-	133,604	11,818	-	936,389
Unallocated assets							19,370,241
Segment assets	2,633,523	702,769	3,651,156	2,846,679	9,111,975	-	18,946,102
Liabilities:-							
Unallocated liabilities							3,398,077
Segment liabilities	295,356	184,119	266,115	326,246	495,115	-	1,566,951

23. SEGMENTAL INFORMATION – GROUP (CONT'D)

(i) Business segments (cont'd)

Notes:

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

	2018 RM	2017 RM
Allowance for obsolete inventories	(19,877)	(8,673)
Bad debts written off	-	(132,979)
Waiver of debts due from a director	112,878	-
Property, plant and equipment written off	(47)	(223)
Fair value adjustment on trade receivables recognised in profit or loss	15,052	47,974
Gain on disposal of property, plant and equipment	1,267	73,133
Unrealised gain/(loss) on foreign exchange	18,383	(20,108)
	127,656	(40,876)

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

	2018 RM	2017 RM
Property, plant and equipment	450,936	936,389

(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	Laos RM	Consolidated RM
2018				
Revenue from external customers by location of customers	5,499,235	627,068	1,290,927	7,417,230
Non-current assets	9,470,395	4	1,278,673	10,749,072
Capital expenditure by location of assets	367,576	-	83,360	450,936

23. SEGMENTAL INFORMATION – GROUP (CONT'D)

(ii) Geographical segments (cont'd)

Revenues and non-current assets information based on the geographical location of customers and assets respectively are as follows (cont'd):-

	Malaysia RM	Cambodia RM	Laos RM	Consolidated RM
2017				
Revenue from external customers by location of customers	4,731,222	298,231	1,592,299	6,621,752
Non-current assets	9,750,610	372	1,961,032	11,712,014
Capital expenditure by location of assets	802,785	-	133,604	936,389

(iii) Information about major customers

Revenue from Nil (2017: 1) customer amounted to Nil (2017: RM184,462) arising from revenue by the supply segment and no major customer arising from manufacturing, gaming, hotel and other segments.

24. LEASE COMMITMENT

The future minimum lease payments receivable under non-cancellable operating lease commitments are:-

	Group 2018 RM	Group 2017 RM
Not later than one year	1,320	1,320
Later than one year but not later than two years	550	1,320
Later than two years but not later than five years	-	550
	1,870	3,190

25. CATEGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as loans and receivables (L&R) and other liabilities measured at amortised cost (AC):-

	Carrying amount RM	L&R RM	AC RM
Group			
2018			
Financial assets			
Receivables and deposits	1,336,870	1,336,870	-
Amount due from associates	2,680,864	2,680,864	-
Cash and cash equivalents	22,697,512	22,697,512	-
	26,715,246	26,715,246	-
Financial liabilities			
Payables and accruals	1,343,337	-	1,343,337
Borrowings	3,059,043	-	3,059,043
	4,402,380	-	4,402,380
2017			
Financial assets			
Receivables and deposits	1,221,240	1,221,240	-
Amount due from associates	2,622,352	2,622,352	-
Cash and cash equivalents	21,728,814	21,728,814	-
	25,572,406	25,572,406	-
Financial liabilities			
Payables and accruals	1,566,951	-	1,566,951
Borrowings	3,398,077	-	3,398,077
	4,965,028	-	4,965,028

25. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D)

The table below provides an analysis of financial instruments categorised as loans and receivables (L&R) and other liabilities measured at amortised cost (AC) (cont'd):-

	Carrying amount RM	L&R RM	AC RM
Company			
2018			
Financial assets			
Receivables and deposits	1,206,279	1,206,279	-
Cash and cash equivalents	13,198,775	13,198,775	-
	14,405,054	14,405,054	-
Financial liabilities			
Payables and accruals	146,019	-	146,019
Borrowings	2,989,496	-	2,989,496
	3,135,515	-	3,135,515
2017			
Financial assets			
Receivables and deposits	3,547,188	3,547,188	-
Cash and cash equivalents	12,288,511	12,288,511	-
	15,835,699	15,835,699	-
Financial liabilities			
Payables and accruals	138,008	-	138,008
Borrowings	3,276,945	-	3,276,945
	3,414,953	-	3,414,953

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk

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 statements 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 RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Financial risk (cont'd)

