

## 10. DIRECTORS' REMUNERATION

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2015<br>RM'000 | 2014<br>RM'000 | 2015<br>RM'000 | 2014<br>RM'000 |
| <b>Directors of the Company</b>                          |                |                |                |                |
| <b>Executive Directors' remuneration:</b>                |                |                |                |                |
| - Salaries, commission and incentives                    | 712            | 589            | 712            | 589            |
| - Contributions to a defined contribution plan           | 83             | 71             | 83             | 71             |
|  | <u>795</u>     | <u>660</u>     | <u>795</u>     | <u>660</u>     |
| <b>Directors of subsidiaries</b>                         |                |                |                |                |
| <b>Executive Directors' remuneration:</b>                |                |                |                |                |
| - Salaries, commission and incentives                    | 372            | 364            | -              | -              |
| - Contributions to a defined contribution plan           | 45             | 44             | -              | -              |
| - Social security contributions                          | 1              | 1              | -              | -              |
|  | <u>418</u>     | <u>409</u>     | <u>-</u>       | <u>-</u>       |
| Total Executive Directors' remuneration (Note 9)         | <u>1,213</u>   | <u>1,069</u>   | <u>795</u>     | <u>660</u>     |
| <b>Non-Executive Directors' remuneration :</b>           |                |                |                |                |
| - Fees   | 116            | 137            | 116            | 137            |
| - Allowances   | 17             | 27             | 17             | 27             |
|  | <u>133</u>     | <u>164</u>     | <u>133</u>     | <u>164</u>     |
| Total Directors' remuneration                            | 1,346          | 1,233          | 928            | 824            |
| Benefits-in-kind   | 111            | 72             | 87             | 49             |
| Total Directors' remuneration including benefits-in-kind | <u>1,457</u>   | <u>1,305</u>   | <u>1,015</u>   | <u>873</u>     |

The number of Directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:-

|                          | Number of Directors |      |
|--------------------------|---------------------|------|
|                          | 2015                | 2014 |
| Executive Directors:     |                     |      |
| RM150,001 to RM200,000   | -                   | 1    |
| RM200,001 to RM250,000   | 1                   | -    |
| RM550,001 to RM600,000   | 1                   | 1    |
| Non-executive Directors: |                     |      |
| RM1 to RM50,000          | 3                   | 1    |
| RM50,001 to RM100,000    | 1                   | 2    |

There was a change of position of an executive director to non-executive director during the current financial year.

## 11. TAXATION

|                                | Group          |                |
|--------------------------------|----------------|----------------|
|                                | 2015<br>RM'000 | 2014<br>RM'000 |
| Current year income tax :-     |                |                |
| - Malaysian income tax         | 78             | 74             |
| - Overseas tax                 | -              | 4              |
| Under provision in prior years | -              | 68             |
| Total income tax expense       | <u>78</u>      | <u>146</u>     |

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year.

Taxation for other countries is calculated at the rates prevailing in the respective countries.

A reconciliation of the income tax amount applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and the Company is as follows:

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2015<br>RM'000 | 2014<br>RM'000 | 2015<br>RM'000 | 2014<br>RM'000 |
| Loss before taxation   | <u>(3,292)</u> | <u>(4,491)</u> | <u>(2,568)</u> | <u>(5,413)</u> |
| Taxation at Malaysian statutory tax rate of 25% (2014: 25%)  | (823)          | (1,123)        | (642)          | (1,353)        |
| Differential in tax rates of foreign countries   | -              | (5)            | -              | -              |
| Expenses not deductible for tax purposes   | 188            | 139            | 933            | 1,642          |
| Income not subject to taxation   | (80)           | (62)           | -              | -              |
| Utilisation of previously unrecognised unabsorbed capital allowances   | (270)          | (197)          | (210)          | (197)          |
| Utilisation of current year business losses surrendered by a subsidiary  | -              | -              | (81)           | (92)           |
| Deferred tax assets not recognised in respect of current year's tax losses, unabsorbed capital allowances and other deductible temporary differences | 1,063          | 1,326          | -              | -              |
| Underprovision of income tax expense in respect of prior years   | -              | 68             | -              | -              |
| Income tax expense for the financial year  | <u>78</u>      | <u>146</u>     | <u>-</u>       | <u>-</u>       |

**11. TAXATION (CONT'D.)**

|  | <b>Group</b>  |               |
|--|---------------|---------------|
|  | <b>2015</b>   | <b>2014</b>   |
|  | <b>RM'000</b> | <b>RM'000</b> |
| Tax savings recognised during the financial year arising from:       |               |               |
| Utilisation of previously unrecognised unabsorbed capital allowances | <u>270</u>    | <u>197</u>    |

**12. LOSS PER SHARE****(a) Basic**

Basic loss per share is calculated by dividing the loss for the financial year attributable to ordinary equity owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

|   | <b>Group</b>  |               |
|---|---------------|---------------|
|   | <b>2015</b>   | <b>2014</b>   |
| Loss attributable to ordinary equity owners of the Company (RM'000) | (4,240)       | (5,093)       |
| Weighted average number of ordinary shares in issue ('000)          | 383,087       | 383,087       |
| Basic loss per share for the financial year (sen)                   | <u>(1.11)</u> | <u>(1.33)</u> |

**(b) Diluted**

Diluted earnings per share is not presented as there is no dilutive potential ordinary share outstanding as at the end of the financial year.

## 13. PLANT AND EQUIPMENT

| Group                               | Computer<br>equipment<br>RM'000 | Furniture,<br>fittings, office<br>and EDC<br>equipment<br>RM'000 | Motor<br>vehicles<br>RM'000 | Renovation<br>RM'000 | Total<br>RM'000 |
|-------------------------------------|---------------------------------|--|-----------------------------|----------------------|-----------------|
| <b>At 31 March 2015</b>             |                                 |  |                             |                      |                 |
| <b>Cost</b>                         |                                 |  |                             |                      |                 |
| At 1 April 2014                     | 7,090                           | 5,296  | 674                         | 411                  | 13,471          |
| Reclassification                    | -                               | (588)  | -                           | 588                  | -               |
| Additions                           | 31                              | 169  | -                           | -                    | 200             |
| Disposals                           | (31)                            | (97)   | -                           | -                    | (128)           |
| Write-off                           | -                               | (43)   | -                           | -                    | (43)            |
| At 31 March 2015                    | 7,090                           | 4,737  | 674                         | 999                  | 13,500          |
| <b>Accumulated<br/>Depreciation</b> |                                 |  |                             |                      |                 |
| At 1 April 2014                     | 6,324                           | 4,800  | 406                         | 387                  | 11,917          |
| Reclassification                    | -                               | (588)  | -                           | 588                  | -               |
| Charge for the year<br>(Note 6)     | 293                             | 224  | 55                          | 24                   | 596             |
| Disposals                           | (28)                            | (94)   | -                           | -                    | (122)           |
| Write-off                           | -                               | (39)   | -                           | -                    | (39)            |
| At 31 March 2015                    | 6,589                           | 4,303  | 461                         | 999                  | 12,352          |
| <b>Net Book Value</b>               |                                 |  |                             |                      |                 |
| At 31 March 2015                    | 501                             | 434  | 213                         | -                    | 1,148           |
| <b>At 31 March 2014</b>             |                                 |  |                             |                      |                 |
| <b>Cost</b>                         |                                 |  |                             |                      |                 |
| At 1 April 2013                     | 7,701                           | 5,115  | 397                         | 411                  | 13,624          |
| Additions                           | 44                              | 314  | 277                         | -                    | 635             |
| Disposal                            | (7)                             | (15)   | -                           | -                    | (22)            |
| Write-off                           | (648)                           | (118)  | -                           | -                    | (766)           |
| At 31 March 2014                    | 7,090                           | 5,296  | 674                         | 411                  | 13,471          |
| <b>Accumulated<br/>Depreciation</b> |                                 |  |                             |                      |                 |
| At 1 April 2013                     | 6,525                           | 4,658  | 354                         | 361                  | 11,898          |
| Charge for the year<br>(Note 6)     | 438                             | 271  | 52                          | 26                   | 787             |
| Disposal                            | (6)                             | (15)   | -                           | -                    | (21)            |
| Write-off                           | (633)                           | (114)  | -                           | -                    | (747)           |
| At 31 March 2014                    | 6,324                           | 4,800  | 406                         | 387                  | 11,917          |
| <b>Net Book Value</b>               |                                 |  |                             |                      |                 |
| At 31 March 2014                    | 766                             | 496  | 268                         | 24                   | 1,554           |

