

**MESB BERHAD**

(Incorporated in Malaysia)  
Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

**7. PROPERTY AND EQUIPMENT (CONT'D)**

	At 1.4.2014 RM'000	Addition RM'000	Depreciation Charge RM'000	At 31.3.2015 RM'000
<b>The Company</b>				
Net Book Value				
Computers	-	6	(3)	3
Motor vehicles	244	-	(122)	122
	244	6	(125)	125
<b>The Company</b>				
Net Book Value				
Computers	3	-	(3)	-
Motor vehicles	365	-	(121)	244
	368	-	(124)	244
<b>The Company</b>				
At 31.3.2015				
Computers	15		(12)	3
Motor vehicles	609		(487)	122
	624		(499)	125
<b>The Company</b>				
At 31.3.2014				
Computers	9		(9)	-
Motor vehicles	609		(365)	244
	618		(374)	244

**MESB BERHAD**

(Incorporated in Malaysia)  
Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****7. PROPERTY AND EQUIPMENT (CONT'D)**

The leasehold land is amortised over the lease periods ranging from 80 to 99 years.

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

**7.1 Assets acquired under hire purchase terms:-**

	The Group		The Company	
	2015 RM'000	2015 RM'000	2014 RM'000	2015 RM'000
Motor vehicles	385	605	120	240

**7.2 Assets pledged as security for banking facilities granted to the Group:-**

	The Group	
	2015 RM'000	2014 RM'000
Leasehold land and building	3,025	3,088

**MESB BERHAD**

(Incorporated in Malaysia)  
Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**
**8. OTHER ASSETS**

	Note	The Group		The Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Intangible asset	8.1	500	500	-	-
Other investment	8.2	40	40	40	40
		<u>540</u>	<u>540</u>	<u>40</u>	<u>40</u>

**8.1 INTANGIBLE ASSET**

	The Group	
	2015 RM'000	2014 RM'000
At cost	<u>500</u>	<u>500</u>

These represent intellectual rights, interest and benefits to the operations, trademarks and patents pertaining to certain brands. These brands are also the cash generating units ("CGUs") relating to the intellectual assets.

The intellectual assets recognised by the Group have indefinite useful life and are not amortised. The indefinite useful life assessment was based on the assumption that continuous brand promotion and merchandising activities, and introduction of new designs from time to time expected to maintain the value of the brands for an indefinite period of time.

As at the end of each reporting period, the useful life of this asset is reviewed by the management to determine whether events and circumstances continue to support an indefinite useful life assessment of this asset. Such assets are tested for impairment in accordance with the Group policy as stated in Note 4.9 to the financial statements.

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
Trademarks and patents	66%	7%	10.97%

## MESB BERHAD

(Incorporated in Malaysia)  
Company No : 337554 - D

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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#### 8. OTHER ASSETS (CONT'D)

##### 8.1 INTANGIBLE ASSET (CONT'D)

- |                           |  |
|---------------------------|--|
| (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 weighted average cost of capital of the Group.   |

##### Sensitivity to changes in assumptions

The management determined the above key assumptions based on recent past performances of the CGUs. The management believes continuous brand awareness programs through promotion and advertisements, and introduction of new designs will enable the CGUs to sustain their growth rate. However, any new laws or amendments to existing laws which restricts the usage of leather products may have an effect on the key assumptions and adversely affect the performance of these CGUs.

##### 8.2 OTHER INVESTMENT

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 Group.

#### 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 to certain 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 by value-in-use approach and this is derived from present value calculations using pre-tax cash flow projections based on financial budgets approved by management covering a period of five years.

**MESB BERHAD**

(Incorporated in Malaysia)  
Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**
**9. GOODWILL ON CONSOLIDATION (CONT'D)**

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

	Gross Margin		Growth Rate		Discount Rate	
	2015	2014	2015	2014	2015	2014
Trading segment	66%	68%	7%	4%	10.97%	9.08%

- (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. The effect of including opening of new outlets in the next 5 years resulted in the increase in the growth rate for 2015.
- (c) Discount rate                      The discount rate used is the pre-tax rate and reflects the weighted average cost of capital of the Group.

**10. INVENTORIES**

	The Group	
	2015 RM'000	2014 RM'000
Inventories held for trading:		
- at cost	17,122	15,581
- at net realisable value	-	150
	<u>17,122</u>	<u>15,731</u>
At net realisable value :-		
Finished goods	201	-
	<u>17,323</u>	<u>15,731</u>
<u>Recognised in profit or loss</u>		
- inventories recognised as cost of sales	24,928	29,181
- inventories written down	147	132
	<u>25,075</u>	<u>29,313</u>

**MESB BERHAD**

(Incorporated in Malaysia)

Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****11. TRADE RECEIVABLES**

	The Group	
	2015 RM'000	2014 RM'000
Trade receivables	14,956	13,208
Less: Allowance for impairment losses	-	(395)
	<u>14,956</u>	<u>12,813</u>
Allowance for impairment losses:-		
At 1 April 2014/2013	(395)	(395)
Reversal during the financial year	78	-
Written off during the financial year	317	-
At 31 March 2015/2014	<u>-</u>	<u>(395)</u>

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

	The Group	
	2015 RM'000	2014 RM'000
Amounts owing by related parties:		
- Roncato Sdn. Bhd.	86	60
- Orlando Corporation Sdn. Bhd.	29	23
- MX Too Sdn. Bhd.	-	2
	<u>115</u>	<u>85</u>

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.

