MESB BERHAD

(Incorporated in Malaysia)
Company No : 337554 - D

FINANCIAL REPORT

for the financial year ended 31 March 2013

CONTENTS

Page

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2013.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year except for the discontinuance of certain business activities arising from discontinued operations as disclosed in Note 32 to the financial statements.

RESULTS

	THE GROUP RM'000	THE COMPANY RM'000
Profit after taxation	12,871	12,719
Attributable to:-		
Owners of the Company	12,612	-
Non-controlling interests	259	-
	12,871	12,719

DIVIDENDS

No dividend was declared or paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) there were no changes in the authorised and issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value 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 which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

The contingent liability of the Company is disclosed in Note 41 to the financial statements. At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities 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.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

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, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS' REPORT

DIRECTORS

The directors who served since the date of the last report are as follows:-

TEOH HWA PENG
SAFFIE BIN BAKAR
NG CHEE LEONG
TAN YEW KIM
TAN SOK GIM (APPOINTED ON 5.4.2013)
TEOH WAH LEONG (RESIGNED ON 25.2.2013)
YAM KIN LUM (RESIGNED ON 31.5.2013)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:-

	NUMBER OF ORDINARY SHARES OF RM1 EACH			
	AT 1.4.2012	BOUGHT	SOLD	AT 31.3.2013
THE COMPANY				
DIRECT INTEREST				
TEOH HWA PENG	19,071,899	-	-	19,071,899
DEEMED INTEREST				
TEOH HWA PENG *	2,125,000	-	-	2,125,000

* *Deemed interest through spouse's shareholding by virtue of Section 134(12)(c) of the Companies Act 1965 in Malaysia.*

By virtue of his interest in shares in the Company, Teoh Hwa Peng is deemed to have interest in shares in the subsidiaries to the extent of the Company's interest, in accordance with Section 6A of the Companies Act 1965 in Malaysia.

The other directors holding office at the end of the financial year did not have any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with related parties as disclosed in Note 38 to the financial statements.

Neither during nor at the end of the financial year, was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 44 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 25 JULY 2013

Teoh Hwa Peng

Ng Chee Leong

STATEMENT BY DIRECTORS

We, Teoh Hwa Peng and Ng Chee Leong, being two of the directors of MESB Berhad, state that, in the opinion of the directors, the financial statements set out on pages 11 to 96 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 March 2013 and of their results and cash flows for the financial year ended on that date.

The supplementary information set out in Note 46, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 25 JULY 2013**

Teoh Hwa Peng **Ng Chee Leong**

STATUTORY DECLARATION

I, Teoh Hwa Peng, I/C No. 670407-09-5017, being the director primarily responsible for the financial management of MESB Berhad, do solemnly and sincerely declare that the financial statements set out on pages 11 to 96 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 provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Teoh Hwa Peng, I/C No. 670407-09-5017,
at Kuala Lumpur in the Federal Territory
on this 25 July 2013

Teoh Hwa Peng

Before me
Datin Hajah Raihela Wanchik
No. W - 275
Commissioner For Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MESB BERHAD
(Incorporated in Malaysia)
Company No : 337554 - D

Report on the Financial Statements

We have audited the financial statements of MESB Berhad, which comprise the statements of financial position as at 31 March 2013 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 96.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2013 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

The supplementary information set out in Note 46 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

1. As stated in Note 3(a) to the financial statements, MESB Berhad adopted Malaysian Financial Reporting Standards on 1 April 2012 with a transition date of 1 April 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 March 2012 and 1 April 2011, and the statement of other comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 March 2012 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 31 March 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2012 do not contain misstatements that materially affect the financial position as of 31 March 2013 and financial performance and cash flows for the financial year then ended.

2. This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Ooi Song Wan
Approval No: 2901/10/14 (J)
Chartered Accountant

25 July 2013

Kuala Lumpur

MESB BERHAD

(Incorporated in Malaysia)
Company No : 337554 - D

STATEMENTS OF FINANCIAL POSITION AT 31 MARCH 2013

	Note	The Group 31.3.2013 RM'000	The Group 31.3.2012 RM'000	The Group 1.4.2011 RM'000	The Company 31.3.2013 RM'000	The Company 31.3.2012 RM'000	The Company 1.4.2011 RM'000
ASSETS							
NON-CURRENT ASSETS							
Investments in subsidiaries	5	-	-	-	35,583	35,583	44,488
Investment in an associate	6	6,830	5,548	3,852	660	660	660
Property and equipment	7	12,835	13,834	26,401	368	489	-
Other assets	8	540	40	765	40	40	40
Goodwill on consolidation	9	24,668	24,668	24,668	-	-	-
		44,873	44,090	55,686	36,651	36,772	45,188
CURRENT ASSETS							
Inventories	10	18,707	13,685	11,704	-	-	-
Amount owing by contract customers		-	-	530	-	-	-
Trade receivables	11	13,981	10,679	11,770	-	-	-
Other receivables, deposits and prepayments	12	911	1,128	2,927	6	2	2
Amount owing by subsidiaries	13	-	-	-	4,431	4,147	-
Tax recoverable		153	153	212	153	153	-
Fixed deposits with licensed banks	14	10,077	3,374	3,958	6,602	-	-
Cash and bank balances		7,170	5,616	5,835	188	1,735	1
		50,999	34,635	36,936	11,380	6,037	3
Non-current asset classified as held for sale	15	1,612	577	-	-	277	-
Assets of disposal group classified as held for sale	16	20	17,893	-	-	-	-
		52,631	53,105	36,936	11,380	6,314	3
TOTAL ASSETS		97,504	97,195	92,622	48,031	43,086	45,191

STATEMENTS OF FINANCIAL POSITION AT 31 MARCH 2013 (CONT'D)

		THE GROUP			THE COMPANY		
	NOTE	31.3.2013 RM'000	31.3.2012 RM'000	1.4.2011 RM'000	31.3.2013 RM'000	31.3.2012 RM'000	1.4.2011 RM'000
EQUITY AND LIABILITIES							
EQUITY							
Share capital	17	42,000	42,000	42,000	42,000	42,000	42,000
Share premium	18	5	5	5	5	5	5
Capital reserve	19	37	37	37	37	37	37
Retained profits/ (Accumulated losses)	20	24,132	11,520	10,180	5,211	(7,508)	(2,173)
SHAREHOLDERS' EQUITY		66,174	53,562	52,222	47,253	34,534	39,869
NON-CONTROLLING INTERESTS		-	3,759	2,870	-	-	-
TOTAL EQUITY		66,174	57,321	55,092	47,253	34,534	39,869
NON-CURRENT LIABILITIES							
Hire purchase payables	21	650	882	888	322	442	-
Term loans	22	3,950	4,715	8,023	-	-	-
Deferred taxation	23	264	267	1,751	-	-	-
		4,864	5,864	10,662	322	442	-

STATEMENTS OF FINANCIAL POSITION AT 31 MARCH 2013 (CONT'D)

		THE GROUP			THE COMPANY		
	NOTE	31.3.2013 RM'000	31.3.2012 RM'000	1.4.2011 RM'000	31.3.2013 RM'000	31.3.2012 RM'000	1.4.2011 RM'000
CURRENT LIABILITIES							
Amount owing to contract customers		-	-	20	-	-	-
Trade payables	24	6,111	3,859	4,789	-	-	-
Other payables and accruals	25	3,179	6,489	8,646	193	3,559	421
Amount owing to a subsidiary	13	-	-	-	80	4,380	4,825
Amount owing to a director	26	76	76	76	76	76	76
Provision for taxation		488	605	323	-	-	-
Hire purchase payables	21	289	258	457	107	95	-
Term loans	22	768	724	4,558	-	-	-
Bankers' acceptances	27	15,552	12,334	7,687	-	-	-
Bank overdrafts		-	-	312	-	-	-
		26,463	24,345	26,868	456	8,110	5,322
Liabilities of disposal group classified as held for sale	16	3	9,665	-	-	-	-
		26,466	34,010	26,868	456	8,110	5,322
TOTAL LIABILITIES		31,330	39,874	37,530	778	8,552	5,322
TOTAL EQUITY AND LIABILITIES		97,504	97,195	92,622	48,031	43,086	45,191

