

183059 H

DATAPREP HOLDINGS BHD.

(183059 H)

(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

DATAPREP HOLDINGS BHD.
(Incorporated in Malaysia)

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DATAPREP HOLDINGS BHD.
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DIRECTORS' REPORT

The Directors submit herewith their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2014.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to subsidiaries. The principal activities of the subsidiaries are set out in Note 15 to the financial statements. There were no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Loss net of tax	<u>(4,637)</u>	<u>(5,413)</u>
Attributable to:		
Owners of the Company	(5,093)	(5,413)
Non-controlling interests	456	-
	<u>(4,637)</u>	<u>(5,413)</u>

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the allowances for impairment losses on investment in a subsidiary and amounts due from subsidiaries as disclosed in Note 6 to the financial statements.

DIVIDEND

No dividend was paid or declared by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of current financial year.

DIRECTORS

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:

Tan Sri Datuk Adzmi bin Abdul Wahab (Chairman)
Datuk Lim Chee Wah
Michael Yee Kim Shing
Muhammad Fauzi bin Abd. Ghani
Ahmad Rizan bin Ibrahim

In accordance with Article 98 of the Company's Articles of Association, Ahmad Rizan bin Ibrahim retires by rotation from the Board at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

In accordance with Section 129(6) of the Companies Act, 1965, Tan Sri Datuk Adzmi bin Abdul Wahab and Michael Yee Kim Shing retire from the Board at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-appointment.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 10 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares in the Company and related corporations during the financial year were as follows:

	Number of Ordinary Shares of RM0.25 Each			At 31.3.2014
	At 1.4.2013	Acquired	Disposed	
The Company				
Tan Sri Datuk Adzmi bin Abdul Wahab - Direct	203,125	-	-	203,125
Datuk Lim Chee Wah - Direct	1,062,500	-	-	1,062,500
- Indirect	203,385,046	-	-	203,385,046
Ahmad Rizan bin Ibrahim - Direct	17,831	-	-	17,831
Muhammad Fauzi bin Abd. Ghani - Direct	-	200,000	-	200,000

	Number of Ordinary Shares of RM1 Each			At 31.3.2014
	At 1.4.2013	Acquired	Disposed	
Holding Company - VXL Holdings Sdn. Bhd.				
Datuk Lim Chee Wah - Indirect	1,000,000	-	-	1,000,000

	Number of Ordinary Shares of RM1 Each			At 31.3.2014
	At 1.4.2013	Acquired	Disposed	
Subsidiary Companies - Solsis (M) Sdn. Bhd.				
Ahmad Rizan bin Ibrahim - Direct	2,538,000	-	-	2,538,000

DIRECTORS' INTERESTS (CONT'D.)

Datuk Lim Chee Wah by virtue of his interest in shares in the Company is also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

Except as disclosed above, the remaining director in office did not have any interest in shares of the Company and its related corporations during the financial year.

OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

OTHER STATUTORY INFORMATION (CONT'D.)

(e) As at the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

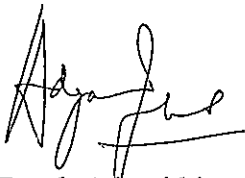
(f) In the opinion of the Directors:

- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or the Company to meet their obligations when they fall due; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

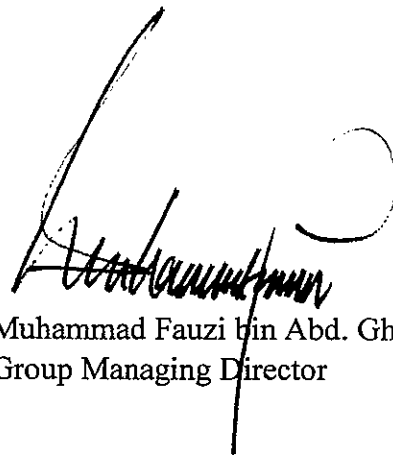
AUDITORS

The auditors, Folks DFK & Co, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 23 May 2014.



Tan Sri Datuk Adzmi bin Abdul Wahab
Chairman



Muhammad Fauzi bin Abd. Ghani
Group Managing Director

Date : 23 May 2014

DATAPREP HOLDINGS BHD.
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	4	54,875	53,403	6,658	5,404
Cost of sales		(44,872)	(44,133)	-	-
Gross profit		10,003	9,270	6,658	5,404
Other income	5	1,037	977	433	355
Selling and distribution costs		(2,290)	(1,658)	-	-
Administrative expenses		(7,768)	(7,595)	(4,699)	(4,317)
Other expenses	6	(5,213)	(5,712)	(7,800)	(1,564)
Operating loss		(4,231)	(4,718)	(5,408)	(122)
Finance costs	7	(260)	(186)	(5)	(5)
Loss before tax	8	(4,491)	(4,904)	(5,413)	(127)
Taxation	11	(146)	(37)	-	-
Loss for the financial year		(4,637)	(4,941)	(5,413)	(127)
Other comprehensive income					
<i>Item that may be reclassified</i>					
<i>subsequently to profit or loss :</i>					
Foreign currency translation gain		25	3	-	-
Other comprehensive income for the year, net of tax		25	3	-	-
Total comprehensive loss for the year		(4,612)	(4,938)	(5,413)	(127)

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STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONT'D.)

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Loss for the financial year attributable to:					
Owners of the Company		(5,093)	(4,966)	(5,413)	(127)
Non-controlling interests		456	25	-	-
		<u>(4,637)</u>	<u>(4,941)</u>	<u>(5,413)</u>	<u>(127)</u>
Total comprehensive loss for the year attributable to:					
Owners of the Company		(5,068)	(4,963)	(5,413)	(127)
Non-controlling interests		456	25	-	-
		<u>(4,612)</u>	<u>(4,938)</u>	<u>(5,413)</u>	<u>(127)</u>
Loss per share attributable to owners of the Company (sen):					
Basic	12	<u>(1.33)</u>	<u>(1.30)</u>		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

DATAPREP HOLDINGS BHD.
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STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2014

		Group		Company	
	Note	2014	2013	2014	2013
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Plant and equipment	13	1,554	1,726	508	314
Intangible assets	14	262	133	312	149
Investment in subsidiaries	15	-	-	21,641	25,596
Other investments	16	91	91	-	-
Long term receivable	20	618	1,621	-	-
		<u>2,525</u>	<u>3,571</u>	<u>22,461</u>	<u>26,059</u>
Current assets					
Inventories	19	517	932	-	-
Trade receivables	20	25,256	22,125	-	-
Other receivables	21	2,170	2,686	152	83
Amounts due from subsidiaries	17	-	-	9,875	6,213
Tax recoverable		1	67	-	15
Cash and bank balances	23	22,886	27,431	12,252	17,703
		<u>50,830</u>	<u>53,241</u>	<u>22,279</u>	<u>24,014</u>
TOTAL ASSETS		<u>53,355</u>	<u>56,812</u>	<u>44,740</u>	<u>50,073</u>

DATAPREP HOLDINGS BHD.
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STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 (CONT'D.)

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	24	95,772	95,772	95,772	95,772
Share premium		5,488	5,488	5,488	5,488
Merger deficit		(13,509)	(13,509)	-	-
Foreign exchange reserve		36	11	-	-
Accumulated losses		(53,167)	(48,074)	(57,177)	(51,764)
		<u>34,620</u>	<u>39,688</u>	<u>44,083</u>	<u>49,496</u>
Non-controlling interests		<u>1,083</u>	<u>627</u>	<u>-</u>	<u>-</u>
Total equity		<u>35,703</u>	<u>40,315</u>	<u>44,083</u>	<u>49,496</u>
Non-current liabilities					
Long term borrowings	25	<u>860</u>	<u>1,568</u>	<u>236</u>	<u>52</u>
Current liabilities					
Trade payables	26	9,943	9,292	-	-
Other payables	27	4,087	3,997	353	424
Amount due to a subsidiary	28	-	-	-	59
Short term borrowings	25	2,706	1,603	68	42
Provision for taxation		56	37	-	-
		<u>16,792</u>	<u>14,929</u>	<u>421</u>	<u>525</u>
Total liabilities		<u>17,652</u>	<u>16,497</u>	<u>657</u>	<u>577</u>
TOTAL EQUITY AND LIABILITIES		<u>53,355</u>	<u>56,812</u>	<u>44,740</u>	<u>50,073</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

