WIDETECH

ANNUAL REPORT

2019

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Proxy Form

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 (AF:0737)

(Member firm of Grant Thornton International Ltd.) 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-Fifth Annual General Meeting of the Company will be held at Dewan Perdana, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Friday, 30 August 2019 at 11.30 a.m. for the following purposes:

AGENDA

- To table the Audited Financial Statements for the financial year ended 31 March 2019 together with the Reports of the Directors and Auditors thereon.
- To approve the payment of Directors' allowances and benefits up to RM60,000 Ordinary Resolution 1 from 1 April 2019 until 31 March 2020.

- To re-elect the following Directors retiring by rotation pursuant to Article 124 of the Company's Articles of Association:
 - Tan Sri Dato' Cheng Joo Teik **Ordinary Resolution 2**
 - (ii) Tan Sri Datuk Chu Sui Kiong **Ordinary Resolution 3**
 - (iii) Mr Loh Suan Phang

Ordinary Resolution 4

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

SPECIAL BUSINESS

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

RETENTION OF INDEPENDENT DIRECTOR

Ordinary Resolution 6

"THAT 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."

AUTHORITY TO ISSUE SHARES

Ordinary Resolution 7

"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 ("Bursa Securities") and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

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NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

7. SPECIAL RESOLUTION

- PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY

Special Resolution 1

"THAT approval be and is hereby given to revoke the existing Memorandum and Articles of Association of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company as set out in the Circular to Shareholders dated 31 July 2019 be and is hereby adopted as the Constitution of the Company, AND THAT the Directors of the Company be and are hereby authorised to assent to any modifications, variations and/or amendments as may be required by the relevant authorities and to do all acts and things and take all such steps as may be considered necessary to give full effect to the foregoing."

BY ORDER OF THE BOARD

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

COMPANY SECRETARIES

31 July 2019 Kuala Lumpur

NOTES:

- 1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the Thirty-Fifth Annual General Meeting, the Company shall be requesting the Record of Depositors as at 26 August 2019. Only a depositor whose name appears on the Record of Depositors as at 26 August 2019 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.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

7. Explanatory Notes:

Ordinary Resolution 6 Retention of Independent Director

The Board of Directors has vide the Nomination Committee conducted an assessment of independence of 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 and recommended that Datuk Dr Ng Bee Ken be retained as Independent Non-Executive Director of the Company based on the following justifications:

- He has fulfilled the criteria under the definition of Independent Director pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
- 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 7 Authority to Issue Shares

The proposed Ordinary Resolution 7, 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.

Special Resolution 1 Proposed Adoption of New Constitution of the Company

The Board proposed that the Company to revoke its existing Memorandum and Articles of Association in its entirety with immediate effect and in place thereof, adopt a new Constitution, to be in line with the Companies Act 2016 and the amendments made to the Main Market Listing Requirements of Bursa Securities.

The Special Resolution 1, if passed, will give full effect to the proposed adoption of the Company's new Constitution as set out in the Circular to the Shareholders dated 31 July 2019 accompanying the Company's Annual Report for the financial year ended 31 March 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

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, providing financing services, hotel and management of gaming operations.

GROUP PERFORMANCE REVIEW

For the financial year under review, the Group reported revenue of RM8.398 million and pre-tax profit of RM1.702 million, as compared to RM7.417 million and RM1.922 million respectively in financial year ("FY") FY2018.

Despite an improved revenue boosted by a sales growth in the manufacturing division, a lower profit contribution from our associate impacted the earnings of the Group in FY2019.

BUSINESS OPERATIONS REVIEW

a) MANUFACTURING SEGMENT

Overview

Wire Master Spring Sdn Bhd ("WMS") was incorporated in 1990 and strives to be a reputable manufacturer of precision springs of various shapes and sizes. The Company is ISO 9001 and ISO 14001 certified.

Performance Review

WMS became the strongest profit contributor to the Group's profitability in FY2019, registering higher revenue of RM6.027 million and pre-tax profit of RM0.942 million, as compared to RM5.095 million and RM0.395 million respectively in FY2018.

For the financial year under review, WMS invested in machineries with latest technology to drive further operation efficiency and competitiveness across its business operations, resulting in an improved performance.

Business Strategy and Future Prospects

Moving forward, WMS will continue to explore new and emerging technologies based on the current industry developments to remain competitive and further grow its market share. Other than the enhancement of operational efficiency, WMS will also exercise greater prudence in costs and wastage management to remain competitive.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

b) GAMING SEGMENT

Overview

Probusiness Investments Limited commenced its gaming operation on a revenue sharing basis with a casino in Cambodia in April 2009.

Performance Review

During the financial year under review, this division performed well with higher revenue of RM0.795 million as compared to RM0.627 million in FY2018. Correspondingly, its pre-tax profit was higher at RM0.592 million, as opposed to RM0.474 million in FY2018.

The Cambodia operations had ceased in March 2019 upon expiry of its Agreement with the Casino as it is unable to renew the said Agreement.

c) 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

Hotel Riveria continued to face intense competition from a large variety of hotels within its vicinity, with downward pressures on both occupancy and room rates.

Against this challenging business environment, LMIG registered a lower revenue of RM1.133 million, as opposed to RM1.291 million in FY2018. However, the lower revenue was partly offset by a lower depreciation charges as most of its assets have fully depreciated in FY2019, leading to a decrease in pre-tax loss to RM0.109 million from RM0.478 million in FY2018.

Business Strategy and Future Prospects

Responding to the highly competitive market place, Hotel Riveria has stepped up efforts to strengthen its presence by refining its marketing and promotional strategies and enhancing high standards and qualities of its products and services to deliver greater levels of customer satisfaction.

d) 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.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Performance Review

The profit contribution from Goldshore dropped from RM1.422 million to RM0.253 million in FY2019. Its earnings were significantly affected by intense competition from newly operated casino, coupled with rising operating costs and steep depreciation of the Nepalese rupee against the US dollar. The early closing of the Indian border gate at 8 p.m. by the Indian Authority for security reasons has also impacted its operations.

Business Strategy and Future Prospects

Moving forward, Goldshore will continue its efforts to improve its facilities, customer service quality, and adopting various innovative marketing and promotional activities to remain competitive and further expand its market reach.

LOOKING FORWARD

Looking ahead, the Group expects another year of continued challenging business and operating environment, with increasing competitive pressure. The Group will remain committed to further enhance its product innovation and marketing efforts for business sustainability and better customer experience.

The Board remain equally committed to cautiously pursue and explore any viable new business opportunities that may arise to further enhance shareholders value.

PROFILE OF DIRECTORS

DATO' LIM KIM HUAT

Malaysian, Male, Aged 59 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 73 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 organizations 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 60 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.

PROFILE OF DIRECTORS (Cont'd)

LOH SUAN PHANG

Malaysian, Male, Aged 59 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 37 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 64 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.

PROFILE OF DIRECTORS (Cont'd)

KONG SIN SENG

Malaysian, Male, Aged 63 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. Mr Kong 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. Mr Kong is also a member of the Audit Committee.

Mr Kong's experience over a period of more than 40 years covered a wide range of industries including finance, manufacturing, trading, property development, gaming and heavy equipment distribution. Mr Kong had previously worked in England, Singapore and Indonesia.

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

DATO' LIM SIN KHONG

Malaysian, Male, aged 70 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.

PROFILE OF DIRECTORS (Cont'd)

CHEN KENG SAM

Malaysian, Male, aged 53 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 Director of the Company, namely, Tan Sri Dato' Cheng Joo Teik has 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 2019 are disclosed on page 25 of this Annual Report.

PROFILE OF KEY SENIOR MANAGEMENT

LEE HENG CHO

Malaysian, Male, Aged 63 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 move 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 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 49 Executive Director (Subsidiary)

Mr Foo Toon Chai started his career in Widetech Group in 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 48 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, 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 2019.

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 2019.

COMPOSITION AND MEETINGS

Composition

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").

To be in line with the Malaysian Code on Corporate Governance, the Chairman of Audit Committee is not Chairman of the Board.

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
- 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 operation.

Meetings

The Audit Committee met five (5) times during the financial year ended 31 March 2019 and the details of attendance of the Audit Committee are as follows:

Name of Director	Attendance
Datuk Dr Ng Bee Ken	5/5
Dato' Lim Sin Khong	3/5
Kong Sin Seng	5/5
Chen Keng Sam	5/5

Details of the members of the Audit Committee are contained in the Profile of Directors set out on pages 9 to 12 of this Annual Report.

AUDIT COMMITTEE REPORT (Cont'd)

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 2019, 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 2019, 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 inventory management 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 RM16,000.

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 shareholders 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 9 to 12 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 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 the 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 brought 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 of both Executive and Independent Non-Executive Directors.

There is a clear division of responsibilities between the Chairman of the Board 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:-

- Manage Board meetings and boardroom dynamics by promoting the 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;
- ii) 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 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. 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 the Code on Corporate Governance.
- 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 Director, 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.

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(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 meets 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 Secretary 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, Company's Articles of Association, corporate governance 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; and
- 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 general 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 ensures 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 facilitates 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 recognises 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)	Chairman	1/1	
Dato' Lim Sin Khong (Independent Director)	Member	1/1	
Chen Keng Sam (Independent Director)	Member	1/1	

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 reelection 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 advocate 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	1/1	
Datuk Dr Ng Been Ken (Senior Independent Director)	Member	1/1	
Chen Keng Sam (Independent Director)	Member	1/1	

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 2019 are as follows:

WIDETECH	Salary	Bonus	Fee	Allowance	Benefit- in-kind	Total
Executive Director						
Dato' Lim Kim Huat	_	_	_	_	_	_
Tan Sri Dato' Cheng Joo Teik	· -	_	_	_	_	_
Tan Sri Datuk Chu Sui Kiong	_	_	_	_	_	_
Loh Suan Phang	_	_	_	_	_	_
Tan Boon Seng	-	-	-	-	-	-
Non- Executive Director						
Datuk Dr Ng Bee Ken	_	_	_	18,000	_	18,000
Kong Sin Seng	_	_	_	12,000	_	12,000
Dato' Lim Sin Khong	_	_	_	12,000	_	12,000
Chen Keng Sam	-	-	-	12,000	-	12,000
SUBSIDIARIES						
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	-	_	_	68,423	-	68,423
Loh Suan Phang	-	_	_	96,000	-	96,000
Tan Boon Seng	-	-	-	96,000	-	96,000
<u>o</u>	235,545	46,375	-	-	-	281,920
Total	235,545	46,375	-	506,423	-	788,343

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 recommended 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 31/03/2019)		
Dato' Lim Kim Huat	4/4		
Tan Sri Dato' Cheng Joo Teik	4/4		
Tan Sri Datuk Chu Sui Kiong	3/4		
Tan Boon Seng	4/4		
Loh Suan Phang	4/4		
Datuk Dr Ng Bee Ken	4/4		
Kong Sin Seng	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 duty and responsibilities as Directors.