MESB BERHAD
(Incorporated in Malaysia)
Company No : 337554 - D

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	NOTE	THE GROUP 2013 RM'000	THE GROUP 2012 RM'000 (Restated)	THE COMPANY 2013 RM'000	THE COMPANY 2012 RM'000
CONTINUING OPERATIONS					
REVENUE	28	88,012	71,281	-	-
COST OF SALES	29	(33,159)	(26,969)	-	-
GROSS PROFIT		54,853	44,312	-	-
OTHER INCOME		12,501	2,563	14,886	10
		67,354	46,875	14,886	10
SELLING AND DISTRIBUTION EXPENSES		(24,639)	(19,968)	-	-
ADMINISTRATIVE AND OTHER OPERATING EXPENSES		(29,425)	(23,106)	(2,150)	(5,498)
FINANCE COSTS		(867)	(798)	(17)	-
SHARE OF PROFIT IN AN ASSOCIATE		1,282	1,696	-	-
PROFIT/(LOSS) BEFORE TAXATION	30	13,705	4,699	12,719	(5,488)
INCOME TAX EXPENSE	31	(1,050)	(1,153)	-	153
PROFIT/(LOSS) AFTER TAXATION FROM CONTINUING OPERATIONS		12,655	3,546	12,719	(5,335)
DISCONTINUED OPERATIONS					
PROFIT/(LOSS) AFTER TAXATION FROM DISCONTINUED OPERATIONS	32(a)	216	(1,317)	-	-
PROFIT/(LOSS) AFTER TAXATION		12,871	2,229	12,719	(5,335)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		12,871	2,229	12,719	(5,335)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

		THE GROUP		THE COMPANY	
	NOTE	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		12,612	1,340	12,719	(5,335)
Non-controlling interests		259	889	-	-
		12,871	2,229	12,719	(5,335)
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) ATTRIBUTABLE TO:-					
Owners of the Company		12,612	1,340	12,719	(5,335)
Non-controlling interests		259	889	-	-
		12,871	2,229	12,719	(5,335)
EARNINGS/(LOSS) PER SHARE (SEN)					
Basic:					
- continuing operations	33	30.13 sen	8.44 sen		
- discontinued operations	33	(0.10) sen	(5.25) sen		
		30.03 sen	3.19 sen		
Diluted:					
- continuing operations	33	Not applicable	Not applicable		
- discontinued operations	33	Not applicable	Not applicable		

MESB BERHAD
(Incorporated in Malaysia)
Company No : 337554 - D

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

		← Attributable To Owners Of The Company →						
	Note	Share Capital	Share Premium	Capital Reserve	Retained Profits/ (Accumu-lated Losses)	Total	Non-Control-ling Interests	Total Equity
The Group								
Balance at 1.4.2011		42,000	5	37	10,180	52,222	2,870	55,092
Profit after taxation/ Total comprehensive income for the financial year		-	-	-	1,340	1,340	889	2,229
Balance at 31.3.2012/ 1.4.2012		42,000	5	37	11,520	53,562	3,759	57,321
Profit after taxation/ Total comprehensive income for the financial year		-	-	-	12,612	12,612	259	12,871
Disposal of a subsidiary	34(b)	-	-	-	-	-	(4,018)	(4,018)
Balance at 31.3.2013		42,000	5	37	24,132	66,174	-	66,174
The Company								
Balance at 1.4.2011		42,000	5	37	(2,173)	39,869	-	39,869
Loss after taxation/ Total comprehensive expenses for the financial year		-	-	-	(5,335)	(5,335)	-	(5,335)
Balance at 31.03.2012/ 1.4.2012		42,000	5	37	(7,508)	34,534	-	34,534
Profit after taxation/ Total comprehensive income for the financial year		-	-	-	12,719	12,719	-	12,719
Balance at 31.3.2013		42,000	5	37	5,211	47,253	-	47,253

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

		THE GROUP		THE COMPANY	
		2013	2012	2013	2012
	NOTE	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit/(Loss) before taxation:					
- continuing operations		13,705	4,699	12,719	(5,488)
- discontinued operations	32	516	(655)	-	-
		14,221	4,044	12,719	(5,488)
Adjustments for:-					
Allowance for impairment losses on receivables		30	730	-	-
Amortisation of intangible asset		2	6	-	-
Bad debts written off		-	54	365	-
Depreciation of property and equipment		2,317	3,536	127	123
Equipment written off		153	236	-	-
Impairment loss on investments in subsidiaries		-	-	-	603
Interest expense		954	1,360	17	-
Other investments written off		-	146	-	-
Writedown/(Writeback) of inventories		92	(20)	-	-
Allowance for impairment losses on receivables written back		(200)	-	-	-
(Gain)/Loss on disposal of a subsidiary		-	(1,581)	-	3,525
Gain on disposal group classified as held for sale		(10,279)	-	-	-
Gain on disposal of property and equipment		(44)	(23)	(32)	-
Gain on disposal of non-current asset held for sale		(1,123)	-	(14,723)	-
Interest income		(231)	(307)	(129)	(10)
Share of profit in an associate		(1,282)	(1,696)	-	-
Unrealised gain on foreign exchange		-	(5)	-	-
Writeback of foreseeable losses on contracts		-	(372)	-	-
Operating profit/(loss) before working capital changes		4,610	6,108	(1,656)	(1,247)
Increase in inventories		(5,114)	(1,961)	-	-
Increase in trade and other receivables		(2,088)	(3,851)	(4)	-
(Decrease)/Increase in trade and other payables		(1,045)	4,859	(3,366)	3,138
Net decrease in amount owing by contract customers		-	2,089	-	-
CASH FROM/(FOR) OPERATIONS		(3,637)	7,244	(5,026)	1,891
Income tax paid		(1,173)	(1,220)	-	-
Interest paid		(954)	(1,360)	(17)	-
NET CASH (FOR)/FROM OPERATING ACTIVITIES/ BALANCE CARRIED FORWARD		(5,764)	4,664	(5,043)	1,891

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

		THE GROUP		THE COMPANY	
	NOTE	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
BALANCE BROUGHT FORWARD		(5,764)	4,664	(5,043)	1,891
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES					
Purchase of intangible asset		(500)	-	-	-
Purchase of equipment	35	(2,600)	(1,501)	(6)	(75)
Proceeds from disposal of a subsidiary	34	13,425	(5,134)	15,000	4,500
Proceeds from disposal of equipment		52	23	32	-
Proceeds from disposal of non-current asset held for sale		1,700	-	-	-
Repayment and net advances to subsidiaries		-	-	(4,949)	(4,592)
Interest received		231	103	129	10
NET CASH FROM/(FOR) INVESTING ACTIVITIES		12,308	(6,509)	10,206	(157)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Net drawdown of bankers' acceptances		3,218	4,647	-	-
Repayment of hire purchase obligations		(282)	(205)	(108)	-
Repayment of term loans		(2,231)	(2,063)	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		705	2,379	(108)	-
BALANCE CARRIED FORWARD		7,249	534	5,055	1,734

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 (CONT'D)

		THE GROUP		THE COMPANY	
	NOTE	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
BALANCE BROUGHT FORWARD/NET INCREASE IN CASH AND CASH EQUIVALENTS		7,249	534	5,055	1,734
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		10,015	9,481	1,735	1
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	36	17,264	10,015	6,790	1,735

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur.
Principal place of business	:	No. 63, Jalan 8/146, Bandar Tasik Selatan, Sungai Besi, 57000 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 25 July 2013.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year except for the discontinuance of certain business activities arising from discontinued operations as disclosed in Note 32 to the financial statements.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

(a) These are the Group's first set of financial statements prepared in accordance with MFRSs, which are also in line with International Financial Reporting Standards as issued by the International Accounting Standards Board.

In the previous financial year, the financial statements of the Group were prepared in accordance with Financial Reporting Standards ("FRSs"). There were no material financial impacts on the transition from FRSs to MFRSs.

(b) The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the current financial year:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	**Effective Date**
MFRS 9 Financial Instruments	1 January 2015
MFRS 10 Consolidated Financial Statements	1 January 2013
MFRS 11 Joint Arrangements	1 January 2013
MFRS 12 Disclosure of Interests in Other Entities	1 January 2013
MFRS 13 Fair Value Measurement	1 January 2013
MFRS 119 Employee Benefits	1 January 2013
MFRS 127 Separate Financial Statements	1 January 2013
MFRS 128 Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013

3. BASIS OF PREPARATION (CONT'D)

(b)

MFRSs and IC Interpretations (Including The Consequential Amendments) (Cont'd)	**Effective Date**
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	1 January 2015
Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance	1 January 2013
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Annual Improvements to MFRSs 2009 – 2011 Cycle	1 January 2013

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

(i) MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. There will be no financial impact on the financial statements of the Group upon its initial application.

3. BASIS OF PREPARATION (CONT'D)

(b) The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

(ii) MFRS 10 replaces the consolidation guidance in MFRS 127 and IC Interpretation 112. Under MFRS 10, there is only one basis for consolidation, which is control. Extensive guidance has been provided in the standard to assist in the determination of control. There will be no financial impact on the financial statements of the Group upon its initial application.