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

(a) Credit risk (cont'd)

Following are the areas where the Group and the Company are exposed to 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
2018			
Not past due	694,751	-	694,751
Past due for 1-30 days	243,045	-	243,045
Past due for 31-60 days	84,481	-	84,481
Past due for 61-90 days	31,772	-	31,772
Past due for 91-120 days	12,200	-	12,200
Past due for more than 121 days	84,750	(9,049)	75,701
	1,150,999	(9,049)	1,141,950
2017			
Not past due	828,509	-	828,509
Past due for 1-30 days	190,501	-	190,501
Past due for 31-60 days	50,576	-	50,576
Past due for 61-90 days	59,810	-	59,810
Past due for 91-120 days	21,976	-	21,976
Past due for more than 121 days	16,907	(10,359)	6,548
	1,168,279	(10,359)	1,157,920

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 2018, trade receivables of RM447,199 (2017: RM329,411) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

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

Financial risk (cont'd)

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

(a) Credit risk (cont'd)

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

(i) Receivables (cont'd)

In respect of trade receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty other than 41% (2017: 42%) of trade receivables consist of amount due from three (2017: one) customer. Trade receivables consist of a large number of customers in various backgrounds. Based on historical information about customer default rates, management considers the credit quality of trade receivables that are not past due or impaired to be good.

(ii) 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 statements of financial position.

The Company provides unsecured advances to subsidiaries and associates and monitors their results regularly.

As at the end of the reporting period, there was no indication that the advances to the subsidiaries and associates 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.

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

Financial risk (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
Group						
2018						
Unsecured:-						
Payables and accruals	1,343,337	1,343,337	1,343,337	-	-	-
Secured:-						
Borrowings	3,059,043	3,754,514	505,452	468,824	1,347,480	1,432,758
	4,402,380	5,097,851	1,848,789	468,824	1,347,480	1,432,758
2017						
Unsecured:-						
Payables and accruals	1,566,951	1,566,951	1,566,951	-	-	-
Secured:-						
Borrowings	3,398,077	4,246,118	505,452	505,452	1,367,144	1,868,070
	4,965,028	5,813,069	2,072,403	505,452	1,367,144	1,868,070
Company						
2018						
Unsecured:-						
Payables and accruals	146,019	146,019	146,019	-	-	-
Secured:-						
Borrowings	2,989,496	3,678,557	449,160	449,160	1,347,480	1,432,757
	3,135,515	3,824,576	595,179	449,160	1,347,480	1,432,757
2017						
Unsecured:-						
Payables and accruals	138,008	138,008	138,008	-	-	-
Secured:-						
Borrowings	3,276,945	4,114,727	449,160	449,160	1,347,480	1,868,927
	3,414,953	4,252,735	587,168	449,160	1,347,480	1,868,927

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

Financial risk (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:-

	Denominated in	
	USD	**SGD**
Group	**RM**	**RM**
2018		
Cash and cash equivalents	1,329,127	-
Trade and other receivables	178,520	-
Trade and other payables	(1,011,325)	(5,665)
	496,323	(5,665)
2017		
Cash and cash equivalents	1,731,751	-
Trade and other receivables	158,468	-
Trade and other payables	(892,683)	(3,036)
	997,536	(3,036)
Company		
2018		
Amount due from a subsidiary	16,993,393	-
2017		
Amount due from a subsidiary	21,185,943	-

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

Financial risk (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.

	Increase/ (Decrease)	
Group and Company	**Profit/ (Loss) for the year RM**	**Equity RM**
2018		
USD/RM		
- Strengthened 1.12%	5,559	5,559
- Weakened 1.12%	(5,559)	(5,559)
SGD/RM		
- Strengthened 0.60%	34	34
- Weakened 0.60%	(34)	(34)
2017		
USD/RM		
- Strengthened 1.08%	10,773	10,773
- Weakened 1.08%	(10,773)	(10,773)
SGD/RM		
- Strengthened 0.73%	22	22
- Weakened 0.73%	(22)	(22)

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 RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

