WIDETECH

(MALAYSIA) BERHAD Registration No.: 198401001418 (113939-U)

ANNUAL REPORT 2020

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Lim Kim Huat
Executive Chairman

Tan Sri Dato' Cheng Joo Teik
Executive Director

Tan Sri Datuk Chu Sui Kiong
Executive Director

Loh Suan Phang
Executive Director

Tan Boon Seng
Executive Director

Datuk Dr Ng Bee Ken
Senior Independent Non-Executive Director

Kong Sin Seng
Non-Independent Non-Executive Director

Dato' Lim Sin Khong
Independent Non-Executive Director

Chen Keng Sam
Independent Non-Executive Director

AUDIT COMMITTEE

Datuk Dr Ng Bee Ken
Chairman of Audit Committee
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)(SSM PC No: 202008000054)

Tang Chi Hoe (Kevin)
(MAICSA 7045754)(SSM PC No: 202008002054)

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
[198901010682 (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

AUDITORS

Grant Thornton Malaysia PLT
(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-Sixth Annual General Meeting of the Company will be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 30 September 2020 at 11.00 am for the following purposes:

AGENDA

1. To table the Audited Financial Statements for the financial year ended 31 March 2020 together with the Reports of the Directors and Auditors thereon.

2. To approve the payment of Directors' allowances and benefits up to RM90,000 from 1 April 2020 until the Thirty-Seventh Annual General Meeting. **Ordinary Resolution 1**

3. To re-elect the following Directors retiring by rotation pursuant to Article 124 of the Company's Constitution:

   (i) Dato' Lim Kim Huat **Ordinary Resolution 2**

   (ii) Dato' Lim Sin Khong **Ordinary Resolution 3**

   (iii) Mr. Chen Keng Sam **Ordinary Resolution 4**

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

SPECIAL BUSINESS

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

5. **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."

6. **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 and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

BY ORDER OF THE BOARD

LIM SECK WAH (MAICSA 0799845) (SSM PC No: 202008000054)
TANG CHI HOE (KEVIN) (MAICSA 7045754) (SSM PC No: 202008002054)

COMPANY SECRETARIES

28 August 2020
Kuala Lumpur

NOTES:

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the Thirty-Sixth Annual General Meeting, the Company shall be requesting the Record of Depositors as at 24 September 2020. Only a depositor whose name appears on the Record of Depositors as at 24 September 2020 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.

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

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

4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.

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

6. The Form of Proxy shall be deposited at the Registered Office of the Company at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.

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:

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

   Ordinary Resolution 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 ("t**he 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.*

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 registered a marginal increase of 1% in revenue to RM8.482 million, as compared with RM8.398 million in the financial year ("FY") ended 31 March 2019.

The pre-tax profit of the Group in FY2020 totalled RM0.765 million, as opposed to RM1.702 million in FY2019. The cessation of our Cambodia operations in FY2019, which contributed to a pre-tax profit of RM0.592 million in prior year, has impacted the earnings of the Group.

In addition, the continuous devaluation of the Nepali currency against the greenback since FY2019 has impacted the profit contribution from our associated company.

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 remained the strongest profit contributor to the Group's profitability in FY2020. The manufacturing division achieved a revenue of RM7.079 million and pre-tax profit of RM0.863 million, as compared to RM6.027 million and RM0.942 million respectively in FY2019.

Despite an improved revenue, WMS registered a lower pre-tax profit in FY2020, mainly attributable to higher depreciation charges on new machineries costing RM0.946 million acquired to enhance quality standards and innovation. Furthermore, higher raw material costs arising from the depreciation of the Ringgit against the US Dollar has also impacted its margins.

WMS temporarily suspended its operations on 18 March 2020 in compliance with the Movement Control Order ("MCO") implemented by the Malaysian Government.

Business Strategy and Future Prospects

Pursuant to the approval by the Ministry of International Trade and Industry, WMS resumed operations on 2 April 2020 during the MCO period with a reduced workforce for supply of essential parts to its customers. Thereafter, WMS resumed full operations on 4 May 2020 during the Conditional Movement Control Order.

We wish to express our heartfelt appreciation to the government for their kind assistance via the introduction of a 6-months Wage Subsidy Programme with effect from April 2020, aimed at supporting SMEs and their employees in these difficult times.

In the face of a global market uncertainty arising from the Covid-19 pandemic, coupled with ongoing volatility in raw material costs, WMS will strive to remain cautious and take every step necessary on costs reduction and improving operational efficiencies for business sustainability.

b) 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

Amid stiff competition, LMIG posted a lower revenue of RM0.959 million, as opposed to RM1.133 million in FY2019. In tandem with a lower revenue, the hotel division pre-tax loss increased from RM0.109 million in FY2019 to RM0.245 million in FY2020.

Although the hotel temporarily closed its operations on 25 March 2020 amid the Covid-19 outbreak, local and international tourists' arrival have slowed down much earlier as tourists took early precautionary steps before the lockdown.

Business Strategy and Future Prospects

Moving forward, Hotel Riveria foresees an extremely challenging operating environment as the demand for international and local travel is expected to decline in the near term following continuous concerns surrounding the Covid-19 pandemic.

The Hotel has since resumed operations on 18 May 2020, whereby it has put in place an immediate remedial action, which include amongst others:

1. Precautionary measures to protect and put its employees and both existing and potential guests at ease in ensuring a safe and positive experience at its hotel;
2. Adjusting and incorporating flexibility into its pricing, marketing and promotional strategies; and
3. Exclusive perks to loyalty guests

Hotel Riveria acknowledges that it is not an easy task but will try its best to strengthen its position through continuous efforts in cultivating close customer relationships by offering differentiation through excellent delivery of product quality and service levels. The Hotel strongly believe that an enhanced customer satisfaction is the key competitive edge. The Hotel will continue to remain vigilant in costs and operational efficiencies for business sustainability.

c) 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, on a joint venture basis with a local company since 2012. The clubs are strategically spread across four main border crossings between Nepal and India, with an aim to bring their facilities closer to their major customers from India.

Performance Review

The profit contribution from Goldshore declined from RM0.253 million to RM0.104 million in FY2020, mainly due to intense competition from newly operated casino, coupled with steep depreciation of the Nepali currency against the US dollar.

The Covid-19 pandemic has disrupted its operations, whereby its clubs have temporarily suspended its operations since 21 March 2020 until further notice to curb the spread of Covid-19.

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Business Strategy and Future Prospects

Nepal government lifted its 4-month nationwide lockdown on 22 July 2020. However, entertainment centres, including our clubs, will remain shut until further notice. Nepal international borders with India and China remain closed to tourists until 16 September 2020. The suspension of its domestic and international flights has been extended to 31 August 2020. These prolonged travel restrictions will hit our operations especially hard as our market is only targeted at foreigners.

Moving forward, the clubs are expected to post a loss-making first half in FY2021 arising from loss of revenue while incurring fixed operating costs during the pandemic. Goldshore foresees a period of slow business activities even if lockdown measures were eventually loosened, as the effects and aftermath of Covid-19 will be felt for a long while as the public is most likely to remain cautious in their spending.

Goldshore endeavors to deliver sustainable performance by focusing on strengthening its position with continuous emphasis on improvement in its facilities, customer service quality, and adopting various innovative marketing and promotional activities to manage the extremely challenging operating environment.

LOOKING FORWARD

Moving forward, the Group expects an extremely challenging business and operating environment amidst continuous concerns surrounding the Covid-19 pandemic, which has brought massive disruptions to the global economy. Businesses and consumers are likely to remain vigilant and adopt a cautious approach to expansion, investment and spending.

Given the adverse impact of the pandemic on the travel and tourism industry, the Board is more cautious of the near-term outlook of our hotel and gaming divisions as their prospects remain unclear in the first half of FY2021.

In light of a growing global economic uncertainties stemming from the pandemic, the Group will strive to remain resilient by placing strong emphasis on improvement in cost management and operational efficiencies, excellent product and customer service quality, and enhancement of product innovation and promotional activities for business sustainability.

The Board remains vigilant and committed on the lookout for potential viable business opportunities to enhance shareholders value.

PROFILE OF DIRECTORS

DATO' LIM KIM HUAT
Malaysian, Male, Aged 60
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 74
Executive Director

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

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

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

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 61
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. and 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 60
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 38
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 65
Independent Non-Executive Director

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

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

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

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

KONG SIN SENG
Malaysian, Male, Aged 64
Non-Independent Non-Executive Director

Mr Kong Sin Seng was appointed to the Board on 27 September 2004. He holds a Bachelor of Accounting (Hons) from University of Kent, England. He is a member of the Institute of Chartered Accountants in England & Wales. He assumed the position of Chief Executive Officer of the Company on 9 February 2007. He resigned as Chief Executive Officer and redesignated to Non-Independent Non-Executive Director on 31 October 2015. He is also a member of the Audit Committee.

Mr Kong'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 Singapore and Indonesia.

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

DATO' LIM SIN KHONG
Malaysian, Male, aged 71
Independent Non-Executive Director

Dato' Lim Sin Khong was appointed to the Board on 8 May 2014. He is the Chairman of the Remuneration Committee, a member of the Audit Committee and Nomination Committee.

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

Dato' Lim is very active in community and charitable activities and currently sits on the board and committee of several non-profit making organisations.

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

CHEN KENG SAM
Malaysian, Male, aged 54
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.

PROFILE OF DIRECTORS (Cont'd)

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 24 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 2020 are disclosed on page 25 of this Annual Report.

PROFILE OF KEY SENIOR MANAGEMENT

DATO' LIM KIM HUAT
Malaysian, Male, Aged 60
Executive Chairman

Dato' Lim Kim Huat's profile is available on page 8.

FOO TOON CHAI
Malaysian, Male, Aged 50
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.

None of the above Key Senior Management has any:-

- directorships in the Company, public companies and public listed companies except for Dato' Lim Kim Huat, who is the Managing Director of AbleGroup Berhad;
- 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 2020

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 2020.

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
Chen Keng Sam - Independent Non-Executive Director

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

Meetings

The Audit Committee met four (4) times during the financial year ended 31 March 2020 and the details of attendance of the Audit Committee are as follows:

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

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

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 2020, 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 2020, 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 Subcontract Work, Waste and Scrap 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 8 to 11 of this Annual Report.