(iii) MFRS 12 is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. MFRS 12 is a disclosure standard and the disclosure requirements in this standard are more extensive than those in the current standards. Accordingly, there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

(iv) MFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. The scope of MFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other MFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in MFRS 13 are more extensive than those required in the current standards and therefore there will be no financial impact on the financial statements of the Group upon its initial application but may impact its future disclosures.

(v) The amendments to MFRS 7 (Disclosures – Offsetting Financial Assets and Financial Liabilities) require disclosures that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There will be no financial impact on the financial statements of the Group upon its initial application.

3. BASIS OF PREPARATION (CONT'D)

(b) The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

(vi) The amendments to MFRS 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. In addition, items presented in other comprehensive income section are to be grouped based on whether they are potentially re-classifiable to profit or loss subsequently i.e. those that might be reclassified and those that will not be reclassified. Income tax on items of other comprehensive income is required to be allocated on the same basis. There will be no financial impact on the financial statements of the Group upon its initial application other than the presentation format of the statements of profit or loss and other comprehensive income.

(vii) The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities. There will be no financial impact on the financial statements of the Group upon its initial application.

(viii) The Annual Improvements to MFRSs 2009 – 2011 Cycle contain amendments to MFRS 1, MFRS 101, MFRS 116, MFRS 132 and MFRS 134. These amendments are expected to have no material impact on the financial statements of the Group upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below.

(i) Depreciation of Property and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property and equipment are based on commercial and usage factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(iii) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(v) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgment to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(vi) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

A subsidiary is defined as a company in which the parent company has the power, directly or indirectly, to exercise control over the financial and operating policies so as to obtain benefits from its activities.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(i) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation (Cont'd)

(ii) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Transactions with non-controlling interests are accounted for as transactions with owners and are recognised directly in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(iii) Acquisitions of Non-controlling Interests

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

(iv) Loss of Control

Upon loss of control of a subsidiary, the profit or loss on disposal is calculated as the difference between:-

(a) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(b) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation (Cont'd)

(iv) Loss of Control (Cont'd)

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

(c) Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Functional and Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency and presentation currency.

(ii) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(e) Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments (Cont'd)

(i) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

- *Financial Assets at Fair Value Through Profit or Loss*

  As at the end of the reporting period, there were no financial assets classified under this category.

- *Held-to-maturity Investments*

  As at the end of the reporting period, there were no financial assets classified under this category.

- *Loans and Receivables Financial Assets*

  Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

- *Available-for-sale Financial Assets*

  Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

  After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

  Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

  Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Financial Instruments (Cont'd)

(ii) Financial Liabilities

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(iii) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(f) Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that their carrying values may not be recoverable.

On disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Investment in Associates

An associate is an entity in which the Group has a long-term equity interest and where is exercises significant influence over the financial and operating policies.

Investments in associates are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that their carrying values may not be recoverable.

The investment in an associate is accounted for under the equity method, based on the financial statements of the associate made up to 31 March 2013. The Group's share of the post-acquisition profit of the associate is included in the consolidated statement of comprehensive income and the Group's interest in associate is stated at cost plus the Group's share of the post-acquisition retained profits and reserves.

Unrealised gains on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

On disposal of the investment in an associate, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

(h) Property and Equipment

Property and equipment, other than freehold land, are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land is stated at cost less accumulated impairment losses, if any and is not depreciated.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Property and Equipment (Cont'd)

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Buildings	2%
Leasehold land	80 to 99 years
Motor vehicles	20% - 30%
Office equipment, furniture and fittings	5% - 20%
Computers	50%
Renovation	10% - 20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is included in the statement of comprehensive income in the year the asset is derecognised.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Intangible Assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite.

The cost of acquiring the rights, interest and benefits to the operations, brands and patents pertaining to the trademarks are capitalised as intangible assets.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate the carrying value may be impaired either individually or at the cash generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable, If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gain or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit and loss when the asset is derecognised.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Impairment

(i) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Impairment (Cont'd)

(ii) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment loss is recognised as income in the statements of comprehensive income.

(k) Assets Under Hire Purchase

Assets acquired under hire purchase are capitalised in the financial statements and are depreciated in accordance with the policy set out in Note 4(h) above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Inventories

Inventories comprise goods held for trading and are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs necessary to make the sale.

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items.

(m) Income Taxes

Income taxes for the year comprise current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Income Taxes (Cont'd)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

(n) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits pledged with financial institutions, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(o) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Related Parties

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

(i) has control or joint control over the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(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 benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(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 a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

(r) Revenue Recognition

(i) Sale of Goods

Sales are recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(ii) Interest Income

Interest income is recognised on an accrual basis, based on the effective yield on the investment.

(iii) Rental Income

Rental income is recognised on an accrual basis.

(s) Non-Current Assets and Assets of Disposal Group Classified As Held For Sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject to only terms that are usual and customary.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(u) Borrowing Costs

Borrowing costs, directly attributable to the acquisition and construction of property and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they are incurred.

(v) Discontinued Operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view for resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

5. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY 2013 RM'000	2012 RM'000
Unquoted shares, at cost		
At 1 April 2012/2011	37,608	59,589
Disposal of a subsidiary during the financial year	-	(21,704)
Transferred to non-current asset held for sale (Note 15)	(2,025)	(277)
At 31 March 2013/2012	35,583	37,608
Less:- Accumulated impairment losses	-	(2,025)
	35,583	35,583
Accumulated impairment losses:-		
At 1 April 2012/2011	(2,025)	(15,101)
Addition during the financial year	-	(603)
Disposal of a subsidiary during the financial year	-	13,679
Transferred to non-current asset held for sale (Note 15)	2,025	-
At 31 March 2013/2012	-	(2,025)

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:-

Name of Company	Effective Equity Interest 2013	2012	Principal activities
Miroza Leather (M) Sdn. Bhd. ("Miroza")	100%	100%	Trading in leather products.
MESB Capital & Development Sdn Bhd	100%	100%	Investment holding.
Crystal United Sdn. Bhd.	100%	100%	Investment holding.
MESB Development Sdn. Bhd.("MDSB") ^	-	100%	Dormant.
MESB Agriculture Sdn. Bhd.	100%	100%	Dormant.

^ *Transferred to non-current asset and assets of disposal group classified as held for sale, as disclosed in Notes 15 and 16 to the financial statements of the Company.*

6. INVESTMENT IN AN ASSOCIATE

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Unquoted shares, at cost	660	660	660	660
Share of post acquisition profits	6,170	4,888	-	-
	6,830	5,548	660	660

(a) Share of profit in an associate is based on the unaudited financial statements of the associate made up to 31 March 2013.

(b) Details of the associate, which is incorporated in Malaysia, are as follows:-

Name of Company	Effective Equity Interest 2013	Effective Equity Interest 2012	Principal activities
PDC Telecommunication Services Sdn. Bhd.	40%	40%	Development, rental and legalisation of the telecommunication base transceiver stations in the State of Penang.

(c) The summarised unaudited financial information of the associate is as follows:-

	2013 RM'000	2012 RM'000
Assets and Liabilities		
Total assets	21,984	18,234
Total liabilities	4,653	4,108
Results		
Revenue	9,097	8,515
Profit after taxation	3,205	4,239

7. PROPERTY AND EQUIPMENT

THE GROUP	AT 1.4.2012 RM'000	CLASSIFIED AS NON-CURRENT ASSETS HELD FOR SALE (NOTE 15) RM'000	TRANSFERRED TO ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (NOTE 16) RM'000	ADDITIONS RM'000	DISPOSAL RM'000	WRITTEN OFF RM'000	DEPRECIATION CHARGE RM'000	AT 31.3.2013 RM'000
NET BOOK VALUE								
Freehold land and buildings	4,473	-	-	-	-	-	(104)	4,369
Leasehold land and building	4,272	(1,612)	-	-	-	-	(60)	2,600
Motor vehicles	1,271	-	-	86	-	-	(337)	1,020
Office equipment, furniture and fittings	784	-	(3)	1,019	(8)	-	(146)	1,646
Computers	84	-	-	210	-	-	(124)	170
Renovation	2,950	-	-	1,348	-	(153)	(1,115)	3,030
Total	13,834	(1,612)	(3)	2,663	(8)	(153)	(1,886)	12,835