## 13. PLANT AND EQUIPMENT (CONT'D.)

| Company                             | Computer<br>equipment<br>RM'000 | Furniture,<br>fittings, office<br>and EDC<br>equipment<br>RM'000 | Motor<br>vehicles<br>RM'000 | Renovation<br>RM'000 | Total<br>RM'000 |
|-------------------------------------|---------------------------------|--|-----------------------------|----------------------|-----------------|
| <b>At 31 March 2015</b>             |                                 |  |                             |                      |                 |
| <b>Cost</b>                         |                                 |  |                             |                      |                 |
| At 1 April 2014                     | 748                             | 144  | 586                         | 150                  | 1,628           |
| Additions                           | 15                              | 2  | -                           | -                    | 17              |
| Disposal                            | (16)                            | -  | -                           | -                    | (16)            |
| At 31 March 2015                    | 747                             | 146  | 586                         | 150                  | 1,629           |
| <b>Accumulated<br/>Depreciation</b> |                                 |  |                             |                      |                 |
| At 1 April 2014                     | 602                             | 62   | 318                         | 138                  | 1,120           |
| Charge for the year<br>(Note 6)     | 61                              | 19   | 55                          | 12                   | 147             |
| Disposal                            | (10)                            | -  | -                           | -                    | (10)            |
| At 31 March 2015                    | 653                             | 81   | 373                         | 150                  | 1,257           |
| <b>Net Book Value</b>               |                                 |  |                             |                      |                 |
| At 31 March 2015                    | 94                              | 65   | 213                         | -                    | 372             |
| <b>Company</b>                      |                                 |  |                             |                      |                 |
| <b>At 31 March 2014</b>             |                                 |  |                             |                      |                 |
| <b>Cost</b>                         |                                 |  |                             |                      |                 |
| At 1 April 2013                     | 746                             | 57   | 309                         | 150                  | 1,262           |
| Additions                           | 2                               | 87   | 277                         | -                    | 366             |
| At 31 March 2014                    | 748                             | 144  | 586                         | 150                  | 1,628           |
| <b>Accumulated<br/>Depreciation</b> |                                 |  |                             |                      |                 |
| At 1 April 2013                     | 520                             | 49   | 267                         | 112                  | 948             |
| Charge for the year<br>(Note 6)     | 82                              | 13   | 51                          | 26                   | 172             |
| At 31 March 2014                    | 602                             | 62   | 318                         | 138                  | 1,120           |
| <b>Net Book Value</b>               |                                 |  |                             |                      |                 |
| At 31 March 2014                    | 146                             | 82   | 268                         | 12                   | 508             |

Included in plant and equipment of the Group and of the Company are the costs of fully depreciated assets, which are still in use amounting to RM10,824,000 and RM746,000 (2014: RM9,015,000 and RM625,000) respectively.

**13. PLANT AND EQUIPMENT (CONT'D.)**

The net carrying amount of plant and equipment held under hire purchase arrangements are as follows :-

|                | Group and Company |                |
|----------------|-------------------|----------------|
|                | 2015<br>RM'000    | 2014<br>RM'000 |
| Motor vehicles | 213               | 268            |

Details of terms and conditions of the hire purchase arrangements are disclosed in Note 25.

**14. INTANGIBLE ASSETS**

|                                 | Group          |                | Company        |                |
|---------------------------------|----------------|----------------|----------------|----------------|
|                                 | 2015<br>RM'000 | 2014<br>RM'000 | 2015<br>RM'000 | 2014<br>RM'000 |
| <b><u>Computer Software</u></b> |                |                |                |                |
| <b>Cost</b>                     |                |                |                |                |
| At 1 April 2014/2013            | 3,478          | 3,222          | 2,263          | 2,007          |
| Additions                       | 74             | 256            | 26             | 256            |
| Write-off                       | (616)          | -              | -              | -              |
| At 31 March                     | 2,936          | 3,478          | 2,289          | 2,263          |
| <b>Accumulated Amortisation</b> |                |                |                |                |
| At 1 April 2014/2013            | 3,216          | 3,089          | 1,951          | 1,858          |
| Charge for the year<br>(Note 6) | 110            | 127            | 101            | 93             |
| Write-off                       | (616)          | -              | -              | -              |
| At 31 March                     | 2,710          | 3,216          | 2,052          | 1,951          |
| <b>Net Book Value</b>           |                |                |                |                |
| At 31 March                     | 226            | 262            | 237            | 312            |

**15. INVESTMENT IN SUBSIDIARIES**

|                                       | Company        |                |
|---------------------------------------|----------------|----------------|
|                                       | 2015<br>RM'000 | 2014<br>RM'000 |
| Unquoted shares, at cost              | 87,206         | 87,206         |
| Less: Accumulated impairment losses   |                |                |
| At 1 April 2014/2013                  | (65,565)       | (61,610)       |
| Impairment loss for the year (Note 6) | (3,567)        | (3,955)        |
| At 31 March                           | (69,132)       | (65,565)       |
|                                       | 18,074         | 21,641         |

**15. INVESTMENT IN SUBSIDIARIES (CONT'D.)**

During the financial year, the management has undertaken an impairment review of the subsidiaries' operations. In assessing the recoverable amount of the cost of investment in the subsidiaries, the management has computed value-in-use based on discounted cash flows at a pre-tax discounted rate of 7.85% (2014 : 7.5%). An allowance for impairment loss on investment in a subsidiary amounting to RM3,567,000 (2014 : RM 3,955,000) was recognised to write down the carrying amount of the applicable subsidiary to its recoverable amount of RM11,775,000 (2014 : RM2,121,000).

**(a) Composition of the Group**

Details of the subsidiaries are as follows :

| Name   | Country of incorporation and operations | Company's effective interest |        | Principal Activities   |
|--|---|------------------------------|--------|--|
|  |   | 2015 %                       | 2014 % |  |
| Dataprep (Malaysia) Sendirian Berhad*            | Malaysia                                | 100                          | 100    | Provision of IT outsourcing and managed services.  |
| Solsis (M) Sdn. Bhd.*                            | Malaysia                                | 55                           | 55     | Provision of computer hardware, network services, applications and contact centre.                   |
| Solsisnet Sdn. Bhd.*                             | Malaysia                                | 100                          | 100    | Provision of networking equipment, services and training.  |
| Instant Office Sdn. Bhd.*                        | Malaysia                                | 100                          | 100    | Provision of internet application services, distribution of ICT product and implementation services. |
| Dataprep Payment Solutions Sdn. Bhd.*            | Malaysia                                | 100                          | 100    | Provision of information technology services and secured payment solutions.                          |
| Dataprep Distribution Sdn. Bhd. (In liquidation) | Malaysia                                | 100                          | 100    | Under court winding up.  |
| 88 Daiman Sdn Bhd*                               | Malaysia                                | 100                          | -      | Dormant.   |
| Tamadun Interaktif Sdn. Bhd.*                    | Malaysia                                | 55                           | 55     | Dormant.   |

**15. INVESTMENT IN SUBSIDIARIES (CONT'D.)****(a) Composition of the Group (Cont'd.)**

Details of the subsidiaries are as follows (Cont'd.) :

| Name                         | Country of incorporation and operations   | Company's effective interest |        | Principal Activities                                       |
|------------------------------|---|------------------------------|--------|--|
|                              |   | 2015 %                       | 2014 % |  |
| DP International Ltd.*       | British Virgin Islands                    | 100                          | 100    | Dormant.   |
| IO Holdings Ltd.*            | British Virgin Islands                    | 100                          | 100    | Dormant.   |
| DP International Pte. Ltd. # | Singapore                                 | 100                          | 100    | Provision of information technology services and solutions |
| Dataprep (HK) Limited @      | Hong Kong SAR, People's Republic of China | 100                          | 100    | Provision of information technology services and solutions |
| Dataprep (Beijing) Limited @ | People's Republic of China                | 100                          | 100    | Provision of information technology services and solutions |

\* Audited by Folks DFK & Co., Malaysia

@ Audited by other member firms of DFK International.