The Board comprises highly respectable and professional persons and represent a diverse background of knowledge, expertise and experience. With their combined experiences and knowledge, they provide sound advice and 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:-

i) 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;
iii) To provide his view and decision objectively;
iv) Ensure meetings of the shareholders are conducted in an open and proper manner with appropriate opportunity for them to ask questions; and
v) As Group's official spokesperson.

The duties of Executive Directors include implementation of decisions and policies approved by 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

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

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

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

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.

(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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

(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;
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 ensure that all meetings are properly convened, accurate and proper records of the proceedings, and resolutions passed are taken and maintained in the statutory register of the Company.

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

1.4 Supply of Information

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

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

BOARD CHARTER

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

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

CODE OF CONDUCT AND ETHICS

The Code of Conduct and Ethics was last reviewed on 25 June 2020 and will be reviewed periodically.

The Code of Conduct and Ethics is available on the Company's corporate website at http://www.widetechbhd.com.my.

WHISTLEBLOWING POLICY

The Whistleblowing Policy was last reviewed on 25 June 2020.

The Whistleblowing Policy will be reviewed periodically and it is available on the Company's corporate website at http://www.widetechbhd.com.my.

ANTI-BRIBERY & ANTI-CORRUPTION POLICY

Widetech has adopted the Anti-Bribery & Anti-Corruption Policy on 29 May 2020 and will be reviewed periodically.

The Anti-Bribery & Anti-Corruption Policy is available on the Company's corporate website at http://www.widetechbhd.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

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 re-election of Directors at the next AGM.

3. Gender Diversity Policy

The Board acknowledges the recommendations of the MCCG on the establishment of a gender diversity policy. The Board has yet to formalize a policy on gender diversity but will 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

The main duties and responsibilities of RC as follows:-

1. **Remuneration Policies and procedures 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 2020 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
Dato' Lim Sin Khong	-	-	-	12,000	-	12,000
Kong Sin Seng	-	-	-	12,000	-	12,000
Chen Keng Sam	-	-	-	12,000	-	12,000
SUBSIDIARY						
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
Foo Toon Chai	256,417	55,800	-	-	-	312,217
Total	256,417	55,800	-	506,423	-	818,640

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 shall remain as an Independent Director.

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

3. **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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

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 31/03/2020)
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	3/4
Loh Suan Phang	4/4
Kong Sin Seng	4/4
Datuk Dr Ng Bee Ken	4/4
Dato' Lim Sin Khong	3/4
Chen Keng Sam	3/4

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 2020, 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) Rethinking – Independent Directors: Board Best Practices
ii) Evaluating Effective Internal Audit Function – Audit Committee's Guide On How To
iii) Corporate Liability under the Malaysian Anti-Corruption Commission (Amendment) Act 2018
iv) Metal Form China 2019 Exhibition
v) 20th China (Guangzhou) International Spring Industry Exhibition

During the financial year, the Board members have been continuously updated by the Company Secretary on changes to corporate governance, statutory and regulatory requirements. The Board was also briefed by the External Auditors on changes to the Malaysian Financial Reporting Standards that may affect the Group's financial statements from time to time.

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 2020 to the external auditors are set out below:-

Fees paid/payable to Grant Thornton Malaysia PLT (RM)			
Description	**Company**	**Subsidiaries**	**Total**
Audit Fees	22,000	30,700	52,700
Non-Audit Fees	4,000	-	4,000
Total	26,000	30,700	56,700

Having satisfied itself with Grant Thornton Malaysia PLT'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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

4. **Internal Audit Function**

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

The Statement on Risk Management and Internal Control set out on pages 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 2020.

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 35th 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 2020. 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 is committed to continuously improve the Group's risk management and internal control system. The Board recognises and affirms its overall responsibility in establishing an effective systems of risk management and internal control 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, review, update and identify new risks that may emerge from time to time through the use of a checklist of sources of risks.

The risks identification process includes consideration of both internal and external environmental factors. 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 three (3) key risk areas identified in the financial year ended 31 March 2020 according to the potential impact to the Group are:

1. Regulatory risk

   The Group recognises the potential impact of any changes in laws and regulations to the Group's operations. The Group ensures compliance by keeping abreast with latest listing requirements, rulings and regulations of local and government authorities and assess their impact to the Group's operations.

2. Market risk

   The Group recognises the potential impact of the global and local economic condition to the Group's revenue and profitability. Some of the market risks identified are economic recession and political unrest. The Group embraces the changes and strives for continuous quality excellence and innovation to remain relevant in the marketplace.

3. Operational risk

    The Group recognises the importance of 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 to stringent operating policies and procedures, and enhancement of our quality management system.

    The abovementioned risk management practices of the Group serve as an on-going process to identify, evaluate, manage, monitor and communicate 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 2020, the internal audit function carried out an internal audit review on a subsidiary focusing on the adequacy of its Subcontract Work, Wastage and Scrap 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.

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.

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

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.

11. Anti-Bribery policy is in place whereby the Group enforced a strict zero tolerance approach to all forms of bribery and corruption in compliance of applicable law and regulations pertaining to anti-bribery and corruption practices.

ASSOCIATE

In the case of our 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.

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 2020 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 25 June 2020.

SUSTAINABILITY STATEMENT

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

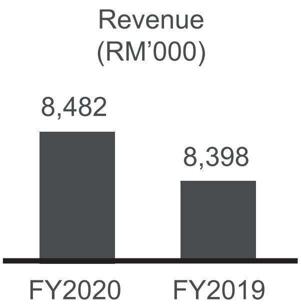
The scope for this report covers our manufacturing arm, Wire Master Spring Sdn Bhd, which is the main contributor to the Group's pre-tax profit for the financial year ("FY") ended 31 March 2020.

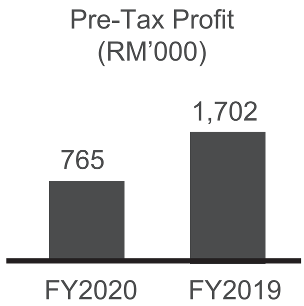
The identified key sustainability matters that greatly impacted the stakeholders' assessment and decisions are organized into economic, social and environmental considerations in line with Bursa Malaysia Sustainability Guidelines.

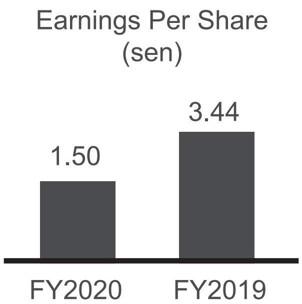
Economic

The Board recognizes the need to create long term positive economic value for our stakeholders.

The table below highlights the Group's economic performance in FY2020:







Environment

The Group acknowledges 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. Hazardous waste is properly stored and handled by authorized vendor for proper disposal.

We remain committed to continually reduce the environmental footprint of our business activities to mitigate any adverse impact to the environment.

SUSTAINABILITY STATEMENT (Cont'd)

Social

i) Our People

The Board recognizes 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 places utmost priority in the safety and well-being of our staff, business associates and customers by adopting industry best practices on health and safety.

In the light of the Covid-19 outbreak, the Group has ensured proper precautionary measures are in place to safeguard our staff, business associates and customers amidst growing concerns surrounding the spread of the virus.

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 organizations by way of donations for the needy.

Our Hotel in Laos made some festive contributions as part of its community outreach programme to contribute positively to the communities in which they operate. As part of its commitment to public health and safety during the Covid-19 pandemic, the Hotel also donated face masks and sanitizers to safeguard the frontliners of the Khammouane Provincial Hospital.

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 during the financial year ended 31 March 2020.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

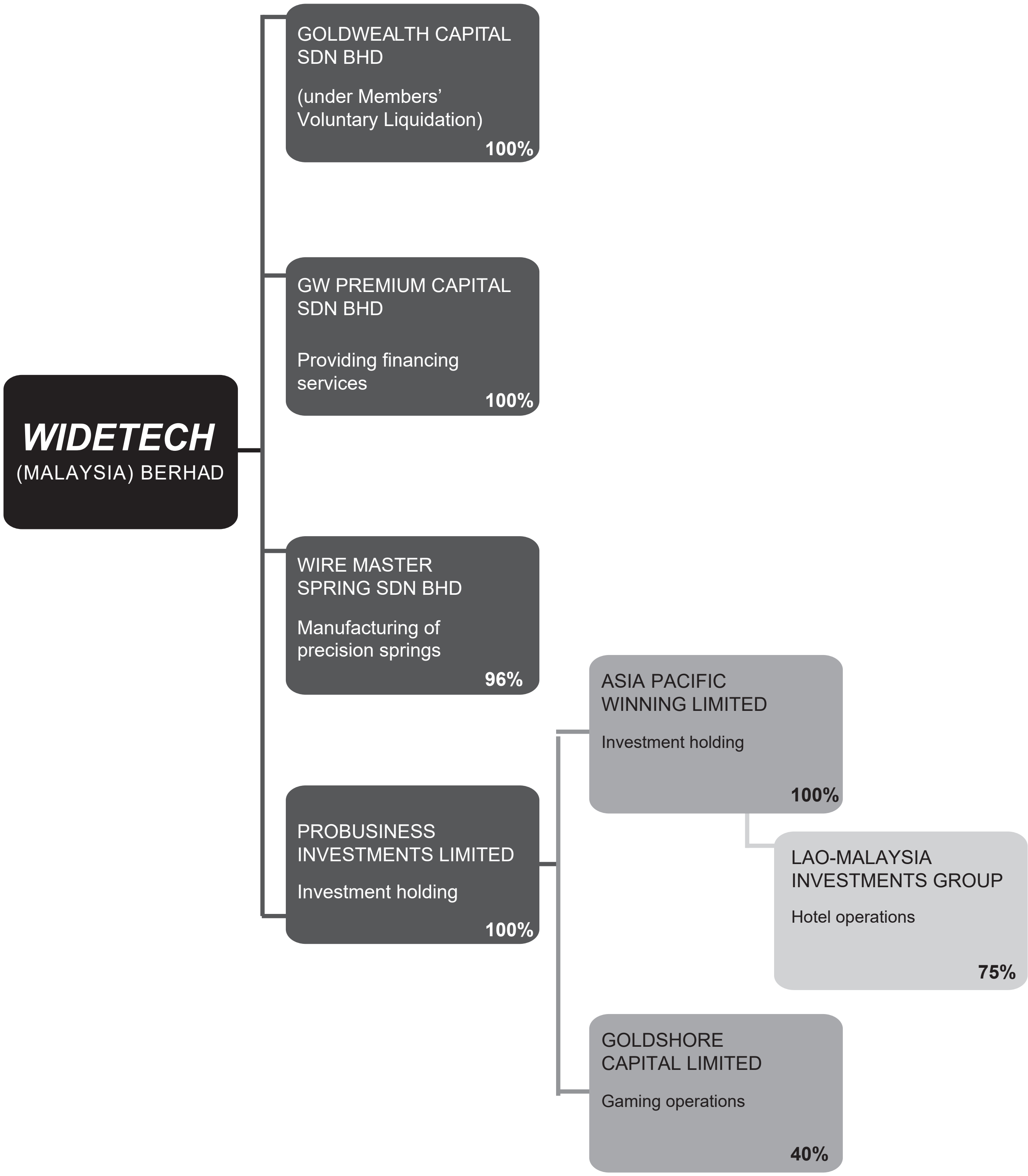
The Directors are required to prepare the financial statements that give a true and fair view of the state of affairs of the Company and of the Group at the end of each financial year and of the results and cashflow for that year. The financial statements must be prepared in compliance with the Companies 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 2020, the Directors have:

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

The Directors are responsible for ensuring that the Company and the Group maintained accounting records which disclose with reasonable accuracy the financial position of the Company and of the Group and that the financial statements comply with the requirements of the Companies Act 2016 in Malaysia. The Directors have the general responsibility for taking reasonable measures to prevent and detect fraud and other irregularities in order to safeguard the assets of the Company and of the Group.

CORPORATE STRUCTURE



FINANCIAL STATEMENTS

DIRECTORS' REPORT
for the financial year ended 31 March 2020

Directors' report for the financial year ended 31 March 2020

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 2020.

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 6 to the financial statements.

There have been no significant changes in the nature of principal activities of the Company and its subsidiaries.

Financial results

	Group RM	Company RM
Profit for the financial year attributable to:-		
Owners of the Company	670,277	1,384,618
Non-controlling interests	(48,403)	-
	621,874	1,384,618

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

DIRECTORS' REPORT
for the financial year ended 31 March 2020 (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

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	54,000	730,357	784,357
Directors' other benefits	-	34,282	34,282
	54,000	764,639	818,639

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares

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

	Ordinary shares			
	Balance at 31.03.2019	**Bought**	**(Sold)**	**Balance at 31.03.2020**
The Company				
Direct interest				
Tan Sri Dato' Cheng Joo Teik	200,000	-	-	200,000
Tan Sri Datuk Chu Sui Kiong	737,736	309,796	-	1,047,532
Loh Suan Phang	2,011,300	-	-	2,011,300
Dato' Lim Sin Khong	413,514	-	-	413,514
Tan Boon Seng	827,032	-	-	827,032
Dato' Lim Kim Huat	271,749	-	-	271,749
Indirect interest				
Tan Sri Dato' Cheng Joo Teik @	5,758,852	1,424,836	-	7,183,688
Tan Sri Datuk Chu Sui Kiong *	8,030,652	-	-	8,030,652
Tan Boon Seng *	8,030,652	-	-	8,030,652
Dato' Lim Sin Khong #	2,007,664	-	-	2,007,664
Chen Keng Sam (held by spouse)	197,900	-	(197,900)	-
Subsidiaries				
Direct interest				
Tan Sri Dato' Cheng Joo Teik				
- Wire Master Spring Sdn. Bhd.				
- *own*	1	-	-	1
Indirect interest				
Tan Sri Datuk Chu Sui Kiong				
- Wire Master Spring Sdn. Bhd.	1,439,998	-	-	1,439,998
Tan Boon Seng				
- Wire Master Spring Sdn. Bhd.	1,439,998	-	-	1,439,998

DIRECTORS' REPORT
for the financial year ended 31 March 2020 (Cont'd)

Directors' interests in shares (cont'd)

	Ordinary shares			
	Balance at 31.03.2019	**Bought**	**(Sold)**	**Balance at 31.03.2020**
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.
* Deemed interest by virtue of the shareholding in Distinct Rich Sdn. Bhd.
# Deemed interest by virtue of the shareholdings in Actual Ace Sdn. Bhd.

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

None of the other Directors holding office at 31 March 2020 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.

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 Group and of the Company inadequate to any substantial extent; or

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

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

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

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

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

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

In the opinion of the Directors:-

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

(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.

Significant events during the financial year and after the reporting period

The significant events during the financial year and after the reporting period are disclosed in Note 29 to the financial statements.

DIRECTORS' REPORT
for the financial year ended 31 March 2020 (Cont'd)

Auditors

The total amount of fees paid to or receivable by the Auditors, Grant Thornton Malaysia PLT, (converted from a conventional partnership, Grant Thornton Malaysia, on 1 January 2020), as remuneration for their services as auditors of the Company and its subsidiaries for the financial year ended 31 March 2020 amounted to RM22,000 and RM30,700 respectively.

The Company has agreed to indemnity the Auditors, Grant Thornton Malaysia PLT, as permitted under Section 289 of the Companies Act 2016.

The Auditors, Grant Thornton Malaysia PLT 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
7 August 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2020

	Note	2020 RM	2019 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	9,271,982	10,649,093
Right-of-use assets	5	1,584,142	-
Investment in associates	7	-	-
Deferred tax assets	8	145,000	191,000
Total non-current assets		11,001,124	10,840,093
Current assets			
Inventories	9	1,212,651	1,684,670
Receivables, deposits and prepayments	10	2,228,889	1,634,010
Amount due from associates	11	2,828,027	2,625,905
Tax recoverable		34,000	91,153
Cash and cash equivalents	12	24,221,065	23,678,694
Total current assets		30,524,632	29,714,432
Total assets		41,525,756	40,554,525
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	44,885,567	44,885,567
Reserves	14	(6,637,190)	(7,884,179)
Total equity attributable to owners of the Company		38,248,377	37,001,388
Non-controlling interests	15	(700,435)	(586,872)
Total equity		37,547,942	36,414,516
LIABILITIES			
Non-current liability			
Borrowings	16	2,285,182	2,641,436
Total non-current liability		2,285,182	2,641,436
Current liabilities			
Payables and accruals	17	1,345,941	1,176,664
Borrowings	16	346,691	321,909
Total current liabilities		1,692,632	1,498,573
Total liabilities		3,977,814	4,140,009
Total equity and liabilities		41,525,756	40,554,525

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 2020

	Note	2020 RM	2019 RM
Revenue	18	8,481,706	8,397,616
Changes in manufactured inventories		(72,330)	66,344
Raw materials and consumables used		(2,277,019)	(1,922,334)
Staff costs	19	(3,165,011)	(3,024,211)
Depreciation of property, plant and equipment	4	(772,172)	(648,962)
Depreciation of rights-of-use assets	5	(85,622)	-
Operating expenses		(2,120,422)	(2,132,398)
Finance Income	20	730,205	772,612
Other operating income		91,581	110,608
Operating profit		810,916	1,619,275
Finance costs	20	(150,383)	(169,676)
Share of profit on associate		104,276	252,708
Profit before tax	20	764,809	1,702,307
Tax expense	21	(142,935)	(176,247)
Profit for the financial year		621,874	1,526,060
Other comprehensive income			
Item that will be reclassified subsequently to profit or loss			
- Exchange translation differences		511,552	515,769
Total comprehensive income for the financial year		1,133,426	2,041,829
Profit for the financial year attributable to:-			
Owners of the Company		670,277	1,538,473
Non-controlling interests		(48,403)	(12,413)
Profit for the financial year		621,874	1,526,060
Total comprehensive income attributable to:-			
Owners of the Company		1,246,989	2,115,871
Non-controlling interests		(113,563)	(74,042)
Profit for the financial year		1,133,426	2,041,829
Basic earnings per ordinary share (sen)	22	1.50	3.44

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 March 2020

	← Attributable to owners of the Company →					
		← Non-distributable →				
	Share capital RM	Exchange fluctuation reserve RM	Accumulated losses RM	Total RM	Non-controlling interest RM	Total equity RM
At 1 April 2018	44,885,567	3,961,151	(13,961,201)	34,885,517	(512,830)	34,372,687
Total comprehensive income for the financial year	-	577,398	1,538,473	2,115,871	(74,042)	2,041,829
At 31 March 2019	44,885,567	4,538,549	(12,422,728)	37,001,388	(586,872)	36,414,516
Total comprehensive income for the financial year	-	576,712	670,277	1,246,989	(113,563)	1,133,426
At 31 March 2020	44,885,567	5,115,261	(11,752,451)	38,248,377	(700,435)	37,547,942

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 March 2020

	Note	2020 RM	2019 RM
Cash flows from operating activities			
Profit before tax		764,809	1,702,307
Adjustments for:-			
Allowance for obsolete inventories		100,530	64,398
Allowance for expected credit loss on receivables		4,097	50,000
Bad debts written off		-	5,302
Depreciation of property, plant and equipment		772,172	648,962
Depreciation of right-of-use assets		85,622	-
Gain on disposal of property, plant and equipment		(796)	(15,523)
Interest expense		150,383	169,676
Property, plant and equipment written off		450	-
Allowance for obsolete inventories no longer required		(47,828)	(75,580)
Reversal of allowance for expected credit loss on trade receivables		(38,500)	-
Share of result of associate		(104,276)	(252,708)
Interest income		(730,205)	(772,612)
Unrealised loss on foreign exchange		42,300	29,884
Operating profit before changes in working capital		998,758	1,554,106
Changes in working capital:-			
Associates		(97,846)	307,667
Inventories		419,317	(546,200)
Payables and accruals		162,141	(166,673)
Receivables, deposits and prepayments		(116,674)	150,837
Cash generated from operations		1,365,696	1,299,737
Tax refunded		100,218	57,200
Tax paid		(140,000)	(90,000)
Net cash from operating activities		1,325,914	1,266,937

CONSOLIDATED STATEMENT OF CASH FLOWS
for the financial year ended 31 March 2020 (Cont'd)

	Note	2020 RM	2019 RM
Cash flows from investing activities			
Interest received		730,205	772,612
Proceeds from disposal of property, plant and equipment		800	95,000
Purchase of property, plant and equipment	A	(999,149)	(637,109)
Net cash (used in)/from investing activities		(268,144)	230,503
Cash flows from financing activities			
Repayment of lease liabilities/finance lease liabilities		(90,974)	(83,366)
Repayment of term loans		(240,498)	(233,332)
Interest paid		(150,383)	(169,676)
Net cash used in financing activities		(481,855)	(486,374)
Net increase in cash and cash equivalents		575,915	1,011,066
Effect of exchange rate changes		(33,544)	(29,884)
Cash and cash equivalents at 1 April		23,678,694	22,697,512
Cash and cash equivalents at 31 March (Note 12)		24,221,065	23,678,694

NOTE

A. Purchase of Property, Plant and Equipment

The Group acquired property, plant and equipment with an aggregate cost of RM999,149 (2019: RM858,109) of which RMNIL (2019: RM221,000) was acquired by means of finance lease arrangement. Cash payment of RM999,149 (2019: RM637,109) was made to purchase property, plant and equipment.