7. PROPERTY AND EQUIPMENT (CONT'D)

THE GROUP	AT 1.4.2011 RM'000	DISPOSAL OF A SUBSIDIARY (NOTE 34) RM'000	CLASSIFIED AS NON-CURRENT ASSETS HELD FOR SALE (NOTE 15) RM'000	TRANSFERRED TO ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (NOTE 16) RM'000	REALISATION OF PROFIT UPON DISPOSAL OF A SUBSIDIARY RM'000	WRITTEN OFF RM'000	ADDITIONS RM'000	DEPRECIATION CHARGE RM'000	AT 31.3.2012 RM'000
NET BOOK VALUE									
Freehold land and buildings	5,163	-	(577)	-	-	-	-	(113)	4,473
Leasehold land and building	4,332	-	-	-	-	-	-	(60)	4,272
Motor vehicles	1,372	(561)	-	(1)	-	-	954	(493)	1,271
Office equipment, furniture and fittings	930	(16)	-	(12)	-	-	10	(128)	784
Computers	68	-	-	-	-	-	84	(68)	84
Renovation	2,751	-	-	-	-	(74)	1,220	(947)	2,950
Telecommunication towers under project management agreement	11,560	-	-	(13,853)	4,020	-	-	(1,727)	-
Capital work-in-progress	225	-	-	(107)	-	(162)	44	-	-
Total	26,401	(577)	(577)	(13,973)	4,020	(236)	2,312	(3,536)	13,834

7. PROPERTY AND EQUIPMENT (CONT'D)

	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	TOTAL RM'000
THE GROUP			
At 31.3.2013			
Freehold land and buildings	5,148	(779)	4,369
Leasehold land and building	3,074	(474)	2,600
Motor vehicles	1,888	(868)	1,020
Office equipment, furniture and fittings	2,330	(684)	1,646
Computers	2,385	(2,215)	170
Renovation	5,334	(2,304)	3,030
	20,159	(7,324)	12,835
At 31.3.2012			
Freehold land and buildings	5,148	(675)	4,473
Leasehold land and building	5,096	(824)	4,272
Motor vehicles	1,860	(589)	1,271
Office equipment, furniture and fittings	1,423	(639)	784
Computers	2,176	(2,092)	84
Renovation	4,492	(1,542)	2,950
Site equipment and tools	1,253	(1,253)	-
	21,448	(7,614)	13,834

7. PROPERTY AND EQUIPMENT (CONT'D)

THE COMPANY	AT 1.4.2012 RM'000	ADDITION RM'000	DEPRECIATION CHARGE RM'000	AT 31.3.2013 RM'000
NET BOOK VALUE				
Computers	2	6	(5)	3
Motor vehicles	487	-	(122)	365
	489	6	(127)	368

THE COMPANY	AT 1.4.2011 RM'000	ADDITIONS RM'000	DEPRECIATION CHARGE RM'000	AT 31.3.2012 RM'000
NET BOOK VALUE				
Computers	-	3	(1)	2
Motor vehicles	-	609	(122)	487
	-	612	(123)	489

	AT COST RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
At 31.3.2013			
Computers	9	(6)	3
Motor vehicles	609	(244)	365
	618	(250)	368
At 31.3.2012			
Computers	3	(1)	2
Motor vehicles	609	(122)	487
	612	(123)	489

7. PROPERTY AND EQUIPMENT (CONT'D)

Included in the carrying amounts of the property and equipment at the end of the reporting period were the following:-

(a) assets acquired under hire purchase terms:-

	THE GROUP	
	2013 RM'000	2012 RM'000
Motor vehicles	950	1,201

	THE COMPANY	
	2013 RM'000	2012 RM'000
Motor vehicles	361	487

(b) assets pledged as security for banking facilities granted to the Group:-

	THE GROUP	
	2013 RM'000	2012 RM'000
Freehold land and buildings	4,369	4,473
Leasehold land and building	2,600	2,631
	6,969	7,104

8. OTHER ASSETS

		THE GROUP 2013 RM'000	THE GROUP 2012 RM'000	THE COMPANY 2013 RM'000	THE COMPANY 2012 RM'000
Intangible asset	(a)	500	-	-	-
Other investment	(b)	40	40	40	40
		540	40	40	40

(a) Intangible Asset

	THE GROUP 2013 RM'000	THE GROUP 2012 RM'000
At cost	500	60
Less: Accumulated amortisation	-	(44)
	500	16
Less: Transferred to assets of disposal group classified as held for sale (Note 16)	-	(16)
	500	-

	THE GROUP 2013 RM'000	THE GROUP 2012 RM'000
Accumulated amortisation:-		
At 1 April 2012/2011	-	(38)
Charge for the financial year	-	(6)
At 31 March 2013/2012	-	(44)

8. OTHER ASSETS (CONT'D)

(a) Intangible Asset (Cont'd)

The intangible asset acquired during the financial year represents the intellectual rights, interest and benefits to the operations, trademarks and patents pertaining to the "Giamax", and "GMX" brands.

The recoverable amount of a cash-generating unit is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a period of five years. The key assumptions used for value-in-use calculations are:-

	GROSS MARGIN	GROWTH RATE	DISCOUNT RATE
TRADEMARK	64%	10%	5.75%

(A) BUDGETED GROSS MARGIN	The basis used to determine the value assigned to the budgeted gross margin is the average gross margins achieved in the year immediately before the budgeted year increase for expected efficiency improvements and cost saving measures.
(B) GROWTH RATE	The basis used to determine the growth rate is the revenue achieved in recent years taking into account increase in consumers spending as a result of merchandising improvement and new marketing strategies.
(C) DISCOUNT RATE	The discount rates used are pre-tax and reflected the borrowing cost.

Sensitivity to changes in assumptions

The management believes the above key assumptions are conservative, thus any reasonable possible changes to the key assumptions will only be favourable to the cash generating unit, which in turn, will improve the performance of the cash generating unit, thus based on these assumptions, impairment on the carrying value of the goodwill is currently not apparent.

(b) The other investment designated as available-for-sale financial asset represents club memberships carried at fair value. The club memberships are held in trust by certain directors of the Company.

9. GOODWILL ON CONSOLIDATION

Goodwill on consolidation arose from the acquisition of Miroza. Thus, the cash generating unit ("CGU") to which the goodwill belongs has been identified as the operating activities of Miroza.

Goodwill on consolidation is stated at cost and reviewed for impairment annually.

During the financial year, the Group assessed the recoverable amount of the goodwill on consolidation, and determined that the goodwill on consolidation is not impaired.

The recoverable amount of a CGU is determined based on the value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a period of five years.

The key assumptions used in the determination of the recoverable amounts are as follows:-

	GROSS MARGIN		GROWTH RATE		DISCOUNT RATE	
	2013	2012	2013	2012	2013	2012
Trading segment	67%	67%	5%	5%	5.75%	5.40%

(i) Budgeted gross margin	The basis used to determine the value assigned to the budgeted gross margin is the average gross margin achieved in the 3 years immediately before the budgeted period increased for expected efficiency improvements and cost saving measures.
(ii) Growth rate	The growth rates used are based on the expected projection of the revenue.
(iii) Discount rate	The discount rates used are pre-tax and reflect specific risks relating to the relevant operating segments.

10. INVENTORIES

	THE GROUP	
	2013 RM'000	2012 RM'000
Inventories held for trading:		
- at cost	18,563	13,529
- at net realisable value	144	156
	18,707	13,685

11. TRADE RECEIVABLES

	THE GROUP	
	2013 RM'000	2012 RM'000
Trade receivables	14,376	11,074
Less: Allowance for impairment losses	(395)	(395)
	13,981	10,679
Allowance for impairment losses :-		
At 1 April 2012/2011	(395)	(1,397)
Disposal of a subsidiary during the financial year	-	1,052
Addition during the financial year	-	(50)
At 31 March 2013/2012	(395)	(395)

The Group's normal trade credit terms range from cash terms to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

11. TRADE RECEIVABLES (CONT'D)

Included in the trade receivables at the end of the reporting period were the following:-

	THE GROUP	
	2013 RM'000	2012 RM'000
Amounts owing by related parties:		
- Roncato Sdn. Bhd.	60	71
- MX Too Sdn. Bhd.	1	-
- MESB Technology Sdn. Bhd.	16	-
- Orlando Corporation Sdn. Bhd.	52	-
	129	71

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Other receivables, deposits and prepayments	1,421	1,808	6	2
Less: Allowance for Impairment losses	(510)	(680)	-	-
	911	1,128	6	2

	THE GROUP		THE COMPANY	
Allowance for impairment losses:-				
At 1 April 2012/2011	(680)	(900)	-	-
Addition during the financial year	(30)	(680)	-	-
Writeback during the financial year	200	-	-	-
Transferred to assets of disposal group classified as held for sale	-	900	-	-
At 31 March 2013/2012	(510)	(680)	-	-

13. AMOUNTS OWING BY/(TO) SUBSIDIARIES

The amounts owing are non-trade in nature, unsecured, interest-free and receivable/repayable on demand. The amounts owing are to be settled in cash.

