

20<sup>05</sup>

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# Notice of annual general meeting

NOTICE IS HEREBY GIVEN that the Twenty-First Annual General Meeting of the Company will be held at Hotel Sri Petaling, 30, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur on Friday, 30 September 2005 at 10.00 a.m. for the following purposes:

## AGENDA

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2005 together with the Reports of the Directors and Auditors thereon. Ordinary Resolution 1
2. To re-elect the following directors who are retiring under Article 125 of the Articles of Association of the Company:  
(a) Mr Douglas Cheng Heng Lee Ordinary Resolution 2  
(b) Encik Syed Sadiq Obaidi Albar Bin Syed Hamid Ordinary Resolution 3
3. To re-elect Mr Kong Sin Seng who is retiring under Article 130 of the Articles of Association of the Company. Ordinary Resolution 4
4. To re-appoint Messrs KPMG, Penang as Auditors of the Company and to authorise the Directors to fix their remuneration. Ordinary Resolution 5
5. Special Business

To consider and if thought fit, pass the following resolution:

AUTHORITY TO ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued share capital of the Company for the time being and THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

Ordinary Resolution 6

By Order Of The Board

MAH LI CHEN (MAICSA 7022751)  
KIM YI HWA (MAICSA 7029686)

Company Secretaries

8 September 2005  
Kuala Lumpur

# Notice of annual general meeting *(cont'd)*

## NOTES :

- i) A member entitled to attend and vote at the meeting may appoint another person as his proxy to attend and vote in his stead.
- ii) A member may appoint up to two (2) proxies to attend the meeting on his behalf. A proxy may but need not be a member of the Company. If the proxy is not a member, he need not be an advocate, an approved company auditor or a person approved by the Registrar. If a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- iii) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised and in the case of a corporation shall be either under its common seal or under the hand of an officer or attorney duly authorised.
- iv) The Proxy Form must be deposited at the Registered Office of the Company at C15-1, Level 15, Tower C, Megan Avenue II, 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur not less than forty-eight (48) hours before the time of the meeting or at any adjournment thereof.
- v) Explanatory Note on Special Business

### **Ordinary Resolution 6 Authority to Allot Shares pursuant to Section 132D of the Companies Act, 1965**

The proposed Ordinary Resolution 6, if passed, will give flexibility to the Directors of the Company to issue shares and allot upto a maximum of ten per centum (10%) of the issued share capital of the Company at the time of such allotment and issuance of shares and for such purposes as they consider would be in the best interest of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

### **STATEMENT ACCOMPANYING NOTICE OF TWENTY-FIRST ANNUAL GENERAL MEETING Pursuant to Paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad**

The Directors who are standing for re-election at the Twenty-First Annual General Meeting to be held at Hotel Sri Petaling, 30, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur on Friday, 30 September 2005 at 10.00 a.m. are as follows :

- i) Mr Douglas Cheng Heng Lee
- ii) Encik Syed Sadiq Obaidi Albar Bin Syed Hamid
- iii) Mr Kong Sin Seng

Kindly refer to pages 6 to 8 of this Annual Report for details of attendance of the Directors at Board Meetings and other details of the retiring Directors standing for re-election. The Directors' securities holdings in the Company are set out on pages 76 and 79 of this Annual Report.

# Corporate information

## BOARD OF DIRECTORS

### **Dato' Lim Kim Huat**

Non-Independent Non-Executive Chairman

### **Douglas Cheng Heng Lee**

Managing Director

### **Lee Yoke Shue**

Executive Director

### **Kong Sin Seng**

Executive Director

### **Datuk Chu Sui Kiong**

Non-Independent Non-Executive Director

### **Chai Moi Kim**

Independent Non-Executive Director

### **Syed Sadiq Obaidi Albar bin Syed Hamid**

Independent Non-Executive Director

## AUDIT COMMITTEE

Chai Moi Kim, Chairman  
Syed Sadiq Obaidi Albar bin Syed Hamid  
Lee Yoke Shue

## SECRETARIES

Mah Li Chen (MAICSA 7022751)  
Kim Yi Hwa (MAICSA 7029686)

## REGISTERED OFFICE

C15-1 Level 15 Tower C  
Megan Avenue II  
12 Jalan Yap Kwan Seng  
50450 Kuala Lumpur  
Tel No : (03) 2166 2000  
Fax No : (03) 2166 3000