STATEMENT OF FINANCIAL POSITION

as at 31 March 2020

	Note	2020 RM	2019 RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	5,083,066	5,226,559
Investments in subsidiaries	6	3,975,004	3,975,004
Total non-current assets		9,058,070	9,201,563
Current assets			
Receivables, deposits and prepayments	10	2,389,222	1,798,046
Cash and cash equivalents	12	22,536,840	13,452,620
Total current assets		24,926,062	15,250,666
Total assets		33,984,132	24,452,229
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	44,885,567	44,885,567
Reserves	14	(21,956,896)	(23,341,514)
Total equity		22,928,671	21,544,053
LIABILITIES			
Non-current liability			
Borrowings	16	2,242,225	2,518,667
Total non-current liability		2,242,225	2,518,667
Current liabilities			
Payables and accruals	17	8,539,795	152,012
Borrowings	16	273,441	237,497
Total current liabilities		8,813,236	389,509
Total liabilities		11,055,461	2,908,176
Total equity and liabilities		33,984,132	24,452,229

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 March 2020

	Note	2020 RM	2019 RM
Revenue	18	733,685	729,819
Staff costs	19	(357,257)	(397,246)
Depreciation of property, plant and equipment	4	(144,929)	(142,206)
Operating expenses		(367,876)	(1,819,758)
Other operating income		1,163,523	2,238,086
Finance income	20	497,235	477,367
Finance costs	20	(139,763)	(155,884)
Profit before tax	20	1,384,618	930,178
Tax expense	21	-	-
Profit for the financial year		1,384,618	930,178
Other comprehensive income		-	-
Total comprehensive income for the financial year		1,384,618	930,178

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

STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 March 2020

	Share capital RM	Accumulated losses RM	Total RM
At 1 April 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
Total comprehensive income for the financial year	-	1,384,618	1,384,618
At 31 March 2020	44,885,567	(21,956,896)	22,928,671

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

STATEMENT OF CASH FLOWS

for the financial year ended 31 March 2020

	2020 RM	2019 RM
Cash flows from operating activities		
Profit before tax	1,384,618	930,178
Adjustments for:-		
Investment in subsidiary written off	-	1,268,000
Depreciation of property, plant and equipment	144,929	142,206
Interest expense	139,763	155,884
Allowance for expected credit loss	-	179,670
Property, plant and equipment written off	14	-
Reversal of allowance for expected credit loss	(264,721)	-
Unrealised gain on foreign exchange	(898,802)	(970,086)
Interest income	(497,235)	(477,367)
Reversal of impairment loss of investment in subsidiary	-	(1,268,000)
Operating profit/(loss) before changes in working capital	8,566	(39,515)
Changes in working capital:-		
Receivables, deposits and prepayments	117,066	(106,406)
Payables and accruals	(4,774)	5,993
Net cash from/(used in) operating activities	120,858	(139,928)
Cash flows from investing activities		
Interest received	497,235	477,367
Advances from subsidiaries	8,847,838	335,562
Purchase of property, plant and equipment	(1,450)	(29,940)
Net cash from investing activities	9,343,623	782,989
Cash flows from financing activities		
Interest paid	(139,763)	(155,884)
Repayment of term loans	(240,498)	(233,332)
Net cash used in financing activities	(380,261)	(389,216)
Net increase in cash and cash equivalents	9,084,220	253,845
Cash and cash equivalents at 1 April	13,452,620	13,198,775
Cash and cash equivalents at 31 March (Note 12)	22,536,840	13,452,620

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

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 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 6 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 is under Members' Voluntary Liquidation.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 7 August 2020.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of Companies Act 2016 in Malaysia.

2.2 Basis of measurement

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

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

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

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

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

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

2. BASIS OF PREPARATION (CONT'D)

2.2 Basis of measurement (cont'd)

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

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

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

2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

2.4 Adoption of 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 2019.

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

MFRS 16 Leases

MFRS 16 supersedes IAS 17 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Leases-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in MFRS 117. Therefore, MFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted MFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 April 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying MFRS 117 and IC Interpretation 4 at the date of initial application.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.4 Adoption of new standards/amendments/improvements to MFRSs (cont'd)

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

MFRS 16 Leases (cont'd)

The effect of adoption MFRS 16 as at 1 April 2019 (increase/decrease) is, as follows:-

	RM
Group	
Assets	
Right-of-use assets	1,626,444
Property, plant and equipment	(1,626,444)
Liabilities	
Lease liabilities	207,181
Finance lease liabilities	(207,181)
Equity	
Retained earnings	-

The Group has lease contracts for motor vehicles and other equipment. Before the adoption of MFRS 16, the Group classified each of its leases (as lease) at the inception date as either a finance lease or an operating lease. Refer to Note 3.7 Leases for the accounting policy prior to 1 April 2019.

Upon adoption of MFRS 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 3.7 Leases for the accounting policy beginning 1 April 2019. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

- *Leases previously classified as finance leases*

  The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under MFRS 117). The requirements of MFRS 16 were applied to these leases from 1 April 2019.

2.5 Standards issued but not yet effective

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

Management anticipates that all relevant pronouncement will be adopted in the Group's and the Company's accounting policies for the first period beginning after the effective date of pronouncement.

Information on new standards, amendments and interpretations that are expected to have impact on the Group's and the Company's financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the company's financial statements.

2. BASIS OF PREPARATION (CONT'D)

2.6 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 50 years and reviews the useful lives of depreciable assets at end of each reporting period. At 31 March 2020, management assesses that the useful lives represent the expected utility of the assets to the Group and the Company. 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.

The carrying amount of the Group and the Company's property, plant and equipment at the end of the reporting period is disclosed in Note 4 to the financial statements.

Impairment of non-financial assets

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

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

Deferred tax assets

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant accounting estimates and judgements (cont'd)

2.6.1 Estimation uncertainty (cont'd)

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 10 to the financial statements.

2.6.2 Significant management judgement

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

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 interests in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

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

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

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with MFRS 9 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 interests 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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Goodwill

Goodwill represents the excess of the cost of acquisition and the amount recognised for non-controlling interests over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of a subsidiary, associate and jointly controlled entities and at the date of acquisition. If the cost of acquisition is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

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

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

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

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

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

3.3 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Subsidiaries (cont'd)

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

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

3.5 Associates

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Associates (cont'd)

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

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

3.6 Property, plant and equipment and depreciation

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

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

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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Leases

As described in Note 2.4, the Group has applied MFRS 16 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under MFRS 17 and IC Interpretation 4.

Accounting policy applicable from 1 April 2019

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3.7.1 Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

3.7.1.1 Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	Over the lease period of 52 years
Motor vehicles	5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Section 3.9 Impairment of non-financial assets.

3.7.1.2 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Leases (cont'd)

3.7.1 Group as a lessee (cont'd)

3.7.1.2 Lease liabilities (cont'd)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

3.7.1.3 Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Accounting policy applied until 1 April 2019

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset (or asset) or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

3.7.1.4 Finance lease

Management applies judgement in considering the substance of a lease agreement and whether it transfers substantially all the risks and rewards incidental to ownership of the leased assets. Key factors considered include the length of the lease term in relation to the economic life of the asset, the present value of the minimum lease payments in relation to the asset's fair value, and whether the Company obtain ownership of the asset at the end of the lease term.

3.7.1.5 Operating lease

All other leases are treated as operating leases. Where the Company is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance are expensed as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Leases (cont'd)

3.7.2 Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.8 Inventories

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

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

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

3.9 Impairment of non-financial assets

At each reporting date, the Group and the Company reviews carrying amounts of its non-financial assets to determine whether there is any indication of impairment. Non-financial assets is tested for impairment at least once annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount is estimated and an impairment loss is recognised whenever the recoverable amount of the asset or a cash-generating unit is less than its carrying amount. Recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

In assessing value in use, estimated future cash flows are discounted to 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. Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset. An impairment loss is recognised as an expense in profit or loss immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses for an asset may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years.

All reversals of impairment losses are recognised as income immediately in profit or loss unless the asset is carried at revalued amount, in which case the reversal in excess of impairment loss previously recognised through profit or loss is treated as revaluation increase. After such a reversal, depreciation charge is adjusted in future periods to allocate the revised carrying amount of the asset, less any residual value, on a systematic basis over its remaining useful life.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.10.1 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which and the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Financial instruments (cont'd)

3.10.1 Financial assets (cont'd)

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group and the Company's financial assets at amortised cost includes trade receivables and most other receivables.

Financial assets at fair value through OCI

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group and the Company's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired

  Or

- The Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group and the Company have transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Financial instruments (cont'd)

3.10.1 Financial assets (cont'd)

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

3.10.2 Financial liability

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group and the Company's financial liabilities include payables, accruals and borrowings.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

This is the category most relevant to the Group and the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Financial instruments (cont'd)

3.10.2 Financial liability (cont'd)

Derecognition

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

3.10.3 Offsetting of financial instruments

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

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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Tax expense (cont'd)

3.12.2 Deferred tax (cont'd)

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

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

3.13 Borrowing costs

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

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

3.14 Provisions

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

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

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

3.15 Foreign currency translations

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Foreign currency translations (cont'd)

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

Foreign operations

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 Management fees

Management fees is recognised upon rendering services.

3.16.2.6 Gaming income

Gaming income represents net house takings.

3.16.2.7 Hotel income

Hotel income is recognised when the relevant services are provided.