14. FIXED DEPOSITS WITH LICENSED BANKS

(a) The weighted average effective interest rate of the fixed deposits at the end of the reporting period was 2.62% (2012 – 2.94%) per annum. The fixed deposits have maturity periods ranging from 1 to 12 months (2012 - 1 to 12 months).

(b) Included in fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM3,475,000 (2012: RM3,374,000) which have been pledged to licensed banks as security for banking facilities granted to the Group.

15. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Reclassified from property and equipment (Note 7):				
- leasehold land and buildings ^	1,612	-	-	-
- freehold land and buildings ^^	-	577	-	-
	1,612	577	-	-
Reclassified from investment in subsidiaries:-				
- investment in Dynamic Communication Link Sdn. Bhd. ("DCLSB")	-	-	-	277
- investment in MDSB @	-	-	*	-
	1,612	577	*	277

* Amount less than RM1,000

15. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE (CONT'D)

^ In March 2013, a subsidiary of the Company entered into a Sale and Purchase Agreement ("S&P") with a third party to dispose of its leasehold land and building for a total cash consideration of RM5,030,570. The completion of the disposal is subject to fulfilment of the terms and conditions set out in the SAP and has not been completed at the date of this report.

^^ In December 2011, a subsidiary of the Company entered into a Sale and Purchase Agreement with a third party to dispose of its freehold land and building for a total cash consideration of RM1,700,000. The disposal was completed in May 2012.

@ The disposal of investment in MDSB was completed subsequent to end of the reporting period as disclosed in Note 16 to the financial statements.

16. ASSETS/LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

(a) During the financial year, the Company has been involved in the disposal of its entire equity interest in a wholly owned subsidiary, MDSB.

In May 2013, the Company entered into a Share Sale Agreement with a third party to dispose of its entire equity interest in MDSB for a total cash consideration of RM56,000.

At the end of the current reporting period, the assets and liabilities of MDSB have been presented in the consolidated statement of financial position as "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale". The disposal was completed on subsequent to the end of the reporting period.

(b) In the previous financial year, the Company entered into a Share Sale Agreement with a third party to dispose of its equity interest in a subsidiary, DCLSB for a total cash consideration of RM15,000,000. The disposal was completed in the current financial year.

16. ASSETS/LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D)

The assets and liabilities of the disposal group, measured at the lower of their carrying amounts and fair values less costs to sell, are as follows:-

	THE GROUP	
	2013 RM'000	2012 RM'000
Assets		
Property and equipment (Note 7)	3	13,973
Other assets (Note 8)	-	16
Trade receivables	-	1,013
Other receivables and deposits	-	1,723
Tax refundable	-	143
Cash and bank balances (Note 36)	17	1,025
Assets of disposal group classified as held for sale	20	17,893
Liabilities		
Other payables and accruals	3	1,369
Term loan	-	5,079
Deferred taxation (Note 23)	-	3,217
Liabilities of disposal group classified as held for sale	3	9,665

17. SHARE CAPITAL

	THE COMPANY			
	2013	2012	2013	2012
	NUMBER OF SHARES			
ORDINARY SHARES OF RM1 EACH:-	'000	'000	RM'000	RM'000
AUTHORISED	100,000	100,000	100,000	100,000
ISSUED AND FULLY PAID-UP	42,000	42,000	42,000	42,000

18. SHARE PREMIUM

This relates to the premium arising from shares issued and is not distributable by way of cash dividends.

19. CAPITAL RESERVE

This relates to the equity-settled share option previously granted to employees. This reserve consists of the cumulative value of services received from employees recorded on the grant of the share options. The share options were implemented on 14 December 2004 and expired on 13 December 2009.

20. RETAINED PROFITS

Subject to agreement with the tax authorities, at the end of the reporting period, the Company has sufficient tax credit balances under Section 108 of the Income Tax Act 1967 to frank the payment of dividends out of its entire profits without incurring additional tax liabilities.

At the end of the reporting period, the Company has not elected for the single tier tax system. When the tax credit balance is fully utilised, or by 31 December 2013 at the latest, the Company will automatically move to the single tier tax system. Under the single tier tax system, tax on the Company's profits is a final tax, and dividends distributed to the shareholders will be exempted from tax.

21. HIRE PURCHASE PAYABLES

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Minimum hire purchase payments:				
- not later than one year	329	314	124	125
- later than one year but not later than five years	751	989	373	498
	1,080	1,303	497	623
Less: Future finance charges	(141)	(163)	(68)	(86)
Present value of hire purchase payables	939	1,140	429	537
The net hire purchase payables are repayable as follows:-				
Current:				
- not later than one year	289	258	107	95
Non-current:				
- later than one year but not later than five years	650	882	322	442
	939	1,140	429	537

The hire purchase payables of the Group and of the Company are subjected to weighted average effective rates ranging from 5.14% to 6.00% (2012 - 6.00% to 6.71%) and 6.00% (2012 – 6.00%) per annum respectively.

22. TERM LOANS

	THE GROUP 2013 RM'000	THE GROUP 2012 RM'000
Current portion:		
- repayable within one year	768	724
Non-current portion:		
- repayable between one to two years	725	772
- repayable between two to five years	1,133	1,637
- repayable after five years	2,092	2,306
	3,950	4,715
	4,718	5,439

Details of the term loans at the end of the reporting period are as follows:-

TERM LOAN	NUMBER OF MONTHLY INSTALMENTS	MONTHLY INSTALMENTS RM	EFFECTIVE DATES OF COMMENCEMENT OF REPAYMENT	AMOUNT OUTSTANDING 2013 RM'000	AMOUNT OUTSTANDING 2012 RM'000
1	60	24,592	January 2012	1,004	1,243
2	36	31,267	January 2012	612	925
3	180	20,696	January 2012	2,451	2,571
4	120	8,255	April 2012	651	700
				4,718	5,439

The term loans of the Group at the end of the reporting period are subject to a weighted average effective rate of 5.77% (2012 – 5.86%) per annum and are secured by:-

(i) a first legal charge over the freehold and leasehold land and buildings of the Group;

(ii) a pledge over the fixed deposits of a subsidiary; and

(iii) a corporate guarantee of the Company.

23. DEFERRED TAXATION

	THE GROUP 2013 RM'000	2012 RM'000
At 1 April 2012/2011	267	1,751
Realisation of profit upon disposal of a subsidiary during the financial year	-	1,088
Recognised in profit or loss		
- continuing operations (Note 31)	(3)	-
- discontinued operations (Note 32)	-	645
Transferred to liabilities of disposal group classified as held for sale (Note 16)	-	(3,217)
At 31 March 2013/2012	264	267

The deferred tax liabilities are attributable to accelerated capital allowances over depreciation.

24. TRADE PAYABLES

Included in the trade payables is an amount of RM346,500 (2012 – RM1,345,908) owing to a related party, MX Too Sdn. Bhd.

The normal trade credit terms granted to the Group range from 30 to 120 days.

25. OTHER PAYABLES AND ACCRUALS

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Other payables	1,109	2,300	193	-
Deposits received	503	3,005	-	3,000
Accruals	1,567	1,184	-	559
	3,179	6,489	193	3,559

Included in deposits received of the Group in the previous financial year was an amount of RM3,000,000 representing 20% of the total purchase consideration for the disposal of DCLSB.

26. AMOUNT OWING TO A DIRECTOR

The amount owing to a director represented the balance of the consideration payable for the acquisition of Miroza in the previous financial year. The amount owing is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

27. BANKERS' ACCEPTANCES

The bankers' acceptances of the Group are subjected to weighted average effective rates ranging from 3.35% to 4.69% (2012 - 3.35% to 4.69%) per annum at the end of the reporting period and are secured by:-

(i) legal charges over the freehold and leasehold land and buildings of the Group;

(ii) a pledge over the fixed deposits of a subsidiary; and

(iii) a corporate guarantee of the Company.