# Audited by a firm other than Folks DFK & Co., Malaysia

**(b) Information on a non-wholly owned subsidiary that has material non-controlling interests**

The table below shows details of a non-wholly owned subsidiary of the Group that has material non-controlling interests:

| Name of subsidiary   | Proportion of ownership interests and voting rights held by non-controlling interests |      | Profit allocated to non-controlling interests |        | Accumulated non-controlling interests |        |
|----------------------|---|------|---|--------|---------------------------------------|--------|
|                      | 2015  | 2014 | 2015  | 2014   | 2015                                  | 2014   |
|                      | %   | %    | RM'000  | RM'000 | RM'000                                | RM'000 |
| Solsis (M) Sdn. Bhd. | 45  | 45   | 870   | 456    | 1,922                                 | 1,052  |



## 15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

## (b) Information on a non-wholly owned subsidiary that has material non-controlling interests (Cont'd)

Summarised financial information of Solsis (M) Sdn. Bhd. before intra-group elimination : -

|  | 2015<br>RM'000 | 2014<br>RM'000 |
|--|----------------|----------------|
| <u>Assets and liabilities as at 31 March</u>                 |                |                |
| Non-current assets   | 54             | 641            |
| Current assets   | 46,547         | 37,128         |
| Non-current liabilities                                      | -              | (623)          |
| Current liabilities  | (42,329)       | (34,807)       |
| Net assets   | <u>4,272</u>   | <u>2,339</u>   |
| Total equity attributable to :                               |                |                |
| Owners of the Company  | 2,350          | 1,287          |
| Non-controlling interests                                    | <u>1,922</u>   | <u>1,052</u>   |
|  | 4,272          | 2,339          |
| <u>Profit or loss for year ended 31 March</u>                |                |                |
| Revenue  | 75,627         | 51,371         |
| Other income   | 642            | 499            |
| Expenses   | (74,259)       | (50,719)       |
| Taxation   | (76)           | (137)          |
| Profit for the year, representing total comprehensive income | <u>1,934</u>   | <u>1,014</u>   |
| Total comprehensive income attributable to :                 |                |                |
| Owners of the Company  | 1,064          | 558            |
| Non-controlling interests                                    | <u>870</u>     | <u>456</u>     |
|  | 1,934          | 1,014          |
| <u>Cash flows for year ended 31 March</u>                    |                |                |
| Net cash (outflow) / inflow from operating activities        | (1,674)        | 510            |
| Net cash inflow from financing activities                    | <u>5,905</u>   | <u>821</u>     |
| Net cash inflow  | <u>4,231</u>   | <u>1,331</u>   |

**16. OTHER INVESTMENTS**

|                                     | <b>Group</b>  |               |
|-------------------------------------|---------------|---------------|
|                                     | <b>2015</b>   | <b>2014</b>   |
|                                     | <b>RM'000</b> | <b>RM'000</b> |
| Club memberships, at cost           | 140           | 140           |
| Less: Accumulated impairment losses | (49)          | (49)          |
|                                     | <u>91</u>     | <u>91</u>     |

**17. AMOUNTS DUE FROM SUBSIDIARIES**

|   | <b>Company</b>  |                 |
|---|-----------------|-----------------|
|   | <b>2015</b>     | <b>2014</b>     |
|   | <b>RM'000</b>   | <b>RM'000</b>   |
| Amounts due from subsidiaries           | 50,817          | 47,808          |
| Less: Allowance for impairment losses   |                 |                 |
| At 1 April 2014/2013                    | (37,933)        | (35,547)        |
| Impairment losses for the year (Note 6) | -               | (2,386)         |
| At 31 March                             | <u>(37,933)</u> | <u>(37,933)</u> |
|   | <u>12,884</u>   | <u>9,875</u>    |

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

Amounts due from subsidiaries that are impaired at the financial year end relate to loss making subsidiaries.

**18. DEFERRED TAX ASSETS**

|  | Group  |        |
|--|--------|--------|
|  | 2015   | 2014   |
|  | RM'000 | RM'000 |
| At beginning of financial year/<br>end of financial year | -      | -      |
| Presented after appropriate offsetting as follows:       |        |        |
| Deferred tax assets                                      | 288    | 408    |
| Deferred tax liabilities                                 | (288)  | (408)  |
|  | -      | -      |

The components and movements of the deferred tax liabilities and assets during the financial year prior to the offsetting are as follows:

**Deferred Tax Assets of the Group:**

|  | Unused Tax<br>Losses and<br>Unabsorbed<br>Capital<br>Allowances<br>RM'000 | Other<br>Deductible<br>Temporary<br>Differences<br>RM'000 | Total<br>RM'000 |
|--|---|---|-----------------|
| At 1 April 2014                                    | 302   | 106   | 408             |
| Recognised in statement of comprehensive<br>income | (142)   | 22  | (120)           |
| At 31 March 2015                                   | 160   | 128   | 288             |
| At 1 April 2013                                    | 438   | 9   | 447             |
| Recognised in statement of comprehensive<br>income | (136)   | 97  | (39)            |
| At 31 March 2014                                   | 302   | 106   | 408             |

**Deferred Tax Liabilities of the Group:**

|   | Accelerated<br>Capital<br>Allowances<br>RM'000 | Total<br>RM'000 |
|---|--|-----------------|
| At 1 April 2014                                 | 408  | 408             |
| Recognised in statement of comprehensive income | (120)  | (120)           |
| At 31 March 2015                                | 288  | 288             |
| At 1 April 2013                                 | 447  | 447             |
| Recognised in statement of comprehensive income | (39)   | (39)            |
| At 31 March 2014                                | 408  | 408             |

**18. DEFERRED TAX ASSETS (CONT'D.)**

Deferred tax assets have not been recognised in respect of the following items:

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2015<br>RM'000 | 2014<br>RM'000 | 2015<br>RM'000 | 2014<br>RM'000 |
| Other deductible temporary differences | 92             | 259            | -              | -              |
| Unused tax losses                      | 75,888         | 71,384         | 12,280         | 12,280         |
| Unabsorbed capital allowances          | 4,069          | 4,534          | 1,228          | 1,826          |
|  | <u>80,049</u>  | <u>76,177</u>  | <u>13,508</u>  | <u>14,106</u>  |

Deferred tax assets have not been recognised in respect of these items as they have arisen in the subsidiaries that have a history of losses and it is not probable for them to have sufficient future profits for offset in the near term.

Deferred tax assets have not been recognised in respect of unused tax losses and unabsorbed capital allowances arising in the Company as it does not expect to achieve significant profits sufficient to offset these items in the longer term.

**19. INVENTORIES**

|   | Group          |                |
|---|----------------|----------------|
|   | 2015<br>RM'000 | 2014<br>RM'000 |
| <b>At cost</b>                            |                |                |
| Computer equipment, spares and supplies   | 1,173          | 1,174          |
| EDC equipment and thermal roll paper      | 1              | 1              |
|   | <u>1,174</u>   | <u>1,175</u>   |
| <b>Allowance for obsolete inventories</b> |                |                |
| At 1 April 2014/2013                      | (658)          | (295)          |
| Addition                                  | (85)           | (363)          |
| Write-back                                | 112            | -              |
| At 31 March                               | <u>(631)</u>   | <u>(658)</u>   |
|   | <u>543</u>     | <u>517</u>     |

The cost of inventories recognised as an expense during the financial year of the Group amounted to RM18,015,000 (2014 : RM24,441,000).

**20. TRADE RECEIVABLES**

|  | <b>Group</b>  |               |
|--|---------------|---------------|
|  | <b>2015</b>   | <b>2014</b>   |
|  | <b>RM'000</b> | <b>RM'000</b> |
| Trade receivables  | 22,758        | 19,992        |
| Less : Amount receivable after one year<br>(classified under non-current assets) | -             | (618)         |
|  | 22,758        | 19,374        |
| Less : Allowance for impairment losses   | (1,003)       | (260)         |
|  | 21,755        | 19,114        |
| Due from customers on contracts (Note 22)  | 5,850         | 6,142         |
|  | <u>27,605</u> | <u>25,256</u> |

Trade receivables are recognised at their original invoice amounts which represent their fair values on initial recognition.