Group	Attributable to the Owners of the Company----->						Total equity RM'000
	Share capital (Note 24) RM'000	Share premium RM'000	Merger deficit RM'000	Other reserves RM'000	Accumulated losses RM'000	Non-controlling interests RM'000	
At 1 April 2013	95,772	5,488	(13,509)	11	(48,074)	627	40,315
Loss for the financial year	-	-	-	-	(5,093)	456	(4,637)
Other comprehensive income :	-	-	-	25	-	-	25
Foreign currency translation gain for foreign operations	-	-	-	25	(5,093)	-	(4,612)
Total comprehensive loss for the year	-	-	-	25	(5,093)	456	(4,612)
At 31 March 2014	95,772	5,488	(13,509)	36	(53,167)	1,083	35,703
At 1 April 2012	95,772	5,488	(13,509)	8	(43,108)	602	45,253
Loss for the financial year	-	-	-	-	(4,966)	25	(4,941)
Other comprehensive income :	-	-	-	3	-	-	3
Foreign currency translation gain for foreign operations	-	-	-	3	-	-	3
Total comprehensive loss for the year	-	-	-	3	(4,966)	25	(4,938)
At 31 March 2013	95,772	5,488	(13,509)	11	(48,074)	627	40,315

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014**

	<----Attributable to the Owners of the Company---->			
	Share capital (Note 24) RM'000	Non- Distributable Share premium RM'000	Accumulated losses RM'000	Total equity RM'000
Company				
At 1 April 2013	95,772	5,488	(51,764)	49,496
Loss for the financial year representing total comprehensive loss for the year	-	-	(5,413)	(5,413)
At 31 March 2014	<u>95,772</u>	<u>5,488</u>	<u>(57,177)</u>	<u>44,083</u>
At 1 April 2012	95,772	5,488	(51,637)	49,623
Loss for the financial year representing total comprehensive loss for the year	-	-	(127)	(127)
At 31 March 2013	<u>95,772</u>	<u>5,488</u>	<u>(51,764)</u>	<u>49,496</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

DATAPREP HOLDINGS BHD.
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash Flows from Operating Activities				
Loss before tax	(4,491)	(4,904)	(5,413)	(127)
Adjustments for:				
Depreciation of plant and equipment	787	1,202	172	183
Amortisation of intangible assets	127	99	93	62
Gain on disposal of plant and equipment	(11)	(7)	-	-
Plant and equipment written off	19	6	-	-
Allowance for impairment losses on receivables	108	-	-	-
Allowance for impairment loss on investment in a subsidiary	-	-	3,955	-
Allowance for impairment losses on amounts due from subsidiaries	-	-	2,386	-
Allowance for obsolete inventories	363	73	-	-
Write-back of liabilities no longer required	(237)	-	-	-
Interest expense	194	125	5	5
Interest income	(835)	(640)	(366)	(318)
Operating (loss)/profit before working capital changes carried forward	(3,976)	(4,046)	832	(195)

DATAPREP HOLDINGS BHD.
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONT'D.)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash Flows from Operating Activities (Cont'd.)				
Operating (loss)/profit before working capital changes brought forward	(3,976)	(4,046)	832	(195)
Decrease/(Increase) in inventories	52	(256)	-	-
(Increase)/Decrease in receivables	(1,720)	2,492	(69)	13
Increase/(Decrease) in payables	978	1,241	(71)	(57)
Increase in net amounts due from subsidiaries	-	-	(6,107)	(1,081)
Cash used in operations	(4,666)	(569)	(5,415)	(1,320)
Tax paid	(76)	(11)	-	-
Tax refunded	15	-	15	-
Interest received	835	640	366	318
Interest paid	(194)	(125)	(5)	(5)
Net cash used in operating activities	(4,086)	(65)	(5,039)	(1,007)
Cash Flows from Investing Activities				
Purchase of plant and equipment [Note 31(b)]	(378)	(317)	(109)	(58)
Purchase of intangible assets	(256)	(26)	(256)	(26)
Proceeds from disposal of plant and equipment	12	8	-	-
Net cash used in investing activities	(622)	(335)	(365)	(84)

DATAPREP HOLDINGS BHD.
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONT'D.)

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Cash Flows from Financing Activities				
Drawdown of borrowings	1,755	2,623	-	-
Repayment of borrowings	(837)	(2,271)	-	-
Repayment of hire purchase liabilities	(47)	(41)	(47)	(41)
Net cash from/(used in) financing activities	871	311	(47)	(41)
Net decrease in cash and cash equivalents	(3,837)	(89)	(5,451)	(1,132)
Effect of exchange rate fluctuations	25	3	-	-
Cash and cash equivalents at beginning of year	26,698	26,784	17,703	18,835
Cash and cash equivalents at end of year [Note 31(a)]	22,886	26,698	12,252	17,703

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

DATAPREP HOLDINGS BHD.
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NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2014

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

Dataprep Holdings Bhd ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the registered office of the Company is as follows:

Suite 5.02, 5th Floor
Wisma Academy
No. 4A, Jalan 19/1
46300 Petaling Jaya
Selangor Darul Ehsan

The holding company of the Company is VXL Holdings Sdn. Bhd., a company incorporated in Malaysia.

The principal activities of the Company are investment holding and provision of management services to subsidiaries. The principal activities of the subsidiaries are set out in Note 15.

There have been no significant changes in the nature of the principal activities during the financial year.

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 May 2014.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the provisions of the Companies Act, 1965 in Malaysia.

The accounting policies applied by the Group are consistent with those applied in the previous financial year other than the application of the new and revised MFRSs, Issues Committee ("IC") Interpretations and amendments to MFRSs and IC Interpretations as disclosed in Note 2.2 below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.1 Basis of Preparation (Cont'd.)

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

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000).

2.2 Application of New and Revised MFRSs, IC Interpretations and Amendments to MFRSs and IC Interpretations

During the financial year, the Group has applied the following new and revised MFRSs, IC Interpretations and amendments to MFRSs and IC Interpretations which are effective for accounting period of the Group beginning on or after 1 April 2013 :-

New and Revised MFRSs and IC Interpretations

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (Revised)
MFRS 127	Separate Financial Statements (Revised)
MFRS 128	Investments in Associates and Joint Ventures (Revised)
IC Interpretation 20	Stripping Costs in the Production Phase of a Surface Mine

Amendments to MFRSs and IC Interpretations

MFRS 7	Financial Instruments : Disclosures - Disclosures - Offsetting Financial Assets and Financial Liabilities
MFRS 10, MFRS 11 and MFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities - Transition Guidance
MFRS 101	Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income
Amendments to MFRSs Classified as "Annual Improvements 2009 - 2011 Cycle"	

Other than as summarised below, the initial application of the remaining new and revised MFRSs and IC Interpretations and amendments to MFRSs and IC Interpretations have no impact on the financial statements of the Group and of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Application of New and Revised MFRSs, IC Interpretations and Amendments to MFRSs and IC Interpretations (Cont'd.)

(a) MFRS 12, Disclosure of Interests in Other Entities and Amendments to MFRS 12, Transition Guidance

MFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. The Amendments on transitional guidance clarify that an entity is not required to provide disclosures for unconsolidated structured entities in periods prior to the first annual period for which MFRS 12 is applied. In general, the application of MFRS 12 has resulted in more extensive disclosures in the consolidated financial statements. Refer to Note 15(b) for the new disclosures of the interest that non-controlling interest has in the activities and cash flows of a subsidiary.

(b) MFRS 13, Fair Value Measurement

MFRS 13 establishes the definition of fair value and a single framework for measuring fair value and requirements for disclosures about fair value measurements. This MFRS applies when another MFRS requires or permits fair value measurements or disclosures about fair value measurements. MFRS 13 remedies the inconsistencies in the requirements for measuring fair value and disclosures about fair value measurements across the MFRSs.

The Group has applied MFRS 13 prospectively from 1 April 2013. The application of MFRS 13 did not have any material impact on the amounts recognised in the Group's and in the Company's financial statements for the current financial year.

(c) Amendments to MFRS 101, Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income

The main change resulting from the Amendments was a requirement to group items presented in other comprehensive income ("OCI") on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The Amendments did not address which items are presented in OCI.

The Amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the changes in presentation, the application of the Amendments does not result in any impact on profit or loss, other comprehensive income and total comprehensive income of the Group and of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 New MFRSs, IC Interpretations and Amendments to MFRSs That Are Not Yet Effective and Have Not Been Early Adopted

The Group has not early adopted the following new MFRSs, IC Interpretations and amendments to MFRSs which have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective :-

Effective for annual periods beginning on or after 1 January 2014

Amendments to MFRS 10, MFRS 12 and MFRS 127 - Investment Entities

Amendments to MFRS 132 - Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136 - Recoverable Amount Disclosures for Non-Financial Assets

Amendments to MFRS 139 - Novation of Derivatives and Continuation of Hedge Accounting

IC Interpretation 21 - Levies

Effective for annual periods beginning on or after 1 July 2014

Amendments to MFRS 119, Defined Benefit Plans : Employee Contributions

Amendments to MFRSs Classified as "Annual Improvements to MFRSs 2010 - 2012 Cycle"

Amendments to MFRSs Classified as "Annual Improvements to MFRSs 2011 - 2013 Cycle"

Effective for a date yet to be confirmed

MFRS 9 - Financial Instruments (IFRS 9 issued by International Accounting Standards Board ("IASB") in November 2009)

MFRS 9 - Financial Instruments (IFRS 9 issued by IASB in October 2010)

Amendments to MFRS 7 and MFRS 9 - Mandatory Effective Date of MFRS 9 and Transition Disclosures

MFRS 9, Financial Instruments (Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139) (IFRS 9 as amended in November 2013)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 New MFRSs, IC Interpretations and Amendments to MFRSs That Are Not Yet Effective and Have Not Been Early Adopted (Cont'd.)

The Group plans to apply the above MFRSs, IC Interpretations and amendments once they become effective. The main features of the significant standards, interpretations and amendments are summarised below :-

(a) Amendments to MFRS 10, MFRS 12 and MFRS 127 - Investment Entities

Investment entities are entities whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both. The Amendments require investment entities to measure particular subsidiaries at fair value through profit or loss instead of consolidating them. The Amendments also introduce new disclosure requirements for investment entities in MFRS 12, Disclosure of Interests in Other Entities and MFRS 127, Separate Financial Statements.

(b) Amendments to MFRS 132 - Offsetting Financial Assets and Financial Liabilities

The Amendments clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the Amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

(c) Amendments to MFRS 136 - Recoverable Amount Disclosures for Non-Financial Assets

The Amendments require the disclosure of information about the recoverable amount of impaired assets, if that amount is based on fair value less costs of disposal. The Amendments also require the disclosure of additional information about that fair value measurement. In addition, if the recoverable amount of impaired assets based on fair value less costs of disposal was measured using a present value technique, the Amendments also require the disclosure of the discount rate that have been used in the current and previous measurements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 New MFRSs, IC Interpretations and Amendments to MFRSs That Are Not Yet Effective and Have Not Been Early Adopted (Cont'd.)

(d) MFRS 9, Financial Instruments (IFRS 9 issued in November 2009 and IFRS 9 issued in October 2010)

MFRS 9 (IFRS 9 issued in November 2009) introduced new requirements for the classification and measurement of financial assets. MFRS 9 (IFRS 9 issued in October 2010) was issued to include the requirements for classification and measurement of financial liabilities. MFRS 9 is intended to replace MFRS 139 in its entirety.

Under MFRS 9, all recognised financial assets are required to be subsequently measured at either amortised cost or at fair value on the basis of both an entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. These requirements improve and simplify the approach for classification and measurement of financial assets as the numerous categories of financial assets in MFRS 139 had been replaced. Most of the requirements in MFRS 139 for classification and measurement of financial liabilities were carried forward unchanged to MFRS 9. The guidance in MFRS 139 on impairment of financial assets continues to apply.

(e) MFRS 9, Financial Instruments (Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139) (IFRS 9 as amended in November 2013)

The Amendments incorporate a new hedge accounting model that aligns the hedge accounting more closely with an entity's risk management activities. The new hedge accounting model has also expanded the scope of eligibility of hedged items and hedging instruments respectively.

The Amendments to MFRS 9 have also removed the mandatory effective date on 1 January 2015 to a new date which will be set once the IFRS 9 project is closer to completion.

The initial application of MFRS 9 in the future may have an impact on the financial statements of the Group and of the Company. However, it is not practicable to provide a reasonable estimate of the effect until a detailed review has been completed. The initial application of other MFRSs, IC Interpretation and amendments is not expected to have any significant impact on the financial statements of the Group and of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the financial year end. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transaction and events in similar circumstances.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Acquisitions of subsidiaries are accounted for using the acquisition method of accounting except for subsidiaries arising from common control transfers. The consideration transferred for the acquisition of a subsidiary is measured at fair value and is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred, equity interests issued and contingent consideration given. Acquisition-related costs are recognised as an expense in the periods in which the costs are incurred.

In a business combination achieved in stages, any previously held equity interest is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, except for non-current assets or disposal group that are classified as held for sale which shall be recognised at fair value less costs to sell.

Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest and the acquisition-date fair value of any previously held equity interest over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. The excess of the Group's interest in the net amounts of the identifiable assets, liabilities and contingent liabilities over the aggregate of the consideration transferred, the amount of any non-controlling interest and the acquisition-date fair value of any previously held equity interest is recognised immediately in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Basis of Consolidation (Cont'd.)

Subsidiaries arising from common control combinations are consolidated using the principles of merger accounting. The common control combinations are business combinations in which all the combining entities have common ultimate controlling parties prior to and immediately after such combinations. Under the principles of merger accounting, the assets and liabilities of the combining entities are consolidated using the existing book values from the controlling parties' perspective and the results of each of the combining entity are presented as if the combination had been effected throughout the current and previous comparative periods presented. On consolidation, the cost of investment is matched against the nominal value of ordinary shares acquired and any resulting credit difference (merger reserve) is classified under equity as a non distributable reserve and any resulting debit difference (merger deficit) is adjusted against suitable consolidated reserves or presented as a dangling debit under equity.

Non-controlling interest represents that portion of profit or loss and net assets of a subsidiary not attributable, directly or indirectly, to the Group. For each business combination, non-controlling interest is measured either at its fair value at the acquisition date or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets. Non-controlling interest in the net assets of consolidated subsidiaries comprised the amount of non-controlling interest at the date of original combination and its share of changes in equity since the date of combination.

In preparing consolidated financial statements, intra-group balances and transactions and the resulting unrealised profits are eliminated on consolidation. Unrealised losses are eliminated on consolidation and the relevant assets are assessed for impairment. The consolidated financial statements reflect external transactions and balances only. When necessary, adjustments are made to the financial statements of subsidiaries to ensure conformity with the Group's accounting policies. The total comprehensive income of a subsidiary is attributed to the Group and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received by the Group is recognised directly in equity and attributed to owners of the Company. If the Group loses control of a subsidiary, the assets (including any goodwill) and liabilities of the subsidiary and non-controlling interests will be derecognised at their carrying amounts at the date when control is lost. Any investment retained in the former subsidiary is recognised at its fair value at the date when control is lost. The resulting difference between the amounts derecognised and the aggregate of the fair value of consideration received and investment retained is recognised as gain or loss in profit or loss attributable to the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group :

- has power over the entity;
- is exposed, or has rights, to variable returns from its involvement with the entity; and
- has the ability to affect those returns through its power over the entity.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of controls listed above.

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

2.6 Intangible Assets

(a) Goodwill

Goodwill acquired in a business combination is determined as described in Note 2.4 and is initially measured at cost. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Other Intangible Assets

Intangible assets relate to computer software and development expenditure. Computer software represents license fees paid to third parties and costs of internally developed software packages. Development expenditure mainly comprises direct costs which includes staff costs of the software development team and an appropriate portion of relevant overheads incurred in the development of computer software packages for resale.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.6 Intangible Assets (Cont'd.)

(b) Other Intangible Assets (Cont'd.)

Costs incurred in the development of software which are not or have ceased to be commercially viable are written off.

2.7 Plant and Equipment, and Depreciation

All items of plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial period in which they are incurred.

Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Computer equipment	14%
Furniture, fittings, office and Electronic Data Capture ("EDC") equipment	10% - 20%
Motor vehicles	20%
Renovation	20%

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference, if any, between the net disposal proceeds, and the net carrying amount is recognised in profit or loss.

2.8 Contracts

Where the outcome of a contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of cost of work accepted by the customers to date to the estimated total contract cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.8 Contracts (Cont'd.)