## SHARE REGISTRAR

Mega Corporate Services Sdn Bhd  
Level 11-2 Faber Imperial Court  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel No : (03) 2692 4271  
Fax No : (03) 2732 5388 / 5399

## AUDITORS

KPMG, Penang

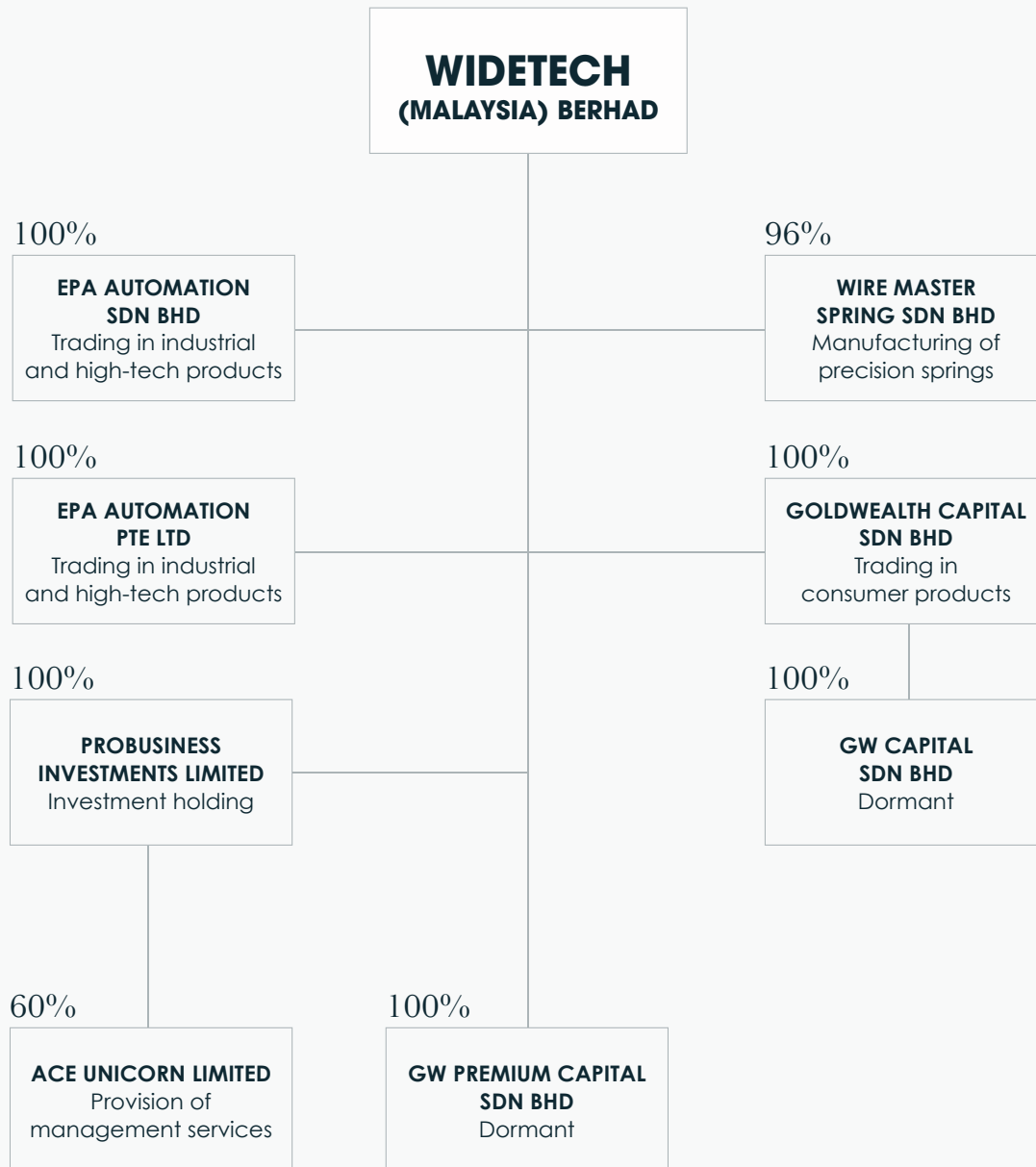
## BANKERS

Maybank Berhad  
Public Bank Berhad

## PLACE WHERE REGISTER OF OPTIONS ARE KEPT

311 Block E  
Phileo Damansara 1  
9 Jalan 16/11  
off Jalan Damansara  
46300 Petaling Jaya  
Selangor Darul Ehsan  
Tel No : (03) 7660 5977  
Fax No : (03) 7660 5976

# Corporate structure



## Directors' profiles

### DATO' LIM KIM HUAT

Malaysian, Age 45  
**Non-Independent  
Non-Executive Chairman,  
Remuneration Committee  
Member**

YBhg. Dato' Lim Kim Huat, aged 45, Malaysian, was appointed to the Board of Widetech on 26 February 2004 as a Non-Independent Non-Executive Chairman. He is also a member of the Remuneration Committee.