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

During the financial year ended 31 March 2019, the Directors had attended the following training, seminars, conferences and exhibitions which they considered vital in keeping abreast with changes in laws and regulations, business environment, and corporate governance development:

- i) Bursa Advocacy on Diversity
- ii) Bursa Malaysia Thought Leadership Series
- iii) All China International Wire & Cable Industry Trade Fair

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 2019 to the external auditors are set out below:-

Fees paid/payable to Grant Thornton Malaysia (RM)				
Description	Company	Subsidiary	Total	
Audit Fees Non-Audit Fees	26,000 4,000	39,200	65,200 4,000	
Total	30,000	39,200	69,200	

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 page 29 to 31 of this Annual Report provides the overview of the internal control framework adopted by the Company during the financial year ended 31 March 2019.

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 34th 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 the Code. 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 2019. 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 acknowledges 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, the Board recognises that 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 risks 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 2019, the internal audit function carried out an internal audit review on a subsidiary focusing on the adequacy of its Inventory Management. 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

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 and risks 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. Such certifications are subject to annual audit conducted by external ISO auditors to ensure continuous compliance and enhancement of the respective 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. Regular reporting of financial, operational and potential risks information of material associate to the management of the Group for their review and enquiries thereon ensure that their performance and risks are properly managed and controlled.

During the year, the external auditors conducted a site visit to one of its club in Nepal.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

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 2019 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 30 May 2019.

SUSTAINABILITY STATEMENT

The Board of Directors of Widetech (Malaysia) Berhad recognises the importance of good sustainability practices to the long term business growth and success of the Group. The Board strives to incorporate responsible and sustainable business practices that will have a positive impact on 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.

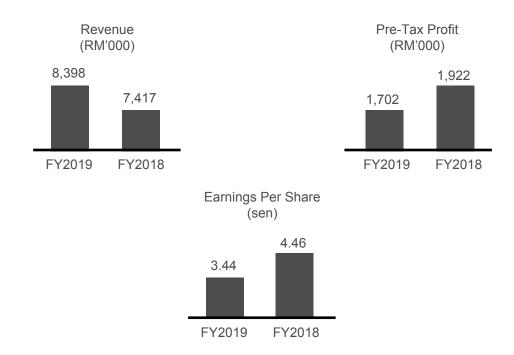
The scope for this report covers our manufacturing arm, Wire Master Spring Sdn Bhd, and associated company, Goldshore Capital Limited, which collectively contributed to 70% of the Group's pre-tax profit for the financial year ended 31 March 2019.

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 recognises the need to create long term positive economic value for our stakeholders.

The table below highlights the Group's economic performance in FY2019:



Environment

The Group is mindful of the need for environmental conservation and protection.

Over the years, the Group has established environmental initiatives at workplace by encouraging 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 remain committed to improve our environmental best practices to mitigate any adverse impact to the environment.

SUSTAINABILITY STATEMENT (Cont'd)

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 at the workplace. We do not condone any form of discrimination practices against race, age or gender in the provision of employment and development opportunities.

iii) Occupational Safety & Health

The Group is steadfast in its commitment to provide a conducive, safe and healthy work place for our staff, business associates and customers 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

Not forgetting the society at large, both the Board and staff continued to extend their support to various charitable organisations by way of donations for the needy.

Our hotel in Laos provided financial support and study materials to a village school to assist the communities where they operate in. Special rewards were given to their top students to motivate student performance.

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 2019.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

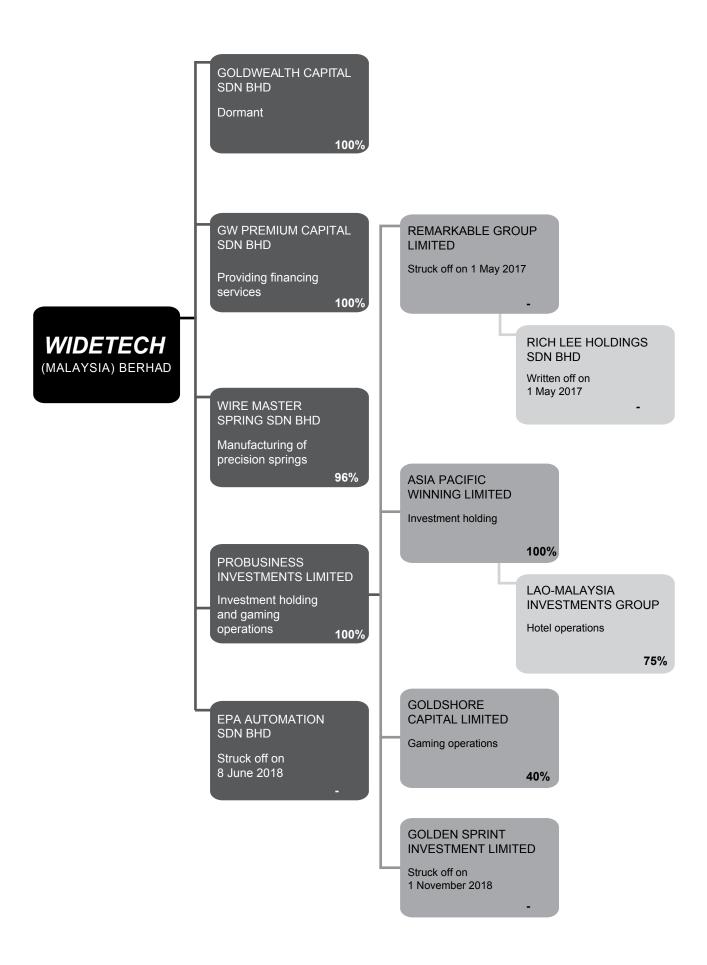
The Directors are required to prepare the financial statements that give a true and fair view of the state of affairs of the Company and of the Group at the end of each financial year and of the results and cashflow for that year. The financial statements must be prepared in compliance with the Companies 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 2019, 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



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for the financial year ended 31 March 2019

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 2019.

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 for the financial year attributable to:-		
Owners of the Company Non-controlling interest	1,538,473 (12,413)	930,178
	1,526,060	930,178

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

for the financial year ended 31 March 2019 (Cont'd)

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 Directors' other benefits	54,000	703,308 31,035	757,308 31,035
	54,000	734,343	788,343

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.

for the financial year ended 31 March 2019 (Cont'd)

Directors' interests in shares

According to the register of Directors' 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:-

	Polones et	Ordinary	Ordinary shares		
The Company	Balance at 1.4.2018	Bought	(Sold)	Balance at 31.3.2019	
The Company					
<u>Direct interes</u> t					
Tan Sri Dato' Cheng Joo Teik Tan Sri Datuk Chu Sui Kiong Loh Suan Phang Dato' Lim Sin Khong Tan Boon Seng Dato' Lim Kim Huat	200,000 737,736 2,011,300 413,514 827,032 271,749	- - - - -	- - - -	737,736 2,011,300 413,514	
<u>Indirect interest</u>					
Tan Sri Dato' Cheng Joo Teik [®] Tan Sri Datuk Chu Sui Kiong * Tan Boon Seng * Dato' Lim Sin Khong # Chen Keng Sam (held by spouse) Subsidiaries	5,758,852 8,030,652 8,030,652 2,007,664 197,900	- - - -	-	5,758,852 8,030,652 8,030,652 2,007,664 197,900	
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	

for the financial year ended 31 March 2019 (Cont'd)

Directors' interests in shares (cont'd)

	Polones et	Ordinary	shares	Poloneo et
Subsidiaries	Balance at 1.4.2018	Bought	(Sold)	Balance at 31.3.2019
Indirect interest				
Tan Sri Datuk Chu Sui Kiong - Lao-Malaysia Investments Group	750,000	-		- 750,000
Tan Boon Seng - Lao-Malaysia Investments Group	750,000	-		- 750,000

[©] Deemed interest through Gain Millen Sdn. Bhd. and his son in accordance with Section 59 (11) (c) of the Companies Act 2016.

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 2019 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 RM17,930 respectively.

^{*} Deemed interest by virtue of the shareholding in Distinct Rich Sdn. Bhd.

[#] Deemed interest by virtue of the shareholdings in Actual Ace Sdn. Bhd.

for the financial year ended 31 March 2019 (Cont'd)

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 action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

- (a) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements 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.

for the financial year ended 31 March 2019 (Cont'd)

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 2019 amounted to RM26,000 and RM39,200 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.