3.16.2.8 Dividend income

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Employee benefits

3.17.1 Short-term employee benefits

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

3.17.2 Defined contribution plans

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

Such contributions are recognised as expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

3.18 Contingent liabilities

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statement of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified to make strategic decisions. Additional disclosures on each of these segments are shown in Note 25 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 Group 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%.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 entity or of the parents of the entity; or
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parents of the Group.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land RM	Buildings, building improvement and electrical installation RM	Plant, machinery, factory equipment and tools RM	Hotel equipment, furniture, fixtures, club and office equipment RM	Motor vehicles RM	Total RM
Cost						
At 1 April 2018	1,888,962	16,192,588	3,311,961	4,020,643	362,705	25,776,859
Additions	-	4,700	501,408	105,751	246,250	858,109
Disposals	-	-	-	-	(168,800)	(168,800)
Translation differences	55,500	328,557	-	117,737	5,508	507,302
At 31 March 2019	1,944,462	16,525,845	3,813,369	4,244,131	445,663	26,973,470
Adoption of MFRS 16	(1,944,462)	-	-	-	(246,250)	(2,190,712)
At 1 April 2019 (Restated)	-	16,525,845	3,813,369	4,244,131	199,413	24,782,758
Additions	-	7,230	946,362	45,557	-	999,149
Disposals	-	-	(3,800)	-	-	(3,800)
Written off	-	-	(4,385)	(32,232)	-	(36,617)
Translation differences	-	334,476	-	120,316	5,604	460,396
At 31 March 2020	-	16,867,551	4,751,546	4,377,772	205,017	26,201,886

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

Group	Leasehold land RM	Buildings, building improvement and electrical installation RM	Plant, machinery, factory equipment and tools RM	Hotel equipment, furniture, fixtures, club and office equipment RM	Motor vehicles RM	Total RM
Depreciation and impairment loss						
At 1 April 2018	504,856	8,252,952	2,676,619	3,699,549	193,811	15,327,787
Depreciation for the financial year	35,259	223,355	224,116	108,990	57,242	648,962
Disposals	-	-	-	-	(89,323)	(89,323)
Translation differences	11,841	312,470	-	107,134	5,506	436,951
At 31 March 2019	551,956	8,788,777	2,900,735	3,915,673	167,236	16,324,377
Adoption of MFRS 16	(551,956)	-	-	-	(12,312)	(564,268)
At 1 April 2019 (Restated)	-	8,788,777	2,900,735	3,915,673	154,924	15,760,109
Depreciation for the financial year	-	224,309	413,946	114,307	19,610	772,172
Disposals	-	-	(3,796)	-	-	(3,796)
Written off	-	-	(4,379)	(31,788)	-	(36,167)
Translation differences	-	318,942	-	113,040	5,604	437,586
At 31 March 2020	-	9,332,028	3,306,506	4,111,232	180,138	16,929,904
Net carrying amount						
At 31 March 2020	-	7,535,523	1,445,040	266,540	24,879	9,271,982
At 31 March 2019	1,392,506	7,737,068	912,634	328,458	278,427	10,649,093

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

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

Company	Buildings RM	Furniture, fixtures and office equipment RM	Total RM
Cost			
At 1 April 2018	6,615,548	1,421,312	8,036,860
Additions	-	29,940	29,940
At 31 March 2019	6,615,548	1,451,252	8,066,800
Additions	-	1,450	1,450
Written off	-	(26,979)	(26,979)
At 31 March 2020	6,615,548	1,425,723	8,041,271
Accumulated depreciation			
At 1 April 2018	1,302,110	1,395,925	2,698,035
Depreciation for the financial year	132,311	9,895	142,206
At 31 March 2019	1,434,421	1,405,820	2,840,241
Depreciation for the financial year	132,311	12,618	144,929
Written off	-	(26,965)	(26,965)
At 31 March 2020	1,566,732	1,391,473	2,958,205
Net carrying amount			
At 31 March 2020	5,048,816	34,250	5,083,066
At 31 March 2019	5,181,127	45,432	5,226,559

(i) Assets under finance lease

Included under property, plant and equipment of the Group are motor vehicles with carrying amount of RMNIL (2019: RM263,126) acquired under finance lease installment plans.

(ii) Security

The buildings of the Group and of the Company with the carrying amount of RM5,048,816 (2019: RM5,181,127) are pledged for banking facilities (Note 16).

5. RIGHT-OF-USE ASSETS

Group	Leasehold land RM	Motor vehicles RM	Total RM
Cost			
At 31 March 2019	-	-	-
Adoption of MFRS 16	1,944,462	246,250	2,190,712
At 1 April 2019 (Restated)	1,944,462	246,250	2,190,712
Translation differences	56,500	-	56,500
31 March 2020	2,000,962	246,250	2,247,212
Accumulated depreciation			
At 31 March 2019	-	-	-
Adoption of MFRS 16	551,956	12,312	564,268
At 1 April 2019 (Restated)	551,956	12,312	564,268
Charge for the financial year	36,372	49,250	85,622
Translation differences	13,180	-	13,180
At 31 March 2020	601,508	61,562	663,070
Net carrying amount			
At 31 March 2020	1,399,454	184,688	1,584,142
At 31 March 2019	-	-	-

The above motor vehicles are under lease arrangement.

6. INVESTMENTS IN SUBSIDIARIES

	Company 2020 RM	2019 RM
Unquoted shares, at cost	4,440,544	4,440,544
Less : Allowance for impairment loss	(465,540)	(465,540)
	3,975,004	3,975,004

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

	Company 2020 RM	2019 RM
At 1 April	465,540	1,733,540
Reversal of impairment loss	-	(1,268,000)
At 31 March	465,540	465,540

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

6. INVESTMENTS IN SUBSIDIRIES (CONT'D)

Details of the subsidiaries are as follows:-

Name of subsidiaries	Place of incorporation	Equity ownership interest 2020	2019	Principal activities
Wire Master Spring Sdn. Bhd.	Malaysia	96%	96%	Manufacturing of precision springs
EPA Automation Sdn. Bhd. #	Malaysia	-	-	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
Subsidiaries of Probusiness Investments Limited				
- 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

The subsidiary has been struck off on 8 June 2018.
* The subsidiary is under Members' Voluntary Liquidation.

Non-controlling interests in subsidiaries

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

	Wire Master Spring Sdn. Bhd.	Lao-Malaysia Investments Group	Total
2020			
NCI percentage of ownership interests and voting interest (%)	4%	25%	
Carrying amount of NCI (RM)	252,991	(953,426)	(700,435)
Profit/(Loss) allocated to NCI (RM)	12,912	(61,315)	(48,403)
2019			
NCI percentage of ownership interests and voting interest (%)	4%	25%	
Carrying amount of NCI (RM)	240,079	(826,951)	(586,872)
Profit/(Loss) allocated to NCI (RM)	14,737	(27,150)	(12,413)

6. INVESTMENTS IN SUBSIDIRIES (CONT'D)

Non-controlling interests in subsidiaries (cont'd)

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

	Wire Master Spring Sdn. Bhd. RM	Lao-Malaysia Investments Group RM	Total RM
2020			
Financial position as at 31 March			
Non-current assets	5,269,327	1,211,647	6,480,974
Current assets	3,812,948	470,401	4,283,349
Non-current liabilities	(42,957)	-	(42,957)
Current liabilities	(2,714,562)	(6,782,055)	(9,496,617)
Net assets/(liabilities)	6,324,756	(5,100,007)	1,224,749
Summary of financial performance for the financial year ended 31 March			
Profit/(Loss) for the financial year	322,798	(245,259)	77,539
Other comprehensive loss	-	(260,640)	(260,640)
Total comprehensive income/(loss)	322,798	(505,899)	(183,101)
Included in the total comprehensive income is:-			
Revenue	7,078,751	959,238	8,037,989
Summary of cash flows for the financial year ended 31 March			
Net cash inflow/(outflow) from			
- operating activities	1,108,071	(325,323)	782,748
- investing activities	(993,927)	(2,972)	(996,899)
- financing activities	596,282	243,676	839,958
Net cash inflow/(outflow)	710,426	(84,619)	625,807

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

6. 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	Lao-Malaysia Investments Group RM	Total RM
2019			
Financial position as at 31 March			
Non-current assets	4,936,627	1,246,457	6,183,084
Current assets	3,097,103	668,559	3,765,662
Non-current liabilities	(122,769)	-	(122,769)
Current liabilities	(1,909,003)	(6,509,124)	(8,418,127)
Net assets/(liabilities)	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	368,422	(108,600)	259,822
Other comprehensive loss	-	(246,515)	(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
Summary of cash flows for the financial year ended 31 March			
Net cash (outflow)/inflow from			
- operating activities	(38,567)	(359,226)	(397,793)
- investing activities	605	(8,260)	(7,655)
- financing activities	(90,216)	379,280	289,064
Net cash (outflow)/inflow	(128,178)	11,794	(116,384)

7. INVESTMENT IN ASSOCIATES

	Group 2020 RM	Group 2019 RM
Unquoted shares outside Malaysia, at cost	1,987,379	1,987,379
Share of post acquisition loss	(1,987,379)	(1,987,379)
	-	-
Represented by:-		
Share of net assets	-	-

Details of the associate are as follows:-

Name of associate	Place of incorporation	Equity Ownership interest 2020	Equity Ownership interest 2019	Principal activities
Goldshore Capital Limited*	British Virgin Islands	40%	40%	Gaming operations

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

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

	Group 2020 RM	Group 2019 RM
Assets and liabilities:-		
Non-current assets	4,922,470	4,695,882
Current assets	4,525,657	4,152,752
Current liabilities	(15,395,744)	(15,997,226)
Net liabilities	(5,947,617)	(7,148,592)
Revenue	2,171,929	2,224,322
Profit for the financial year/Total comprehensive income	260,691	637,799
Group's share of results for the financial year ended 31 March		
Group's share of income/total comprehensive income	104,276	252,708

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

NOTES TO THE FINANCIAL STATEMENTS
(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 2018 RM	Recognised in profit or loss RM	At 31 March 2019 RM	Recognised in profit or loss RM	At 31 March 2020 RM
Carrying amount of qualifying property, plant and equipment in excess of their tax base	(262,000)	71,000	(191,000)	46,000	(145,000)
Unabsorbed capital allowance	(38,000)	38,000	-	-	-
	(300,000)	109,000	(191,000)	46,000	(145,000)
		Note 21		Note 21	

8.2 Deferred tax assets not recognised

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

	Group	
	2020 RM	2019 RM
Unutilised tax losses	(1,960,000)	(2,167,000)
Unabsorbed capital allowances	(317,000)	(317,000)
Property, plant and equipment	8,000	14,000
	(2,269,000)	(2,470,000)

	Company	
	2020 RM	2019 RM
Unutilised tax losses	(503,000)	(708,000)
Unabsorbed capital allowances	(256,000)	(256,000)
Property, plant and equipment	8,000	14,000
	(751,000)	(950,000)

The unutilised business losses are allowed to be utilised for seven consecutive years of assessments ("YA") effective from YA2019, whilst unabsorbed capital allowances are allowed to be carried forward indefinitely. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits.