Where the outcome of a contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on contracts plus, recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

2.9 Impairment of Non-financial Assets

The carrying amounts of non-financial assets, other than contract assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the Group makes an estimate of the asset's recoverable amount.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.9 Impairment of Non-financial Assets (Cont'd.)

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

2.10 Financial Assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition.

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

All financial assets of the Group are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.10 Financial Assets (Cont'd.)

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

A financial asset is derecognised when, and only when, the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration is recognised in profit or loss.

2.11 Impairment of Financial Assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in the economic conditions.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value after making due allowance for any obsolescence and/or slow moving items.

Cost is determined using the weighted average basis and comprises the purchase price plus the incidental cost of bringing the inventories to their intended location and condition. Costs incurred on projects expected to be completed within one year are reflected as work in progress.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Cash and Cash Equivalents

For the purposes of cash flow statements, cash and cash equivalents include cash on hand and at bank and deposits at call net of outstanding bank overdrafts.

2.14 Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

The Group's financial liabilities include trade and other payables and borrowings. All financial liabilities of the Group are classified as other financial liabilities.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.14 Financial Liabilities (Cont'd.)

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

2.15 Borrowing Costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

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

2.16 Share Capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.18 Hire-Purchase and Finance Lease Arrangements and Operating Leases

(a) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all risks and rewards incidental to ownership of the leased assets.

All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

Assets acquired under hire purchase arrangements are recognised and measured in a similar manner as finance leases.

(b) Finance leases - the Group as lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the statement of financial position as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the company's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amount of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable plant and equipment as described in Note 2.7.

(c) Operating leases - the Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.19 Income Tax

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.19 Income Tax (Cont'd.)

(b) Deferred tax (Cont'd.)

- in respect of deductible temporary differences associated with investments in subsidiaries, and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.20 Employee Benefits

(a) Short term benefits

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.20 Employee Benefits (Cont'd.)

(b) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as expenses in the profit or loss as incurred.

2.21 Foreign Currencies

(a) Functional and presentation currency

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

(b) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised directly in other comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.21 Foreign Currencies (Cont'd.)

(c) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities presented are translated at the closing rate prevailing at reporting date;
- Income and expenses are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.22 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Sale of goods

Revenue from sales of computer systems, equipment and software are recognised upon delivery of products net of discounts, if any, and upon the transfer of risks and rewards.

(b) Rendering of services

- (i) Revenue from maintenance, technology and software services are recognised as and when the services are performed.
- (ii) Revenue from consultancy and system integration services and software development are recognised based on services performed and upon customer's acceptance of the services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.22 Revenue Recognition (Cont'd.)

(c) Contracts

- (i) Revenue from contracts is accounted for by the stage of completion method as disclosed in Note 2.8.
- (ii) Revenue on application and content providers are recognised over the contractual period.

(d) Rental income

Revenue on rental of Electronic Data Capture ("EDC") equipment is recognised on an accrual basis.

(e) Management fees

Management fees are recognised when services are performed.

(f) Interest income

Interest income is recognised on an accruals basis based on the prevailing interest rate.

(g) Dividend income

Dividend from subsidiaries are recognised when the right to receive payment is established.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with the Malaysian Financial Reporting Standards and International Financial Reporting Standards requires management to exercise their judgement in the process of applying the Group's accounting policies and which may have significant effects on the amounts recognised in the financial statements. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the results reported for the reporting period and that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Although these judgements and estimates are based on the management's best knowledge of current events and actions, actual results may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Significant judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, the management are of the opinion that any instances of application of judgement are not expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations which are dealt with below.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Impairment assessment for non-financial assets

The Group assesses impairment of plant and equipment and investments in subsidiaries when the events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. This requires an estimation of the value-in-use of the cash generating units ("CGU") to which the assets are allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The impairment losses on cost of investment in subsidiaries are as disclosed in Note 15.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D.)

(b) Key sources of estimation uncertainty (Cont'd.)

(ii) Useful lives of plant and equipment

The cost of computer equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these computer equipment to be at 7 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Deferred tax assets

Deferred tax assets are recognised for unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised tax losses and capital allowances of the Group is RM1,208,000 (2013: RM1,752,000). The total unrecognised tax losses and capital allowances of the Group is RM75,918,000 (2013: RM73,092,000).

(iv) Impairment losses of receivables

The Group makes an allowance for impairment losses of receivables based on an assessment of the recoverability of receivables. Allowances are applied to receivables and advances to subsidiaries where events or changes in circumstances indicate that the carrying amounts may not be recoverable. In assessing the extent of irrecoverable debts, the management has given due consideration to all pertinent information relating to the ability of the debtors to settle the debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of the receivables. The carrying amounts of receivables and balances due from subsidiaries and the cumulative allowances for impairment losses are disclosed in Notes 17, 20 and 21.

(v) Long term contracts

The Group recognises long term contract revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that long term contract costs incurred for work performed to date bear to the estimated total long term contract costs.

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue, accrued billings and costs, as well as the recoverability of the amount due from contract customers.

4. REVENUE

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
IT related products and services	52,732	51,580	-	-
Payment solutions and services	2,143	1,823	-	-
Management services	-	-	6,658	5,404
	<u>54,875</u>	<u>53,403</u>	<u>6,658</u>	<u>5,404</u>

5. OTHER INCOME

The following amounts have been included in other income: -

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Interest income				
- deposits with licensed commercial bank	669	588	366	318
- others	166	52	-	-
Incentive from suppliers	8	38	-	-
	<u>8</u>	<u>38</u>	<u>-</u>	<u>-</u>

6. OTHER EXPENSES

The following amounts have been included in other expenses: -

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Depreciation of plant and equipment	787	1,202	172	183
Amortisation of intangible assets	127	99	93	62
Allowance for impairment loss on investment in subsidiaries (Note 15)	-	-	3,955	-
Allowance for impairment losses on amount due from subsidiaries (Note 17)	-	-	2,386	-
Rental of:				
- premises	946	966	217	222
- equipment	32	56	10	22
	<u>946</u>	<u>966</u>	<u>217</u>	<u>222</u>

7. FINANCE COSTS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Interest expense :				
- short term borrowings	38	74	-	-
- hire purchase	5	5	5	5
- other borrowing	151	46	-	-
	194	125	5	5
Finance charges on trade facilities	66	61	-	-
	260	186	5	5

8. LOSS BEFORE TAX

In addition to the disclosures in Notes 4, 5, 6 and 7, the following amounts have been charged/(credited) in arriving at loss before tax:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Employee benefits expense (Note 9)	20,070	18,815	4,699	4,317
Auditors' remuneration				
- current year provision	127	111	44	27
- underprovision in prior year	17	4	17	7
Net foreign exchange loss/(gains)				
- realised	37	(20)	-	-
Non-executive directors' remuneration (Note 10)	164	153	164	153
Allowance for obsolete inventories	363	73	-	-
Allowance for impairment losses on receivables	108	-	-	-
Plant and equipment written off	19	6	-	-
Write back of liabilities no longer required	(237)	-	-	-
Gain on disposal of plant and equipment	(11)	(7)	-	-
Leaseline rental	112	90	35	35

9. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Wages and salaries	17,030	15,983	3,971	3,704
Social security contributions	175	175	25	26
Contributions to a defined contribution plan	1,948	1,872	458	423
Other staff related expenses	917	785	245	164
	<u>20,070</u>	<u>18,815</u>	<u>4,699</u>	<u>4,317</u>

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration (excluding benefits-in-kind) amounting to RM1,069,000 (2013: RM924,000) and RM660,000 (2013: RM515,000) respectively as further disclosed in Note 10.