**MESB BERHAD**

(Incorporated in Malaysia)

Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Other receivables	3	2,046	-	-
Less: Allowance for impairment losses	-	(450)	-	-
	<u>3</u>	<u>1,596</u>	<u>-</u>	<u>-</u>
Deposits	954	400	4	7
Prepayments	166	195	-	-
	<u>1,123</u>	<u>2,191</u>	<u>4</u>	<u>7</u>
Allowance for impairment losses:-				
At 1 April 2014/2013	(450)	(480)	-	-
Addition during the financial year	-	(15)	-	-
Reversal during the financial year	29	45	-	-
Written off during the financial year	421	-	-	-
At 31 March 2015/2014	<u>-</u>	<u>(450)</u>	<u>-</u>	<u>-</u>

Included in other receivables of the Group in the previous financial year were advances amounting to RM1,429,957 paid to a supplier of a subsidiary. The amount owing was unsecured, interest free and was used as part settlement for purchase of goods in the current financial year.

**13. AMOUNT OWING BY SUBSIDIARIES**

The amount owing is non-trade in nature, unsecured, interest-free and receivable on demand. The amount owing is to be settled in cash.

**MESB BERHAD**

(Incorporated in Malaysia)  
Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**
**14. FIXED DEPOSITS WITH LICENSED BANKS**

	Note	The Group		The Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Short term funds	14.1	8,042	7,741	8,042	7,741
Deposits with financial institutions	14.2	9,419	8,989	-	-
		<u>17,461</u>	<u>16,730</u>	<u>8,042</u>	<u>7,741</u>

14.1 Investment in fixed income trust funds in Malaysia represent investments in highly liquid money market, which are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

14.2 Pledged to licensed banks as security for banking facilities granted to the Group. The weighted average effective interest rate of the fixed deposits of the Group and the Company at the end of the reporting period was 2.92% (2014 – 2.85%) and 3.03% (2014 – 2.98%) per annum respectively. The fixed deposits have maturity periods ranging from 1 to 12 months (2014 - 1 to 12 months).

**15. SHARE CAPITAL**

	The Company			
	2015 Number Of Shares '000	2014 '000	2015 RM'000	2014 RM'000
Ordinary Shares Of RM1 Each:-				
Authorised	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Issued And Fully Paid-Up	<u>42,000</u>	<u>42,000</u>	<u>42,000</u>	<u>42,000</u>

**MESB BERHAD**

(Incorporated in Malaysia)

Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****16. RESERVES**

	Note	The Group		The Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Share premium	16.1	5	5	5	5
Capital reserve	16.2	37	37	37	37
Retained profits	16.3	40,578	39,328	6,392	6,958
		<u>40,620</u>	<u>39,370</u>	<u>6,434</u>	<u>7,000</u>

**16.1 SHARE PREMIUM**

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

**16.2 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.

**16.3 RETAINED PROFITS**

Under the single tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

**17. LONG-TERM BORROWINGS**

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Hire purchase payables (Note 23)	255	363	103	210
Term loan (Note 24)	508	874	-	-
	<u>763</u>	<u>1,237</u>	<u>103</u>	<u>210</u>

**MESB BERHAD**

(Incorporated in Malaysia)  
Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**
**18. DEFERRED TAX LIABILITIES**

	The Group	
	2015 RM'000	2014 RM'000
At 1 April 2014/2013	43	264
Recognised in profit or loss (Note 27)	-	(221)
	<u>43</u>	<u>43</u>
At 31 March 2015/2014	<u>43</u>	<u>43</u>

The deferred tax liabilities are attributed to the following:-

	2015 RM'000	2014 RM'000
Taxable temporary differences attributed to accelerated capital allowances	135	168
Deductible temporary differences attributed to a specific provisional expense	(92)	(125)
	<u>43</u>	<u>43</u>

**19. TRADE PAYABLES**

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

**20. OTHER PAYABLES, DEPOSITS AND ACCRUALS**

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Other payables	1,452	750	390	306
Accruals	1,732	1,866	40	-
Deposits received	42	5	-	-
Provision for restoration cost	60	-	-	-
	<u>3,286</u>	<u>2,621</u>	<u>430</u>	<u>306</u>

**MESB BERHAD**

(Incorporated in Malaysia)

Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****20. OTHER PAYABLES, DEPOSITS AND ACCRUALS (CONT'D)**

	The Group	
	2015 RM'000	2014 RM'000
Movement in the provision for restoration costs:-		
At 1 April	-	-
Provision made during the financial year (Note 7)	60	-
	<hr/>	<hr/>
At 31 March	60	-
	<hr/>	<hr/>

**21. AMOUNT OWING TO RELATED PARTIES**

The amount owing represents trade balances which are subjected to a credit term of 90 days. The amount owing is to be settled in cash.