Financial risk (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
2018		
Fixed rate instruments		
Financial assets		
Short-term deposits with licensed banks and financial institutions	20,131,961	12,406,933
Fixed deposits with licensed banks and financial insitutions	8,000	-
	20,139,961	12,406,933
Floating rate instrument		
Financial liability		
Borrowings	2,989,496	2,989,496
2017		
Fixed rate instruments		
Financial assets		
Short-term deposits with licensed banks and financial institutions	18,938,241	11,777,831
Fixed deposits with licensed banks and financial institutions	8,000	-
Trade receivables	484,390	-
	19,430,631	11,777,831
Floating rate instrument		
Financial liability		
Borrowings	3,276,945	3,276,945

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

Financial risk (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 and Company			
	Profit/(Loss) for the year		Equity	
	RM +50 bp	RM -50 bp	RM +50 bp	RM -50 bp
2018	14,947	(14,947)	14,947	(14,947)
2017	16,385	(16,385)	16,385	(16,385)

(e) Fair value of financial instruments

The table below analyses financial instruments carried at fair value for which fair value is disclosed together with their carrying amounts shown in the statements of financial position.

	Fair value of financial instrument not carried at fair value Level 2* RM	Carrying amount RM
2018		
Group		
Borrowings	2,835,836	2,989,496
Finance lease liabilities	67,381	69,547
	2,903,217	3,059,043
Company		
Borrowings	2,835,836	2,989,496

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

Financial risk (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
2017		
Group		
Borrowings	2,823,884	3,276,945
Finance lease liabilities	116,207	121,132
	2,940,091	3,398,077
Company		
Borrowings	2,823,884	3,276,945

* 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.

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

Reconciliation of liabilities arising from financing activities

Group	1 April 2017 RM	Cash flows RM	Others RM	31 March 2018 RM
Repayment of finance lease liabilities	121,132	(51,585)	-	69,547
Repayment of term loans	3,276,945	(287,449)	-	2,989,496
Interest paid	-	(175,382)*	175,382	-
Total	3,398,077	(514,416)	175,382	3,059,043

Company	1 April 2017 RM	Cash flows RM	Others RM	31 March 2018 RM
Interest paid	-	(161,711)*	161,711	-
Repayment of term loans	3,276,945	(287,449)	-	2,989,496
Total	3,276,945	(449,160)	161,711	2,989,496

* Being the interest expense on the term loan and finance lease liabilities for the current financial year.

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.

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

In the opinion of the Directors, the financial statements set out on pages 43 to 108 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 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 2018 and of their financial performance and cash flows for the financial year then ended.

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

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

…………………………………….……..
DATO' LIM KIM HUAT
Kuala Lumpur

12 July 2018

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, **Dato' Lim Kim Huat**, 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 43 to 108 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 12 July 2018.

…………………………………………..
DATO' LIM KIM HUAT

Before me:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Widetech (Malaysia) Berhad, which comprise the statements of financial position as at 31 March 2018 of the Group and of the Company, and the statements of 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 43 to 108.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2018, 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, 2016 in Malaysia.

Basis of Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment loss on trade receivables

<u>The risk</u>

The Group has trade receivables amounting to RM447,199 as disclosed in Note 26(a)(i) to the Financial Statements whereby the amounts are past due but not impaired. The key associate risk is the recoverability of billed trade receivables as management judgement is required in assessing the adequacy of impairment losses by considering the expected recoverability of the outstanding trade receivables.

<u>Our responses</u>

We have challenged management's assumptions in providing impairment losses on trade receivables. Our procedures includes reviewing the ageing of trade receivables, testing the integrity of the ageing and assessed the recoverability of outstanding receivables through examination of subsequent receipts. We have also tested the operating effectiveness of the relevant control procedures that management has in place.

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Valuation of inventories

The risk

The inventories balance amounting to RM1,127,288 as disclosed in Note 9 to the Financial Statements is significant to the total assets. Inventories are measured at the lower of cost and net realisable value ("NRV"). The Group estimates the NRV of inventories based on an assessment of expected sales prices. Changes in these assumptions could result in a material change in the carrying value of inventories and the financial performance of the Group.

Our responses

We have reviewed to ensure that the valuation of inventories is in accordance with MFRS 102, Inventories and ascertained that inventories are stated at the lower of cost and NRV. Management's assessment of NRV of the inventories were reviewed. We have reviewed the ageing of inventories and tested the subsequent sales. We have also considered the adequacy of the Group's disclosures in respect of inventories valuation.

We have also attended physical inventory counts in warehouse within the scope of our audit. We have performed our own sample counts and checked that the accounting records reflected these physical counts.