10. DIRECTORS' REMUNERATION

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Directors of the Company				
Executive Directors' remuneration:				
- Salaries, commission and incentives	589	460	589	460
- Contributions to a defined contribution plan	71	55	71	55
	<u>660</u>	<u>515</u>	<u>660</u>	<u>515</u>
Directors of subsidiaries				
Executive Directors' remuneration:				
- Salaries, commission and incentives	364	365	-	-
- Contributions to a defined contribution plan	44	43	-	-
- Social security contributions	1	1	-	-
	<u>409</u>	<u>409</u>	<u>-</u>	<u>-</u>
Total Executive Directors' remuneration (Note 9)	<u>1,069</u>	<u>924</u>	<u>660</u>	<u>515</u>

10. DIRECTORS' REMUNERATION (CONT'D.)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Directors of the Company				
Non-Executive Directors' remuneration :				
- Fees	137	131	137	131
- Allowances	27	22	27	22
	<u>164</u>	<u>153</u>	<u>164</u>	<u>153</u>
Total Directors' remuneration	1,233	1,077	824	668
Estimated money value of benefits-in-kind	72	80	49	58
Total Directors' remuneration including benefits-in-kind	<u>1,305</u>	<u>1,157</u>	<u>873</u>	<u>726</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	
	2014	2013
Executive Directors:		
RM150,001 to RM200,000	1	-
RM550,001 to RM600,000	1	1
Non-executive Directors:		
RM1 to RM50,000	1	3
RM50,001 to RM100,000	2	1

11. TAXATION

	Group	
	2014 RM'000	2013 RM'000
Current year income tax :-		
- Malaysian income tax	74	-
- Overseas tax	4	37
Under provision in prior years	68	-
Total income tax expense	<u>146</u>	<u>37</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the year.

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

11. TAXATION (CONT'D.)

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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Loss before taxation	(4,491)	(4,904)	(5,413)	(127)
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	(1,123)	(1,226)	(1,353)	(32)
Differential in tax rates of foreign countries	(5)	(41)	-	-
Expenses not deductible for tax purposes	139	119	1,642	50
Income not subject to taxation	(62)	(72)	-	-
Utilisation of previously unrecognised unabsorbed capital allowances	(197)	-	(197)	-
Utilisation of current year business losses surrendered by a subsidiary	-	-	(92)	(65)
Realisation of previously unrecognised deductible temporary differences	-	(264)	-	-
Deferred tax assets not recognised in respect of current year's tax losses, unabsorbed capital allowances and other deductible temporary differences	1,326	1,521	-	47
Underprovision of income tax expense in respect of prior years	68	-	-	-
Income tax expense for the financial year	146	37	-	-

11. TAXATION (CONT'D.)

	Group and Company	
	2014	2013
	RM'000	RM'000
Tax savings recognised during the financial year arising from:		
Utilisation of previously unrecognised unabsorbed capital allowances	197	-
	<u>197</u>	<u>-</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.

	Group	
	2014	2013
Loss attributable to ordinary equity owners of the Company (RM'000)	(5,093)	(4,966)
Weighted average number of ordinary shares in issue ('000)	383,087	383,087
Basic loss per share for the financial year (sen)	<u>(1.33)</u>	<u>(1.30)</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 equipment RM'000	Furniture, fittings, office and EDC equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
At 31 March 2014					
Cost					
At 1 April 2013	7,701	5,115	397	411	13,624
Additions	44	314	277	-	635
Disposals	(7)	(15)	-	-	(22)
Write-off	(648)	(118)	-	-	(766)
At 31 March 2014	<u>7,090</u>	<u>5,296</u>	<u>674</u>	<u>411</u>	<u>13,471</u>
Accumulated Depreciation					
At 1 April 2013	6,525	4,658	354	361	11,898
Depreciation charge for the financial year	438	271	52	26	787
Disposals	(6)	(15)	-	-	(21)
Write-off	(633)	(114)	-	-	(747)
At 31 March 2014	<u>6,324</u>	<u>4,800</u>	<u>406</u>	<u>387</u>	<u>11,917</u>
Net Book Value					
At 31 March 2014	<u>766</u>	<u>496</u>	<u>268</u>	<u>24</u>	<u>1,554</u>
Group					
At 31 March 2013					
Cost					
At 1 April 2012	7,864	5,087	397	411	13,759
Additions	274	43	-	-	317
Disposal	(86)	(15)	-	-	(101)
Write-off	(351)	-	-	-	(351)
At 31 March 2013	<u>7,701</u>	<u>5,115</u>	<u>397</u>	<u>411</u>	<u>13,624</u>
Accumulated Depreciation					
At 1 April 2012	6,373	4,112	285	312	11,082
Depreciation charge for the financial year	524	560	69	49	1,202
Disposal	(27)	(14)	-	-	(41)
Write-off	(345)	-	-	-	(345)
At 31 March 2013	<u>6,525</u>	<u>4,658</u>	<u>354</u>	<u>361</u>	<u>11,898</u>
Net Book Value					
At 31 March 2013	<u>1,176</u>	<u>457</u>	<u>43</u>	<u>50</u>	<u>1,726</u>

13. PLANT AND EQUIPMENT (CONT'D.)

	Computer equipment RM'000	Furniture, fittings, office and EDC equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Company					
At 31 March 2014					
Cost					
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
Accumulated Depreciation					
At 1 April 2013	520	49	267	112	948
Depreciation charge for the financial year	82	13	51	26	172
At 31 March 2014	602	62	318	138	1,120
Net Book Value					
At 31 March 2014	146	82	268	12	508
Company					
At 31 March 2013					
Cost					
At 1 April 2012	697	52	309	150	1,208
Additions	53	5	-	-	58
Write-off	(4)	-	-	-	(4)
At 31 March 2013	746	57	309	150	1,262
Accumulated Depreciation					
At 1 April 2012	436	45	205	83	769
Depreciation charge for the financial year	88	4	62	29	183
Write-off	(4)	-	-	-	(4)
At 31 March 2013	520	49	267	112	948
Net Book Value					
At 31 March 2013	226	8	42	38	314

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 RM9,015,000 and RM22,000 (2013: RM5,884,000 and RM Nil) 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	
	2014	2013
	RM'000	RM'000
Motor vehicles	268	43

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

14. INTANGIBLE ASSETS

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
<u>Computer Software</u>				
Cost				
At 1 April 2013/2012	3,222	3,196	2,007	1,981
Addition	256	26	256	26
At 31 March	<u>3,478</u>	<u>3,222</u>	<u>2,263</u>	<u>2,007</u>
Accumulated Amortisation				
At 1 April 2013/2012	3,089	2,990	1,858	1,796
Charge for the financial year	127	99	93	62
At 31 March	<u>3,216</u>	<u>3,089</u>	<u>1,951</u>	<u>1,858</u>
Net Book Value				
At 31 March	<u>262</u>	<u>133</u>	<u>312</u>	<u>149</u>

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2014	2013
	RM'000	RM'000
Unquoted shares, at cost	87,206	87,206
Less: Accumulated impairment losses		
At 1 April 2013/2012	(61,610)	(61,610)
Impairment loss for the year (Note 6)	(3,955)	-
At 31 March	<u>(65,565)</u>	<u>(61,610)</u>
	<u>21,641</u>	<u>25,596</u>

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 subsidiary, the management has computed value-in-use based on discounted cash flows at a pre-tax discounted rate of 7.5%. An allowance for impairment loss on investment in a subsidiary amounting to RM3,955,000 (2013 : RM Nil) was recognised to write down the carrying amount of this asset.

(a) Composition of the Group

Details of the subsidiaries are as follows :

Name	Country of incorporation and operations	Company's effective interest		Principal Activities
		2014 %	2013 %	
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	Dormant.
HRM Business Consulting Sdn. Bhd. (In liquidation)	Malaysia	-	51	Dissolved on 25 September 2013 pursuant to members' voluntary winding-up.
Dataprep Distribution Sdn. Bhd. (In liquidation)	Malaysia	100	100	Under court winding up.
Dataprep Payment Solutions Sdn. Bhd.*	Malaysia	100	100	Provision of information technology services and secured payment solutions.
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
		2014 %	2013 %	
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) Informations 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	
	2014 %	2013 %	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
	Solsis (M) Sdn. Bhd.	45	45	456	27	1,052

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(b) Informations 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 : -

	2014 RM'000	2013 RM'000
<u>Assets and liabilities as at 31 March</u>		
Non-current assets	641	1,661
Current assets	37,128	32,371
Non-current liabilities	623	1,517
Current liabilities	34,807	31,190
Net assets	<u>2,339</u>	<u>1,325</u>
Total equity attributable to :		
Owners of the Company	1,287	729
Non-controlling interests	<u>1,052</u>	<u>596</u>
	<u>2,339</u>	<u>1,325</u>
<u>Profit or loss for year ended 31 March</u>		
Revenue	51,371	49,780
Other income	499	414
Expenses	50,719	50,134
Taxation	137	-
Profit for the year, representing total comprehensive income	<u>1,014</u>	<u>60</u>
Total comprehensive income attributable to :		
Owners of the Company	558	33
Non-controlling interests	<u>456</u>	<u>27</u>
	<u>1,014</u>	<u>60</u>
<u>Cash flows for year ended 31 March</u>		
Net cash inflow from operating activities	510	574
Net cash inflow from financing activities	<u>821</u>	<u>352</u>
Net cash inflow	<u>1,331</u>	<u>926</u>