Trade receivables include a balance of RM801,000 (2014: RM1,620,000) which arose from a deferred payment sale of RM3,300,000. The sale amount is receivable over 36 monthly instalments and bears an effective interest rate of 7.15% per annum. As at the end of the financial year, the maturity period of the outstanding balance was as follows :-

|                                 | <b>Group</b>  |               |
|---------------------------------|---------------|---------------|
|                                 | <b>2015</b>   | <b>2014</b>   |
|                                 | <b>RM'000</b> | <b>RM'000</b> |
| Amount receivable within 1 year | 801           | 1,002         |
| Amount receivable after 1 year  | -             | 618           |
|                                 | <u>801</u>    | <u>1,620</u>  |

All other trade receivables are non-interest bearing and are generally on 90 days (2014: 90 days) terms.

**Currency exposure**

The currency exposure profile of trade receivables is as follows :-

|                  | <b>Group</b>  |               |
|------------------|---------------|---------------|
|                  | <b>2015</b>   | <b>2014</b>   |
|                  | <b>RM'000</b> | <b>RM'000</b> |
| Ringgit Malaysia | 27,026        | 24,709        |
| US Dollar        | 548           | 480           |
| Renminbi         | 31            | 67            |
|                  | <u>27,605</u> | <u>25,256</u> |

**20. TRADE RECEIVABLES (CONT'D.)****Ageing analysis of trade receivables**

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

|   | Group         |               |
|---|---------------|---------------|
|   | 2015          | 2014          |
|   | RM'000        | RM'000        |
| Neither past due nor impaired           | 6,420         | 8,269         |
| 1 to 30 days past due not impaired      | 7,047         | 5,544         |
| 31 to 60 days past due not impaired     | 4,448         | 592           |
| 61 to 90 days past due not impaired     | 1,797         | 750           |
| More than 91 days past due not impaired | 2,043         | 4,577         |
|   | 15,335        | 11,463        |
| Impaired                                | 1,003         | 260           |
|   | <u>22,758</u> | <u>19,992</u> |

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM15,335,000 (2014: RM11,463,000) that are past due at the financial year end but not impaired. These balances relate mainly to customers who have never defaulted on payments but are slow paymasters and are closely monitored.

Such receivables are unsecured in nature.

Receivables that are impaired

The Group's trade receivables that are individually impaired and the movement of the allowance account used to record the impairment is as follows:

|                                       | Group    |          |
|---------------------------------------|----------|----------|
|                                       | 2015     | 2014     |
|                                       | RM'000   | RM'000   |
| Trade receivables - nominal amount    | 1,003    | 260      |
| Less: Allowance for impairment losses | (1,003)  | (260)    |
|                                       | <u>-</u> | <u>-</u> |

**20. TRADE RECEIVABLES (CONT'D.)**Receivables that are impaired (Cont'd.)

Movement in the allowance account:

|                      | Group          |                |
|----------------------|----------------|----------------|
|                      | 2015<br>RM'000 | 2014<br>RM'000 |
| At 1 April 2014/2013 | 260            | 1,730          |
| Addition (Note 8)    | 889            | 108            |
| Write-back (Note 8)  | (15)           | -              |
| Write-off            | (131)          | (1,578)        |
| At 31 March          | 1,003          | 260            |

Trade receivables that are individually impaired at the financial year end relate to debtors that are in serious financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

**21. OTHER RECEIVABLES**

|                               | Group          |                | Company        |                |
|-------------------------------|----------------|----------------|----------------|----------------|
|                               | 2015<br>RM'000 | 2014<br>RM'000 | 2015<br>RM'000 | 2014<br>RM'000 |
| Prepayments                   | 475            | 1,373          | 20             | 84             |
| Deposits                      | 372            | 419            | 5              | 11             |
| Advances to employees         | 38             | 47             | 15             | 6              |
| Other advances                | 3,000          | 3,000          | -              | -              |
| Interest income receivable    | 26             | 98             | 26             | 48             |
| Sundry receivables            | 175            | 233            | 19             | 3              |
|                               | 4,086          | 5,170          | 85             | 152            |
| Allowance for impairment loss | (3,000)        | (3,000)        | -              | -              |
|                               | 1,086          | 2,170          | 85             | 152            |

The Group had made an allowance of RM3,000,000 in previous financial years for impairment loss of advances granted to a main local contractor in connection with an overseas contract awarded to a subsidiary.

**22. DUE FROM/(TO) CUSTOMERS ON CONTRACTS**

|  | <b>Group</b>    |                 |
|--|-----------------|-----------------|
|  | <b>2015</b>     | <b>2014</b>     |
|  | <b>RM'000</b>   | <b>RM'000</b>   |
| Contract costs incurred to date  | 86,558          | 69,854          |
| Attributable profits   | 9,893           | 7,014           |
|  | <u>96,451</u>   | <u>76,868</u>   |
| Less: Progress billings including retention sums of<br>RM522,000 (2014: RM2,240,000) | <u>(91,247)</u> | <u>(72,622)</u> |
|  | <u>5,204</u>    | <u>4,246</u>    |
| Due from customers on contracts (Note 20)  | 5,850           | 6,142           |
| Due to customers on contracts (Note 26)  | (646)           | (1,896)         |
|  | <u>5,204</u>    | <u>4,246</u>    |
| Contract revenue recognised  | <u>26,167</u>   | <u>24,320</u>   |
| Contract costs recognised as expense   | <u>22,802</u>   | <u>20,751</u>   |

**23. CASH AND BANK BALANCES**

|                             | <b>Group</b>  |               | <b>Company</b> |               |
|-----------------------------|---------------|---------------|----------------|---------------|
|                             | <b>2015</b>   | <b>2014</b>   | <b>2015</b>    | <b>2014</b>   |
|                             | <b>RM'000</b> | <b>RM'000</b> | <b>RM'000</b>  | <b>RM'000</b> |
| Deposits with:              |               |               |                |               |
| - Licensed Commercial Banks | 18,404        | 18,064        | 10,120         | 10,048        |
| Cash and bank balances      | 8,131         | 4,822         | 305            | 2,204         |
| Cash and cash equivalents   | <u>26,535</u> | <u>22,886</u> | <u>10,425</u>  | <u>12,252</u> |

Deposits of RM9,566,000 (2014: RM9,516,000) for the Group and RM1,620,000 (2014: RM1,500,000) for the Company are pledged as security for banking facilities granted to the Group and hence, are not available for general use.

The range of the deposits interest rates as at the end of the financial year was as follows:

|                           | <b>Group</b>    |                    | <b>Company</b>  |                    |
|---------------------------|-----------------|--------------------|-----------------|--------------------|
|                           | <b>2015</b>     | <b>2014</b>        | <b>2015</b>     | <b>2014</b>        |
|                           | <b>%</b>        | <b>%</b>           | <b>%</b>        | <b>%</b>           |
| Licensed Commercial Banks | <u>3.2-3.45</u> | <u>2.95 - 3.30</u> | <u>3.2-3.45</u> | <u>3.08 - 3.25</u> |



**23. CASH AND BANK BALANCES (CONT'D.)**

The range of the deposits maturities as at the end of the financial year was as follows:

|                           | Group        |              | Company      |              |
|---------------------------|--------------|--------------|--------------|--------------|
|                           | 2015<br>Days | 2014<br>Days | 2015<br>Days | 2014<br>Days |
| Licensed Commercial Banks | 30 - 365     | 30 - 365     | 30 - 180     | 30 - 180     |

**24. SHARE CAPITAL**

|  | Group and Company                              |              |                |                |
|--|--|--------------|----------------|----------------|
|  | Number of<br>Ordinary Shares of<br>RM0.25 each |              | Amount         |                |
|  | 2015<br>'000                                   | 2014<br>'000 | 2015<br>RM'000 | 2014<br>RM'000 |
| <b>Authorised:</b>                                       |  |              |                |                |
| At beginning of financial year/<br>end of financial year | 2,000,000                                      | 2,000,000    | 500,000        | 500,000        |
| <b>Issued:</b>   |  |              |                |                |
| At beginning of financial year/<br>end of financial year | 383,087  | 383,087      | 95,772         | 95,772         |