**22. SHORT TERM BORROWINGS**

	Note	The Group		The Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Bankers' acceptances	22.1	13,858	15,433	-	-
Bank overdraft	22.2	371	-	-	-
Hire purchase payables (Note 23)		184	284	107	107
Term loan (Note 24)		372	623	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		14,785	16,340	107	107
		<hr/>	<hr/>	<hr/>	<hr/>

22.1 The bankers' acceptances of the Group are subjected to a weighted average effective interest rate of 5.36% (2014 – 4.75%) per annum at the end of the reporting period and were secured by:-

- (a) legal charges over the leasehold land and buildings of the Group;
- (b) a pledge over the fixed deposits of a subsidiary; and
- (c) a corporate guarantee of the Company.

22.2 The effective interest rate of the bank overdraft was 8.10% per annum at the end of the reporting period.

**MESB BERHAD**

(Incorporated in Malaysia)  
Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****23. HIRE PURCHASE PAYABLES**

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Minimum hire purchase payments:				
- not later than one year	215	327	124	124
- later than one year but not later than five years	298	419	120	244
	<u>513</u>	<u>746</u>	<u>244</u>	<u>368</u>
Less: Future finance charges	(74)	(99)	(34)	(51)
Present value of hire purchase payables	<u>439</u>	<u>647</u>	<u>210</u>	<u>317</u>
The net hire purchase payables are repayable as follows:-				
Current:				
- not later than one year(Note 22)	184	284	107	107
Non-current:				
- later than one year but not later than five years(Note 17)	255	363	103	210
	<u>439</u>	<u>647</u>	<u>210</u>	<u>317</u>

The hire purchase payables of the Group and of the Company are subjected to a weighted average effective interest rate of 6.13% (2014 – 5.57%) per annum.

**MESB BERHAD**

(Incorporated in Malaysia)  
Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**
**24. TERM LOANS**

	The Group	
	2015 RM'000	2014 RM'000
Current portion:		
- repayable within one year(Note 22)	372	623
Non-current portion(Note 17):		
- repayable between one to two years	319	371
- repayable between two to five years	189	503
	508	874
	880	1,497

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

Term Loan	Number Of Monthly Instalments	Monthly Instalments RM	Effective Month Of Commencement Of Repayment	Amount Outstanding	
				2015 RM'000	2014 RM'000
1	60	24,592	January 2012	493	756
2	36	31,267	January 2012	-	272
3	60	10,102	November 2013	387	469
				880	1,497

The term loans of the Group at the end of the reporting period are subjected to a weighted average effective interest rate of 6.56% (2014 – 6.46%) per annum and are secured by:-

- (i) a first legal charge over the 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.

**25. REVENUE**

	The Group		The Company	
	2015 RM'000	2014 RM'000 (Restated)	2015 RM'000	2014 RM'000
Trading	86,685	91,231	-	-
Dividends received from subsidiaries	-	-	-	2,917
	86,685	91,231	-	2,917

**MESB BERHAD**

(Incorporated in Malaysia)

Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****26. PROFIT/(LOSS) BEFORE TAXATION**

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit/(loss) before taxation is arrived at after charging/(crediting):-				
Allowance for impairment losses on other receivables	-	15	-	-
Auditors' remuneration:-				
Statutory audit fee:				
- for the financial year	89	72	35	30
- under/(over)provision in the previous financial year	8	(1)	2	-
Non-statutory audit fee:				
- for the financial year	5	5	5	5
Bad debts written off	738	56	-	79
Depreciation of property and equipment	1,734	1,852	125	124
Directors' fee	108	100	108	100
Directors' non-fee emoluments	812	810	255	252
Equipment written off	200	236	-	-
Impairment loss on investment in a subsidiary	-	-	-	275
Interest expenses:				
- bank overdrafts	61	35	-	-
- bankers' acceptances	410	570	-	-
- hire purchase	44	42	17	17
- term loans	82	278	-	-
Inventories written down	147	132	-	-
Rental of premises	1,333	661	-	-
Staff costs:				
- salaries, wages, allowances and bonus	15,687	16,190	295	174
- defined contribution plans	1,454	1,504	25	18
- other benefits	379	509	-	4

**MESB BERHAD**

(Incorporated in Malaysia)

Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****26. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)**

	The Group		The Company	
	2015 RM'000	2014 M'000	2015 RM'000	2014 RM'000
Profit/(Loss) before taxation is arrived at after charging/(crediting):-				
Allowance for impairment losses on receivables written back	(107)	(45)	-	-
Dividends from subsidiaries	-	-	-	(2,917)
Gain on disposal of property and equipment	(7)	(10,308)	-	-
Gain on disposal of non-current asset held for sale	-	(3,217)	-	-
Gain on disposal of a subsidiary	-	(107)	-	(56)
Interest income:				
- fixed deposit	(583)	(326)	(364)	(260)
- others	-	-	(4)	-
Realised loss/(gain) on foreign exchange	98	(29)	-	-
Rental income	(99)	(162)	-	-
Share of profit in an associate	(1,199)	(900)	-	-