16. OTHER INVESTMENTS

	Group	
	2014	2013
	RM'000	RM'000
Club memberships, at cost	140	140
Less: Accumulated impairment losses	(49)	(49)
	91	91

17. AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2014	2013
	RM'000	RM'000
Amounts due from subsidiaries	47,808	41,760
Less: Allowance for impairment losses		
At 1 April 2013/2012	(35,547)	(35,547)
Impairment losses for the year (Note 6)	(2,386)	-
At 31 March	(37,933)	(35,547)
	9,875	6,213

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	
	2014	2013
	RM'000	RM'000
At beginning of financial year/ end of financial year	-	-
Presented after appropriate offsetting as follows:		
Deferred tax assets	408	447
Deferred tax liabilities	(408)	(447)
	-	-

18. DEFERRED TAX ASSETS (CONT'D.)

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 Losses and Unabsorbed Capital Allowances RM'000	Other Deductible Temporary Differences RM'000	Total RM'000
At 1 April 2013	438	9	447
Recognised in statement of comprehensive income	(136)	97	(39)
At 31 March 2014	<u>302</u>	<u>106</u>	<u>408</u>
At 1 April 2012	383	314	697
Recognised in statement of comprehensive income	55	(305)	(250)
At 31 March 2013	<u>438</u>	<u>9</u>	<u>447</u>

Deferred Tax Liabilities of the Group:

	Accelerated Capital Allowances RM'000	Total RM'000
At 1 April 2013	447	447
Recognised in statement of comprehensive income	(39)	(39)
At 31 March 2014	<u>408</u>	<u>408</u>
At 1 April 2012	697	697
Recognised in statement of comprehensive income	(250)	(250)
At 31 March 2013	<u>447</u>	<u>447</u>

18. DEFERRED TAX ASSETS (CONT'D.)

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

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Other deductible temporary differences	259	6	-	-
Unused tax losses	71,384	68,460	12,280	12,280
Unabsorbed capital allowances	4,534	4,632	1,826	2,825
	<u>76,177</u>	<u>73,098</u>	<u>14,106</u>	<u>15,105</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	
	2014 RM'000	2013 RM'000
At cost		
Computer equipment, spares and supplies	1,174	1,225
EDC equipment and thermal roll paper	1	2
	<u>1,175</u>	<u>1,227</u>
Allowance for obsolete inventories		
At 1 April 2013/2012	(295)	(420)
Addition	(363)	(73)
Written off	-	198
At 31 March	<u>(658)</u>	<u>(295)</u>
	<u>517</u>	<u>932</u>

The cost of inventories recognised as an expense during the financial year of the Group amounted to RM24,441,000 (2013: RM19,089,000).

20. TRADE RECEIVABLES

	Group	
	2014	2013
	RM'000	RM'000
Trade receivables	19,992	23,394
Less : Amount receivable after one year (classified under non-current assets)	(618)	(1,621)
	19,374	21,773
Due from customers on contracts (Note 22)	6,142	2,082
	25,516	23,855
Less : Allowance for impairment losses	(260)	(1,730)
	25,256	22,125

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

Trade receivables include a balance of RM1,620,000 (2013: RM2,556,000) 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 :-

	Group	
	2014	2013
	RM'000	RM'000
Amount receivable within 1 year	1,002	935
Amount receivable after 1 year	618	1,621
	1,620	2,556

All other trade receivables are non-interest bearing and are generally on 90 days (2013: 90 days) terms.

Currency exposure

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

	Group	
	2014	2013
	RM'000	RM'000
Ringgit Malaysia	24,709	21,530
US Dollar	480	538
Renminbi	67	57
	25,256	22,125

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

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

	Group	
	2014	2013
	RM'000	RM'000
Neither past due nor impaired	8,269	9,920
1 to 30 days past due not impaired	5,544	1,946
31 to 60 days past due not impaired	592	2,051
61 to 90 days past due not impaired	750	1,889
More than 91 days past due not impaired	4,577	5,858
	11,463	11,744
Impaired	260	1,730
	<u>19,992</u>	<u>23,394</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 RM11,463,000 (2013: RM11,744,000) 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	
	2014	2013
	RM'000	RM'000
Trade receivables - nominal amount	260	1,730
Less: Allowance for impairment losses	(260)	(1,730)
	<u>-</u>	<u>-</u>

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

Movement in allowance account:

	Group	
	2014 RM'000	2013 RM'000
At 1 April 2013/2012	1,730	20,114
Additions	108	-
Written off	(1,578)	(18,384)
At 31 March	260	1,730

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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Prepayments	1,373	1,940	84	72
Deposits	419	381	11	11
Advances to employees	47	24	6	-
Other advances	3,000	3,000	-	-
Interest income receivable	98	40	48	-
Sundry receivables	233	301	3	-
	5,170	5,686	152	83
Allowance for impairment loss	(3,000)	(3,000)	-	-
	2,170	2,686	152	83

At the reporting date, the Group has made an allowance of RM3,000,000 (2013: RM3,000,000) for impairment loss of advances granted to a main local contractor in connection with an overseas contract awarded to a subsidiary in the previous financial years.

22. DUE FROM/(TO) CUSTOMERS ON CONTRACTS

	Group	
	2014	2013
	RM'000	RM'000
Contract costs incurred to date	69,854	65,614
Attributable profits	7,014	4,370
	<u>76,868</u>	<u>69,984</u>
Less: Progress billings including retention sums of RM2,240,000 (2013: RM2,638,000)	(72,622)	(68,877)
	<u>4,246</u>	<u>1,107</u>
Due from customers on contracts (Note 20)	6,142	2,082
Due to customers on contracts (Note 26)	(1,896)	(975)
	<u>4,246</u>	<u>1,107</u>
Contract revenue recognised	<u>24,320</u>	<u>18,337</u>
Contract costs recognised as expense	<u>20,751</u>	<u>16,681</u>

23. CASH AND BANK BALANCES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Deposits with:				
- Licensed Commercial Banks	18,064	17,796	10,048	10,000
Cash and bank balances	4,822	9,635	2,204	7,703
	<u>22,886</u>	<u>27,431</u>	<u>12,252</u>	<u>17,703</u>

Deposits of RM9,516,000 (2013: RM9,296,000) for the Group and RM1,500,000 (2013: RM1,500,000) for the Company are pledged as security for credit and other banking facilities granted to the Group.

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

	Group		Company	
	2014	2013	2014	2013
	%	%	%	%
Licensed Commercial Banks	<u>2.95 - 3.30</u>	<u>2.95 - 3.30</u>	<u>3.08 - 3.25</u>	<u>3.18 - 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	
	2014 Days	2013 Days	2014 Days	2013 Days
Licensed Commercial Banks	30 - 365	4 - 596	30 - 180	4 - 35

24. SHARE CAPITAL

	Group and Company			
	Number of Ordinary Shares of RM0.25 each		Amount	
	2014 '000	2013 '000	2014 RM'000	2013 RM'000
Authorised:				
At beginning of financial year/ end of financial year	2,000,000	2,000,000	500,000	500,000
Issued:				
At beginning of financial year/ end of financial year	383,087	383,087	95,772	95,772

25. BORROWINGS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-current				
Secured:				
Hire purchase payables	236	52	236	52
Other borrowing	624	1,516	-	-
	860	1,568	236	52

25. BORROWINGS (CONT'D.)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current				
Secured:				
Hire purchase payables	68	42	68	42
Bank overdraft	-	733	-	-
Banker acceptances	1,755	-	-	-
Other borrowing	883	828	-	-
	<u>2,706</u>	<u>1,603</u>	<u>68</u>	<u>42</u>
Total borrowings	<u>3,566</u>	<u>3,171</u>	<u>304</u>	<u>94</u>

The bank overdraft and banker acceptances facilities are 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 bank overdraft in the previous financial year was at the rate of 7.85%. Interest on banker acceptances are calculated at the rate of 4.74% (2013: Nil) 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% (2013 : 7.15%) per annum.