Revenue recognition

The risk

Revenue recognition has been identified as a risk primarily due to significant volume of transactions and there is risk that revenue may be overstated because of fraud resulting from pressure that management may feel to achieve performance targets at the reporting period.

Our responses

We evaluated and tested the internal controls over the completeness, accuracy and timing of revenue recognised in the financial statements. We also verified based on a sampling basis, the completeness of revenue captured by vouching to the customer's purchase order, sales invoices, delivery order and bank and/or cash receipt. We understood and challenged the appropriateness of revenue recognition policies.

Impairment loss on amount due from associates

The risk

The Group has amount due from associates amounting to RM2,680,864 as disclosed in Note 10 to the Financial Statements. The key associate risk is the recoverability of amount due from associates as management judgement is required in assessing the adequacy of impairment losses by considering the expected recoverability of the outstanding balances.

Our responses

We have challenged management's assumptions in providing impairment losses on amount due from associates. Our procedures includes assessed the recoverability of outstanding balances through examination of subsequent receipts and visited their significant business unit to review the transactions recording and reporting procedures including effectiveness of the relevant control procedures that management has in place.

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.

Report on the Audit of the Financial Statements (cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprise the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on the Audit of the Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Audit of the Financial Statements (cont'd)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, are disclosed in Note 5 to the Financial Statements.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

LIAN TIAN KWEE
(NO: 02943/05/2019 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
12 July 2018

LIST OF PROPERTIES
as at 31 March 2018

Location	Tenure	Land Area / Gross Floor Area	Description Approx. Age, of Building & Year of Acquisition	Net Book Value as at 31 March 2018 (RM'000)
A. REGISTERED OWNER: WIDETECH (MALAYSIA) BERHAD				
K-09-01 to K-09-02 Block K, No. 2 Jalan Solaris Solaris Mont' Kiara Kuala Lumpur Wilayah Persekutuan	Freehold	K-09-01: 963.02 square metres K-09-02: 787.6 square metres	Office Units 10 years 2008/2009	5,313
B. REGISTERED OWNER: WIRE MASTER SPRING SDN BHD				
Plot 51 (A) Phase 1 Bukit Minyak Industrial Park, Mukim 13 District of Province Wellesley Central Penang	Leasehold - 60 years Expiring 2055	2.00 acres	2 storey factory 20 years 2004	3,531

ANALYSIS OF SHAREHOLDINGS
as at 29 June 2018

Total Number of Issued Shares	:	44,753,400
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share
Number of Shareholders	:	785

ANALYSIS BY SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	No. of Shares held	%
Less than 100 shares	49	1,970	0.00
100 to 1,000 shares	270	219,753	0.49
1,001 to 10,000 shares	333	1,295,641	2.90
10,001 to 100,000 shares	93	2,991,500	6.69
100,001 to less than 5% of issued shares	36	22,485,732	50.24
5% of issued shares and above	4	17,758,804	39.68
Total	785	44,753,400	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 29 JUNE 2018

	No. of Shares Held			
Name	Direct	%	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	-	-
Tan Boon Seng	827,032	1.85	8,030,652#	17.94
Tan Sri Datuk Chu Sui Kiong	737,736	1.65	8,030,652#	17.94
Tan Sri Dato' Cheng Joo Teik	200,000	0.45	5,758,852^	12.87
Dato' Lim Sin Khong	413,514	0.92	2,007,664*	4.49

DIRECTORS' SHAREHOLDINGS AS AT 29 JUNE 2018

		No. of Shares Held			
No.	Name	Direct	%	Indirect	%
1.	Dato' Lim Kim Huat	271,749	0.61	-	-
2.	Tan Sri Datuk Chu Sui Kiong	737,736	1.65	8,030,652#	17.94
3.	Tan Sri Dato' Cheng Joo Teik	200,000	0.45	5,758,852^	12.87
4.	Loh Suan Phang	2,011,300	4.49	-	-
5.	Dato' Lim Sin Khong	413,514	0.92	2,007,664*	4.49
6.	Tan Boon Seng	827,032	1.85	8,030,652#	17.94
7.	Kong Sin Seng	-	-	-	-
8.	Datuk Dr Ng Bee Ken	-	-	-	-
9.	Chen Keng Sam	-	-	197,900@	0.44

Notes:

Deemed interest through Distinct Rich Sdn Bhd.