28. REVENUE

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Trading	87,993	71,263	-	-
Rental of property	19	18	-	-
	88,012	71,281	-	-

29. COST OF SALES

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Trading	33,109	26,919	-	-
Rental of property	50	50	-	-
	33,159	26,969	-	-

30. PROFIT/(LOSS) BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM'000	RM'000 (Restated)	RM'000	RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Allowance for impairment losses on:				
- trade receivables	-	50	-	-
- other receivables	-	680	-	-
Audit fee:				
- for the financial year	73	60	35	22
- underprovision in the previous financial year	3	2	2	2
Bad debts written off	-	-	365	-
Depreciation of property and equipment	1,886	1,566	127	123
Directors' fee	107	108	107	108
Directors' non-fee emoluments	859	311	310	321
Equipment written off	153	74	-	-
Impairment loss on investments in subsidiaries	-	-	-	603
Interest expense:				
- bank overdrafts	17	59	-	-
- bankers' acceptances	509	432	-	-
- hire purchase	41	35	17	-
- term loans	298	271	-	-
- others	2	1	-	-
Rental of premises	632	558	-	-
Staff costs:				
- salaries, wages, allowances and bonus	14,487	12,489	101	74
- defined contribution plans	1,374	989	14	10
- other benefits	384	368	1	2
Writedown/(writeback) of inventories	92	(20)	-	-

30. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Allowance for impairment losses on receivables written back	(200)	-	-	-
Gain on disposal of property and equipment	(44)	-	(32)	-
Gain on disposal of non-current asset held for sale	(1,123)	-	(14,723)	-
(Gain)/Loss on disposal of a subsidiary	-	(1,581)	-	3,525
Gain on disposal group classified as held for sale	(10,279)	-	-	-
Gain on foreign exchange:				
- unrealised	-	(5)	-	-
- realised	(35)	-	-	-
Interest income				
- fixed deposit	(229)	(56)	(129)	-
- others	(1)	(10)	-	(10)
Rental income	(527)	(890)	-	-
Share of results in an associate	(1,282)	(1,696)	-	-

31. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Current tax:				
- for the financial year	1,072	1,127	-	-
- (over)/underprovision in the previous financial year	(19)	26	-	(153)
	1,053	1,153	-	(153)
Deferred taxation (Note 23):				
- overprovision in the previous financial year	(3)	-	-	-
	1,050	1,153	-	(153)

31. INCOME TAX EXPENSE (CONT'D)

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

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000
Profit/(Loss) before taxation	13,705	4,699	12,719	(5,488)
Tax at the statutory tax rate of 25%	3,426	1,175	3,180	(1,372)
Tax effects of:-				
Share of results in an associate	(321)	(424)	-	-
Non-taxable gains	(2,993)	-	(3,690)	-
Non-deductible expenses	960	376	510	1,372
(Over)/Underprovision in the previous financial year:				
- current tax	(19)	26	-	(153)
- deferred tax	(3)	-	-	-
Income tax expense for the financial year	1,050	1,153	-	(153)

Subject to agreement with the tax authorities, at the end of the reporting period, the Group has unutilised tax losses and unabsorbed capital allowances available to be carried forward for offset against future taxable business income as follows:-

	THE GROUP	
	2013 RM'000	2012 RM'000 (Restated)
Unutilised tax losses	1,854	1,596
Unabsorbed capital allowances	30	30
	1,884	1,626

No deferred tax assets are recognised on the above items.

32. PROFIT/(LOSS) AFTER TAXATION FROM DISCONTINUED OPERATIONS

The discontinued operations relate to the discontinuance of project management activities arising from the disposal of a subsidiary, Dynamic Communication Link Sdn. Bhd. during the financial year.

The related information on the discontinued operations is as follows:-

(a) Analysis of the results of the discontinued operations is as follows:-

	THE GROUP	
	2013 RM'000	2012 RM'000 (Restated)
Revenue	1,715	8,330
Cost of sale	(606)	(5,928)
Gross profit	1,109	2,402
Other Income	9	313
	1,118	2,715
Administrative and other expenses	(515)	(2,808)
Finance costs	(87)	(562)
Profit/(Loss) before taxation	516	(655)
Income tax expense		
- current tax	(300)	(17)
- deferred taxation (Note 23)	-	(645)
Profit/(Loss) after taxation from discontinued operations	216	(1,317)

32. PROFIT/(LOSS) AFTER TAXATION FROM DISCONTINUED OPERATIONS (CONT'D)

(b) Included in profit/(loss) before taxation of the discontinued operations are the following:-

	THE GROUP	
	2013 RM'000	2012 RM'000 (Restated)
Profit/(Loss) before taxation is arrived at after charging/(crediting):-		
Allowance for impairment losses on other receivables	30	-
Amortisation of intangible asset	2	6
Audit fee:		
- for the financial year	3	25
- underprovision in the previous financial year	-	1
Bad debts written off	-	54
Equipment written off	-	162
Depreciation of property and equipment	431	1,970
Directors' fee	16	24
Directors' non-fee emoluments	144	330
Hire of machineries and vehicles	1	1
Interest expense:		
- bank overdrafts	-	15
- hire purchase	-	28
- term loans	87	480
- others	-	39
Rental of land	182	735
Rental of premises	7	30
Staff costs:		
- Salaries, allowances and bonuses	114	589
- defined contribution plan	13	75
- others	2	34
Other investments written off	-	146
Gain on disposal of property and equipment	-	(23)
Interest income:		
- fixed deposit	-	(36)
- others	(1)	(205)
Writeback of foreseeable losses on contracts	-	(372)
Compensation received on insurance claim	-	(2)

32. PROFIT/(LOSS) AFTER TAXATION FROM DISCONTINUED OPERATIONS (CONT'D)

(c) The cash flows attributable to the discontinued operations are as follows:-

	THE GROUP	
	2013 RM'000	2012 RM'000
Net cash from operating activities	2,156	4,819
Net cash (for)/ from investing activities	(109)	1,327
Net cash for financing activities	(1,511)	(7,142)
Net cash from/(for) discontinued operations	536	(996)

33. EARNINGS PER SHARE

	THE GROUP	
	2013	2012 (Restated)
Continuing operations		
Profit attributable to owners of the Company (RM'000)	12,655	3,546
Number of ordinary shares at 31 March ('000)	42,000	42,000
Basic earnings per share (sen)	30.13	8.44*
Discontinued operations		
Profit/(Loss) after taxation (RM'000)	216	(1,317)
Less: Profit attributable to non-controlling interest (RM'000)	(259)	(889)
Loss attributable to owners of the Company (RM'000)	(43)	(2,206)
Number of ordinary shares at 31 March ('000)	42,000	42,000
Basic loss per share (sen)	(0.10)	(5.25)*

33. EARNINGS PER SHARE (CONT'D)

The diluted earnings per share is not applicable as there are no potential dilutive ordinary shares outstanding at the end of the reporting period.

* Due to the effects of the restatement of the comparative figures of the discontinued operations as disclosed in Note 45 to the financial statements, the basic earnings per share for the financial year ended 31 March 2012 has been restated.

34. DISPOSAL OF A SUBSIDIARY

The Company disposed of the following subsidiaries:-

(i) During the financial year, the Company disposed of its entire equity interest of 55% in Dynamic Communication Link Sdn. Bhd. for a total cash consideration of RM15,000,000.

(ii) In the previous financial year, the Company disposed of its wholly owned subsidiary, Maintenance Engineering Sdn. Bhd. for a total cash consideration of RM4,500,000.

The effects of the abovementioned disposals on the consolidated financial statements of the Group are as follows:-

(a) Effects on Consolidated Statement of Comprehensive Income

The effects on the consolidated results of the Group up to the date of disposal in the current financial year were as follows:-

	2013 RM'000	2012 RM'000
Revenue	1,716	1,237
Cost of sales	(606)	(2,582)
Gross profit/(loss)	1,110	(1,345)
Other income	8	264
Administrative and other operating expenses	(154)	(1,528)
Finance costs	(87)	(42)
Profit/(Loss) before taxation	877	(2,651)
Income tax expense	(300)	(17)
Profit after taxation	577	(2,668)

34. DISPOSAL OF A SUBSIDIARY (CONT'D)

(b) Effects on Consolidated Financial Position

The effects on the consolidated financial position of the Group as at the date of disposal in the current financial year were as follows:-

	2013 RM'000	2012 RM'000
Equipment	13,560	577
Intangible asset	14	-
Trade and other receivables	1,909	3,987
Amount owing by contract customers	-	37
Amount owing by holding company	-	5,196
Tax refundable	-	9
Fixed deposits with licensed banks	-	2,095
Cash and bank balances	1,575	2,343
Amount owing to contract customers	-	(1,244)
Provision for taxation	(222)	-
Trade and other payables	(1,379)	(6,577)
Term loan	(3,569)	-
Deferred taxation	(3,149)	-
Hire purchase payables	-	(576)
Fair value of net assets disposed	8,739	5,847
Minority interest	(4,018)	-
Realisation of profit from transactions with another subsidiary	-	(2,928)
Gain on disposal of a subsidiary	10,279	1,581
Sale proceeds from disposal of a subsidiary, net of incidental cost	15,000	4,500
Cash and bank balances	(1,575)	(4,438)
Settlement of amount owing by the Group pursuant to the terms and conditions of the Share Sale Agreement	-	(5,196)
Cash inflow/(outflow) from disposal of a subsidiary	13,425	(5,134)