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

Kuala Lumpur

15 July 2019

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 March 2019

	Note	2019 RM	2018 RM
ASSETS			
Non-current assets Property, plant and equipment	4	10,649,093	10,449,072
Investment in associates Deferred tax assets	6 8	191,000	300,000
Total non-current assets		10,840,093	10,749,072
Current assets Inventories	9	1,684,670	1,127,288
Receivables, deposits and prepayments	7	1,634,010	1,394,731
Amount due from associates	10	2,625,905	2,680,864
Tax recoverable Cash and cash equivalents	11	91,153 23,678,694	125,600 22,697,512
Cash and Cash equivalents	11	23,070,094	22,097,512
Total current assets		29,714,432	28,025,995
Total assets		40,554,525	38,775,067
EQUITY AND LIABILITIES EQUITY			
Share capital	12	44,885,567	44,885,567
Reserves	13		(10,000,050)
Total equity attributable to owners of the Company		37,001,388	34,885,517
Non-controlling interest	14	(586,872)	(512,830)
Total equity		36,414,516	34,372,687
LIABILITIES Non-current liability			
Borrowings	15	2,641,436	2,706,347
Total non-current liability		2,641,436	2,706,347
Current liabilities Payables and accruals Borrowings	16 15	1,176,664 321,909	1,343,337 352,696
Total current liabilities		1,498,573	1,696,033
Total liabilities		4,140,009	4,402,380
Total equity and liabilities		40,554,525	38,775,067

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 2019

	Note	2019 RM	2018 RM
Revenue	17	8,397,616	7,417,230
Changes in manufactured inventories		66,344	115,196
Raw materials and consumables used		(1,922,334)	(2,042,113)
Staff costs	18	(3,024,211)	(2,909,332)
Depreciation of property, plant and equipment	4	(648,962)	(1,004,763)
Operating expenses		(2,132,398)	(2,123,937)
Finance Income	19	772,612	702,989
Other operating income		110,608	519,996
Operating profit		1,619,275	675,266
Finance costs	19	(169,676)	(175,382)
Share of profit on associate		252,708	1,421,820
Profit before tax	19	1,702,307	1,921,704
Tax expense	20	(176,247)	(59,000)
Profit for the financial year		1,526,060	1,862,704
Other comprehensive income Item that will be reclassified subsequently to profit or loss - Exchange translation differences Total comprehensive income for the financial year		515,769	(841,332)
Profit for the financial year attributable to:- Owners of the Company Non-controlling interest		1,538,473 (12,413)	1,994,942 (132,238)
Profit for the financial year		1,526,060	1,862,704
Total comprehensive income attributable to:- Owners of the Company Non-controlling interest		2,115,871 (74,042)	1,047,989 (26,617)
Profit for the financial year		2,041,829	1,021,372
Basic earnings per ordinary share (sen)	21	3.44	4.46

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the financial year ended 31 March 2019

	Attribu	table to owne	— Attributable to owners of the Company —	pany —		
	Share	Exchange fluctuation	Exchange Accumulated		Non- controlling	Total
	capital RM	reserve RM	losses RM	Total RM	interest	equity RM
At 1 April 2017	44,885,567	4,908,104	(15,956,143) 33,837,528	33,837,528	(486,213)	(486,213) 33,351,315
Total comprehensive income for the financial year	ı	(946,953)	1,994,942	1,047,989	(26,617)	(26,617) 1,021,372
At 31 March 2018	44,885,567	3,961,151	(13,961,201) 34,885,517	34,885,517	(512,830)	(512,830) 34,372,687
Total comprehensive income for the financial year	ı	577,398	1,538,473	2,115,871	(74,042)	(74,042) 2,041,829
At 31 March 2019	44,885,567	4,538,549	(12,422,728) 37,001,388	37,001,388	(586,872)	(586,872) 36,414,516

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

CONSOLIDATED STATEMENT OF CASH FLOWS for the financial year ended 31 March 2019

	Note	2019 RM	2018 RM
Cash flows from operating activities			
Profit before tax		1,702,307	1,921,704
Adjustments for:- Allowance for obsolete inventories Allowance for expected credit loss on trade receivables Bad debts written off Depreciation of property, plant and equipment Fair value adjustment on trade receivables recognised in profit or loss Gain on disposal of property, plant and equipment Interest expense Property, plant and equipment written off Allowance for obsolete inventories no longer required Waiver of debts due from a director Share of result of associate Interest income		,	, ,
Unrealised loss/(gain) on foreign exchange Operating profit before changes in working capital	-	29,884	(18,383)
Changes in working capital:- Associates Inventories Payables and accruals Receivables, deposits and prepayments		307,667 (546,200) (166,673) 150,837	1,363,308 (268,667)
Cash generated from operations Tax refund	-	1,299,737 57,200	1,272,011
Tax paid Net cash from operating activities	-	(90,000)	(60,600)

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 March 2019 (Cont'd)

	Note	2019 RM	2018 RM
Cash flows from investing activities			
Interest received Proceeds from disposal of property, plant and equipment Purchase of property, plant and equipment	A	772,612 95,000 (637,109)	702,989 1,267 (450,936)
Net cash from investing activities		230,503	253,320
Cash flows from financing activities			
Repayment of finance lease liabilities Repayment of term loans Interest paid		(83,366) (233,332) (169,676)	(51,585) (287,449) (175,382)
Net cash used in financing activities		(486,374)	(514,416)
Net increase in cash and cash equivalents		1,011,066	950,315
Effect of exchange rate changes		(29,884)	18,383
Cash and cash equivalents at 1 April		22,697,512	21,728,814
Cash and cash equivalents at 31 March (Note 11)		23,678,694	22,697,512

NOTES

A. Purchase of Property, Plant and Equipment

The Group acquired property, plant and equipment with an aggregate cost of RM858,109 (2018: RM450,936) of which RM221,000 (2018: RMNil) was acquired by means of finance lease arrangement. Cash payment of RM637,109 (2018: RM450,936) was made to purchase property, plant and equipment.

STATEMENT OF FINANCIAL POSITION

as at 31 March 2019

	Note	2019 RM	2018 RM
ASSETS			
Non-current assets		= 000 ==0	= 000 00=
Property, plant and equipment Investments in subsidiaries	4 5	5,226,559 3,975,004	5,338,825 3,975,004
investments in subsidiaries	3	3,973,004	
Total non-current assets		9,201,563	9,313,829
Current assets			
Receivables, deposits and prepayments	7	1,798,046	1,236,786
Cash and cash equivalents	11	13,452,620	13,198,775
Total current assets		15,250,666	14,435,561
Total assets		24,452,229	23,749,390
EQUITY AND LIABILITIES			
EQUITY Share capital	12	44,885,567	44,885,567
Reserves	13	, ,	(24,271,692)
Total equity		21,544,053	20,613,875
LIABILITIES			
Non-current liability			
Borrowings	15	2,518,667	2,688,425
Total non-current liability		2,518,667	2,688,425
Current liabilities	16	152.012	146 010
Payables and accruals Borrowings	15	152,012 237,497	146,019 301,071
Borrowings	10		
Total current liabilities		389,509	447,090
Total liabilities		2,908,176	3,135,515
Total equity and liabilities		24,452,229	23,749,390

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 March 2019

	Note	2019 RM	2018 RM
Revenue	17	729,819	659,064
Staff costs	18	(397,246)	(353,423)
Depreciation of property, plant and equipment	4	(142,206)	(138,776)
Operating expenses		(1,819,758)	(2,952,689)
Other operating income		2,238,086	1,228,757
Finance income	19	477,367	435,312
Finance costs	19	(155,884)	(161,711)
Profit/(Loss) before tax	19	930,178	(1,283,466)
Tax expense	20	-	_
Profit/(Loss) for the financial year		930,178	(1,283,466)
Other comprehensive income			_
Total comprehensive income/(loss) for the financial year		930,178	(1,283,466)

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STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 March 2019

	Share capital RM	Accumulated losses Total RM RM
At 1 April 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
Total comprehensive income for the financial year	-	930,178 930,178
At 31 March 2019	44,885,567	(23,341,514) 21,544,053

STATEMENT OF CASH FLOWS

for the financial year ended 31 March 2019

	2019 RM	2018 RM
Cash flows from operating activities		
Profit/(Loss) before tax	930,178	(1,283,466)
Adjustments for:- Gain on disposal of property, plant and equipment Property, plant and equipment written off Reversal of impairment loss on amount due from subsidiary Investment in subsidiary written off Depreciation of property, plant and equipment Interest expense Impairment loss on amount due from subsidiary Unrealised (gain)/loss on foreign exchange Interest income Reversal of impairment loss of investment in subsidiary	1,268,000 142,206 155,884 179,670 (970,086) (477,367) (1,268,000)	
Operating loss before changes in working capital	(39,515)	(67,488)
Changes in working capital:- Receivables, deposits and prepayments Payables and accruals	(106,406) 5,993	989,749 8,011
Net cash (used in)/from operating activities	(139,928)	930,272
Cash flows from investing activities		
Interest received Advances from subsidiaries Proceed of disposal of property, plant and equipment Purchase of property, plant and equipment	477,367 335,562 - (29,940)	435,312 - 500 (6,660)
Net cash from investing activities	782,989	429,152
Cash flows from financing activities		
Interest paid Repayment of term loans	(155,884) (233,332)	(161,711) (287,449)
Net cash used in financing activities	(389,216)	(449,160)
Net increase in cash and cash equivalents	253,845	910,264
Cash and cash equivalents at 1 April	13,198,775	12,288,511
Cash and cash equivalents at 31 March (Note 11)	13,452,620	13,198,775

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 15 July 2019.

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.

(CONT'D)

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 New Standards/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 new standards/ amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 April 2018.

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

MFRS 9 Financial Instruments

MFRS 9 Financial Instruments replaces MFRS 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 April 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement, impairment, and hedge accounting.

The Group and the Company applied MFRS 9 prospectively, with an initial application date of 1 April 2018. The Group and the Company have not restated the comparative information, which continues to be reported under MFRS 139. Differences arising from the adoption of MFRS 9 have been recognised directly in retained earnings and other components of equity.

(i) Classification and measurement

Under MFRS 9, debt instruments are subsequently measured at fair value through profit or loss ("FVTPL"), amortised cost ("AC"), or fair value through other comprehensive income ("FVOCI"). The classification is based on two criteria: the Group's and the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

(CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.4 Adoption of New Standards/Amendments/Improvements to MFRSs (cont'd)

Initial application of the new standards/amendments/improvements to the standards did not have material impact to the financial statements, except for (cont'd):-

MFRS 9 Financial Instruments (cont'd)

(i) Classification and measurement (cont'd)

The assessment of the Group's and the Company's business model were made as of the date of initial application, 1 April 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of MFRS 9 did not have a significant impact to the Group and the Company. The Group and the Company continued measuring at fair value for all financial assets previously held at fair value under MFRS 139. The changes in the classification of the Group's and of the Company's financial assets are as follows:-

Trade receivables classified as loans and receivables as at 31 March 2018 are held to
collect contractual cash flows and give rise to cash flows representing solely payments
of principal and interest. These are classified and measured as debt instruments at
amortised cost beginning 1 April 2018.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Group's and the Company's financial liabilities.

In summary, upon the adoption of MFRS 9, the Group and the Company had the following required or elected reclassification as at 1 April 2018.