^ Deemed interest through Gain Millen Sdn Bhd and his son, Dato' Douglas Cheng Heng Lee, pursuant to Section 59(11)(c) of the Companies Act, 2016.

* Deemed interest through Actual Ace Sdn. Bhd.

@ Deemed interested through his spouse, Low Siew Ling, pursuant to Section 59(11)(c) of the Companies Act, 2016.

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	CHIEW KOK BOO	1,764,000	3.94
8	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD - MAYBANK KIM ENG SECURITIES PTE LTD FOR WORLDPLUS VENTURE CORPORATION	1,729,300	3.86
9	HLIB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LOH SUAN PHANG	1,592,300	3.56
10	CIMB GROUP NOMINEES (ASING) SDN. BHD. - SNOWSHILL SECURITIES LIMITED	1,282,800	2.87
11	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. - CIMB BANK FOR DOUGLAS CHENG HENG LEE	1,000,000	2.23
12	LIM HEOK CHYE	967,962	2.16
13	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR TAN BOON SENG	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	LING HEE LEONG	517,236	1.16
21	CHU SUI KIONG	517,236	1.16
22	LOH SUAN PHANG	419,000	0.94
23	LIM SIN KHONG	413,514	0.92
24	KENNETH TAN KENG HAN	352,600	0.79
25	LIM CHEE KIAT	317,800	0.71
26	HIEW VUN KEE	309,796	0.69
27	ABUL HASAN BIN MOHAMED RASHID	306,000	0.68
28	GOH MO LOOI	296,000	0.66
29	LIM KIM HUAT	271,749	0.61
30	CITIGROUP NOMINEES (ASING) SDN BHD – FOR UBS AG SINGAPORE (FOREIGN)	267,100	0.60

WIDETECH (MALAYSIA) BERHAD

(Company No: 113939- U)
(Incorporated in Malaysia)

No. of ordinary shares held

PROXY FORM

(Before completing this form please refer to the notes below)

I/We .... I/C No./Co. No./CDS A/C No ....
(Full name in block letters)

of ....
(Full address)

being a member/ members of WIDETECH (MALAYSIA) BERHAD hereby appoint the following person(s):-

Name of proxy, NRIC No. & Address	*% of shares to be represented by proxy*
1.	
....	....
2.	
....	....

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Thirty-Fourth Annual General Meeting (**"AGM"**) 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 Tuesday, 28 August 2018 at 11.30 a.m. My /our proxy/proxies is/are to vote as indicated below: -

RESOLUTIONS:-	**FIRST PROXY**		**SECOND PROXY**	
	For	**Against**	**For**	**Against**
1) Directors' allowances for the financial year ended 31 March 2018				
2) Payment of Directors' benefits up to RM534,000 from 1 April 2018 until 31 March 2019.				
3) Re-election of Dato' Lim Kim Huat as Director				
4) Re-election of Datuk Dr Ng Bee Ken as Director				
5) Re-election of Mr Tan Boon Seng as Director				
6) Re-election of Mr Kong Sin Seng as Director				
7) Re-appointment of Messrs Grant Thornton Malaysia as Auditors of the Company and to authorise the Directors to fix their remuneration				
8) Retention of Independent Director, Datuk Dr Ng Bee Ken as Independent Non-Executive Director				
9) Authority to Directors to issue shares pursuant to Section 75 and 76 of the Companies Act 2016				

(Please indicate with a "√" or "X" in the space provided how you wish your vote(s) to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.) All votings will be conducted by way of poll.

Dated this 30th day of July, 2018.

____
Signature/Common Seal

NOTES:

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the Thirty-Fourth AGM, the Company shall be requesting the Record of Depositors as at 21 August 2018. Only a depositor whose name appears on the Record of Depositors as at 21 August 2018 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.
2. A proxy may but need not be a member of the Company. A member may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy in a poll and the first named proxy shall be entitled to vote on a show of hands.
3. Where a member is an authorised nominee as defined under the Central Depositories Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. 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 authorized nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing, and in the case of a corporation, shall be executed under its Common Seal or under the hand of an officer or attorney of the corporation duly authorised.
6. The Form of Proxy shall 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 set for holding the meeting or any adjournment thereof.

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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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