The maturities of the total borrowings as at 31 March 2014 are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
On demand or within one year	2,706	1,603	68	42
More than 1 year and less than 2 years	656	932	32	44
More than 2 year and less than 5 years	82	636	82	8
More than 5 years	122	-	122	-
	<u>3,566</u>	<u>3,171</u>	<u>304</u>	<u>94</u>

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

	Group and Company	
	2014	2013
	RM'000	RM'000
Future minimum payments:		
Not later than 1 year	80	45
Later than 1 year and not later than 2 years	42	45
Later than 2 years and not later than 5 years	104	8
Later than 5 years	133	-
Total future minimum payments	<u>359</u>	<u>98</u>
Less: Future finance charges	(55)	(4)
Present value of hire purchase liabilities	<u>304</u>	<u>94</u>

The hire purchase liabilities bore interest rates ranging from 4.2% to 4.44% (2013: 4.2%) per annum at the reporting date.

26. TRADE PAYABLES

	Group	
	2014	2013
	RM'000	RM'000
Trade payables	8,047	8,317
Due to customers on contracts (Note 22)	1,896	975
	<u>9,943</u>	<u>9,292</u>

The credit terms of the Group's trade payables range from 60 days to 90 days (2013: 60 days to 90 days).

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

	Group	
	2014	2013
	RM'000	RM'000
Ringgit Malaysia	9,192	8,932
US Dollar	747	241
Singapore Dollar	4	-
Euro	-	119
	<u>9,943</u>	<u>9,292</u>

27. OTHER PAYABLES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Accrued professional fees	146	94	41	24
Accruals on staff costs	464	414	136	105
Deferred income	1,301	1,458	-	-
Deposits from customers	1,026	1,068	-	-
Sundry payables	780	602	44	147
Other accruals	370	361	132	148
	<u>4,087</u>	<u>3,997</u>	<u>353</u>	<u>424</u>

28. AMOUNT DUE TO A SUBSIDIARY

The amount due to a subsidiary was unsecured, interest free and repayable on demand.

29. 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**

	Company	
	2014 RM'000	2013 RM'000
Management services charged to the subsidiaries	<u>6,658</u>	<u>5,404</u>

(ii) Year-end outstanding balances

	Company	
	2014 RM'000	2013 RM'000
Amounts due from subsidiaries	47,808	41,760
Less: Allowance for impairment losses	<u>(37,933)</u>	<u>(35,547)</u>
	<u>9,875</u>	<u>6,213</u>
Amounts due to a subsidiary	<u>-</u>	<u>59</u>

The terms and conditions of the abovementioned balances are disclosed in Note 17 and Note 28.

Allowance for impairment losses recognised as expense in the current financial year amounted to RM2,386,000 (2013: RM Nil).

29. RELATED PARTY DISCLOSURES (CONT'D.)

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

(i) Transactions

	Group	
	2014	2013
	RM'000	RM'000
Consultancy fee charged to 3rd Valley (Zhangjiakou) Resort Corporation *	528	885
Consultancy fee payable to VXL Capital Partners Corporation Limited **	-	5
Sales to LGT Sdn. Bhd. ***	-	263
Consultancy fee paid to Servion Enterprise #	-	282
	<u> </u>	<u> </u>

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

** VXL Capital Partners Corporation Limited (Incorporated in British Virgin Islands) is a company in which DLCW has substantial financial interest.

*** LGT Sdn. Bhd. is a company incorporated in Malaysia in which DLCW is a director and has substantial financial interest.

Servion Enterprise is a sole proprietorship owned by Ng Keok Ang, a former key management personnel of the Group.

(ii) Year-end outstanding balances

	Group	
	2014	2013
	RM'000	RM'000
Included in trade receivables :-		
3rd Valley (Zhangjiakou) Resort Corporation	547	594
LGT Sdn. Bhd.	157	263
	<u> </u>	<u> </u>
Included in other payables :-		
VXL Capital Partners Corporation Limited	-	5
	<u> </u>	<u> </u>

29. RELATED PARTY DISCLOSURES (CONT'D.)

(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	
	2014 RM'000	Restated 2013 RM'000	2014 RM'000	Restated 2013 RM'000
Short term employee benefits	1,550	1,313	1,550	1,313
Post-employment benefits - Defined contribution plan	155	139	155	139
	<u>1,705</u>	<u>1,452</u>	<u>1,705</u>	<u>1,452</u>

Comparatives have been amended to include the remuneration of non-executive directors and certain senior officers who are classified as key management personnel in line with the current year's disclosure as follows :-

	As previously reported RM'000	Non-executive directors and senior officers RM'000	As restated RM'000
<u>Group</u>			
Short term employee benefits	1,160	153	1,313
Post-employment benefits - Defined contribution plan	139	-	139
	<u>1,299</u>	<u>153</u>	<u>1,452</u>
<u>Company</u>			
Short term employee benefits	460	853	1,313
Post-employment benefits - Defined contribution plan	55	84	139
	<u>515</u>	<u>937</u>	<u>1,452</u>

30. OPERATING LEASE COMMITMENTS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Future minimum rental payable :				
Not later than 1 year	809	862	-	3
Later than 1 year and not later than 5 years	266	1,070	-	-
	<u>1,075</u>	<u>1,932</u>	<u>-</u>	<u>3</u>

31. NOTES TO STATEMENTS OF CASH FLOWS

(a) Cash and cash equivalents

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Deposits with licensed commercial banks (Note 23)	18,064	17,796	10,048	10,000
Cash and bank balances (Note 23)	4,822	9,635	2,204	7,703
	<u>22,886</u>	<u>27,431</u>	<u>12,252</u>	<u>17,703</u>
Short term borrowings - Overdraft (Note 25)	-	(733)	-	-
	<u>22,886</u>	<u>26,698</u>	<u>12,252</u>	<u>17,703</u>

As disclosed in Note 23, deposits of RM9,516,000 (2013: RM9,296,000) for the Group and RM1,500,000 (2013: RM1,500,000) for the Company are pledged as security for credit and other banking facilities granted to the Group.

(b) Purchase of property, plant and equipment

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Cash purchases	378	317	109	58
Hire purchase financing	257	-	257	-
	<u>635</u>	<u>317</u>	<u>366</u>	<u>58</u>

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

32. CONTINGENT LIABILITIES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Corporate Guarantee given to financial institutions :				
- for performance guarantees given to third parties (secured)	5,323	5,770	5,323	5,770
- as security for the bank facilities of a subsidiary (secured)	-	-	1,000	1,000
	<u>5,323</u>	<u>5,770</u>	<u>6,323</u>	<u>6,770</u>

33. 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 and financial liabilities of the Company also include amounts due from subsidiaries and amount due to a subsidiary respectively.

A. Categories of Financial Instruments

Financial assets as per statements of financial position

2014	Group		Company	
	Carrying amount RM'000	Loans and receivables RM'000	Carrying amount RM'000	Loans and receivables 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>
2013	Group		Company	
	Carrying amount RM'000	Loans and receivables RM'000	Carrying amount RM'000	Loans and receivables RM'000
Trade receivables	21,664	21,664	-	-
Other receivables	747	747	11	11
Deposits, cash and bank balances	27,431	27,431	17,703	17,703
Amounts due from subsidiaries	-	-	6,213	6,213
	<u>49,842</u>	<u>49,842</u>	<u>23,927</u>	<u>23,927</u>

33. FINANCIAL INSTRUMENTS (CONT'D.)

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

Financial liabilities as per statements of financial position

2014	Group		Company	
	Carrying amount RM'000	Other financial liabilities measured at amortised cost RM'000	Carrying amount RM'000	Other financial liabilities measured at amortised cost 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>
2013	Group		Company	
	Carrying amount RM'000	Other financial liabilities measured at amortised cost RM'000	Carrying amount RM'000	Other financial liabilities measured at amortised cost RM'000
Trade payables	8,317	8,317	-	-
Other payables	2,539	2,539	424	424
Amount due to a subsidiary	-	-	59	59
Borrowings	3,171	3,171	94	94
	<u>14,027</u>	<u>14,027</u>	<u>577</u>	<u>577</u>

33. 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 Amount RM'000	Fair Value RM'000
Financial Liabilities		
At 31 March 2014:		
Hire purchase payables (Note 25)	304	312
At 31 March 2013:		
Hire purchase payables (Note 25)	94	88

- (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 bank overdraft, 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 approximate their fair values.