9. INVENTORIES

	Group 2020 RM	Group 2019 RM
Raw materials	854,963	1,254,652
Finished goods	357,688	430,018
	1,212,651	1,684,670
Recognised in profit and loss:-		
Inventories recognised as cost of sales	2,219,314	1,736,392
Allowance for obsolete inventories	100,530	64,398
Reversal of allowance for obsolete inventories *	(47,828)	(75,580)

* The reversal of inventories written down was made during the year when the related inventories were sold out.

10. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Current					
Trade					
Trade receivables		1,607,144	1,338,939	-	-
Less : Allowance for expected credit losses		(21,597)	(59,568)	-	-
		1,585,547	1,279,371	-	-
Non-trade					
Amounts due from subsidiaries		-	-	19,194,848	18,751,327
Less : Allowance for expected credit losses		-	-	(16,908,342)	(17,173,063)
	10.1	-	-	2,286,506	1,578,264
Non-trade					
Other receivables	10.2	5,495,147	5,194,833	5,000,000	5,104,163
GST receivables		1,261	5,536	306	4,806
Deposits		103,009	99,747	82,799	82,799
Prepayments		48,022	54,523	19,611	28,014
Less : Allowance for expected credit losses		(5,004,097)	(5,000,000)	(5,000,000)	(5,000,000)
		643,342	354,639	102,716	219,782
Total current receivables		2,228,889	1,634,010	2,389,222	1,798,046

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

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

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

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Brought forward	59,568	9,049	-	-
Allowance for expected credit losses	-	50,000	-	-
Reversal of allowance for expected credit loss	(38,500)	-	-	-
Translation differences	529	519	-	-
Carried forward	21,597	59,568	-	-

The normal trade credit terms granted by the Group to the trade receivables range from 30 to 120 days (2019: 30 to 90 days).

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

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Brought forward	5,000,000	5,000,000	22,173,063	21,993,393
Allowance for expected credit losses	4,097	-	-	179,670
Reversal of allowance for expected credit loss	-	-	(264,721)	-
Carried forward	5,004,097	5,000,000	21,908,342	22,173,063

10.1 Amounts due from subsidiaries

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

10.2 Other receivables

Included in other receivables of the Group and of the Company is an amount of RM5,004,097 (2019: RM5,000,000) and RM5,000,000 (2019: RM5,000,000) respectively due from third parties which are unsecured, interest free and repayable on demand. Allowance for expected credit loss has been fully made as at reporting date.

11. AMOUNT DUE FROM ASSOCIATES

	Group	
	2020 RM	2019 RM
Amount due from associates	5,122,041	5,169,348
Share of post acquisition loss	(3,028,239)	(3,132,515)
Translation differences	734,225	589,072
	2,828,027	2,625,905

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.

12. CASH AND CASH EQUIVALENTS

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Short-term deposits with licensed banks and financial institutions	22,222,176	21,346,274	22,222,176	13,178,842
Fixed deposits with licensed banks and financial institutions	-	8,778	-	-
Cash and bank balances	1,998,889	2,323,642	314,664	273,778
	24,221,065	23,678,694	22,536,840	13,452,620

The interest rate of short-term deposits with licensed banks ranges from 3.08% to 3.69% (2019: 3.30% to 3.73%) per annum.

13. SHARE CAPITAL

	Group and Company			
	2020		2019	
	Number of shares Unit	Amount RM	Number of shares Unit	Amount RM
Issued and fully paid with no par value:-				
Ordinary shares				
At beginning/At end of financial year	44,753,400	44,885,567	44,753,400	44,885,567

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

14. RESERVES

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Non-distributable					
Exchange fluctuation reserve	14.1	5,115,261	4,538,549	-	-
		5,115,261	4,538,549	-	-
Accumulated losses		(11,752,451)	(12,422,728)	(21,956,896)	(23,341,514)
		(6,637,190)	(7,884,179)	(21,956,896)	(23,341,514)

14.1 Exchange fluctuation reserve

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

15. NON-CONTROLLING INTERESTS

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

16. BORROWINGS

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Current					
Term loans - secured	16.3	273,441	237,497	273,441	237,497
Lease liabilities/Finance lease liabilities	16.4	73,250	84,412	-	-
		346,691	321,909	273,441	237,497
Non-current					
Term loans - secured	16.3	2,242,225	2,518,667	2,242,225	2,518,667
Lease liabilities/Finance lease liabilities	16.4	42,957	122,769	-	-
		2,285,182	2,641,436	2,242,225	2,518,667
Total current and non-current borrowings		2,631,873	2,963,345	2,515,666	2,756,164

16.1 Securities

Group/Company

The term loans are secured by the Group's and the Company's buildings and rental proceeds derived from the buildings as described under a Deed of Assignment.

16.2 Interest rate

Group/Company

The term loans at the end of the reporting period bore effective interest rate at 4.36% (2019: 5.29%) per annum.

Group

The lease liabilities are subject to effective interest rate at 4.47% (2019: 4.47% - 6.67%) per annum.

16. BORROWINGS (CONT'D)

16.3 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						
2020						
Term loans - secured	2029	2,515,666	273,441	285,635	935,447	1,021,143
Lease liabilities	2021	116,207	73,250	42,957	-	-
		2,631,873	346,691	328,592	935,447	1,021,143
2019						
Term loans - secured	2029	2,756,164	237,497	250,999	839,094	1,428,574
Finance lease liabilities	2021	207,181	84,412	73,673	49,096	-
		2,963,345	321,909	324,672	888,190	1,428,574
Company						
2020						
Term loan - secured	2029	2,515,666	273,441	285,635	935,447	1,021,143
2019						
Term loan - secured	2029	2,756,164	237,497	250,999	839,094	1,428,574

16.4 Lease liabilities

Set out below is the movements of the lease liabilities during the financial year:-

	2020 RM
At 1 April	207,181
Accretion of interest	6,344
Payment of princpal and interest	(97,318)
At 31 March	116,207
Current liabilities	
- less than 1 year	73,250
Non-current liabilities	
- more than 1 year but less than 2 years	42,957
At 31 March	116,207

The following are the amount relating to lease liabilities recognised in profit or loss:-

	2020 RM
Interest expense on lease liabilities	6,344

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

17. PAYABLES AND ACCRUALS

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Trade				
Trade payables	277,853	215,540	-	-
Non-trade				
Amount due to subsidiaries	-	-	8,392,557	-
Non-trade				
Other payables	602,975	546,198	147,238	152,012
Accrued expenses	460,311	408,651	-	-
SST payable	4,802	6,275	-	-
	1,068,088	961,124	147,238	152,012
	1,345,941	1,176,664	8,539,795	152,012

The normal trade credit terms granted by trade payables range from 30 to 90 days (2019: 30 to 90 days).

18. REVENUE

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Revenue recognised at a point in time:-				
Sale of goods	7,078,751	6,026,885	-	-
Insurance commission	10,032	13,072	-	-
Management fees	-	-	300,000	300,000
Gaming income	-	794,620	-	-
Hotel income	959,238	1,133,220	-	-
Rental income	433,685	429,819	433,685	429,819
	8,481,706	8,397,616	733,685	729,819

19. STAFF COSTS

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Salaries, wages and other emoluments	2,899,302	2,767,278	318,090	353,238
Defined contribution plan	222,799	195,028	31,747	35,986
Social security contributions	36,371	34,363	1,657	2,279
Other benefits	6,539	27,542	5,763	5,743
	3,165,011	3,024,211	357,257	397,246

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

	Group 2020 RM	Group 2019 RM
Executive Directors:-		
Salaries and other emoluments	730,357	703,308
Defined contribution plan	33,359	30,112
Social security contributions	923	923
	764,639	734,343

	Group and Company 2020	Group and Company 2019
Non-executive Directors:-		
Other emoluments	54,000	54,000

20. FINANCE INCOME, FINANCE COSTS AND PROFIT BEFORE TAX

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Finance income are as follows:-				
- Interest income from cash and cash equivalents	730,205	772,612	497,235	477,367
Finance costs are as follows:-				
- Bank borrowings	139,763	155,884	139,763	155,884
- Lease liability/Finance lease liabilities	6,344	6,850	-	-
- Credit card commissions	4,276	6,942	-	-
	150,383	169,676	139,763	155,884
Profit before tax arrived at:-				
After charging/(crediting):-				
Audit fee				
- statutory audit	52,700	59,200	22,000	22,000
- other services	4,000	4,000	4,000	4,000
Realised loss on foreign exchange	25,079	54,825	-	-
Rental income from:-				
- third parties	(137,801)	(248,325)	(137,801)	(248,325)

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

21. TAX EXPENSE

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Tax expense				
- Current year	106,000	67,247	-	-
- Over provision in prior year	(9,065)	-	-	-
	96,935	67,247	-	-
Deferred tax (Note 8)				
- Current year	48,000	136,000	-	-
- Under provision in prior years	(2,000)	(27,000)	-	-
Total deferred tax recognised in the profit or loss (Note 8)	46,000	109,000	-	-
Total tax expense	142,935	176,247	-	-

A reconciliation of income tax expense applicable to profit 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 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Profit before tax	764,809	1,702,307	1,384,618	930,178
Tax calculated using Malaysian tax rate of 24%	183,554	408,554	332,308	223,243
Gain/(Loss) of foreign subsidiaries not available for set-off	37,959	(174,088)	-	-
Non-deductible expenses	177,888	58,934	114,034	417,806
Non-taxable income	-	-	-	-
Tax exempt income	(197,161)	(21,993)	(398,582)	(601,449)
Deferred tax assets not recognised	(48,240)	(68,160)	(47,760)	(39,600)
	154,000	203,247	-	-
- Over provision of tax expense in prior year	(9,065)	-	-	-
- Under provision of deferred tax in prior years	(2,000)	(27,000)	-	-
Tax expense	142,935	176,247	-	-

The unutilised tax losses and unabsorbed capital allowances which can be carried forward to offset against future taxable profit amounted to approximately RM1,960,000 (2019: RM2,167,000) and RM317,000 (2019: RM317,000) for the Group and RM503,000 (2019: RM708,000) and RM256,000 (2019: RM256,000) for the Company.