Group	MFRS 9 measurement category Amortised cost RM
MFRS 139 Measurement category Loan and receivable Receivables and deposits Amount due from associates	1,336,870 2,680,864
Cash and cash equivalents	22,697,512 ————————————————————————————————————
Company	
MFRS 139 Measurement category Loan and receivable	
Receivables and deposits Cash and cash equivalents	1,206,279 13,198,775
	14,405,054

(CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.4 Adoption of New Standards/Amendments/Improvements to MFRSs (cont'd)

Initial application of the new standards/amendments/improvements to the standards did not have material impact to the financial statements, except for (cont'd):-

MFRS 9 Financial Instruments (cont'd)

(ii) Impairment of financial assets

The adoption of MFRS 9 has fundamentally changed the Group's and the Company's accounting for impairment losses for financial assets by replacing MFRS 139's incurred loss approach with a forward-looking expected credit loss ("ECL") approach. MFRS 9 requires the Group and the Company to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets. The Group and the Company expect no significant impact on their statement of financial position.

The Group and the Company have only one type of financial assets that are subject to MFRS 9's new expected credit loss model:-

Trade receivables

The Group and the Company were required to revise its impairment methodology under MFRS 9 for each of these classes of assets. The impact of the change in impairment methodology was immaterial.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

The Group and the Company apply the MFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation.

On that basis, the loss allowance was determined to be immaterial.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days.

MFRS 15 Revenue From Contracts with Customers

MFRS 15 supersedes MFRS 111 Construction Contracts, MFRS 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. MFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

(CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.4 Adoption of New Standards/Amendments/Improvements to MFRSs (cont'd)

Initial application of the new standards/amendments/improvements to the standards did not have material impact to the financial statements, except for (cont'd):-

MFRS 15 Revenue From Contracts with Customers (cont'd)

MFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group and the Company adopted MFRS 15 using the modified retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group elected to apply the standard to all contracts as at 1 April 2018.

In conclusion, the adoption of MFRS 15 has no significant impact on the substance of the principles applied by the Group and the Company to the amount and timing of revenue recognition. The revenue recognition principles and delivery terms applied by the Group and the Company remain generally unaltered. No adjustment to the opening balance of unappropriated profits has been made as there are no changes in timing of the revenue recognition.

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.

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

MFRS 16 Leases

MFRS 16 was issued in January 2016 and it 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.

(CONT'D)

2. BASIS OF PREPARATION (CONT'D)

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

MFRS 16 Leases (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, which is effective for annual periods beginning on or after 1 January 2019, requires lessees and lessors to make more extensive disclosures than under MFRS 117.

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 2019, management assesses that the useful lives represent the expected utility of the assets to the Group and the Company. The carrying amounts are analysed in Note 4 to the financial statements. Actual results, however, may vary due to change in the expected level of usage and technological developments, which resulting the adjustment to the Group's and the Company's assets.

Impairment of 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.

(CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty (cont'd)

Impairment of non-financial assets (cont'd)

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.

Provision for expected credit losses ("ECLs") of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the construction and plantation sectors, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about the ECLs on the Group's and of the Company's trade receivables are disclosed in Note 7 to the financial statements.

(CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

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.

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.

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

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

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, 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.

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Goodwill (cont'd)

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

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually and, whenever there is an indication that the unit may be impaired, by comparing the carrying amount of the unit, including goodwill, with the recoverable amount of the unit. Where the recoverable amount of the cash-generating unit (or group of cash-generating units) is less than the carrying amount, an impairment loss is recognised in the profit or loss.

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

3.3 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.

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Property, plant and equipment and depreciation

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

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

Depreciation of property, plant and equipment is provided on the straight line method in order to write off the cost of each asset over its estimated useful life.

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

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

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.

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

3.9 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.

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Impairment of assets (cont'd)

3.9.1 Non-financial assets (cont'd)

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.

3.10 Financial instruments

3.10.1 Initial recognition and measurement

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

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

3.10.2 Financial assets - classification and subsequent measurement

Accounting policies applied from 1 April 2018:-

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with MFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:-

- amortised cost
- fair value through profit or loss ("FVTPL")
- fair value through other comprehensive income ("FVOCI")

In the periods presented, the Company does not have any financial assets categorised as FVTPL and FVOCI.

The classification is determined by both:-

- the entity's business model for managing the financial asset
- · the contractual cash flow characteristics of the financial asset

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Financial instruments (cont'd)

3.10.2 Financial assets - classification and subsequent measurement (cont'd)

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):-

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Accounting policies applied until 31 March 2018:-

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:-

- financial assets at fair value through profit or loss;
- held-to-maturity investments;
- · loans and receivables; and
- available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each end of the reporting period. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Financial instruments (cont'd)

3.10.2 Financial assets - classification and subsequent measurement (cont'd)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment.

Discounting is omitted where the effect of discounting is immaterial. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

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

3.10.3 Financial assets - impairment

Accounting policies applied from 1 April 2018:-

MFRS 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss ("ECL") model'. This replaces MFRS 139's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under MFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at FVTPL.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:-

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Financial instruments (cont'd)

3.10.3 Financial assets – impairment (cont'd)

Accounting policies applied from 1 April 2018 (cont'd):-

Trade and other receivables

The Group makes use of a simplified approach in accounting for trade receivables and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due. Overall, the impact of the impairment was immaterial.

Accounting policies applied until 31 March 2018:-

The Group assesses 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.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continue to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is 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.

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Financial instruments (cont'd)

3.10.3 Financial assets – impairment (cont'd)

Accounting policies applied until 31 March 2018 (cont'd):-

Financial assets carried at amortised cost (cont'd)

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the profit or loss.

3.10.4 Financial liabilities – categorisation and subsequent measurement

As the accounting for financial liabilities remains largely the same under MFRS 9 compared to MFRS 139, the Company's financial liabilities were not impacted by the adoption of MFRS 9. However, for completeness, the accounting policy is disclosed below.

The Group's and Company's financial liabilities include trade and other payables, amount due to an associate, finance lease liabilities, bank borrowings and dividend payables. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group and the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

At reporting date, the Group and the Company have not designated any financial liabilities as at fair value through profit or loss. The Group and the Company carry only other financial liabilities on their statements of financial position.

3.10.5 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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.

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Provisions (cont'd)

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.

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.

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Foreign currency translations (cont'd)

Foreign operations (cont'd)

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

The Group is in the business of manufacturing precision springs, insurance commission, gaming income and hotel income. Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

3.16.1 Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods are transferred to the customer.

3.16.2 Revenue from other sources

3.16.2.1 Interest income

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

3.16.2.2 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.

3.16.2.3 Service fee

Service fee is recognised as it accrues.

3.16.2.4 Insurance commission

Insurance commission is recognised as it accrues.

3.16.2.5 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.

3.16.2.6 Management fees

Management fees is recognised upon rendering services.

3.16.2.7 Gaming income

Gaming income represents net house takings.

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Revenue (cont'd)

3.16.2 Revenue from other sources (cont'd)

3.16.2.8 Hotel income

Hotel income is recognised when the relevant services are provided.

3.16.2.9 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.

3.17.2 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.

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

3.21 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 tax authority is included as part of receivables or payables in the statements of financial position.

The Malaysian Government has zero rated the GST effective from 1 June 2018. This mean the GST rate on the supplies of goods or services or on the importation of goods has been revised from 6% to 0%.

The GST has been replaced with the Sales and Services Tax effective from 1 September 2018. The rate for sales tax is fixed at 5% or 10%, while the rate for services tax is fixed at 6%.

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.22 Sales and Services tax

Expenses and assets are recognised net of the amount of sales and services tax, except:-

- When the sales and services tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of sales and services tax included

The net amount of sales and services tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the statement of financial position.

3.23 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.

(CONT'D)

Plant, furniture, factory fixtures, fixtures, factory fixtures, fixtures, fixtures, factory formiture, fixtures, fixtures, factory fixtures, fixtures, factory Advantage equipment club and and and colls office Motor Total RM RM RM RM 3,035,076 4,209,212 363,636 26,658,267 276,885 161,094 12,957 450,936 - (23,427) - (23,427) - (287,718) (13,888) (1,270,399) 3,311,961 4,020,643 362,705 25,776,859 501,408 105,751 246,250 858,109
equipe equipment of the state o
ant, iiner tory ones ones ones ones ones ones ones ones
Building, machinery, building machinery, improvement factory and equipment electrical and installation RM RM 17,021,379 3,035,076 - 276,885 276,885 (828,791) - 16,192,588 3,311,961
Leasehold land RM 2,028,964

Additions Disposals Written off Translation differences

Cost At 1 April 2017

Group

At 31 March 2018

Disposals Translation differences

Additions

At 31 March 2019

PROPERTY, PLANT AND EQUIPMENT

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

				_	
Total	155,474 15,444,614 52,225 1,004,763 - (23,427) - (38,471) (13,888) (1,059,692)	15,327,787 648,962 (89,323) 436,951	167,236 16,324,377	278,427 10,649,093	321,094 168,894 10,449,072
Motor vehicles RM	155,474 52,225 - (13,888)	193,811 57,242 (89,323) 5,506	167,236	278,427	168,894
Hotel equipment, furniture, fixtures, club and office equipment RM	3,917,206 105,907 (23,427) (38,471) (261,666)	3,699,549 108,990 - 107,134	3,915,673	328,458	321,094
Plant, machinery, factory equipment and tools RM	2,518,781 157,838	2,676,619	2,900,735	912,634	635,342
Buildings, building improvement and electrical installation RM	8,357,334 652,689 - - (757,071)	8,252,952 223,355 312,470	8,788,777	7,737,068	7,939,636
i Leasehold Iand RM	495,819 36,104 - (27,067)	504,856 35,259 -	551,956	1,392,506	1,384,106
		ı		1	

At 31 March 2018 Depreciation for the financial year

Translation differences

Disposals

At 31 March 2019

Translation differences

Written off

Disposals

Net carrying amounts

At 31 March 2019

At 31 March 2018

PROPERTY, PLANT AND EQUIPMENT (CONT'D)

4.