**27. INCOME TAX EXPENSE**

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current tax:				
- for the financial year	1,072	1,109	-	167
- overprovision in the previous financial year	(133)	(43)	(185)	-
	939	1,066	(185)	167
Deferred tax liability (Note 18):				
- for the financial year	-	(40)	-	-
- overprovision in the previous financial year	-	(181)	-	-
	-	(221)	-	-
	939	845	(185)	167

**MESB BERHAD**

(Incorporated in Malaysia)  
Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**
**27. 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit/(Loss) before taxation	1,930	16,116	(751)	1,914
Tax at the statutory tax rate of 25%	482	4,028	(188)	478
Tax effects of:-				
Share of results in an associate	(300)	(225)	-	-
Non-taxable gains	(95)	(3,462)	(91)	(576)
Non-deductible expenses	879	728	279	265
Deferred tax asset not recognised during the financial year	106	-	-	-
Overprovision in the previous financial year:				
- current tax	(133)	(43)	(185)	-
- deferred tax	-	(181)	-	-
Income tax expense for the financial year	939	845	(185)	167

The amounts of temporary differences for which no deferred tax has been recognised in the financial statements are as follows:-

	The Group	
	2015 RM'000	2014 RM'000
Unutilised tax losses	400	-
Unutilised capital allowances	24	-
	424	-

Deferred tax asset has not been recognised in respect of the above as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective year of assessment 2016.

**MESB BERHAD**

(Incorporated in Malaysia)

Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****28. LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS**

28.1 The discontinued operations in the previous financial year were due to the following:-

- (a) The disposal of the entire equity interest in a wholly owned subsidiary, MESB Development Sdn. Bhd.; and
- (b) MESB Agriculture Sdn. Bhd. had been struck off from the register pursuant to Section 308 of the Companies Act 1965.

28.2 The related information on the discontinued operations in the previous financial year was as follows:-

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

	The Group 2014 RM'000
Revenue	-
Administrative and other expenses	(75)
Loss before taxation	(75)
Income tax expense	-
Loss after taxation from discontinued operations	(75)

- (b) Included in loss before taxation of the discontinued operations was the following:-

	The Group 2014 RM'000
Loss before taxation is arrived at after charging:-	
Staff costs:	
- salaries, allowances and bonuses	33
- defined contribution plan	3
- others	19

- (c) The cash flows attributable to the discontinued operations in the previous financial year were as follows:-

	The Group 2014 RM'000
Net cash for operating activities/ discontinued operations	(13)

**MESB BERHAD**

(Incorporated in Malaysia)  
Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****29. EARNINGS PER SHARE**

	The Group	
	2015	2014
<b>Continuing operations</b>		
Profit after taxation (RM'000)	991	15,271
Less: Loss attributed to non-controlling interest (RM'000)	259	-
Profit attributable to owners of the Company	<u>1,250</u>	<u>15,271</u>
Number of ordinary shares at 31 March ('000)	<u>42,000</u>	<u>42,000</u>
Basic earnings per share (sen)	<u>2.98</u>	<u>36.36</u>
<b>Discontinued operations</b>		
Loss after taxation/Loss attributable to owners of the Company (RM'000)	<u>-</u>	<u>(75)</u>
Number of ordinary shares at 31 March ('000)	<u>-</u>	<u>42,000</u>
Basic loss per share (sen)	<u>-</u>	<u>(0.18)</u>

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

**MESB BERHAD**

(Incorporated in Malaysia)

Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****30. DISPOSAL OF A SUBSIDIARY**

In the previous financial year, the Company disposed of a wholly owned subsidiary, MESB Development Sdn. Bhd. for a total cash consideration of RM56,000.

The effect of the abovementioned disposal on the consolidated financial statements of the Group was as follows:-

(a) Effect on Consolidated Statement of Profit or Loss and Other Comprehensive Income

The effect on the consolidated results of the Group up to the date of disposal in the previous financial year was as follows:-

	<b>2014</b> RM'000
Administrative and other operating expenses	(69)
Loss after taxation	<u>(69)</u>

(b) Effect on Consolidated Financial Position

The effect on the consolidated financial position of the Group as at the date of disposal in the previous financial year was as follows:-

	<b>2014</b> RM'000
Equipment	3
Cash and bank balances	4
Trade and other payables	(58)
Fair value of net assets disposed	<u>(51)</u>
Gain on disposal of a subsidiary	107
Sale proceeds from disposal of a subsidiary, net of incidental cost	56
Cash and bank balances	(4)
Cash inflow from disposal of a subsidiary	<u>52</u>

**MESB BERHAD**

(Incorporated in Malaysia)

Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****31. PURCHASE OF EQUIPMENT**

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cost of equipment purchased(Note 7)	2,749	1,408	6	-
Amount financed through hire purchase	(92)	-	-	-
Cash disbursed for purchase of equipment	2,657	1,408	6	-

**32. CASH AND CASH EQUIVALENTS**

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

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deposits with licensed banks (Note 14)	17,461	16,730	8,042	7,741
Cash and bank balances	13,010	13,952	1,504	2,786
Bank overdraft (Note 22)	(371)	-	-	-
	30,100	30,682	9,546	10,527
Less : Deposit pledged to licensed banks (Note 14.2)	(9,419)	(8,989)	-	-
	20,681	21,693	9,546	10,527