**25. BORROWINGS**

|                        | Group          |                | Company        |                |
|------------------------|----------------|----------------|----------------|----------------|
|                        | 2015<br>RM'000 | 2014<br>RM'000 | 2015<br>RM'000 | 2014<br>RM'000 |
| <b>Non-current</b>     |                |                |                |                |
| Secured:               |                |                |                |                |
| Hire purchase payables | 204            | 236            | 204            | 236            |
| Other borrowing        | -              | 624            | -              | -              |
|                        | 204            | 860            | 204            | 236            |

**25. BORROWINGS (CONT'D.)**

|                        | Group          |                | Company        |                |
|------------------------|----------------|----------------|----------------|----------------|
|                        | 2015<br>RM'000 | 2014<br>RM'000 | 2015<br>RM'000 | 2014<br>RM'000 |
| <b>Current</b>         |                |                |                |                |
| Secured:               |                |                |                |                |
| Hire purchase payables | 32             | 68             | 32             | 68             |
| Banker acceptances     | 7,660          | 1,755          | -              | -              |
| Other borrowing        | 786            | 883            | -              | -              |
|                        | <u>8,478</u>   | <u>2,706</u>   | <u>32</u>      | <u>68</u>      |
| <br>                   |                |                |                |                |
| Total borrowings       | <u>8,682</u>   | <u>3,566</u>   | <u>236</u>     | <u>304</u>     |

The banker acceptances facility is secured by way of a charge over the fixed deposits of the Company and of a subsidiary and a corporate guarantee by the Company.

Interest on banker acceptances are charged at the rate of 5.84% (2014: 4.74%) per annum.

Other borrowing obtained to finance a trade purchase is secured by a lien over the goods. The borrowing is repayable over 36 monthly instalments and bears effective interest rate of 7.15% (2014 : 7.15%) per annum.

The maturities of the total borrowings as at 31 March 2015 are as follows:

|   | Group          |                | Company        |                |
|---|----------------|----------------|----------------|----------------|
|   | 2015<br>RM'000 | 2014<br>RM'000 | 2015<br>RM'000 | 2014<br>RM'000 |
| On demand or within one year              | 8,478          | 2,706          | 32             | 68             |
| More than 1 year and less<br>than 2 years | 26             | 656            | 26             | 32             |
| More than 2 year and less<br>than 5 years | 86             | 82             | 86             | 82             |
| More than 5 years                         | 92             | 122            | 92             | 122            |
|   | <u>8,682</u>   | <u>3,566</u>   | <u>236</u>     | <u>304</u>     |

**25. BORROWINGS (CONT'D.)****Obligations under hire purchases**

|   | <b>Group and Company</b> |               |
|---|--------------------------|---------------|
|   | <b>2015</b>              | <b>2014</b>   |
|   | <b>RM'000</b>            | <b>RM'000</b> |
| <b>Future minimum payments:</b>               |                          |               |
| Not later than 1 year                         | 42                       | 80            |
| Later than 1 year and not later than 2 years  | 35                       | 42            |
| Later than 2 years and not later than 5 years | 104                      | 104           |
| Later than 5 years                            | 98                       | 133           |
| Total future minimum payments                 | <u>279</u>               | <u>359</u>    |
| Less: Future finance charges                  | <u>(43)</u>              | <u>(55)</u>   |
| Present value of hire purchase liabilities    | <u>236</u>               | <u>304</u>    |

Hire purchase liabilities bear effective interest rates ranging from 4.2% to 4.44 % (2014: 4.2% to 4.44%) per annum.

**26. TRADE PAYABLES**

|   | <b>Group</b>  |               |
|---|---------------|---------------|
|   | <b>2015</b>   | <b>2014</b>   |
|   | <b>RM'000</b> | <b>RM'000</b> |
| Trade payables                          | 11,410        | 8,047         |
| Due to customers on contracts (Note 22) | 646           | 1,896         |
|   | <u>12,056</u> | <u>9,943</u>  |

The credit terms of the Group's trade payables range from 60 days to 90 days (2014: 60 days to 90 days).

The currency exposure profile of trade payables is as follows :-

|                  | <b>Group</b>  |               |
|------------------|---------------|---------------|
|                  | <b>2015</b>   | <b>2014</b>   |
|                  | <b>RM'000</b> | <b>RM'000</b> |
| Ringgit Malaysia | 10,739        | 9,192         |
| US Dollar        | 1,317         | 747           |
| Singapore Dollar | -             | 4             |
|                  | <u>12,056</u> | <u>9,943</u>  |

**27. OTHER PAYABLES**

|                           | <b>Group</b>  |               | <b>Company</b> |               |
|---------------------------|---------------|---------------|----------------|---------------|
|                           | <b>2015</b>   | <b>2014</b>   | <b>2015</b>    | <b>2014</b>   |
|                           | <b>RM'000</b> | <b>RM'000</b> | <b>RM'000</b>  | <b>RM'000</b> |
| Accrued professional fees | 172           | 146           | 46             | 41            |
| Accruals on staff costs   | 75            | 464           | -              | 136           |
| Deferred income           | 1,429         | 1,301         | -              | -             |
| Deposits from customers   | 1,257         | 1,026         | -              | -             |
| Sundry payables           | 926           | 780           | 166            | 44            |
| Other accruals            | 219           | 370           | 114            | 132           |
|                           | <u>4,078</u>  | <u>4,087</u>  | <u>326</u>     | <u>353</u>    |

**28. RELATED PARTY DISCLOSURES**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party or when both parties are under the common control of another party.

**(a) Transactions and year-end outstanding balances with subsidiaries****(i) Transactions**

|   | <b>Company</b> |               |
|---|----------------|---------------|
|   | <b>2015</b>    | <b>2014</b>   |
|   | <b>RM'000</b>  | <b>RM'000</b> |
| Management services charged to the subsidiaries | <u>6,528</u>   | <u>6,658</u>  |

**(ii) Year-end outstanding balances**

|                                       | <b>Company</b>  |                 |
|---------------------------------------|-----------------|-----------------|
|                                       | <b>2015</b>     | <b>2014</b>     |
|                                       | <b>RM'000</b>   | <b>RM'000</b>   |
| Amounts due from subsidiaries         | 50,817          | 47,808          |
| Less: Allowance for impairment losses | <u>(37,933)</u> | <u>(37,933)</u> |
|                                       | <u>12,884</u>   | <u>9,875</u>    |

The terms and conditions of the abovementioned balances are disclosed in Note 17.

Allowance for impairment losses recognised as expense in the previous financial year amounted to RM2,386,000.

## 28. RELATED PARTY DISCLOSURES (CONT'D.)

## (b) Transactions and year-end outstanding balances with other related parties

## (i) Transactions

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2015<br>RM'000 | 2014<br>RM'000 | 2015<br>RM'000 | 2014<br>RM'000 |
| Consultancy fee charged to<br>3rd Valley (Zhangjiakou)<br>Resort Corporation * | 61             | 528            | -              | -              |
| Service fee charged to<br>VXL Holdings Sdn Bhd                                 | 135            | -              | 135            | -              |

\* 3rd Valley (Zhangjiakou) Resort Corporation (Incorporated in the People's Republic of China) and LGT Sdn Bhd are companies in which Datuk Lim Chee Wah ("DLCW"), a director and substantial shareholder of the Company has substantial financial interest.