34. 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.

34. 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, bank overdraft facility 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 bank overdraft and banker acceptances facilities are based on floating rate.

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 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. In relation to the bank overdraft and banker acceptances facilities of the Group, a change of interest rate at the end of the reporting period will not have any material impact to the Group.

(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.

34. 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 of Group Companies	Net Financial Assets/ (Liabilities) Held in Non-Functional Currencies				Total RM'000
	Euro (EUR) RM'000	United States Dollar (USD) RM'000	Singapore Dollar (SGD) RM'000	Renminbi (RMB) RM'000	
At 31 March 2014					
Ringgit Malaysia	-	(267)	(4)	67	(204)
At 31 March 2013					
Ringgit Malaysia	(119)	(241)	-	-	(360)

Foreign currency risk sensitivity analysis

A 10 percent strengthening or weakening of the EUR, 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	
	2014 RM'000	2013 RM'000
EUR	-	12
USD	27	24
RMB	7	-

34. 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 RM'000	More than 1 year and less than 5 years RM'000	Later than 5 years RM'000	Total RM'000	
2014					
Financial liabilities					
Trade payables	8,047	-	-	8,047	-
Other payables	2,786	-	-	2,786	-
Hire purchase payables	80	146	133	359	4.20% 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>	
2013					
Financial liabilities					
Trade payables	8,317	-	-	8,317	-
Other payables	2,539	-	-	2,539	-
Hire purchase payables	45	53	-	98	4.20%
Bank overdraft	733	-	-	733	7.85%
Other borrowings	974	1,704	-	2,678	7.15%
	<u>12,608</u>	<u>1,757</u>	<u>-</u>	<u>14,365</u>	

34. 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	
2014					
Financial liabilities					
Other payables	353	-	-	353	-
Hire purchase payables	80	146	133	359	4.20% to 4.44%
	<u>433</u>	<u>146</u>	<u>133</u>	<u>712</u>	
2013					
Financial liabilities					
Other payables	424	-	-	424	-
Hire purchase payables	45	53	-	98	4.20%
	<u>469</u>	<u>53</u>	<u>-</u>	<u>522</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 with the result that the Group's exposure to bad debts is not significant. 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.

34. 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:

	2014 RM'000	2013 RM'000
By industry sectors:		
Government agencies and linked corporations	6,436	7,923
Private corporations	13,296	13,741
	<u>19,732</u>	<u>21,664</u>

As at the financial year end, approximately 37% (2013: 25%) of trade receivables are from 3 (2013: 4) major customers.

35. 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 2014 and 31 March 2013 are as follows:

	Group	
	2014	2013
Total debts (RM'000)	17,596	16,460
Equity attributable to the owners of the Company, representing total capital (RM'000)	34,620	39,688
Debts to equity ratio	<u>51%</u>	<u>41%</u>

36. 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 2014

	IT related products and services RM'000	Payment solutions & services RM'000	Elimination RM'000	Group RM'000
Revenue				
External sales	52,732	2,143	-	54,875
Intersegment sales	258	-	(258)	-
Total revenue	52,990	2,143	(258)	54,875

36. SEGMENTAL INFORMATION (CONT'D.)

31 March 2014 (Cont'd.)

	IT related products and services RM'000	Payment solutions & services RM'000	Elimination RM'000	Group RM'000
RESULTS				
Segment loss	(5,484)	(219)	6,658	955
Interest income				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)
OTHER INFORMATION				
Segment assets	48,252	2,697	-	50,949
Unallocated assets				2,406
Total assets				53,355
Segment liabilities	15,133	1,851	-	16,984
Unallocated liabilities				668
Total liabilities				17,652
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

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36. SEGMENTAL INFORMATION (CONT'D.)

31 March 2013

	IT related products and services RM'000	Payment solutions & services RM'000	Elimination RM'000	Group RM'000
Revenue				
External sales	51,580	1,823	-	53,403
Intersegment sales	227	-	(227)	-
Total revenue	<u>51,807</u>	<u>1,823</u>	<u>(227)</u>	<u>53,403</u>

RESULTS

Segment loss	(4,397)	(531)	5,404	476
Interest income				640
Unallocated expenses				<u>(5,895)</u>
Loss from operations				<u>(4,779)</u>
Interest expense				(125)
Loss before tax				<u>(4,904)</u>
Taxation				(37)
Loss after tax				<u>(4,941)</u>

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36. SEGMENTAL INFORMATION (CONT'D.)

31 March 2013 (Cont'd.)

	IT related products and services RM'000	Payment solutions & services RM'000	Elimination RM'000	Group RM'000
OTHER INFORMATION				
Segment assets				
Unallocated assets	42,813	2,552	-	45,365
Total assets				<u>11,447</u> <u>56,812</u>
Segment liabilities				
Unallocated liabilities	14,118	1,854	-	15,972
Total liabilities				<u>525</u> <u>16,497</u>
Capital expenditure	307	36	-	343
Depreciation and amortisation	749	552	-	1,301
Plant and equipment written off	6	-	-	6

Segment assets consist of primarily of 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 12), intangible assets (Note 14) including those resulting from acquisitions.

37. 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	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Total accumulated losses				
- Realised accumulated losses	(162,137)	(151,158)	(57,177)	(51,764)
- Unrealised accumulated losses	-	-	-	-
	<u>(162,137)</u>	<u>(151,158)</u>	<u>(57,177)</u>	<u>(51,764)</u>
Less: Consolidation adjustments	108,970	103,084	-	-
Accumulated losses as per financial statements	<u>(53,167)</u>	<u>(48,074)</u>	<u>(57,177)</u>	<u>(51,764)</u>

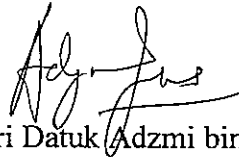
DATAPREP HOLDINGS BHD.
(Incorporated in Malaysia)

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

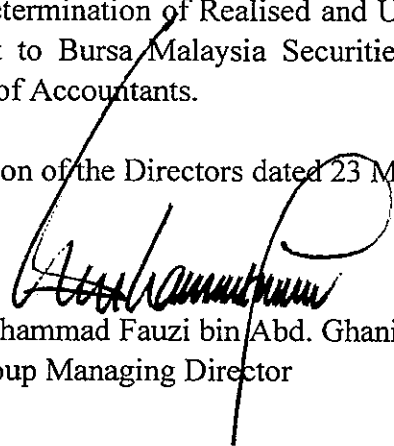
We, Tan Sri Datuk Adzmi bin Abdul Wahab and Muhammad Fauzi bin Abd. Ghani, being two of the Directors of Dataprep Holdings Bhd., do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 6 to 75 are drawn up in accordance with Malaysian Financial Reporting 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 2014 and of their financial performance and cash flows for the financial year then ended.

The information set out in Note 37 to the financial statements on page 76 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 23 May 2014.



Tan Sri Datuk Adzmi bin Abdul Wahab
Chairman



Muhammad Fauzi bin Abd. Ghani
Group Managing Director

Date : 23 May 2014

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

I, Wong Choong Ming, 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 75 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,
Wong Choong Ming at Petaling Jaya, Selangor Darul Ehsan
on 23 May 2014

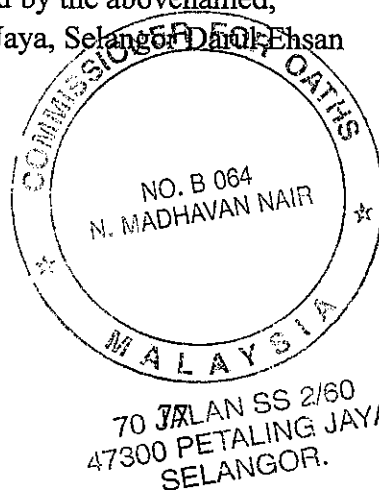


Wong Choong Ming

Before me,



Commissioner for Oaths



**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 2014 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 75.

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.

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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 2014 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 37 on page 76 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.

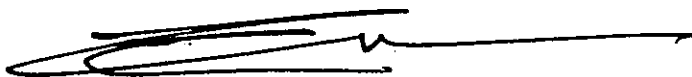
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Other Matters

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 "Folks", written in a cursive style.

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

A handwritten signature in black ink, appearing to be "Ooi Chee Kun", written in a cursive style.

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

Kuala Lumpur

Date : 23 May 2014