**MESB BERHAD**

(Incorporated in Malaysia)

Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****33. DIRECTORS' REMUNERATION**

33.1 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Directors of the Company</b>				
Executive directors:				
- salaries and allowances	786	790	229	232
- fees	36	36	36	36
	<u>822</u>	<u>826</u>	<u>265</u>	<u>268</u>
Non-executive directors:				
- allowances	26	20	26	20
- fees	72	64	72	64
	<u>98</u>	<u>84</u>	<u>98</u>	<u>84</u>
	<u>920</u>	<u>910</u>	<u>363</u>	<u>352</u>

33.2 The estimated monetary value of benefits-in-kind provided to the directors of the Group and the Company during the financial year are as follows:-

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Directors Of The Company</b>				
Executive directors	4	5	4	5

**MESB BERHAD**

(Incorporated in Malaysia)  
Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

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**33. DIRECTORS' REMUNERATION (CONT'D)**

33.3 The number of the Company's directors with total remuneration falling in bands of RM50,000 are as follows:-

	The Group	
	2015	2014
	Number Of Directors	
Executive directors:-		
Below RM100,000	1	1
RM100,001 – RM300,000	2	2
	<hr/>	<hr/>
	3	3
Non-Executive directors:-		
Below RM50,000	5	5
	<hr/>	<hr/>
	8	8
	<hr/>	<hr/>

**34. RELATED PARTY DISCLOSURES**

34.1 Identities of related parties

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

**MESB BERHAD**

(Incorporated in Malaysia)  
Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**
**34. RELATED PARTY DISCLOSURES (CONT'D)**

34.2 Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year:-

	The Group		The Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Dividends received from Subsidiaries:				
- Crystal United Sdn Bhd	-	-	-	2,250
- Miroza Leather (M) Sdn Bhd	-	-	-	667
Sales to related parties:				
- Roncato Sdn Bhd. *	2,083	2,006	-	-
- MX Too Sdn. Bhd. *	5	21	-	-
- MESB Technology Sdn. Bhd. *	-	2	-	-
- Orlando Corporation Sdn. Bhd. *	216	289	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Purchase from a related party, MX Too Sdn. Bhd.	(21)	-	-	-
Royalty charged by related parties:		(3,329)		
- MX Too Sdn. Bhd. *	(2,943)	(345)	-	-
- Milazo Pte. Ltd. *	(1,385)	-	-	-
Loan rendered to a subsidiary, PC Global Trends Sdn. Bhd.	-	-	(300)	-
Interest received from a subsidiary, PC Global Trends Sdn. Bhd.	-	-	(4)	-
Waiver of debt to a subsidiary, MESB Agriculture Sdn.Bhd.	-	-	-	(23)
	<hr/>	<hr/>	<hr/>	<hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

**34. RELATED PARTY DISCLOSURES (CONT'D)**

34.3 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 are as follows:-

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Short-term employee benefits	1,073	1,035	534	384
Post employment benefits	110	108	33	26

The outstanding amounts owing by/(to) the related parties will be settled in cash. No guarantees have been granted to or received from any related parties.

**35. 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 products.
- (ii) Investment holding segment – involved in investment holding.

**MESB BERHAD**

(Incorporated in Malaysia)

Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****35. OPERATING SEGMENTS (CONT'D)**

## BUSINESS SEGMENTS

	Trading Segment RM'000	Investment Holding Segment RM'000	Group RM'000
<b>2015</b>			
<b>Revenue</b>			
Total revenue	86,795	-	86,795
Inter-segment revenue	(110)	-	(110)
External revenue	86,685	-	86,685
<b>Results</b>			
Segment results	5,707	(925)	4,782
Allowance of impairment loss written back	107	-	107
Gain on disposal of property and equipment	7	-	7
Interest income	202	381	583
Rental income	86	13	99
Bad debts written off	(738)	-	(738)
Realised loss on foreign exchange	(98)	-	(98)
Depreciation of property and equipment	(1,560)	(174)	(1,734)
Equipment written off	(200)	-	(200)
Rental of premises	(1,333)	-	(1,333)
Inventories written down	(147)	-	(147)
Finance costs	2,033	(705)	1,328
Share of profit in an associate	(580)	(17)	(597)
Profit before taxation	-	1,199	1,199
Income tax expense	1,453	477	1,930
	(1,100)	161	(939)
Consolidated profit after taxation	353	638	991

**MESB BERHAD**

(Incorporated in Malaysia)

Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****35. OPERATING SEGMENTS (CONT'D)**

## BUSINESS SEGMENTS (CONT'D)

	Trading Segment RM'000	Investment Holding Segment RM'000	Total Group RM'000
2015			
<b>Assets</b>			
Segment assets	85,005	13,241	98,246
Investment in an associate			8,929
Consolidated total assets			107,175
<b>Liabilities</b>			
Segment liabilities	23,422	654	24,076
Deferred tax liabilities	43	-	43
Provision for taxation	304	-	304
Consolidated total liabilities			24,423
<b>Other segment items</b>			
Investment in associate	-	8,929	8,929
Property and equipment	6,541	2,625	9,166
Other assets	500	40	540
Goodwill on consolidation	24,668	-	24,668
			43,303