## (ii) Year-end outstanding balances

|  | Group          |                |
|--|----------------|----------------|
|  | 2015<br>RM'000 | 2014<br>RM'000 |
| Included in trade receivables :-             |                |                |
| 3rd Valley (Zhangjiakou) Resort Corporation* | 579            | 547            |
| LGT Sdn. Bhd*                                | -              | 157            |

## (c) Compensation of key management personnel

The remuneration of all the Directors and other members of key management during the financial year were as follows:

|  | Group          |                | Company        |                |
|--|----------------|----------------|----------------|----------------|
|  | 2015<br>RM'000 | 2014<br>RM'000 | 2015<br>RM'000 | 2014<br>RM'000 |
| Short term employee<br>benefits                            | 1,552          | 1,550          | 1,552          | 1,550          |
| Post-employment benefits<br>- Defined contribution<br>plan | 170            | 155            | 170            | 155            |
|  | 1,722          | 1,705          | 1,722          | 1,705          |

**29. OPERATING LEASE COMMITMENTS**

|   | Group  |        |
|---|--------|--------|
|   | 2015   | 2014   |
|   | RM'000 | RM'000 |
| Future minimum rental payable :                 |        |        |
| Not later than 1 year                           | 330    | 809    |
| Later than 1 year and not<br>later than 5 years | 10     | 266    |
|   | 340    | 1,075  |

**30. NOTE TO STATEMENTS OF CASH FLOWS**

|  | Group  |        | Company |        |
|--|--------|--------|---------|--------|
|  | 2015   | 2014   | 2015    | 2014   |
|  | RM'000 | RM'000 | RM'000  | RM'000 |
| <b>Purchase of plant and equipment</b> |        |        |         |        |
| Cash purchases                         | 200    | 378    | 17      | 109    |
| Hire purchase financing                | -      | 257    | -       | 257    |
|  | 200    | 635    | 17      | 366    |

Plant and equipment acquired by hire purchase financing are reflected as cash flows from financing activities based on the principal amounts of instalments made.

**31. CONTINGENT LIABILITIES**

|   | Group  |        | Company |        |
|---|--------|--------|---------|--------|
|   | 2015   | 2014   | 2015    | 2014   |
|   | RM'000 | RM'000 | RM'000  | RM'000 |
| Corporate Guarantee given<br>to financial institutions :              |        |        |         |        |
| - for performance guarantees<br>given to a subsidiary<br>(secured)    | 4,305  | 5,323  | 4,305   | 5,323  |
| - as security for the bank<br>facilities of a subsidiary<br>(secured) | -      | -      | -       | 1,000  |
|   | 4,305  | 5,323  | 4,305   | 6,323  |

## 32. FINANCIAL INSTRUMENTS

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

Financial assets of the Group include deposits, cash and bank balances and trade and other receivables.

Financial liabilities of the Group include trade and other payables and borrowings.

Financial assets of the Company also include amounts due from subsidiaries and holding company.

### A. Categories of Financial Instruments

#### Financial assets as per statements of financial position

| 2015                             | Group                     |                                 | Company                   |                                 |
|----------------------------------|---------------------------|---------------------------------|---------------------------|---------------------------------|
|                                  | Carrying amount<br>RM'000 | Loans and receivables<br>RM'000 | Carrying amount<br>RM'000 | Loans and receivables<br>RM'000 |
| Trade receivables                | 21,755                    | 21,755                          | -                         | -                               |
| Other receivables                | 611                       | 611                             | 65                        | 65                              |
| Deposits, cash and bank balances | 26,535                    | 26,535                          | 10,425                    | 10,425                          |
| Amounts due from subsidiaries    | -                         | -                               | 12,884                    | 12,884                          |
|                                  | <u>48,901</u>             | <u>48,901</u>                   | <u>23,374</u>             | <u>23,374</u>                   |
| <br>                             |                           |                                 |                           |                                 |
| 2014                             | Group                     |                                 | Company                   |                                 |
|                                  | Carrying amount<br>RM'000 | Loans and receivables<br>RM'000 | Carrying amount<br>RM'000 | Loans and receivables<br>RM'000 |
| Trade receivables                | 19,732                    | 19,732                          | -                         | -                               |
| Other receivables                | 797                       | 797                             | 68                        | 68                              |
| Deposits, cash and bank balances | 22,886                    | 22,886                          | 12,252                    | 12,252                          |
| Amounts due from subsidiaries    | -                         | -                               | 9,875                     | 9,875                           |
|                                  | <u>43,415</u>             | <u>43,415</u>                   | <u>22,195</u>             | <u>22,195</u>                   |

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

## A. Categories of Financial Instruments (Cont'd.)

## Financial liabilities as per statements of financial position

| 2015           | Group                     |  | Company                   |  |
|----------------|---------------------------|--|---------------------------|--|
|                | Carrying amount<br>RM'000 | Other financial liabilities<br>measured at<br>amortised cost<br>RM'000 | Carrying amount<br>RM'000 | Other financial liabilities<br>measured at<br>amortised cost<br>RM'000 |
| Trade payables | 11,410                    | 11,410   | -                         | -  |
| Other payables | 2,649                     | 2,649  | 326                       | 326  |
| Borrowings     | 8,682                     | 8,682  | 236                       | 236  |
|                | <u>22,741</u>             | <u>22,741</u>  | <u>562</u>                | <u>562</u>   |
| 2014           | Group                     |  | Company                   |  |
|                | Carrying amount<br>RM'000 | Other financial liabilities<br>measured at<br>amortised cost<br>RM'000 | Carrying amount<br>RM'000 | Other financial liabilities<br>measured at<br>amortised cost<br>RM'000 |
| Trade payables | 8,047                     | 8,047  | -                         | -  |
| Other payables | 2,786                     | 2,786  | 353                       | 353  |
| Borrowings     | 3,566                     | 3,566  | 304                       | 304  |
|                | <u>14,399</u>             | <u>14,399</u>  | <u>657</u>                | <u>657</u>   |



**32. FINANCIAL INSTRUMENTS (CONT'D.)****B. Fair Value of Financial Instruments**

- (i) Fair value of financial instruments that are not carried at fair value and whose carrying amounts are not reflective of fair value

|                                     | Group and Company            |                      |
|-------------------------------------|------------------------------|----------------------|
|                                     | Carrying<br>Amount<br>RM'000 | Fair Value<br>RM'000 |
| <b>Financial Liabilities</b>        |                              |                      |
| <b>At 31 March 2015:</b>            |                              |                      |
| Hire purchase payables<br>(Note 25) | 236                          | 300                  |
| <b>At 31 March 2014:</b>            |                              |                      |
| Hire purchase payables<br>(Note 25) | 304                          | 312                  |

- (ii) Financial instruments that are not carried at fair value and whose carrying amounts are reflective of fair value

The carrying amounts of deposits, cash and bank balances, receivables and payables and short term banker acceptances and other borrowing approximate their fair values due to the relatively short term nature of these financial instruments. The carrying amount of non-current portion of other borrowing approximate its fair value.

The carrying amounts of balances with subsidiaries and holding company approximate their fair values.

**33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing the financial risks to which the Group is exposed and to minimise or avoid the incidence of loss that may result from its exposure to such risks and to enhance returns where appropriate. The Board reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the current and previous year, the Group's policy that no trading in derivative financial instruments shall be undertaken.

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

#### (a) Interest rate risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group has interest rate risk in respect of deposits with licensed commercial banks, hire purchase payables, banker acceptance and other borrowing.

The Group's deposits with licensed commercial banks, hire purchase payables and other borrowing are based on fixed rates. The Group's banker acceptances facility is based on floating rate but such rate is fixed for each drawdown.

Market interest rates movements are monitored with a view to ensuring that the most competitive rates are secured and where appropriate borrowing arrangements and interest bearing deposits are restructured or reduced.

#### Sensitivity analysis for interest rate risk

As the Group's deposits with licensed commercial banks, hire purchase payables, banker acceptances and other borrowing as at the end of the reporting period are based on fixed rates, a change in interest rates at the end of the reporting period would not affect profit or loss or equity.