78

Group

Depreciation and impairment loss

Depreciation for the financial year

At 1 April 2017

(CONT'D)

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

Company	Buildings RM	Furniture, fixtures and office equipment RM	Total RM
Cost			
At 1 April 2017 Additions Disposal Written off	6,615,548	1,457,272 6,660 (4,102) (38,518)	8,072,820 6,660 (4,102) (38,518)
At 31 March 2018 Additions	6,615,548	1,421,312 29,940	8,036,860 29,940
At 31 March 2019	6,615,548	1,451,252	8,066,800
Accumulated depreciation			
At 1 April 2017 Depreciation for the financial year Disposal Written off	1,169,799 132,311 -	1,432,033 6,465 (4,102) (38,471)	2,601,832 138,776 (4,102) (38,471)
At 31 March 2018 Depreciation for the financial year	1,302,110 132,311	1,395,925 9,895	2,698,035 142,206
At 31 March 2019	1,434,421	1,405,820	2,840,241
Net carrying amounts			
At 31 March 2019	5,181,127	45,432	5,226,559
At 31 March 2018	5,313,438	25,387	5,338,825

(i) Assets under finance lease

Included under property, plant and equipment of the Group are motor vehicles with carrying amount of RM263,126 (2018: RM145,564) acquired under finance lease installment plans.

(ii) Security

The buildings of the Group and of the Company with the carrying amount of RM5,181,127 (2018: RM5,313,438) respectively are pledged for banking facilities (Note 15).

(CONT'D)

5. INVESTMENTS IN SUBSIDIARIES

	Com	Company		
	2019 RM	2018 RM		
Unquoted shares, at cost Less : Allowance for impairment loss	4,440,544 (465,540)	5,708,544 (1,733,540)		
	3,975,004	3,975,004		

The movement of impairment losses during the financial year is as follows:-

	Company		
	2019 RM	2018 RM	
At 1 April Reversal of impairment loss	1,733,540 (1,268,000)	1,733,540	
At 31 March	465,540	1,733,540	

Details of the subsidiaries are as follows:-

Name of subsidiaries	Place of incorporation	Equ ownership 2019	•	Principal activities
Wire Master Spring Sdn. Bhd.	Malaysia	96%	96%	Manufacturing of precision springs
EPA Automation Sdn. Bhd. #	Malaysia	-	100%	Ceased operations
Goldwealth Capital Sdn. Bhd.	Malaysia	100%	100%	Dormant
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

(CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (cont'd):-

Name of subsidiaries	Place of incorporation	Equ ownershi 2019	•	Principal activities
Subsidiaries of Probusiness Investments Limited				
- Remarkable Group Limited ##	British Virgin Islands	-	-	Ceased operations
- Asia Pacific Winning Limited	British Virgin Islands	100%	100%	Investment holding
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	-	-	Dormant
# The subsidiary has	been struck off on 8 Ju	ne 2018.		

The subsidiary has been struck off on 8 June 2018.

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- e Malaysia Investments Group	Total
2019				
NCI percentage of ownership interests and voting interest (%)	4%	50%	25%	
Carrying amount of NCI (RM)	240,079	-	(826,951)	(586,872)
Profit/(Loss) allocated to NCI (RM)	14,737	-	(27,150)	(12,413)

^{##} The subsidiary has been struck off on 1 May 2017.

The subsidiary has been written off on 1 May 2017.

(CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Non-controlling interests in subsidiaries (cont'd)

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

	Wire Master Spring Sdn. Bhd.	Remarkable Group Limited	Lao- e 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)

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		Lao- Malaysia Investments Group RM	Total RM
2019				
Financial position as at 31 March				
Non-current assets Current assets Non-current liabilities Current liabilities	4,936,627 3,097,103 (122,769) (1,909,003)	- - - -	1,246,457 668,559 - (6,509,124)	6,183,084 3,765,662 (122,769) (8,418,127)
Net assets	6,001,958	-	(4,594,108)	1,407,850
Summary of financial performance for the financial year ended 31 March				
Profit/(Loss) for the financial year Other comprehensive loss	368,422	-	(108,600) (246,515)	259,822 (246,515)
Total comprehensive income/(loss)	368,422	-	(355,115)	13,307
Included in the total comprehensive income is:- Revenue	6,026,885	-	1,133,220	7,160,105

(CONT'D)

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
2019				
Summary of cash flows for the financial year ended 31 March				
Net cash (outflow)/inflow from - operating activities - investing activities - financing activities	(38,567) 605 (90,216)	- - -	(359,226) (8,260) 379,280	(397,793) (7,655) 289,064
Net cash (outflow)/inflow	(128,178)	-	11,794	(116,384)
2018 Financial position as at 31 March				
Non-current assets Current assets Non-current liabilities Current liabilities	4,708,156 2,571,352 (17,922) (1,628,441)	- - -	1,278,673 573,775 - (6,091,441)	3,145,127 (17,922)
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 Other comprehensive (loss)/income	(61,651) -	(4) (79,719)	(477,620) 581,922	(539,275) 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

(CONT'D)

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 Ro Spring Sdn. Bhd. RM	emarkable Group Limited RM	Lao- Malaysia Investments Group RM	Total RM
2018				
Summary of cash flows for the financial year ended 31 March				
Net cash (outflow)/inflow from - operating activities - investing activities - financing activities	(248,337) 220,856 (56,292)	- - -	886,240 (83,362) (1,097,492)	637,903 137,494 (1,153,784)
Net cash outflow	(83,773)	-	(294,614)	(378,387)

6. INVESTMENT IN ASSOCIATES

	Group	
	2019 RM	2018 RM
Unquoted shares outside Malaysia, at cost Share of post acquisition loss	1,987,379 1,9 (1,987,379) (1,9	087,379 087,379) -
Represented by:- Share of net assets	-	-

Details of the associate are as follows:-

Name of associates	Place of incorporation	Equ Ownershi 2019	•	Principal activities
Goldshore Capital Limited*	British Virgin Islands	40%	40%	Gaming operations
Golden Sprint Investment Limited*#	British Virgin Islands	-	20%	Dormant

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

[#] The associate has been struck off on 1 November 2018.

(CONT'D)

6. INVESTMENT IN ASSOCIATES (CONT'D)

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

	Group	
	2019	2018
	RM	RM
Assets and liabilities:-		
Non-current assets	4,695,882	4,470,576
Current assets	4,152,752	4,109,611
Current liabilities	(15,997,226)(16,780,165)
Net liabilities	(7,148,592)	(8,199,978)
Revenue	2,224,322	4,694,030
Profit for the financial year/Total comprehensive income	637,799	3,553,441
Group's share of results for the financial year ended 31 March Group's share of income/total comprehensive income	252,708	1,421,820
Other information Dividend received	-	-

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

7. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	Gr 2019 RM	oup 2018 RM	Com 2019 RM	pany 2018 RM
Current		TXW	IXIVI	TOWN	TXW
<u>Trade</u>					
Trade receivables Less : Allowance for expected credit losses		1,338,939	1,150,999	-	-
		(59,568)	(9,049)	-	-
		1,279,371	1,141,950	-	_
Non-trade					
Amounts due from subsidiaries Less : Allowance for expected credit losses		-	-	18,751,327	18,116,803
		-	-	(17,173,063)	(16,993,393)
	7.1		-	1,578,264	1,123,410

(CONT'D)

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

	Note	Gı 2019	oup 2018	Com _l 2019	oany 2018
		RM	RM	RM	RM
Non-trade					
Other receivables	7.2	5,194,833	5,072,493	5,104,163	5,000,000
GST receivables		5,536	8,266	4,806	4,256
Deposits		99,747	122,427	82,799	82,869
Prepayments Less : Allowance for expected credit		54,523	49,595	28,014	26,251
losses		(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
		354,639	252,781	219,782	113,376
Total current receivables		1,634,010	1,394,731	1,798,046	1,236,786

The movement in allowance for expected credit losses in trade receivables are as follows:-

	Group		Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Brought forward Allowance for expected credit losses Translation differences	9,049	10,359	-	-
	50,000	-	-	-
	519	(1,310)	-	-
Carried forward	59,568	9,049	-	-

The normal trade credit terms granted by the Group to the trade receivables range from 30 to 90 days (2018: 30 to 90 days).

The movement in allowance for expected credit losses in non-trade receivables are as follows:-

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Brought forward Allowance for expected credit losses Reversal of allowance for expected credit losses	5,000,000	5,000,000 - -	21,993,393 179,670	23,221,650 - (1,228,257)
Carried forward	5,000,000	5,000,000	22,173,063	21,993,393

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 (2018: RM5,000,000) respectively due from a third party which is unsecured, interest free and repayable on demand. Allowance for expected credit loss has been fully made as at reporting date.

(CONT'D)

8. DEFERRED TAXATION

8.1 Deferred tax assets

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

Group	At 1 April 2017 RM	Recognised in profit or loss RM	At 31 March 2018 RM	Recognised in profit or loss RM	I At 31 March 2019 RM
Carrying amount of qualifying property, plant and equipment in excess of their tax base Unabsorbed capital allowance	(299,000)	*	(262,000) (38,000)	*	(191,000)
	(359,000)	59,000	(300,000)	109,000	(191,000)
		Note 20		Note 20	

8.2 Deferred tax assets not recognised

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

	Gro	oup
	2019 RM	2018 RM
Unutilised tax losses Unabsorbed capital allowances	(2,138,000) (317,000)	,
Property, plant and equipment	14,000	9,000
	(2,441,000)	(2,725,000)
	Com	pany
	Com 2019 RM	pany 2018 RM
Unutilised tax losses	2019	2018
Unabsorbed capital allowances	2019 RM (691,000) (256,000)	2018 RM (852,000) (256,000)
	2019 RM (691,000)	2018 RM (852,000)
Unabsorbed capital allowances	2019 RM (691,000) (256,000) 14,000	2018 RM (852,000) (256,000)

The taxable temporary differences, unabsorbed capital allowances and unutilised tax losses have a time limit of seven years 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.

(CONT'D)

9. INVENTORIES

	Gro	Group		
	2019 RM	2018 RM		
Raw materials Finished goods	1,254,652 430,018	799,329 327,959		
	1,684,670	1,127,288		
Recognised in profit and loss:- Inventories recognised as cost of sales Allowance for obsolete inventories Reversal of allowance for obsolete inventories	1,736,392 64,398 (75,580)	1,284,272 19,877		

10. AMOUNT DUE FROM ASSOCIATES

	Group
	2019 2018 RM RM
Amount due from associates Share of post acquisition loss	5,169,348 5,548,927 (2,543,443) (2,868,063)
	2,625,905 2,680,864

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		p Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Short-term deposits with licensed banks and financial institutions	21,346,274	20,131,961	13,178,842	12,406,933
Fixed deposits with licensed banks and financial institutions	8,778	8,000	-	-
Cash and bank balances	2,323,642	2,557,551	273,778	791,842
	23,678,694	22,697,512	13,452,620	13,198,775

The interest rate of short-term deposits with licensed banks ranges from 3.30% to 3.73% (2018: 3.20% to 3.52%) per annum.