**MESB BERHAD**

(Incorporated in Malaysia)

Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****35. OPERATING SEGMENTS (CONT'D)**

## BUSINESS SEGMENTS

	← Continuing Operations →			Discontinued Operations RM'000	Total Group RM'000
	Trading Segment RM'000	Investment Holding Segment RM'000	Group RM'000		
<b>2014</b>					
<b>Revenue</b>					
Total revenue	91,231	2,917	94,148	-	94,148
Inter-segment revenue	-	(2,917)	(2,917)	-	(2,917)
External revenue	91,231	-	91,231	-	91,231
<b>Results</b>					
Segment results	5,247	(297)	4,950	(75)	4,875
Allowance of impairment loss written back	45	-	45	-	45
Gain on disposal of property and equipment	10,308	-	10,308	-	10,308
Gain on disposal of non-current asset held for sale	-	3,217	3,217	-	3,217
Interest income	106	220	326	-	326
Rental income	143	19	162	-	162
Realised gain on foreign exchange	29	-	29	-	29
Allowance for impairment losses on receivables	(15)	-	(15)	-	(15)
Depreciation of property and equipment	(1,677)	(175)	(1,852)	-	(1,852)
Equipment written off	(236)	-	(236)	-	(236)
Rental of premises	(661)	-	(661)	-	(661)
Inventories written down	(132)	-	(132)	-	(132)
Finance costs	14,479	2,984	16,141	(75)	16,066
Share of profit in an associate	(908)	(17)	(925)	-	(925)
Profit before taxation	-	900	900	-	900
Income tax expense	12,249	3,867	16,116	(75)	16,041
Consolidated profit after taxation	(663)	(182)	(845)	-	(845)
	11,586	3,685	15,271	(75)	15,196

**MESB BERHAD**

(Incorporated in Malaysia)  
Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**
**35. OPERATING SEGMENTS (CONT'D)**

## BUSINESS SEGMENTS (CONT'D)

	← Continuing Operations →			Discontinued Operations RM'000	Total Group RM'000
	Trading Segment RM'000	Investment Holding Segment RM'000	Total RM'000		
<b>2014</b>					
<b>Assets</b>					
Segment assets	80,595	14,328	94,923	-	94,923
Tax recoverable	-	156	156	-	156
					<u>95,079</u>
Investment in an associate					<u>7,730</u>
Consolidated total assets					<u>102,809</u>
<b>Liabilities</b>					
Segment liabilities	20,484	643	21,127	-	21,127
Deferred tax liabilities	43	-	43	-	43
Provision for taxation	269	-	269	-	269
Consolidated total liabilities					<u>21,439</u>
<b>Other segment items</b>					
Investment in associate	-	7,730	7,730	-	7,730
Property and equipment	5,504	2,794	8,298	-	8,298
Other assets	500	40	540	-	540
Goodwill on consolidation	24,668	-	24,668	-	24,668
					<u>41,236</u>

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

**MESB BERHAD**

(Incorporated in Malaysia)

Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****35. OPERATING SEGMENTS (CONT'D)****MAJOR CUSTOMERS**

The following are major customers with revenue equal to or more than 10% of Group revenue:-

	Revenue		Segment
	2015 RM'000	2014 RM'000	
Customer A	20,851	22,326	Trading segment
Customer B	10,825	12,074	Trading segment

**36. OPERATING LEASE COMMITMENTS**

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

	The Group	
	2015 RM'000	2014 RM'000
Not later than one year	1,510	675
Later than one year but not later than five years	1,184	262
	<u>2,694</u>	<u>937</u>

**37. CONTINGENT LIABILITY**

	The Company	
	2015 RM'000	2014 RM'000
Unsecured:- Corporate guarantees given to licensed banks for banking facilities granted to a subsidiary	<u>15,109</u>	<u>16,930</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

**38. FOREIGN EXCHANGE RATE**

The principal closing foreign exchange rate used for the translation of the Group's foreign currency balance at the end of the reporting period was as follows:-

	2015 RM	2014 RM
1 Brunei Dollar	2.69	2.30

**39. CAPITAL COMMITMENT**

	The Group	
	2015 RM	2014 RM
<u>Authorised And Contracted For</u> Purchase of a property	1,935,000	-

**40. 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.

**40.1 FINANCIAL RISK MANAGEMENT POLICIES**

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

**(a) Market Risk**

*(i) Foreign Currency Risk*

The Group does not have any significant exposure to any foreign currency and hence is not exposed to foreign currency risk.

## MESB BERHAD

(Incorporated in Malaysia)  
Company No : 337554 - D

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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

##### 40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

###### (a) 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 40.1(c) to the financial statements.

###### Interest rate risk sensitivity analysis

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.

###### (iii) Equity Price Risk

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

## MESB BERHAD

(Incorporated in Malaysia)  
Company No : 337554 - D

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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

##### 40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

###### (b) 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 53% (2014 - 58%) of its trade receivables as at the end of the reporting period.