#### (b) Foreign currency risk

The Group is exposed to transactional currency risk primarily through purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollar (USD). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

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

## (b) Foreign currency risk (Cont'd.)

The net unhedged financial assets and financial liabilities of the Group companies that are not denominated in their functional currencies are as follows:

| Functional Currency<br>of Group Companies | Net Financial Assets/<br>(Liabilities) Held in<br>Non-Functional Currencies |                                     |                             | Total<br>RM'000 |
|---|---|-------------------------------------|-----------------------------|-----------------|
|   | United States<br>Dollar (USD)<br>RM'000                                     | Singapore<br>Dollar (SGD)<br>RM'000 | Renminbi<br>(RMB)<br>RM'000 |                 |
| <b>At 31 March 2015</b>                   |   |                                     |                             |                 |
| Ringgit Malaysia                          | (770)   | -                                   | 31                          | (739)           |
| <b>At 31 March 2014</b>                   |   |                                     |                             |                 |
| Ringgit Malaysia                          | (267)   | (4)                                 | 67                          | (204)           |

**Foreign currency risk sensitivity analysis**

A 10 percent strengthening or weakening of the USD and RMB against the Ringgit Malaysia currency at the end of the reporting period would have increased or decreased profit or loss and equity by the amount shown below. This analysis assumes all other variables remain constant.

|     | Group          |                |
|-----|----------------|----------------|
|     | 2015<br>RM'000 | 2014<br>RM'000 |
| USD | 77             | 27             |
| RMB | 3              | 7              |

A change in the exchange rate of SGD against the Ringgit Malaysia has no material impact on the profit or loss and equity of the Group in the previous financial year.

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

## (c) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

**Maturity analysis**

The maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments are as follows :-

**Group**

|                              | Maturity Profile           |  |                              |                 | Effective interest rate % |
|------------------------------|----------------------------|--|------------------------------|-----------------|---------------------------|
|                              | Less than 1 year<br>RM'000 | More than 1 year and less than 5 years<br>RM'000 | Later than 5 years<br>RM'000 | Total<br>RM'000 |                           |
| <b>2015</b>                  |                            |  |                              |                 |                           |
| <b>Financial liabilities</b> |                            |  |                              |                 |                           |
| Trade payables               | 11,410                     | -  | -                            | 11,410          | -                         |
| Other payables               | 2,649                      | -  | -                            | 2,649           | -                         |
| Hire purchase payables       | 42                         | 139  | 98                           | 279             | 4.2% to 4.44%             |
| Banker acceptances           | 7,660                      | -  | -                            | 7,660           | 5.84%                     |
| Other borrowings             | 812                        | -  | -                            | 812             | 7.15%                     |
|                              | <u>22,573</u>              | <u>139</u>                                       | <u>98</u>                    | <u>22,810</u>   |                           |
| <b>2014</b>                  |                            |  |                              |                 |                           |
| <b>Financial liabilities</b> |                            |  |                              |                 |                           |
| Trade payables               | 8,047                      | -  | -                            | 8,047           | -                         |
| Other payables               | 2,786                      | -  | -                            | 2,786           | -                         |
| Hire purchase payables       | 80                         | 146  | 133                          | 359             | 4.2% to 4.44%             |
| Banker acceptances           | 1,755                      | -  | -                            | 1,755           | 4.74%                     |
| Other borrowings             | 974                        | 812  | -                            | 1,786           | 7.15%                     |
|                              | <u>13,642</u>              | <u>958</u>                                       | <u>133</u>                   | <u>14,733</u>   |                           |

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

## (c) Liquidity risk (Cont'd.)

| Company                      | Maturity Profile        |   |                           |              | Effective interest rate % |
|------------------------------|-------------------------|---|---------------------------|--------------|---------------------------|
|                              | Less than 1 year RM'000 | More than 1 year and less than 5 years RM'000 | Later than 5 years RM'000 | Total RM'000 |                           |
| <b>2015</b>                  |                         |   |                           |              |                           |
| <b>Financial liabilities</b> |                         |   |                           |              |                           |
| Other payables               | 326                     | -   | -                         | 326          | -                         |
| Hire purchase payables       | 42                      | 139   | 98                        | 279          | 4.2% to 4.44%             |
|                              | <u>368</u>              | <u>139</u>                                    | <u>98</u>                 | <u>605</u>   |                           |
| <b>2014</b>                  |                         |   |                           |              |                           |
| <b>Financial liabilities</b> |                         |   |                           |              |                           |
| Other payables               | 353                     | -   | -                         | 353          | -                         |
| Hire purchase payables       | 80                      | 146   | 133                       | 359          | 4.2% to 4.44%             |
|                              | <u>433</u>              | <u>146</u>                                    | <u>133</u>                | <u>712</u>   |                           |

## (d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group minimise credit risk by dealing exclusively with high credit rating counter parties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis to reduce the Group's exposure to bad debts. The Group does not offer credit terms without the approval of the Chief Financial Officer.

Information on the ageing and impairment of trade receivables is disclosed in Note 20.

**33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)****(d) Credit risk (Cont'd.)**

The Group's maximum exposure to credit risk at the end of the reporting period is represented by the carrying amount of the financial assets recognised in the statements of financial position.

None of the Group's financial assets are secured by collateral or other credit enhancements.

The Group determines concentration of credit risk by monitoring customer industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date is as follows:

|   | 2015<br>RM'000 | 2014<br>RM'000 |
|---|----------------|----------------|
| By industry sectors:                        |                |                |
| Government agencies and linked corporations | 4,882          | 6,436          |
| Private corporations                        | 16,873         | 13,296         |
|   | <u>21,755</u>  | <u>19,732</u>  |

As at the financial year end, approximately 62% (2014: 37%) of trade receivables are from 4 (2014: 3) major customers.

**34. CAPITAL MANAGEMENT**

The primary objective of the Group's capital management is to maintain an optimal capital structure in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in accordance to changes in economic condition. To maintain or adjust its capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using debt to equity ratio, which is total debt divided by total equity. The Group includes within total debt, borrowings, trade and other payables. Capital includes equity attributable to the owners of the Company.

The debt to equity ratio as at 31 March 2015 and 31 March 2014 are as follows:

|  | Group      |            |
|--|------------|------------|
|  | 2015       | 2014       |
| Total debts (RM'000)   | 24,816     | 17,596     |
| Equity attributable to the owners of the Company,<br>representing total capital (RM'000) | 30,446     | 34,620     |
| Debts to equity ratio  | <u>82%</u> | <u>51%</u> |

**35. SEGMENTAL INFORMATION**

The primary segment reporting format is determined to be business segments as the Group's risk and rates of return are affected predominantly by differences in the products and services produced. Secondary information by geographical location is not presented as the Group's operations are located primarily in Malaysia.

The operating businesses are organised and managed separately according to the nature of the products and services provided with each segment representing a strategic business unit that offers different services and serves different markets.

The Group is providing the following services:

- (i) IT related products and services
- (ii) Payment solutions & services

**Business Segments**

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by business segment.

**31 March 2015**

| <b>Revenue</b>       | <b>IT related<br/>products and<br/>services<br/>RM'000</b> | <b>Payment<br/>solutions &amp;<br/>services<br/>RM'000</b> | <b>Elimination<br/>RM'000</b> | <b>Group<br/>RM'000</b> |
|----------------------|--|--|-------------------------------|-------------------------|
| External sales       | 76,242   | 1,992  | -                             | 78,234                  |
| Intersegment sales   | 204  | -  | (204)                         | -                       |
| <b>Total revenue</b> | <b>76,446</b>  | <b>1,992</b>   | <b>(204)</b>                  | <b>78,234</b>           |

## 35. SEGMENTAL INFORMATION (CONT'D.)

31 March 2015 (Cont'd.)

## RESULTS

|                      | IT related<br>products and<br>services<br>RM'000 | Payment<br>solutions &<br>services<br>RM'000 | Elimination<br>RM'000 | Group<br>RM'000 |
|----------------------|--|--|-----------------------|-----------------|
| Segment loss         | (4,076)  | (176)  | 6,528                 | 2,276           |
| Interest income      |  |  |                       | 743             |
| Unallocated expenses |  |  |                       | (5,945)         |
| Loss from operations |  |  |                       | (2,926)         |
| Interest expense     |  |  |                       | (366)           |
| Loss before tax      |  |  |                       | (3,292)         |
| Taxation             |  |  |                       | (78)            |
| Loss after tax       |  |  |                       | (3,370)         |