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

22. BASIC EARNINGS PER ORDINARY SHARE

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

	Group	
	2020 **RM**	**2019** **RM**
Earnings attributable to owners of the Company (RM)	670,277	1,538,473
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.

23. CAPITAL COMMITMENT

Capital expenditures not provided for in the financial statement are as follows:-

	Group	
	2020 **RM**	**2019** **RM**
Authorised and contracted for:-		
- Purchase of property, plant, and equipment	80,900	-

24. 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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

24. 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:-

(i) Transactions between the Company and its subsidiary:-

	2020 RM	2019 RM
Management fees receivable	300,000	300,000

The balances of amounts due from/(to) subsidiaries are disclosed in Note 10 and Note 17 to the financial statements.

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

	Group and Company 2020 RM	 2019 RM
Rental receivable	295,884	181,494

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 19 to the financial statements. The Group and the Company have no other members of key management personnel apart from the Board of Directors.

25. 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
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

25. SEGMENTAL INFORMATION – GROUP (CONT'D)

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

	Manufacturing RM	Gaming RM	Hotel RM	Others RM	Elimination RM	Consolidated RM
2020						
Revenue from external customers	7,078,751	-	959,238	443,717	-	8,481,706
Inter-segment revenue	-	-	-	300,000	(300,000)	-
Total revenue	7,078,751	-	959,238	743,717	(300,000)	8,481,706
Result:-						
Interest income	301	-	-	729,904	-	730,205
Depreciation of property, plant and equipment	(468,935)	-	(82,912)	(220,325)	-	(772,172)
Depreciation of right-of-use assets	(49,243)	-	(21,000)	(15,379)	-	(85,622)
Finance costs	(6,344)	-	(4,276)	(139,763)	-	(150,383)
Other non-cash expenses Note (a)	(23,449)	(9,326)	(27,464)	(14)	-	(60,253)
Tax expense	(142,935)	-	-	-	-	(142,935)
Segment profit/(loss)	322,798	(183,116)	(245,259)	1,607,266	(879,815)	621,874
Assets:-						
Addition to non-current assets Note (b)	994,727	-	2,972	1,450	-	999,149
Unallocated assets						22,401,176
Segment assets	5,637,564	3,290,846	1,682,048	8,514,122	-	19,124,580
Liabilities:-						
Unallocated liabilities						2,631,873
Segment liabilities	356,844	90,711	392,863	505,523	-	1,345,941

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

25. SEGMENTAL INFORMATION – GROUP (CONT'D)

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

2019	Manufacturing RM	Gaming RM	Hotel RM	Others RM	Elimination RM	Consolidated RM
Revenue from external customers	6,026,885	794,620	1,133,220	442,891	-	8,397,616
Inter-segment revenue	-	-	-	300,000	(300,000)	-
Total revenue	6,026,885	794,620	1,133,220	742,891	(300,000)	8,397,616
Result:-						
Interest income	1,237	-	-	771,375	-	772,612
Depreciation of property, plant and equipment	(305,154)	-	(110,827)	(232,981)	-	(648,962)
Finance costs	(6,850)	-	(6,942)	(155,884)	-	(169,676)
Other non-cash expense Note (a)	(25,865)	(11,376)	(21,240)	-	-	(58,481)
Tax expense	(176,247)	-	-	-	-	(176,247)
Segment profit/(loss)	368,422	532,828	(108,600)	1,204,757	(471,347)	1,526,060
Assets:-						
Addition to non-current assets Note (b)	819,909	-	8,260	29,940	-	858,109
Unallocated assets						21,637,205
Segment assets	4,379,679	4,077,550	1,915,016	8,545,075	-	18,917,320
Liabilities:-						
Unallocated liabilities						2,963,345
Segment liabilities	233,723	85,831	363,608	493,502	-	1,176,664

25. SEGMENTAL INFORMATION – GROUP (CONT'D)

(i) Business segments (cont'd)

Notes:-

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

	2020 RM	2019 RM
Allowance for obsolete inventories	(100,530)	(64,398)
Allowance for obsolete inventories no longer required	47,828	75,580
Allowance for expected credit losses on receivables	(4,097)	(50,000)
Bad debts written off	-	(5,302)
Property, plant and equipment written off	(450)	-
Reversal of allowance for expected credit loss on trade receivables	38,500	-
Gain on disposal of property, plant and equipment	796	15,523
Unrealised loss on foreign exchange	(42,300)	(29,884)
	(60,253)	(58,481)

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

	2020 RM	2019 RM
Property, plant and equipment	999,149	858,109

(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
2020				
Revenue from external customers by location of customers	7,522,468	-	959,238	8,481,706
Non-current assets	9,789,473	4	1,211,647	11,001,124
Capital expenditure by location of assets	996,177	-	2,972	999,149
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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

26. 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
2020		
Financial assets		
Receivables and deposits	2,179,606	2,179,606
Amount due from associates	2,828,027	2,828,027
Cash and cash equivalents	24,221,065	24,221,065
	29,228,698	29,228,698
Financial liabilities		
Payables and accruals	1,341,139	1,341,139
Borrowings	2,515,666	2,515,666
	3,856,805	3,856,805
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

26. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D)

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

Company	Carrying amount RM	AC RM
2020		
Financial assets		
Receivables and deposits	2,369,305	2,369,305
Cash and cash equivalents	22,536,840	22,536,840
	24,906,145	24,906,145
Financial liabilities		
Payables and accruals	8,539,795	8,539,795
Borrowings	2,515,666	2,515,666
	11,055,461	11,055,461
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
Financial liabilities		
Payables and accruals	152,012	152,012
Borrowings	2,756,164	2,756,164
	2,908,176	2,908,176

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

27. 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.

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.

27. 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)

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:-

		← Trade receivables days past due →				
	Current RM	<30 days RM	30-60 days RM	61-90 days RM	>90 days RM	Total RM
2020						
Expected credit loss rate	0%	0%	0%	0%	30%	
Estimated total gross carrying amount	1,238,353	226,508	56,671	5,354	80,258	1,607,144
Expected credit loss	-	-	-	-	21,597	21,597
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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

27. 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):-

(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.

(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.

27. 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:-

	Total carrying amount RM	Contractual cash flows RM	Within 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
Group						
2020						
Unsecured:-						
Payables and accruals	1,341,139	1,341,139	1,341,139	-	-	-
Secured:-						
Borrowings	2,631,873	3,102,043	456,720	423,886	1,133,892	1,087,545
	3,973,012	4,443,182	1,797,859	423,886	1,133,892	1,087,545
2019						
Unsecured:-						
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
Company						
2020						
Unsecured:-						
Payables and accruals	8,539,795	8,539,795	8,539,795	-	-	-
Secured:-						
Borrowings	2,515,666	2,977,365	377,964	377,964	1,133,892	1,087,545
	11,055,461	11,517,160	8,917,759	377,964	1,133,892	1,087,545

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

27. 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 years RM	More than 5 years RM
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

(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").

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

	Denominated in		
	USD RM	SGD RM	RMB RM
Group			
2020			
Cash and cash equivalents	840,246	-	-
Trade and other receivables	375,757	-	105,321
Trade and other payables	(1,036,294)	(3,730)	(182)
	179,709	(3,730)	105,139
2019			
Cash and cash equivalents	1,923,298	-	-
Trade and other receivables	290,133	-	-
Trade and other payables	(851,967)	-	(59,267)
	1,361,464	-	(59,267)

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

Financial risk (cont'd)

(c) Foreign currency risk (cont'd)

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 (cont'd):-

	Denominated in		
	USD	**SGD**	**RMB**
Company	**RM**	**RM**	**RM**
2020			
Amount due from a subsidiary	16,908,342	-	-
2019			
Amount due from a subsidiary	17,173,063	-	-

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/ (Decrease) —	
	Profit for the year	**Equity**
Group and Company	**RM**	**RM**
2020		
USD/RM		
- Strengthened 0.47%	(849)	(849)
- Weakened 0.47%	849	849
RMB/RM		
- Strengthened 0.02%	(22)	(22)
- Weakened 0.02%	22	22
SGD/RM		
- Strengthened 0.03%	1	1
- Weakened 0.03%	(1)	(1)
2019		
USD/RM		
- Strengthened 0.47%	(6,332)	(6,332)
- Weakened 0.47%	6,332	6,332
RMB/RM		
- Strengthened 0.12%	70	70
- Weakened 0.12%	(70)	(70)

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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

27. 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
2020		
Fixed rate instruments		
Financial assets		
Short-term deposits with licensed banks and financial institutions	22,222,176	22,222,176
Fixed rate instruments		
Financial liability		
Borrowings - Lease liabilities	116,207	-
Floating rate instrument		
Financial liability		
Borrowings - Term loans	2,515,666	2,515,666
2019		
Fixed rate instruments		
Financial assets		
Short-term deposits with licensed banks and financial institutions	21,346,274	13,178,842
Fixed deposits with licensed banks and financial institutions	8,778	-
	21,355,052	13,178,842
Fixed rate instruments		
Financial liability		
Borrowings - Finance lease liabilities	207,181	-
Floating rate instrument		
Financial liability		
Borrowings - Term loans	2,756,164	2,756,164

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

Financial risk (cont'd)

(d) Interest rate risk (cont'd)

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

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

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

	Group and Company			
	Profit for the year		Equity	
	RM +50 bp	RM -50 bp	RM +50 bp	RM -50 bp
2020	12,578	(12,578)	12,578	(12,578)
2019	13,781	(13,781)	13,781	(13,781)

(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.

2020	**Fair value of financial instrument not carried at fair value Level 2* RM**	**Carrying amount RM**
Group		
Borrowings	2,977,365	2,515,666
Company		
Borrowings	2,977,365	2,515,666

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

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

Financial risk (cont'd)

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

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 (cont'd).