Dato' Lim is a certified public accountant by profession and is a member of The Malaysian Institute of Certified Public Accountants. He started his career with Pricewaterhouse Coopers in Kuala Lumpur in 1980 before moving on to the commercial sector. Through his involvement as senior management personnel with various companies in Malaysia, Dato' Lim had extensive exposures and experience in diverse industries such as manufacturing, trading, property development, leisure & entertainment and food services.

Currently, he is also a Non-Independent Non-Executive Director of TT Resources Berhad and Deputy Chairman of Sunrise Berhad. He has no family relationship with any Director and / or major shareholder of Widetech. He also has no conflict of interest with Widetech and has not been convicted for offences within the past ten (10) years. He attended all four (4) Board of Directors' Meetings held during the financial year.

### DOUGLAS CHENG HENG LEE

Malaysian, Age 29  
**Managing Director,  
Employees' Share  
Option Scheme ("ESOS")  
Committee Member**

Mr Douglas Cheng was appointed to the Board of Widetech on 14 May 2002 as a Non-Independent Non-Executive Director. He was re-designated as an Executive Director of Widetech on 27 January 2004 and appointed as Managing Director of Widetech on 27 September 2004. He obtained his Bachelor of Commerce and Bachelor of Law from University of Melbourne, Australia. He qualified as an advocate and solicitor of the High Court of Malaya and was previously attached with Rashid Hussain Asset Management Sdn Bhd.

Apart from Widetech, Mr Cheng is not a director of any other public company. He is a director in several private limited companies. He has no family relationship with any Director of Widetech. He is the son of Dato' Cheng Joo Teik who is a major shareholder of Widetech. He also has no conflict of interest with Widetech and has not been convicted for offences within the past ten (10) years. He attended all four (4) Board of Directors' Meetings held during the financial year.

## Directors' profiles *(cont'd)*

### LEE YOKE SHUE

Malaysian, Age 50

**Executive Director,  
Audit Committee Member,  
ESOS Committee Member**

Mr Lee Yoke Shue was appointed as an Executive Director to the Board of Directors of Widetech on 14 May 2002.

He holds a Bachelor of Economics (Accounting) degree from the University of La Trobe, Australia. He is a Chartered Accountant and is also a member of the Malaysian Institute of Certified Public Accountants.

Mr Lee was previously attached to PricewaterhouseCoopers for 18 years. During his tenure, he was involved in providing auditing and business advisory services to both private and public sectors, investigation and litigation support to corporations facing disputes, corporate recovery and business turnarounds during economic crisis and privatization and corporatization services to the government.

Apart from Widetech, Mr Lee is not a director of any other public company. He is a director in several private limited companies. He has no family relationship with any Director and / or major shareholder of Widetech. He also has no conflict of interest with Widetech and has not been convicted for offences within the past ten (10) years. He attended all the four (4) Board of Directors' Meetings held during the financial year.

### KONG SIN SENG

Malaysian, Age 49

**Executive Director**

Mr Kong Sin Seng was appointed to the Board of Widetech on 27 September 2004. He holds a Bachelor of Accounting (Hons), University of Kent, England. He is a member of Institute of Chartered Accountants in England & Wales.

He started his career as an articled clerk with Reeves & Neylan, Chartered Accountants in the United Kingdom from 1978 to 1982 and subsequently joined Price Waterhouse (now known as PriceWaterhouseCoopers) in 1983. He then joined Promet Berhad as Group Financial Executive in 1983 and United Detergent Industries as Financial Controller in 1986. In 1987 he was attached to Promet Petroleum Ltd in Jakarta and subsequently with the Dharmala Group, Indonesia in 1989 as Group Financial Controller. He subsequently became the Managing Director of Heavy Equipment Division and the Director of Financial Services Division. He joined FACB Berhad as the Chief Financial Officer in 1995 and in 1997 was the PA to the Chief Executive Officer of MBF Capital Berhad and as Senior Vice President in MBF Finance Berhad. Since 2000 he became the Chief Executive Officer of Goldwealth Capital Sdn Bhd.