Included in the Group's fixed deposits is an amount of RMNil (2018: RM8,000) pledged to a licensed bank for banking facilities granted to a subsidiary.

(CONT'D)

12. SHARE CAPITAL

	Group and Company					
		2019	2018			
	Number o	f	Number of			
	shares Unit	Amount RM	shares Unit	Amount RM		
Issued and fully paid:-						
Ordinary shares At beginning/At end of financial year	44,753,400	44,885,567	44,753,400	44,885,567		

13. RESERVES

		G	roup	Compa	ny
	Note	2019 RM	2018 RM	2019 RM	2018 RM
Non-distributable					
Exchange fluctuation reserve	13.1	4,538,549	3,961,151	-	_
Accumulated losses	(4,538,549 12,422,728)	3,961,151 (13,961,201)	- (23,341,514)(24	1,271,692)
		(7,884,179)	(10,000,050)	(23,341,514)(24	1,271,692)

13.1 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

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

(CONT'D)

15. BORROWINGS

Current	Note	Gi 2019 RM	roup 2018 RM	Com 2019 RM	pany 2018 RM
Term loans - secured Finance lease liabilities	15.3 15.4	237,497 84,412	301,071 51,625	237,497	301,071
		321,909	352,696	237,497	301,071
Non-current					
Term loans - secured Finance lease liabilities	15.3 15.4	2,518,667 122,769	2,688,425 17,922	2,518,667	2,688,425
		2,641,436	2,706,347	2,518,667	2,688,425
Total current and non-current borrowings		2,963,345	3,059,043	2,756,164	2,989,496

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% (2018: 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 2.30% - 3.43% (2018: 2.80% - 3.43%) per annum.

(CONT'D)

15. BORROWINGS (CONT'D)

15.3 Terms and debt repayment schedule

	Year of maturity	Carrying amount RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	Over 5 years RM
Group						
2019						
Term loans - secured Finance lease liabilities	2029 2019	2,756,164 207,181	237,497 84,412	250,999 73,673	839,094 49,096	1,428,574
		2,963,345	321,909	324,672	888,190	1,428,574
2018						
Term loans - secured Finance lease liabilities	2029 2019	2,989,496 69,547	301,071 51,625	316,727 17,922	1,055,914	1,315,784
		3,059,043	352,696	334,649	1,055,914	1,315,784
Company						
2019						
Term loan - secured	2029	2,756,164	237,497	250,999	839,094	1,428,574
2018						
Term loan - secured	2029	2,989,496	301,071	316,727	1,055,914	1,315,784

15.4 Finance lease liabilities

Finance lease liabilities are payable as follows:-

Group	Repayments RM	2019 — Interest RM	Principal RM	Repayments RM	2018 Interest RM	Principal RM
Less than 1 year Later than 1 year and	90,615	6,203	84,412	56,292	4,667	51,625
not later than 2 years Later than 2 years and	78,756	5,083	73,673	19,664	1,742	17,922
not later than 5 years	52,485	3,389	49,096	-	-	-
	221,856	14,675	207,181	75,956	6,409	69,547

(CONT'D)

16. PAYABLES AND ACCRUALS

	G 2019 RM	roup 2018 RM	Comp 2019 RM	any 2018 RM
Trade				
Trade payables	215,540	390,925	-	-
Non-trade				
Other payables Accrued expenses SST payables	546,198 408,651 6,275	471,119 481,293	152,012 - -	146,019 - -
	961,124	952,412	152,012	146,019
	1,176,664	1,343,337	152,012	146,019

The normal trade credit terms granted by trade payables range from 30 to 90 days (2018: 30 to 90 days).

17. REVENUE

	Group		Comp	any
	2019	2018	2019	2018
	RM	RM	RM	RM
Revenue recognised at a point in time:-				
Sale of goods	6,026,885	5,094,907	-	-
Service charges	13,072	45,264	-	-
Management fees	-	-	300,000	300,000
Gaming income	794,620	627,068	-	-
Hotel income	1,133,220	1,290,927	-	-
Rental income	429,819	359,064	429,819	359,064
	8,397,616	7,417,230	729,819	659,064

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(CONT'D)

18. STAFF COSTS

	Group		Comp	any
	2019	2018	2019	2018
	RM	RM	RM	RM
Salaries, wages and other emoluments Defined contribution plan Social security contributions Other benefits	2,767,278	2,668,176	353,238	309,032
	195,028	180,078	35,986	31,549
	34,363	30,158	2,279	1,864
	27,542	30,920	5,743	10,978
	3,024,211	2,909,332	397,246	353,423

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

	Group		
	2019 RM	2018 RM	
Executive Directors:-			
Salaries and other emoluments	703,308	681,209	
Defined contribution plan	30,112	27,458	
Social security contributions	923	852	
	734,343	709,519	
	Group and 2019 RM	Company 2018 RM	
Non-executive Directors:- Other emoluments	54,000	46,000	

19. FINANCE INCOME, FINANCE COST AND PROFIT BEFORE TAX

	Group		Comp	any
	2019 RM	2018 RM	2019 RM	2018 RM
Finance income are as follows: Interest income from cash and cash equivalents	772,612	702,989	477,367	435,312
Finance costs are as follows: Bank borrowings - Finance lease liabilities - Credit card commissions	155,884 6,850 6,942	161,711 4,707 8,964	155,884 - -	161,711 - -
	169,676	175,382	155,884	161,711
Profit before tax arrived at:- After crediting:- Rental income from: third parties	248,325	200,448	248,325	200,448

(CONT'D)

20. TAX EXPENSE

	Grou 2019 RM	up 2018 RM	Compa 2019 RM	any 2018 RM
Tax expense				
- Current year	67,247	-	-	-
Deferred tax (Note 8)				
 Current year Under provision in prior years Total deferred tax recognised in the profit or loss (Note 8) 	136,000 (27,000)	59,000 -		-
	109,000	59,000	-	-
Total tax expense	176,247	59,000	-	-

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	
	2019 RM	2018 RM	2019 RM	2018 RM
Profit/(Loss) before tax	1,702,307	1,921,704	930,178	(1,283,466)
Tax calculated using Malaysian tax rate of 24% Gain of foreign subsidiaries not available for	408,554	461,209	223,243	(308,032)
set-off	(174,088)	(390,736)	_	_
Non-deductible expenses	4,934	294,621	417,806	735,009
Non-taxable income	_	(289, 294)	_	(399,377)
Tax exempt income	(21,993)	_	(601,449)	_
Deferred tax assets not recognised	(68,160)	(16,800)	(39,600)	(27,600)
	149,247	59,000	-	-
Under provision in prior years				
- deferred tax	27,000	-	-	
Tax expense	176,247	59,000	-	-

The unutilised tax losses and unabsorbed capital allowances which can be carried forward to offset against future taxable profit amounted to approximately RM2,138,000 (2018: RM2,417,000) and RM317,000 (2018: RM317,000) for the Group and RM691,000 (2018: RM852,000) and RM256,000 (2018: RM256,000) for the Company.

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

(CONT'D)

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.

	Gre	oup
	2019 RM	2018 RM
Earnings attributable to owners of the Company (RM)	1,538,473	1,994,942
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.

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:-

	2019 RM	2018 RM
Management fees receivable	300,000	300,000

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

(CONT'D)

22. RELATED PARTIES DISCLOSURES (CONT'D)

Related party transactions (cont'd)

The significant related party transactions of the Group and of the Company, other than those disclosed in the financial statements are as follows (cont'd):-

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

	Group and	Company
	2019 RM	2018 RM
Rental receivable	181,494	158,616

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

(CONT'D)

23. SEGMENTAL INFORMATION - GROUP (CONT'D)

<u>(i)</u>	Business segments (cont'd)							
	2019	Manufacturing RM	Supply RM	Gaming RM	Hotel RM	Others RM	Eliminations Consolidated RM RM	Consolidated RM
	Revenue from external customers Inter-segment revenue	6,026,885	13,072	794,620	1,133,220	429,819	(300,000)	8,397,616
	Total revenue	6,026,885	13,072	794,620	1,133,220	729,819	(300,000)	8,397,616
	Result:- Interest income	1,237	1	ı	1	771,375	ı	772,612
	Depreciation of property, plant and equipment	(305,154)	1	ı	(110,827)	(232,981)	ı	(648,962)
	Finance costs	(6,850)	1	1	(6,942)	(155,884)	1	(169,676)
	Other non-cash expenses Note (a)	(25,865)	1	(11,376)	(21,240)	ı	1	(58,481)
	Tax expense	(176,247)	1	ı	1	ı	ı	(176,247)
	Segment profit/(loss)	368,422	4,141	532,828	(108,600)	(108,600) 1,200,616	(471,347)	1,526,060
	Assets:- Addition to non-current assets Note (b) Unallocated assets	819,909	1	ı	8,260	29,940	ı	858,109 21,637,205
	Segment assets	4,379,679	6,341	4,077,550	1,915,016	8,538,734	1	18,917,320
	Liabilities:- Unallocated liabilities Segment liabilities	233,723	5,802	85,831	363,608	487,700	1	2,963,345

(CONT'D)

23. SEGMENTAL INFORMATION - GROUP (CONT'D)

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2018	Manufacturing RM	Supply RM	Gaming RM	Hotel RM	Others	Eliminations RM	Eliminations Consolidated RM RM
Revenue from external customers Inter-segment revenue	5,094,907	45,264 78,000	627,068	1,290,927	359,064 300,000	- (378,000)	7,417,230
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	ı	ı	435,312	1	702,989
Depreciation of property, plant and equipment	(219,832)	1	(344)	(555,036)	(229,551)	ı	(1,004,763)
Finance costs	(4,707)	ı	ı	(8,964)	(161,711)	ı	(175,382)
Other non-cash (expense)/income Note (a)	(19,877)	15,052	767	18,383	113,331	ı	127,656
Tax expense	(29,000)	ı	ı	ı	1	ı	(29,000)
Segment profit/(loss)	(61,651)	221,469	(1,991,005)	(477,620)	(954,414)	5,125,925	1,862,704
Assets:- Addition to non-current assets Note (b) Unallocated assets Segment assets	3,385,373	197,243	3,646,059	83,360	6,660	1 1	450,936 20,565,561 18,209,506
Liabilities:- Unallocated liabilities Segment liabilities	482,462	21,742	98,762	325,205	415,166	1	3,059,043