2019	Fair value of financial instrument not carried at fair value Level 2* RM	Carrying amount RM
Group		
Borrowings	2,878,445	2,756,164
Finance lease liabilities	196,035	207,181
	3,074,480	2,963,345
Company		
Borrowings	2,607,882	2,756,164

* 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.

<u>Policy on transfer between levels</u>

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.

<u>Level 2 Fair Value</u>

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

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

Reconciliation of liabilities arising from financing activities

Group	**31 March 2019 RM**	**Cash flows RM**	**Others RM**	**31 March 2020 RM**
Repayment of lease liabilities	207,181	(90,974)	-	116,207
Repayment of term loans	2,756,164	(240,498)	-	2,515,666
Interest paid	-	*(150,383)	150,383	-
Total	2,963,345	(481,855)	150,383	2,631,873
Company				
Interest paid	-	*(139,763)	139,763	-
Repayment of term loans	2,756,164	(240,498)	-	2,515,666
Total	2,756,164	(380,261)	139,763	2,515,666

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

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

28. CAPITAL MANAGEMENT

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

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

29. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND AFTER THE REPORTING PERIOD

(i) The recent outbreak of Coronavirus Disease 2019 ("COVID-19") since end 2019 has seen significant cases increased worldwide which prompted the World Health Organisation to declare it as a pandemic on 11 March 2020. A series of precautionary and control measures have been and continued to be implemented across the world. The Malaysian Government imposed the Movement Control Order ("MCO") from 18 March 2020 to 3 May 2020, Conditional Movement Control Order ("CMCO") from 4 May 2020 to 9 June 2020 and Recovery Movement Control Order ("RMCO") from 10 June 2020 to 31 August 2020. Consequently, the MCO, CMCO and RMCO are expected to have material adverse effects on the Malaysia's economy for 2020. The deterioration of world economy has also prompted additional uncertainties to the business of the Group and the Company in 2020.

As at the date of this report, the management of the Group and the Company have assessed the overall impact of the situation on the Group's and the Company's operations and financial position and concluded that there are no material effects on the financial statements for the financial year ended 31 March 2020. As at the date of this report, management is unable to reliably estimate the financial impact of COVID-19 on the Group's and the Company's financial results for the year ending 31 March 2021 as the pandemic has yet to run its full course hence the current situation is still fluid. The Directors shall continuously assess the impact of COVID-19 on its operations as well as the financial position for the year ending 31 March 2021.

(ii) On 29 June 2020, Wire Master Spring Sdn. Bhd., a subsidiary of the Company has accepted a proposal with Plus Solar Systems Sdn. Bhd. for Engineering, Procurement, Construction and Commissioning proposal of a 187.44 kWp Photovoltaic System amounting to RM489,600.

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

In the opinion of the Directors, the financial statements set out on pages 44 to 109 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 2020 and of their financial performance and cash flows for the financial year then ended.

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

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

……………………………………….……..
DATO' LIM KIM HUAT

Kuala Lumpur

7 August 2020

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

I, **Dato' Lim Kim Huat**, being the Director primarily responsible for the financial management of Widetech (Malaysia) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 44 to 109 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 7 August 2020.

…………………………………………..
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 2020 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 109.

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 2020, 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' International Code of Ethics for Professional Accountants (including International Independence Standards) ("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 RM347,194 as disclosed in Note 27(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 RM1,212,651 as disclosed in Note 9 to the Financial Statements. 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 RM2,828,027 as disclosed in Note 11 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 reviewed the transactions recording and reporting procedures including effectiveness of the relevant control procedures that management has in place.

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

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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.

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

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

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, actions taken to eliminate threats or safeguards applied.

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.

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 PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

LIAN TIAN KWEE
(NO: 02943/05/2021 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
7 August 2020

LIST OF PROPERTIES
AS AT 31 MARCH 2020

Location	Tenure	Land area / Gross Floor Area	Description, Approx. Age of Building & Year of Acquisition	Net Book Value as at 31 March 2020 (RM'000)
A. REGISTERED OWNER : WIDETECH (MALAYSIA) BERHAD				
K-09-01 to K-09-02 Block K, No. 2 Jalan Solaris Solaris Mont' Kiara Kuala Lumpur Wilayah Persekutuan	Freehold	K-09-01 : 963.02 square metres K-09-02 : 787.6 square metres	Office Units 12 years 2008/2009	5,049
B. REGISTERED OWNER : WIRE MASTER SPRING SDN BHD				
Plot 51 (A) Phase 1 Bukit Minyak Industrial Park Mukim 13 District of Province Wellesley Central Penang	Leasehold - 60 years expiring 2055	2.00 acres	2 storey factory 22 years 2004	3,336

ANALYSIS OF SHAREHOLDINGS
as at 30 July 2020

Total Number of Issued Shares	44,753,400
Class of Shares	Ordinary shares
Voting Rights	One vote per ordinary share
Number of Shareholders	728

ANALYSIS BY SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	No. of Shares held	%
Less than 100 shares	51	3,073	0.00
100 to 1,000 shares	259	206,021	0.46
1,001 to 10,000 shares	306	1,200,370	2.68
10,001 to 100,000 shares	78	2,491,500	5.57
100,001 to less than 5% of issued shares	29	20,156,218	45.04
5% of issued shares and above	5	20,697,218	46.25
Total	728	44,753,400	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 30 JULY 2020

Name	No. of Shares Held 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.	4,716,188	10.54	-	-
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	7,183,688^	16.05
Dato' Lim Sin Khong	2,421,178	5.41	-	-
Dato' Douglas Cheng Heng Lee	2,467,500	5.51	-	-
Loh Suan Phang	2,564,096	5.73	-	-

DIRECTORS' SHAREHOLDINGS AS AT 30 JULY 2020

No.	Name	No. of Shares Held 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	7,183,688^	16.05
4.	Loh Suan Phang	2,564,096	5.73	-	-
5.	Dato' Lim Sin Khong	2,421,178	5.41	-	-
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	-	-	-	-

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.

ANALYSIS OF SHAREHOLDINGS
as at 30 July 2020 (Cont'd)

THIRTY LARGEST SHAREHOLDERS AS AT 30 JULY 2020

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.	4,716,188	10.54
4	DISTINCT RICH SDN. BHD.	3,010,884	6.73
5	LIM SIN KHONG	2,421,178	5.41
6	CHUA SENG YONG	1,838,900	4.11
7	CHIEW KOK BOO	1,764,000	3.94
8	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD - MAYBANK KIM ENG SECURITIES PTE LTD FOR WORLDPLUS VENTURE CORPORATION	1,729,300	3.86
9	HLIB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR LOH SUAN PHANG	1,592,300	3.56
10	CIMB GROUP NOMINEES (ASING) SDN. BHD. - SNOWSHILL SECURITIES LIMITED	1,282,800	2.87
11	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. - CIMB BANK FOR DOUGLAS CHENG HENG LEE	1,000,000	2.23
12	LOH SUAN PHANG	971,796	2.17
13	LIM HEOK CHYE	967,962	2.16
14	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR DOUGLAS CHENG HENG LEE	907,600	2.03
15	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR TAN BOON SENG	827,032	1.85
16	HO KOK MENG	738,909	1.65
17	CHIN SEOK YIN	723,500	1.62
18	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD - ON YAT SECURITIES (MALAYSIA) SDN. BHD.	710,000	1.59
19	CHIEW KOK SUANG	652,400	1.46
20	LIM SUH HUA @ LIM YAK HUA	611,588	1.37
21	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR DOUGLAS CHENG HENG LEE	556,900	1.24
22	HLB NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR CHU SUI KIONG	530,296	1.18
23	CHU SUI KIONG	517,236	1.16
24	ABUL HASAN BIN MOHAMED RASHID	306,000	0.68
25	GOH MO LOOI	296,000	0.66
26	LIM KIM HUAT	271,749	0.61
27	CITIGROUP NOMINEES (ASING) SDN BHD - EXEMPT AN FOR BANK OF SINGAPORE LIMITED (FOREIGN)	267,100	0.60
28	TAN BOON LEE	209,300	0.47
29	CIMSEC NOMINEES (TEMPATAN) SDN BHD - CIMB FOR CHENG JOO TEIK	200,000	0.45
30	KENNETH TAN KENG HAN	173,500	0.39

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WIDETECH (MALAYSIA) BERHAD

[Registration No.: 198401001418 (113939-U)]
(Incorporated in Malaysia)

No. of ordinary shares held

PROXY FORM

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

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

of ....
(Full address)

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

Name of Proxy(ies)	NRIC No./ Passport No.	Phone Number	Email	Address	% of shares to be represented by proxy
Proxy 1					
Proxy 2					

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Thirty-Sixth Annual General Meeting ("**AGM**") of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 30 September 2020 at 11.00 am. My /our proxy/proxies is/are to vote as indicated below: -

ORDINARY RESOLUTIONS:-	**FIRST PROXY**		**SECOND PROXY**	
	For	**Against**	**For**	**Against**
1) Payment of Directors' allowances and benefits up to RM90,000 from 1 April 2020 until Thirty-Seventh AGM.				
2) Re-election of Dato' Lim Kim Huat as Director				
3) Re-election of Dato' Lim Sin Khong as Director				
4) Re-election of Mr. Chen Keng Sam as Director				
5) Re-appointment of Messrs Grant Thornton Malaysia PLT 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				

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

Dated this day of .

Signature/Common Seal

NOTES:

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the Thirty-Sixth AGM, the Company shall be requesting the Record of Depositors as at 24 September 2020. Only a depositor whose name appears on the Record of Depositors as at 24 September 2020 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.
2. A proxy may but need not be a member of the Company. A member may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy in a poll and the first named proxy shall be entitled to vote on a show of hands.
3. Where a member is an authorised nominee as defined under the Central Depositories Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy, in the case of an individual, shall be signed by the appointer or by his attorney duly authorised in writing, and in the case of a corporation, shall be executed under its Common Seal or under the hand of an officer or attorney of the corporation duly authorised.
6. The Form of Proxy shall be deposited at the Registered Office of the Company at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time set for holding the meeting or any adjournment thereof.

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The Company Secretaries

WIDETECH (MALAYSIA) BERHAD
[Registration No.: 198401001418 (113939-U)]
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

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