###### Exposure to credit risk

As the Group 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.

**MESB BERHAD**

(Incorporated in Malaysia)  
Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****40. FINANCIAL INSTRUMENTS (CONT'D)**

## 40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) 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	
	2015 RM'000	2014 RM'000
Brunei	67	37
Malaysia	14,889	12,776
	<u>14,956</u>	<u>12,813</u>

Ageing analysis

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

	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Value RM'000
<b>The Group</b>				
<b>2015</b>				
Not past due	13,608	-	-	13,608
Past due:-				
- less than 3 months	1,016	-	-	1,016
- over 3 months	332	-	-	332
	<u>14,956</u>	-	-	<u>14,956</u>

**MESB BERHAD**

(Incorporated in Malaysia)  
Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**
**40. FINANCIAL INSTRUMENTS (CONT'D)**

## 40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) 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
<b>2014</b>				
Not past due	12,159	-	-	12,159
Past due:				
- less than 3 months	624	-	-	624
- over 3 months	425	(316)	(79)	30
	<u>13,208</u>	<u>(316)</u>	<u>(79)</u>	<u>12,813</u>

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.

**MESB BERHAD**

(Incorporated in Malaysia)  
Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**
**40. FINANCIAL INSTRUMENTS (CONT'D)****40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)****(c) 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):-

<b>The Group</b>	Weighted Average Effective Interest 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
<b>2015</b>						
Trade payables		1,237	1,237	1,237	-	-
Other payables and accruals		3,226	3,226	3,226	-	-
Amount owing to related parties		4,005	4,005	4,005	-	-
Hire purchase payables	6.13	439	513	215	298	-
Term loans	6.56	880	951	417	534	-
Bankers' acceptances	5.36	13,858	13,858	13,858	-	-
Bank overdraft	8.10	371	371	371	-	-
		<b>24,016</b>	<b>24,161</b>	<b>23,329</b>	<b>832</b>	<b>-</b>

**MESB BERHAD**(Incorporated in Malaysia)  
Company No : 337554 - D**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****40. FINANCIAL INSTRUMENTS (CONT'D)**

## 40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(c) Liquidity Risk (Cont'd)**

<b>The Group</b>	Weighted Average Effective Interest 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
<b>2014</b>						
Trade payables	-	929	929	929	-	-
Other payables and accruals	-	2,621	2,621	2,621	-	-
Hire purchase payables	5.57	647	746	327	419	-
Term loans	6.46	1,497	1,652	698	954	-
Bankers' acceptances	4.75	15,433	15,433	15,433	-	-
		<b>21,127</b>	<b>21,381</b>	<b>20,008</b>	<b>1,373</b>	<b>-</b>

**MESB BERHAD**

(Incorporated in Malaysia)

Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****40. FINANCIAL INSTRUMENTS (CONT'D)**

## 40.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

## (c) Liquidity Risk (Cont'd)

The Company	Weighted Average Effective Interest Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 – 5 Years RM'000
<b>2015</b>					
Other payables and accruals	-	430	430	430	-
Hire purchase payables	6.00	210	244	124	120
		<b>640</b>	<b>674</b>	<b>554</b>	<b>120</b>
<b>2014</b>					
Other payables and accruals	-	306	306	306	-
Hire purchase payables	6.00	317	368	124	244
		<b>623</b>	<b>674</b>	<b>430</b>	<b>244</b>

## MESB BERHAD

(Incorporated in Malaysia)

Company No : 337554 - D

### NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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

##### 40.2 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 fixed deposits with licensed banks and cash and bank balances.

The debt-to-equity-ratio is not presented as the fixed deposits with licensed banks and cash and bank balances are in excess of the debts of the Group.

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.

**MESB BERHAD**

(Incorporated in Malaysia)  
Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****40. FINANCIAL INSTRUMENTS (CONT'D)**

## 40.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
<b>Financial assets</b>				
<u>Available-for-sale financial asset</u>				
Other investment	40	40	40	40
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Loans and receivables financial assets</u>				
Trade receivables	14,956	12,813	-	-
Other receivables and deposits	957	1,996	4	7
Amount owing by subsidiaries	-	-	317	18
Fixed deposits with licensed banks	17,461	16,730	8,042	7,741
Cash and bank balances	13,010	13,952	1,504	2,786
	<hr/>	<hr/>	<hr/>	<hr/>
	46,384	45,491	9,867	10,552
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Financial liability</b>				
<u>Other financial liabilities</u>				
Trade payables	1,237	929	-	-
Other payables and accruals	3,226	2,621	430	306
Amount owing to a subsidiary	-	-	-	-
Amount owing to related parties	4,005	-	-	-
Bank borrowings	15,548	17,577	210	317
	<hr/>	<hr/>	<hr/>	<hr/>
	24,016	21,127	640	623
	<hr/>	<hr/>	<hr/>	<hr/>

**MESB BERHAD**

(Incorporated in Malaysia)

Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****40. FINANCIAL INSTRUMENTS (CONT'D)**