(CONT'D)

23. SEGMENTAL INFORMATION - GROUP (CONT'D)

Notes:-

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

		2019 RM	2018 RM
	Allowance for obsolete inventories Allowance for obsolete inventories no longer required Allowance for expected credit loss on trade receivables Bad debts written off Waiver of debts for amount due from a Director Property, plant and equipment written off Fair value adjustment on trade receivables recognised in profit or loss Gain on disposal of property, plant and equipment Unrealised (loss)/gain on foreign exchange	(64,398) 75,580 (50,000) (5,302) - - 15,523 (29,884)	(19,877) - - - 112,878 (47) 15,052 1,267 18,383
(b)	Additions to non-current assets consist of:-	(58,481) 2019 RM	127,656 2018 RM
	Property, plant and equipment	858,109	450,936

(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
2019				
Revenue from external customers by location of customers	6,469,776	794,620	1,133,220	8,397,616
Non-current assets	9,593,632	4	1,246,457	10,840,093
Capital expenditure by location of assets	849,849	-	8,260	858,109
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

(CONT'D)

24. LEASE COMMITMENT

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

	Grou	ір
	2019 RM	2018 RM
Not later than one year Later than one year but not later than two years	550 -	1,320 550
	550	1,870

25. CATEGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as financial assets and financial liabilities measured at amortised cost ("AC") as follows:-

Group	Carrying amount RM	AC RM
2019		
Financial assets Receivables and deposits	1,573,951	1,573,951
Amount due from associates	2,625,905	2,625,905
Cash and cash equivalents	23,678,694	23,678,694
	27,878,550	27,878,550
Financial liabilities		
Payables and accruals	1,170,389	1,170,389
Borrowings	2,963,345	2,963,345
	4,133,734	4,133,734

The table below provides an analysis of financial instruments categorised in the prior period are in accordance with MFRS 139 as follows:-

- (i) Loan and receivables ("L&R");
- (ii) Other financial liabilities measured at amortised cost ("AC")

(CONT'D)

25. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D)

Group (cont'd)	Carrying amount RM	L&R RM	AC RM
2018			
Financial assets	4 220 070	4 000 070	
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

The table below provides an analysis of financial instruments categorised as financial assets and financial liabilities measured at amortised cost ("AC") as follows:-

Company	Carrying amount RM	AC RM
2019		
Financial assets		
Receivables and deposits	1,765,226	1,765,226
Cash and cash equivalents	13,452,620	13,452,620
	15,217,846	15,217,846
	10,217,040	10,217,040
Financial liabilities		
Payables and accruals	152,012	152,012
Borrowings	2,756,164	2,756,164
	2,908,176	2,908,176

The table below provides an analysis of financial instruments categorised in the prior period are in accordance with MFRS 139 as follows:-

- (i) Loan and receivables ("L&R");
- (ii) Other financial liabilities measured at amortised cost ("AC")

(CONT'D)

25. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D)

Company (Cont'd)	Carrying amount RM	L&R RM	AC RM
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

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.

(CONT'D)

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

Financial risk (cont'd)

(a) Credit risk (cont'd)

The areas where the Group and the Company are exposed to credit risk are as follows:-

(i) Receivables

The Group's and the Company's exposure to credit risk are influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's and the Company's standard payment and delivery terms and conditions are offered. The Group's and the Company's review includes external rating, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's and the Company's trade receivables using a provision matrix:-

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

	Current RM	<30 days RM	30-60 days RM	61-90 days RM	>90 days RM	Total RM
31.03.2019						
Expected credit loss rate	0%	0%	0%	0%	39%	
Estimated total gross carrying amount	737,058	305,059	134,249	11,504	151,069	1,338,939
Expected credit loss	-	-	-	-	59,568	59,568

(CONT'D)

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)

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

(i) Receivables (cont'd)

The ageing analysis of trade receivables of the Group is as follows (cont'd):-

Comparative information under MFRS 139 Financial Instruments: Recognition and Measurement

The ageing of trade receivables and accumulated impairment loss of the Group as at 31 March 2018 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

(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 a subsidiary. The Company monitors on an ongoing basis the results of the subsidiary and repayments made by the subsidiary. As at the end of the reporting period, there was no indication that the subsidiary 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.

(CONT'D)

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)

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

(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.

The areas where the Group and the Company are exposed to liquidity risk are as follows:-

Group 2019	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
<u>Unsecured:-</u> Payables and accruals	1,170,389	1,170,389	1,170,389	-	-	-
Secured:- Borrowings	2,963,345	3,724,204	471,255	459,396	1,194,405	1,599,148
	4,133,734	4,894,593	1,641,644	459,396	1,194,405	1,599,148

(CONT'D)

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):-

(b) Liquidity risk (cont'd)

The areas where the Group and the Company are exposed to liquidity risk are as follows (cont'd):-

	Total carrying amount RM	Contractual cash flows RM	Within 1 year RM	1 to 2 years RM	2 to 5 I years RM	More than 5 years RM
Group (cont'd) 2018	KW	KW	KW	IXW	KW	KW
<u>Unsecured:-</u> Payables and accruals	1,343,337	1,343,337	1,343,337	-	-	-
<u>Secured:-</u> 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
Company 2019						
Unsecured:- Payables and accruals	152,012	152,012	152,012	-	-	-
Secured:- Borrowings	2,756,164	3,502,348	380,640	380,640	1,141,920	1,599,148
	2,908,176	3,654,360	532,652	380,640	1,141,920	1,599,148
2018						
Unsecured:- Payables and accruals	146,019	146,019	146,019	-	-	-
<u>Secured:-</u> 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
'						

(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"), Chinese Renminbi ("RMB") and Singapore Dollar ("SGD").

(CONT'D)

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

Financial risk (cont'd)

(c) Foreign currency 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:-

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			
Group 2019	USD RM	SGD RM	RMB RM	
Cash and cash equivalents Trade and other receivables	1,923,298 290,133	-	-	
Trade and other payables	(851,967)	-	(59,267)	
	1,361,464	-	(59,267)	
2018				
Cash and cash equivalents	1,329,127	-	-	
Trade and other receivables Trade and other payables	178,520 (1,011,325)	(5,665)	-	
	496,322	(5,665)	-	
Company 2019				
Amount due from a subsidiary	17,173,063	-	_	
2018 Amount due from a subsidiary	16,993,393	-		

(CONT'D)

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

	— Increase/ (De Profit/ (Loss)	crease) —
Group and Company	for the year RM	Equity RM
2019		
USD/RM - Strengthened 0.47% - Weakened 0.47%	(6,332) 6,332	(6,332) 6,332
RMB/RM - Strengthened 0.12% - Weakened 0.12%	70 (70)	70 (70)
2018		
USD/RM - Strengthened 1.12% - Weakened 1.12%	5,559 (5,559)	5,559 (5,559)
SGD/RM - Strengthened 0.60% - Weakened 0.60%	34 (34)	34 (34)

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.

(CONT'D)

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

Financial risk (cont'd)

(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.

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
2019		
Fixed rate instruments Financial assets		
Short-term deposits with licensed banks and financial institutions Fixed deposits with licensed banks and financial institutions	21,346,274 8,778	13,178,842
	21,355,052	13,178,842
Floating rate instrument		
Financial liability Borrowings	2,963,345	2,756,164
2018		
Fixed rate instruments Financial assets		
Short-term deposits with licensed banks and financial institutions Fixed deposits with licensed banks and financial institutions	20,131,961 8,000	12,406,933
	20,139,961	12,406,933
Floating rate instrument		
<u>Financial liability</u> Borrowings	3,059,043	2,989,496

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.

(CONT'D)

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

Financial risk (cont'd)

(d) Interest rate risk (cont'd)

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
2019	13,781	(13,781)	13,781	(13,781)
2018	14,947	(14,947)	14,947	(14,947)

(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
2019		
Group Borrowings Finance lease liabilities	2,878,445 196,035	2,756,164 207,181
	3,074,480	2,963,345
Company Borrowings	2,878,445	2,756,164

(CONT'D)

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

Financial risk (cont'd)

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

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

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.

(CONT'D)

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

Reconciliation of liabilities arising from financing activities

Group	1 April 2018 RM	Cash flows RM	Others RM	31 March 2019 RM
Repayment of finance lease liabilities Repayment of term loans Interest paid	69,547 2,989,496 -	(83,366) (233,332) *(169,676)	#221,000 - 169,676	207,181 2,756,164
Total	3,059,043	(486,374)	390,676	2,963,345
Company				
Interest paid Repayment of term loans	2,989,496	*(155,884) (233,332)	155,884 -	2,756,164
Total	2,989,496	(389,216)	155,884	2,756,164
Group	1 April 2017 RM	Cash flows RM	Others RM	31 March 2018 RM
Group Repayment of finance lease liabilities Repayment of term loans Interest paid	2017	flows		2018
Repayment of finance lease liabilities Repayment of term loans	2017 RM 121,132	flows RM (51,585) (287,449)	RM -	2018 RM 69,547
Repayment of finance lease liabilities Repayment of term loans Interest paid	2017 RM 121,132 3,276,945	flows RM (51,585) (287,449) *(175,382)	RM - - 175,382	2018 RM 69,547 2,989,496
Repayment of finance lease liabilities Repayment of term loans Interest paid Total	2017 RM 121,132 3,276,945	flows RM (51,585) (287,449) *(175,382)	RM - - 175,382	2018 RM 69,547 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 shareholders' 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.

[#] Being the additional on finance lease liabilities for the current financial year.

(CONT'D)

28. COMPARATIVE FIGURES

Certain comparative figures in the financial statements have been reclassified to conform to the current financial year presentation:-

Group	As previously As reported reclassified RM RM
Statement of Profit or Loss and Other Comprehensive Income Other income Finance income	1,222,985 519,996 - 702,989
Company	As previously As reported reclassified RM RM
Statement of Profit or Loss and Other Comprehensive Income Other income Finance income	1,664,069 1,228,757

STATEMENT BY DIRECTORSPursuant to Section 251(2) of the Companies Act, 2016

In the opinion of the Directors, the financial statements set out on pages 44 to 113 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 2019 and of their financial performance and cash flows for

the financial year then ended.	J V 1
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

15 July 2019

STATUTORY DECLARATIONPursuant 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 44 to 113 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 15 July 2019.