## OTHER INFORMATION

|  |        |       |   |               |
|--|--------|-------|---|---------------|
| Segment assets                                       | 53,209 | 3,567 | - | 56,776        |
| Unallocated assets                                   |        |       |   | 460           |
| Total assets   |        |       |   | <u>57,236</u> |
| Segment liabilities                                  | 16,415 | 3,410 | - | 19,825        |
| Unallocated liabilities                              |        |       |   | 5,012         |
| Total liabilities                                    |        |       |   | <u>24,837</u> |
| Capital expenditure                                  | 154    | 120   | - | 274           |
| Depreciation and amortisation                        | 501    | 205   | - | 706           |
| Plant and equipment written off                      | -      | 1     | - | 1             |
| Allowance for impairment loss on receivables         | 783    | 106   | - | 889           |
| Net write back of allowance for obsolete inventories | (27)   | -     | - | (27)          |
| Gain on disposal of plant and equipment              | (2)    | -     | - | (2)           |
| Loss on disposal of plant and equipment              | 2      | -     | - | 2             |



## 35. SEGMENTAL INFORMATION (CONT'D.)

31 March 2014

|                      | IT related<br>products and<br>services<br>RM'000 | Payment<br>solutions &<br>services<br>RM'000 | Elimination<br>RM'000 | Group<br>RM'000 |
|----------------------|--|--|-----------------------|-----------------|
| <b>Revenue</b>       |  |  |                       |                 |
| External sales       | 52,732   | 2,143  | -                     | 54,875          |
| Intersegment sales   | 258  | -  | (258)                 | -               |
| Total revenue        | 52,990   | 2,143  | (258)                 | 54,875          |
| <b>RESULTS</b>       |  |  |                       |                 |
| Segment loss         |  |  |                       | 955             |
| Interest income      | (5,484)  | (219)  | 6,658                 | 835             |
| Unallocated expenses |  |  |                       | (6,087)         |
| Loss from operations |  |  |                       | (4,297)         |
| Interest expense     |  |  |                       | (194)           |
| Loss before tax      |  |  |                       | (4,491)         |
| Taxation             |  |  |                       | (146)           |
| Loss after tax       |  |  |                       | (4,637)         |

## 35. SEGMENTAL INFORMATION (CONT'D.)

31 March 2014 (Cont'd.)

|   | IT related<br>products and<br>services<br>RM'000 | Payment<br>solutions &<br>services<br>RM'000 | Elimination<br>RM'000 | Group<br>RM'000 |
|---|--|--|-----------------------|-----------------|
| <b>OTHER INFORMATION</b>                          |  |  |                       |                 |
| Segment assets                                    | 48,252   | 2,697  | -                     | 50,949          |
| Unallocated assets                                |  |  |                       | 2,406           |
| Total assets                                      |  |  |                       | <u>53,355</u>   |
| Segment liabilities                               | 15,133   | 1,851  | -                     | 16,984          |
| Unallocated liabilities                           |  |  |                       | 668             |
| Total liabilities                                 |  |  |                       | <u>17,652</u>   |
| Capital expenditure                               | 665  | 226  | -                     | 891             |
| Depreciation and amortisation                     | 663  | 251  | -                     | 914             |
| Plant and equipment written off                   | 15   | 4  | -                     | 19              |
| Gain on disposal of property, plant and equipment | (7)  | (4)  | -                     | (11)            |
| Write back of liabilities no longer required      | (237)  | -  | -                     | (237)           |
| Allowance for impairment loss on receivables      | -  | 108  | -                     | 108             |
| Allowance for obsolete inventories                | 363  | -  | -                     | 363             |

Segment assets consist of primarily plant and equipment, intangible assets, inventories, receivables and operating cash. Segment liabilities comprise operating liabilities and exclude items such as taxation.

Capital expenditure comprise additions to plant and equipment (Note 13) and intangible assets (Note 14) including those resulting from acquisitions.

### 36. SUPPLEMENTARY INFORMATION - BREAKDOWN OF ACCUMULATED LOSSES INTO REALISED AND UNREALISED

The breakdown of the accumulated losses of the Group and of the Company as at the reporting date into realised and unrealised profits or losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared 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.

|   | Group            |                  | Company         |                 |
|---|------------------|------------------|-----------------|-----------------|
|   | 2015<br>RM'000   | 2014<br>RM'000   | 2015<br>RM'000  | 2014<br>RM'000  |
| Total accumulated losses                          |                  |                  |                 |                 |
| - Realised accumulated losses                     | (169,076)        | (162,137)        | (59,745)        | (57,177)        |
| - Unrealised accumulated losses                   | -                | -                | -               | -               |
|   | <u>(169,076)</u> | <u>(162,137)</u> | <u>(59,745)</u> | <u>(57,177)</u> |
| Less: Consolidation adjustments                   | 111,669          | 108,970          | -               | -               |
| Accumulated losses as per<br>financial statements | <u>(57,407)</u>  | <u>(53,167)</u>  | <u>(59,745)</u> | <u>(57,177)</u> |

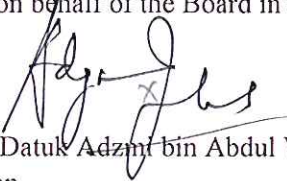
**DATAPREP HOLDINGS BHD.**  
**(Incorporated in Malaysia)**

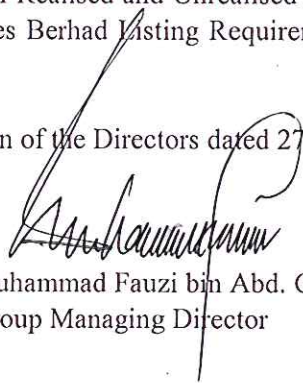
**STATEMENT BY DIRECTORS**  
**PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965**

We, Tan Sri Datuk Adzmi bin Abdul Wahab and Muhammad Fauzi bin Abd. Ghani, being two of the Directors of Dataprep Holdings Bhd., do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 6 to 74 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2015 and of their financial performance and cash flows for the financial year then ended.

The information set out in Note 36 to the financial statements on page 75 have been prepared in accordance with the 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.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 27 May 2015.

  
Tan Sri Datuk Adzmi bin Abdul Wahab  
Chairman


  
Muhammad Fauzi bin Abd. Ghani  
Group Managing Director

Date : 27 May 2015

**STATUTORY DECLARATION**  
**PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965**

I, Geng Mun Mooi, the Officer primarily responsible for the financial management of Dataprep Holdings Bhd., do solemnly and sincerely declare that the accompanying financial statements set out on pages 6 to 74 are, in my opinion 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 the abovenamed,  
Geng Mun Mooi at Petaling Jaya, Selangor Darul Ehsan  
on 27 May 2015

  
Geng Mun Mooi

Before me,

Commissioner for Oaths



70 JALAN SS 2/80  
47300 PETALING JAYA  
SELANGOR

183059 H

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
DATAPREP HOLDINGS BHD.**  
(Incorporated in Malaysia)

**Report on the Financial Statements**

We have audited the financial statements of Dataprep Holdings Bhd., which comprise the statements of financial position as at 31 March 2015 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 year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 6 to 74.

*Directors' Responsibility for the Financial Statements*

The directors of the Company are responsible for the preparation of financial statements so as to 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 the 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.

183059 H

### *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 at 31 March 2015 and of their financial performance and cash flows for the 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 which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' report of the subsidiaries of which we have not acted as auditors, which are indicated in Note 15 to the financial statements.
- (c) 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.
- (d) The 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.

### **Other Reporting Responsibilities**

The supplementary information set out in Note 36 on page 75 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. 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.

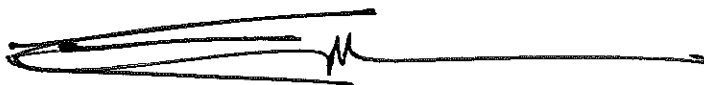
183059 H

**Other Matters**

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.

A handwritten signature in black ink, appearing to be 'Folk', written over a horizontal line.

**FOLKS DFK & CO.**  
FIRM NO. : AF 0502  
CHARTERED ACCOUNTANTS

A handwritten signature in black ink, appearing to be 'Ooi Chee Kun', written over a horizontal line.

**OOI CHEE KUN**  
NO : 996/03/16(J/PH)  
CHARTERED ACCOUNTANT

Kuala Lumpur

Date : **27** MAY 2015