## 40.4 FAIR VALUE INFORMATION

Other than disclosed below, the fair values of the financial asset and financial liability maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
<b>2015</b>								
<b>The Group</b>								
<u>Financial Asset</u>								
Other investment	-	40	-	-	-	-	40	40
<u>Financial Liability</u>								
Hire purchase payables	-	-	-	-	447	-	447	439
Term loans	-	-	-	-	874	-	874	880
<b>The Company</b>								
<u>Financial Asset</u>								
Other investment	-	-	-	-	-	-	40	40
<u>Financial Liability</u>								
Hire purchase payables	-	-	-	-	210	-	210	210

**MESB BERHAD**

(Incorporated in Malaysia)  
Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****40. FINANCIAL INSTRUMENTS (CONT'D)**

## 40.4 FAIR VALUE INFORMATION (CONT'D)

Other than disclosed below, the fair values of the financial asset and financial liability maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value RM'000	Carrying Amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
<b>2014</b>								
<b>The Group</b>								
<u>Financial Asset</u>								
Other investment	-	40	-	-	-	-	40	40
<u>Financial Liability</u>								
Hire purchase payables	-	-	-	-	668	-	668	647
Term loans	-	-	-	-	1,496	-	1,496	1,497
<b>The Company</b>								
<u>Financial Asset</u>								
Other investment	-	-	-	-	-	-	40	40
<u>Financial Liability</u>								
Hire purchase payables	-	-	-	-	317	-	317	317

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

**40. FINANCIAL INSTRUMENTS (CONT'D)**

40.4 FAIR VALUE INFORMATION (CONT'D)

The fair values of the above financial liabilities are determined by discounting the relevant cash flows using interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	The Group		The Company	
	2015 %	2014 %	2015 %	2014 %
<u>Financial Liabilities</u>				
Hire purchase payables	6.13	5.57	6.00	6.00
Term loans	6.56	6.46	-	-

**41. SIGNIFICANT EVENTS OCCURRING AFTER THE REPORTING PERIOD**

- 41.1 On 1 July 2015, the Company disposed of its entire 51% equity interest in PC Global Trends Sdn, Bhd. to a third party for a total consideration of RM138,700. The loss arising from the disposal of the subsidiary is not expected to be significant to the Group and the Company. The disposal was completed before the date of this report.
- 41.2 On 15 July 2015, the Company entered into a Share Sale Agreement ("SSA - 1") with a third party to dispose of its 40% equity interest in the associate, PDC Telecommunication Services Sdn. Bhd. representing 600,000 ordinary shares of RM1 each for a total sale consideration of RM9,000,000. The disposal has not been completed at the date of this report as the disposal is subjected to the fulfilment of certain conditions precedent in the SSA - 1.
- 41.3 On 23 July 2015, the Company entered into another Share Sale Agreement ("SSA - 2") with third parties to acquire the entire equity interest in Active Fit Sdn. Bhd., representing 2,500,000 ordinary shares of RM1 each for a total cash consideration of RM19,000,000. The acquisition which has not been completed at the date of this report is subject to the fulfilment of conditions precedent in the SSA - 2.

**MESB BERHAD**

(Incorporated in Malaysia)  
Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015****42. COMPARATIVE FIGURES**

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

	As Restated RM'000	The Group As Previously Reported RM'000	The Company As Restated RM'000	As Previously Reported RM'000
<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EXTRACT):-</b>				
RESERVES	39,370	-	7,000	-
SHARE PREMIUM	-	5	-	5
CAPITAL RESERVE	-	37	-	37
RETAINED PROFITS	-	39,328	-	6,958
LONG-TERM BORROWINGS	1,237	-	-	-
HIRE PURCHASE PAYABLES	-	363	-	-
TERM LOANS	-	874	-	-
SHORT-TERM BORROWINGS	16,340	-	-	-
HIRE PURCHASE PAYABLES	-	284	-	-
TERM LOANS	-	623	-	-
BANKERS' ACCEPTANCES	-	15,433	-	-

**CONSOLIDATED STATEMENTS  
OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE  
INCOME (EXTRACT):-**

REVENUE	91,231	91,250	-	-
COST OF SALES	33,728	33,796	-	-
GROSS PROFIT	57,503	57,454	-	-
OTHER INCOME	14,199	14,180	-	-
ADMINISTRATIVE AND OTHER OPERATING EXPENSES	29,761	29,693	-	-

**MESB BERHAD**

(Incorporated in Malaysia)  
Company No : 337554 - D

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**
**43. 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	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total retained profits:				
- realised profits	28,417	29,272	6,392	6,958
- unrealised loss	(43)	(43)	-	-
	<u>28,374</u>	<u>29,229</u>	<u>6,392</u>	<u>6,958</u>
Total share of retained profits of associate:				
- realised profits	8,677	7,588	-	-
- unrealised loss	(408)	(518)	-	-
	<u>8,269</u>	<u>7,070</u>	<u>-</u>	<u>-</u>
	<u>36,643</u>	<u>36,299</u>	<u>6,392</u>	<u>6,958</u>
Add: Consolidation adjustments	3,935	3,029	-	-
	<u>40,578</u>	<u>39,328</u>	<u>6,392</u>	<u>6,958</u>