..... DATO' LIM KIM HUAT **MICPA NO: 1800**

Before me:

INDEPENDENT AUDITORS' REPORT

to the Members of Widetech (Malaysia) Berhad

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 2019 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 44 to 113.

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 2019, 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 for 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

The risk

The Group has trade receivables amounting to RM542,313 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.

Our responses

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.

INDEPENDENT AUDITORS' REPORT (Cont'd) to the Members of Widetech (Malaysia) Berhad

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 RM1,684,670 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

The Group's 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 RM2,625,905 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.

INDEPENDENT AUDITORS' REPORT (Cont'd)

to the Members of Widetech (Malaysia) Berhad

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.

INDEPENDENT AUDITORS' REPORT (Cont'd) to the Members of Widetech (Malaysia) Berhad

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.

INDEPENDENT AUDITORS' REPORT (Cont'd) to the Members of Widetech (Malaysia) Berhad

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: 02943/05/2021 J) CHARTERED ACCOUNTANT

Kuala Lumpur 15 July 2019

LIST OF PROPERTIES

AS AT 31 MARCH 2019

Location	Tenure	Land area / Gross Floor Area	Description, Approx. Age of Building & Year of Acquisition	Net Book Value as at 31 March 2019 (RM'000)
A. REGISTERED OWNER : V	/IDETECH (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 11 years 2008/2009	5,181
B. REGISTERED OWNER : W	/IRE MASTE	ER 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 21 years 2004	3,433

ANALYSIS OF SHAREHOLDINGS

as at 28 June 2019

Total Number of Issued Shares : 44,753,400 Class of Shares : Ordinary shares

Voting Rights : One vote per ordinary share

Number of Shareholders : 766

ANALYSIS BY SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	No. of Shares held	%
Less than 100 shares	51	2,022	0.00
100 to 1,000 shares	265	214,072	0.48
1,001 to 10,000 shares	325	1,278,170	2.86
10,001 to 100,000 shares	87	2,798,800	6.25
100,001 to less than 5% of issued shares	34	22,701,532	50.73
5% of issued shares and above	4	17,758,804	39.68
Total	766	44,753,400	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 28 JUNE 2019

	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	1,047,532	2.34	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 28 JUNE 2019

		No. of Shares Held			
No.	Name	Direct	%	Indirect	%
1.	Dato' Lim Kim Huat	271,749	0.61	-	_
2.	Tan Sri Datuk Chu Sui Kiong	1,047,532	2.34	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:

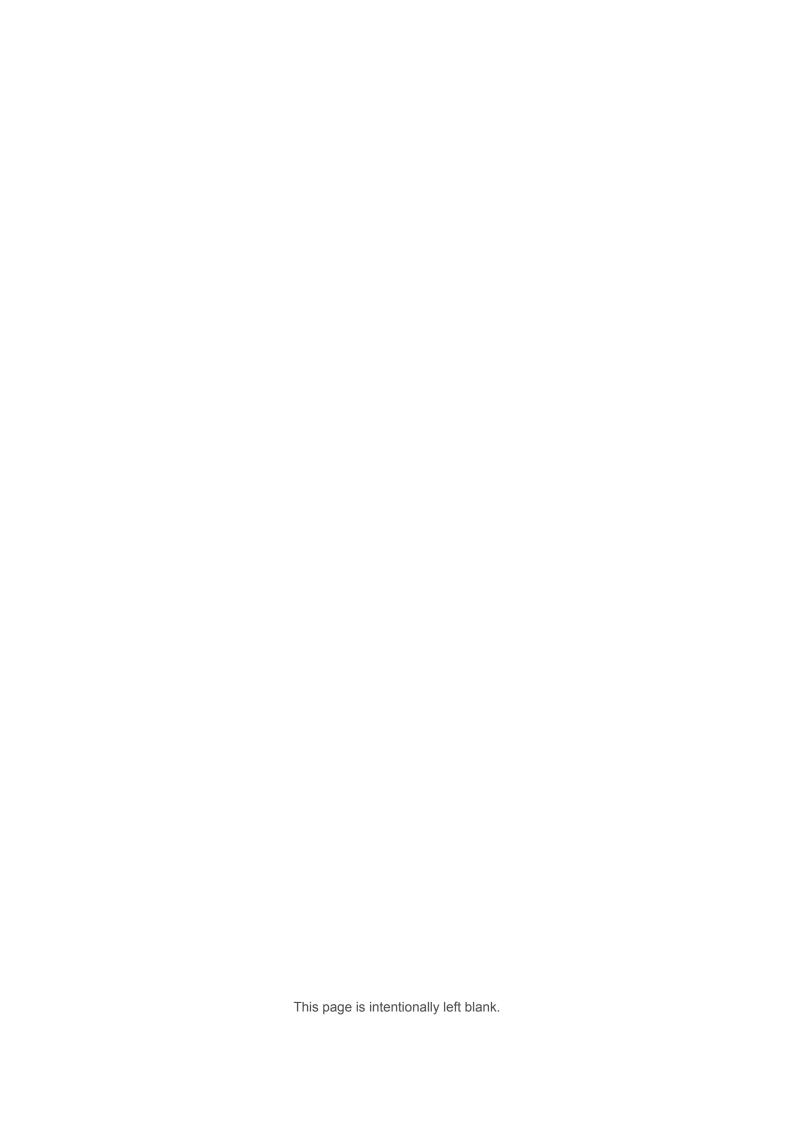
- Deemed interest through Distinct Rich Sdn Bhd.
- Deemed interest through Gain Millen Sdn Bhd and his son, Dato' Douglas Cheng Heng Lee, pursuant to Section 59(11)(c) of the Companies Act, 2016.
- * Deemed interest through Actual Ace Sdn. Bhd.
- Deemed interested through his spouse, Low Siew Ling, pursuant to Section 59(11)(c) of the Companies Act, 2016.

ANALYSIS OF SHAREHOLDINGS

as at 28 June 2019 (Cont'd)

THIRTY LARGEST SHAREHOLDERS AS AT 28 JUNE 2019

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	1,729,300	3.86
	- MAYBANK KIM ENG SECURITIES PTE LTD FOR WORLDPLUS		
	VENTURE CORPORATION		
9	HLIB NOMINEES (TEMPATAN) SDN BHD	1,592,300	3.56
	- PLEDGED SECURITIES ACCOUNT FOR LOH SUAN PHANG		
10	CIMB GROUP NOMINEES (ASING) SDN. BHD.	1,282,800	2.87
	- SNOWSHILL SECURITIES LIMITED		
11	CIMSEC NOMINEES (TEMPATAN) SDN. BHD.	1,000,000	2.23
	- CIMB BANK FOR DOUGLAS CHENG HENG LEE		
12	LIM HEOK CHYE	967,962	2.16
13	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD	827,032	1.85
	- PLEDGED SECURITIES ACCOUNT FOR TAN BOON SENG		
14	HO KOK MENG	738,909	1.65
15	CHIN SEOK YIN	723,500	1.62
16	JS NOMINEES (TEMPATAN) SDN. BHD.	710,000	1.59
	- ON YAT SECURITIES (MALAYSIA) SDN. BHD.		
17	LIM SUH HUA @ LIM YAK HUA	611,588	1.37
18	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD	556,900	1.24
	- PLEDGED SECURITIES ACCOUNT FOR DOUGLAS CHENG HENG LEE		
19	TAN MENG CHUEN	552,796	1.24
20	HLB NOMINEES (TEMPATAN) SDN. BHD.	530,296	1.18
	- PLEDGED SECURITIES ACCOUNT FOR CHU SUI KIONG		
21	LING HEE LEONG	517,236	1.16
22	CHU SUI KIONG	517,236	1.16
23	CHIEW KOK SUANG	507,800	1.13
24	LOH SUAN PHANG	419,000	0.94
25	LIM SIN KHONG	413,514	0.92
26	LIM CHEE KIAT	357,100	0.80
27	KENNETH TAN KENG HAN	352,600	0.79
28	ABUL HASAN BIN MOHAMED RASHID	306,000	0.68
29	GOH MO LOOI	296,000	0.66
30	LIM KIM HUAT	271,749	0.61



WIDETECH (MALAYSIA) BERHAD

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

D	P	\cap	X	/	F	\cap	R	٨	Λ
							\mathbf{r}		,

No. of ordinary shares held	

(Before completing this form please refer to the notes below)					
I/We	CDS A/C	Νο			
of					
(Full address)					
being a member/ members of WIDETECH (MALAYSIA) BERHAD hereby	appoint	the follow	ing per	son(s):-	
Name of proxy, NRIC No. & Address %	of shares	to be rep	resente	d by proxy	
1					
2.					
or failing him/her, the Chairman of the Meeting as my/our proxy to vote Thirty-Fifth Annual General Meeting (" AGM ") of the Company to be he Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara 30 August 2019 at 11.30 a.m. My /our proxy/proxies is/are to vote as	eld at De a, 60000	ewan Perd Kuala Li	dana, B umpur (Bukit Kiara	
ORDINARY RESOLUTIONS:-	FIRST	FIRST PROXY		SECOND PROXY	
	For	Against	For	Against	
1) Payment of Directors' allowances and benefits up to RM60,000 from 1 Apri 2019 until 31 March 2020.	I				
2) Re-election of Tan Sri Dato' Cheng Joo Teik as Director					
3) Re-election of Tan Sri Datuk Chu Sui Kiong as Director					
4) Re-election of Mr Loh Suan Phang as Director					
5) Re-appointment of Messrs Grant Thornton Malaysia as Auditors of the Company and to authorise the Directors to fix their remuneration	•				
6) Retention of Datuk Dr Ng Bee Ken as Independent Non-Executive Director					
7) Authority to Directors to issue shares pursuant to Section 75 and 76 of the Companies Act 2016					
SPECIAL RESOLUTION					
Proposed adoption of new Constitution					
(Please indicate with a " $$ " or "X" in the space provided how you wish you as to voting is given, the proxy will vote or abstain from voting at his conducted by way of poll.					
Dated this day of .					
NOTES:	S	ignature/0	Commo	n Seal	

- 1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the Thirty-Fifth AGM, the Company shall be requesting the Record of Depositors as at 26 August 2019. Only a depositor whose name appears on the Record of Depositors as at 26 August 2019 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.
- 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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