35. PURCHASE OF EQUIPMENT

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cost of equipment purchased				
- equipment (Note 7)	2,663	2,312	6	612
- assets of disposal group classified as held for sale	18	-	-	-
	2,681	2,312	6	612
Amount financed through hire purchase	(81)	(811)	-	(537)
Cash disbursed for purchase of equipment	2,600	1,501	6	75

36. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Fixed deposits with licensed banks (Note 14)	10,077	3,374	6,602	-
Cash and bank balances	7,170	5,616	188	1,735
	17,247	8,990	6,790	1,735
Assets of disposal group classified as held for sale:				
- cash and bank balances (Note 16)	17	1,025	-	-
	17,264	10,015	6,790	1,735

37. DIRECTORS' REMUNERATION

The aggregate amount of emoluments received and receivable by directors of the Group and of the Company during the financial year are as follows:-

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Executive directors:				
- salaries and allowances	839	611	290	292
- fees	35	60	35	36
	874	671	325	328
Non-executive directors:				
- allowances	20	30	20	29
- fees	72	72	72	72
	92	102	92	101
	966	773	417	429

38. RELATED PARTY DISCLOSURES

(a) Identities of related parties

The Company has related party relationship with:-

(i) all its subsidiaries as disclosed in Note 5 to the financial statements;
(ii) companies in which certain directors of the Company have substantial financial interests; and
(iii) the directors of the Company and its subsidiaries who are the key management personnel.

38. RELATED PARTY DISCLOSURES (CONT'D)

(b) In addition to the information detailed elsewhere in the financial statements, the Group carried out the following significant transactions with the related parties during the financial year:-

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Sales to related parties:				
- Roncato Sdn Bhd. *	1,560	2,340	-	-
- MX Too Sdn. Bhd. *	80	18	-	-
- MESB Technology Sdn. Bhd. *	15	-	-	-
- Orlando Corporation Sdn. Bhd. *	189	-	-	-
Rental charged to a related party:				
- MRZ Car Seat Sdn. Bhd. *	-	34	-	-
Royalty charged by a related party:				
- MX Too Sdn. Bhd. *	2,556	2,285	-	-
Waiver of debt to subsidiaries	-	-	365	-

* *Companies in which certain directors have substantial financial interests.*

38. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel

The remuneration paid to directors of the Company and its subsidiaries, who are the key management personnel of the Group and the Company during the financial year as follows:-

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Short-term employee benefits	1,234	678	387	399
Post employment benefits	123	95	30	30

The outstanding amounts of the related parties will be settled in cash. No guarantees have been given or received.

39. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Executive Directors of the Group as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 2 main business segments as follows:-

(i) Trading segment – involved in the trading of leather.

(ii) Investment holding segment – involved in investment holding.

39. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS

	← Continuing Operations →				
	Trading Segment RM'000	Investment Holding Segment RM'000	Group RM'000	Discontinued Operations RM'000	Total Operations RM'000
2013					
Revenue					
Total revenue	87,993	103	88,096	1,715	89,811
Inter-segment revenue	-	(84)	(84)	-	(84)
External revenue	87,993	19	88,012	1,715	89,727
Results					
Segment results	5,619	(2,004)	3,615	1,255	4,870
Allowance of impairment loss written back	200	-	200	-	200
Gain on disposal of equipment	12	32	44	-	44
Gain on disposal of non-current asset held for sale	1,123	-	1,123	-	1,123
Gain on disposal group classified as held-for-sale	-	10,279	10,279	-	10,279
Interest income	100	130	230	1	231
Rental income	508	19	527	-	527
Realised gain on foreign exchange	35	-	35	-	35
Allowance for impairment losses on receivables	-	-	-	(30)	(30)
Amortisation of intangible asset	-	-	-	(2)	(2)
Depreciation of property and equipment	(1,696)	(190)	(1,886)	(431)	(2,317)
Equipment written off	(153)	-	(153)	-	(153)
Hire of machineries and vehicles	-	-	-	(1)	(1)
Rental of land	-	-	-	(182)	(182)
Rental of premises	(632)	-	(632)	(7)	(639)
Inventories written down	(92)	-	(92)	-	(92)
	5,024	8,266	13,290	603	13,893
Finance costs	(850)	(17)	(867)	(87)	(954)
Share of profit in an associate	-	1,282	1,282	-	1,282
Profit before taxation	4,174	9,531	13,705	516	14,221
Income tax expense	(1,184)	134	(1,050)	(300)	(1,350)
Consolidated profit after taxation	2,990	9,665	12,655	216	12,871

39. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	← CONTINUING OPERATIONS		→		
	TRADING SEGMENT RM'000	INVESTMENT HOLDING SEGMENT RM'000	TOTAL RM'000	DISCONTINUED OPERATIONS RM'000	TOTAL GROUP RM'000
2013					
Assets					
Segment assets	78,307	12,194	90,501	-	90,501
Tax recoverable	-	153	153	-	153
Disposal group	-	-	-	20	20
	78,307	12,347	90,654	20	90,674
Investment in associate					6,830
Consolidated total assets					97,504
Liabilities					
Segment liabilities	29,357	1,218	30,575	-	30,575
Disposal group	-	-	-	3	3
	29,357	1,218	30,575	3	30,578
Deferred taxation					264
Provision for taxation					488
Consolidated total liabilities					31,330
Other segment items					
Investment in associate	-	6,830	6,830	-	6,830
Property and equipment	9,857	2,981	12,838	(3)	12,835
Other assets	500	40	540	-	540
Goodwill on consolidation	24,668	-	24,668	-	24,668
	35,025	9,851	44,876	(3)	44,873

39. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	← CONTINUING OPERATIONS →				
2012	TRADING SEGMENT RM'000	INVESTMENT HOLDING SEGMENT RM'000	GROUP RM'000	DISCONTINUED OPERATIONS RM'000	TOTAL OPERATIONS RM'000
Revenue					
Total revenue	71,263	102	71,365	8,330	79,695
Inter-segment revenue	-	(84)	(84)	-	(84)
External revenue	71,263	18	71,281	8,330	79,611
Results					
Segment results	5,390	(1,223)	4,167	2,375	6,542
Interest income	56	10	66	241	307
Gain on disposal of equipment	-	-	-	23	23
Gain on disposal of a subsidiary	-	1,581	1,581	-	1,581
Rental income	872	18	890	-	890
Realised gain on foreign exchange	5	-	5	-	5
Writeback of foreseeable losses on contract	-	-	-	372	372
Writeback of inventories written down	20	-	20	-	20
Allowance for impairment losses on receivables	(730)	-	(730)	-	(730)
Amortisation of intangible asset	-	-	-	(6)	(6)
Bad debts written off	-	-	-	(54)	(54)
Depreciation of property and equipment	(1,382)	(184)	(1,566)	(1,970)	(3,536)
Equipment written off	(74)	-	(74)	(162)	(236)
Hire of machineries and vehicles	-	-	-	(1)	(1)
Other investments written off	-	-	-	(146)	(146)
Rental of land	-	-	-	(735)	(735)
Rental of premises	(558)	-	(558)	(30)	(588)
	3,599	(202)	3,801	(93)	3,708
Finance costs			(798)	(562)	(1,360)
Share of profit in associate			1,696	-	1,696
Profit/(loss) before taxation			4,699	(655)	4,044
Income tax expense			(1,153)	(662)	(1,815)
Consolidated profit after taxation			3,546	(1,317)	2,229

39. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2012	← CONTINUING OPERATIONS → TRADING SEGMENT RM'000	INVESTMENT HOLDING SEGMENT RM'000	TOTAL RM'000	DISCONTINUED OPERATIONS RM'000	TOTAL GROUP RM'000
Assets					
Segment assets	66,362	25,132	91,494	17,750	109,244
Tax recoverable	-	153	153	143	296
Disposal group	-	-	-	(17,893)	(17,893)
	66,362	25,285	91,647	-	91,647
Investment in associate					5,548
Consolidated total assets					97,195
Liabilities					
Segment liabilities	25,150	13,852	39,002	9,665	48,667
Disposal group	-	-	-	(9,665)	(9,665)
	25,150	13,852	39,002	-	39,002
Deferred taxation					267
Provision for taxation					605
Consolidated total liabilities					39,874
Other segment items					
Investment in associate	-	5,548	5,548	-	5,548
Property and equipment	9,058	4,776	13,834	-	13,834
Other assets	-	40	40	-	40
Goodwill on consolidation	24,668	-	24,668	-	24,668
	33,726	10,364	44,090	-	44,090

An analysis by geographical segment is not presented as the Group operates primarily in Malaysia.

40. OPERATING LEASE COMMITMENTS

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

	THE GROUP	
	2013 RM'000	2012 RM'000
Not later than one year	527	300
Later than one year but not later than five years	458	119
	985	419

41. CONTINGENT LIABILITY

	THE COMPANY	
	2013 RM'000	2012 RM'000
Unsecured:-		
Corporate guarantees given to licensed banks for banking facilities granted to a subsidiary	20,270	22,852

42. FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used for the translation of the foreign currency balances at the end of the reporting period were as follows:-

	2013 RM	2012 RM
1 Brunei Dollar	2.30	2.40
100 Vietnamese Dong	0.01	0.01

43. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Financial Risk Management Policies (Cont'd)

The Group's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily Brunei Dollar and Vietnamese Dong. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency is as follows:-

	2013 RM'000	2012 RM'000
Trade receivables:-		
Brunei Dollar	46	99
Vietnamese Dong	-	305
	46	404

Foreign currency risk sensitivity analysis:-

A 5% strengthening of the RM against the Brunei Dollar and Vietnamese Dong at the end of the reporting period would have immaterial impact on profit after taxation/equity. This assumes that all other variables remain constant.

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 43(a)(iii) to the financial statements.

<u>Interest rate risk sensitivity analysis</u>

A 100 basis points strengthening/weakening in the interest rate as at the end of the reporting period would have immaterial impact on profit after taxation/equity. This assumes that all other variables remain constant.

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(iii) Equity Price Risk

The Group does not have any quoted investments and hence is not exposed to equity price risk.

(ii) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets, the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by two (2) customers which constituted approximately 55% (2012 - 56%) of its trade receivables as at the end of the reporting period.

Exposure to credit risk

As the Company does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Exposure to credit risk (Cont'd)

The exposure of credit risk for trade receivables by geographical region is as follows:-

	THE GROUP 2013 RM'000	THE GROUP 2012 RM'000
Brunei	46	99
Vietnam	90	305
Malaysia	13,845	10,275
	13,981	10,679

Ageing analysis

The ageing analysis of the Group's trade receivables as at the end of the reporting period is as follows:-

THE GROUP	GROSS AMOUNT RM'000	INDIVIDUAL IMPAIRMENT RM'000	COLLECTIVE IMPAIRMENT RM'000	CARRYING VALUE RM'000
2013				
Not past due	13,112	-	-	13,112
Past due:-				
- less than 3 months	869	-	-	869
- 3 to 6 months	-	-	-	-
- over 6 months	395	(316)	(79)	-
	14,376	(316)	(79)	13,981

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Ageing analysis (Cont'd)

THE GROUP	GROSS AMOUNT RM'000	INDIVIDUAL IMPAIRMENT RM'000	COLLECTIVE IMPAIRMENT RM'000	CARRYING VALUE RM'000
2012				
Not past due	10,511	-	-	10,511
Past due:-				
- less than 3 months	185	-	(17)	168
- 3 to 6 months	62	-	(62)	-
- over 6 months	316	(316)	-	-
	11,074	(316)	(79)	10,679

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due, which are deemed to have higher credit risk, are monitored individually.

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

THE GROUP	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 – 5 YEARS RM'000	OVER 5 YEARS RM'000
2013						
Trade payables	-	6,111	6,111	6,111	-	-
Other payables and accruals	-	3,179	3,179	3,179	-	-
Amount owing to a director	-	76	76	76	-	-
Hire purchase payables	5.57%	939	1,080	329	751	-
Term loans	5.77%	4,718	6,070	1,018	2,483	2,569
Bankers' acceptances	4.55%	15,552	15,552	15,552	-	-
		30,575	32,068	26,265	3,234	2,569

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

THE GROUP	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 – 5 YEARS RM'000	OVER 5 YEARS RM'000
2012						
Trade payables	-	3,859	3,859	3,859	-	-
Other payables and accruals	-	6,489	6,489	6,489	-	-
Amount owing to a director	-	76	76	76	-	-
Hire purchase payables	6.36%	1,140	1,303	314	989	-
Term loans	5.86%	5,439	7,052	1,018	3,149	2,885
Bankers' acceptances	4.02%	12,334	12,334	12,334	-	-
		29,337	31,113	24,090	4,138	2,885

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

THE COMPANY	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 – 5 YEARS RM'000	OVER 5 YEARS RM'000
2013						
Other payables and accruals	-	193	193	193	-	-
Amount owing to a subsidiary	-	80	80	80	-	-
Amount owing to a director	-	76	76	76	-	-
Hire purchase payables	6.00%	429	497	124	373	-
		778	846	473	373	-

43. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

The Company	Weighted Average Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 – 5 Years RM'000	Over 5 Years RM'000
2012						
Other payables and accruals	-	3,559	3,559	3,559	-	-
Amount owing to a subsidiary	-	4,380	4,380	4,380	-	-
Amount owing to a director	-	76	76	76	-	-
Hire purchase payables	6.00	537	623	125	498	-
		8,552	8,638	8,140	498	-

(b) Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents.

43. FINANCIAL INSTRUMENTS (CONT'D)

(b) Capital Risk Management (Cont'd)

The debt-to-equity ratio of the Group as at the end of the reporting period was as follows:-

	THE GROUP	
	2013 RM'000	2012 RM'000
Trade payables	6,111	3,859
Other payables and accruals	3,179	6,489
Amount owing to a director	76	76
Hire purchase payables	939	1,140
Term loans	4,718	5,439
Bankers' acceptances	15,552	12,334
	30,575	29,337
Less: Fixed deposits with licensed banks	(10,077)	(3,374)
Less: Cash and bank balances	(7,170)	(5,616)
Net debt	13,328	20,347
Total equity	66,174	57,321
Debt-to-equity ratio	0.20	0.35

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

43. FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification Of Financial Instruments

	THE GROUP 2013 RM'000	THE GROUP 2012 RM'000	THE COMPANY 2013 RM'000	THE COMPANY 2012 RM'000
Financial assets				
Available-for-sale financial assets				
Other investment	40	40	40	40
Loans and receivables financial assets				
Trade receivables	13,981	10,679	-	-
Other receivables and deposits	595	434	6	2
Amount owing by subsidiaries	-	-	4,431	4,147
Fixed deposits with licensed banks	10,077	3,374	6,602	-
Cash and bank balances	7,170	5,616	188	1,735
	31,823	20,103	11,227	5,884
Financial liabilities				
Other financial liabilities				
Trade payables	6,111	3,859	-	-
Other payables and accruals	3,179	6,489	193	3,559
Amount owing to a subsidiary	-	-	80	4,380
Amount owing to a director	76	76	76	76
Hire purchase payables	939	1,140	429	537
Term loans	4,718	5,439	-	-
Bankers' acceptances	15,552	12,334	-	-
	30,575	29,337	778	8,552

43. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Values Of Financial Instruments

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values.

The following summarises the methods used in determining the fair values of the financial instruments:-

(i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.

(ii) The fair values of the hire purchase payables and term loans are determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.

(e) Fair Value Hierarchy

As at 31 March 2013, the financial instruments of the Group and the Company carried at fair values are analysed as below:-

Level 1 : Fair value measurement derive from quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Fair value measurement derive from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Fair value measurement derive from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Group/The Company				
Financial assets				
Other investment	-	40	-	40

44. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

During the financial year,

(a) the Company completed the disposal of its entire 55% equity interest in Dynamic Communication Link Sdn. Bhd. to a third party for a total cash consideration of RM15,000,000. The disposal was completed during the current financial year.

(b) the Company entered into a Share Sale Agreement with a third party to dispose of its entire equity interest in a wholly owned subsidiary, MDSB for a total cash consideration of RM56,000. The disposal was completed subsequent to the end of the reporting period.

45. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	As Restated RM'000	As Previously Reported RM'000
Consolidated Statements of Comprehensive Income (Extract):-		
Administrative and other operating expenses	(23,106)	(23,730)
Profit before taxation	4,699	4,075
Profit after taxations from continuing operations	3,546	2,922
Loss after taxation from discontinued operations	(1,317)	(693)

46. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained profits of the Group and of the Company as at the end of the reporting period into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance of Special Matter No. 1, Determination of Realised and Unrealised Profits and Losses in Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by Malaysia Institute of Accountants, as follows :-

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Total retained profits/(losses):				
- realised	18,226	6,899	5,211	(7,508)
- unrealised	(264)	(267)	-	-
	17,962	6,632	5,211	(7,508)
Total share of retained profit of associate:				
- realised	6,788	5,548	-	-
- unrealised	(618)	(660)	-	-
	6,170	4,888	-	-
	24,132	11,520	5,211	(7,508)