He is also on the Board of Fitters Holdings Berhad since December 2001. He has no family relationship with any Director and / or major shareholder of Widetech. He also has no conflict of interest with Widetech and has not been convicted for offences within the past ten (10) years. He attended all the two (2) Board of Directors' Meetings held after his appointment.

## Directors' profiles *(cont'd)*

### DATUK CHU SUI KIONG

Malaysian, Age 46  
**Non-Independent Non-Executive Director, Chairman of Remuneration Committee**

Datuk Chu Sui Kiong was appointed to the Board of Widetech on 31 January 2004. He holds a Diploma in Commerce Business Study.

Datuk Chu Sui Kiong was involved in the management of a corporate club since 1985. In 1991, he was appointed a Director of Glorite Corporation Sdn Bhd, a company with interest in entertainment and recreation club and hotel.

Apart from Widetech, Datuk Chu is not a director of any other public company. He has no family relationship with any Director and / or major shareholder of Widetech. He also has no conflict of interest with Widetech and has not been convicted for offences within the past ten (10) years. He attended two (2) out of four (4) Board of Directors' Meetings held during the financial year.

### CHAI MOI KIM

Malaysian, Age 47  
**Independent Non-Executive Director, Chairman of Audit Committee and Nomination Committee**

Mr Chai Moi Kim was appointed to the Board of Widetech on 29 March 2002. He is a member of the Malaysian Institute of Certified Public Accountants, Malaysian Institute of Accountants and Malaysian Institute of Taxation.

Mr Chai was attached with several audit firms since 1980 and joined FACB Group of Companies as the Group Accountant in 1989. He was the senior manager in the corporate department of MBF Holdings Berhad from 1992 to 1994. In 1995, he set up his own audit firm, Kim & Co.

Apart from Widetech, Mr Chai is also a director of Autoair Holdings Berhad and Cam Resources Berhad. He has no family relationship with any Director and / or major shareholder of Widetech. He also has no conflict of interest with Widetech and has not been convicted for offences within the past ten (10) years. He attended all the four (4) Board of Directors' Meetings held during the financial year.

### SYED SADIQ OBAIDI ALBAR BIN SYED HAMID

Malaysian, Age 30  
**Independent Non-Executive Director, Audit Committee Member, Nomination Committee Member, Remuneration Committee Member, ESOS Committee Member**

Encik Syed Sadiq Obaidi Albar bin Syed Hamid was appointed to the Board of Widetech on 26 May 2003. He obtained his Degree in Business Services majoring in Marketing and Retail from University of Westminster, United Kingdom in year 2000.

Thereafter, he became the Head of the Seaports Division at Mahkota Technologies (formerly known as General Electric Company) for 2 years. He then joined Haddad Advance Technology Co. Sdn Bhd, a Telco company specializing in VoIP (Voice-over Internet Protocol) as Marketing Manager.

From January 2003 to May 2004, he was in charge of the operations of Makmal.Com Sdn Bhd and all its subsidiary companies. Currently, he is the Group Chief Executive Officer of Metro Millennium Sdn Bhd, which is primarily an engineering company. Simultaneously, he is also a Director of Kalmar (Malaysia) Sdn Bhd, a reputable company involved in the seaport industry. Apart from Widetech, Encik Syed Sadiq is not a director of any other public company. He has no family relationship with any Director and / or major shareholder of Widetech. He also has no conflict of interest with Widetech and has not been convicted for offences within the past ten (10) years. He attended all the four (4) Board of Directors' Meetings held during the financial year.



# Audit committee report

## MEMBERSHIP AND ATTENDANCE

The Audit Committee comprises the following members and details of attendance of each member at meetings of the Audit Committee held during the financial year ended 31 March 2005 are as follows:

Composition	Attendance at Meetings
<b>MR CHAI MOI KIM</b> , Chairman - Independent Non-Executive Director	4/4
<b>ENCIK SYED SADIQ OBAIDI ALBAR BIN SYED HAMID</b> - Independent Non-Executive Director	4/4
<b>MR LEE YOKE SHUE</b> - Executive Director	4/4

## TERMS OF REFERENCE

The terms of reference of the Audit Committee established by the Board of Directors are as follows:

### COMPOSITION

The Board shall elect an Audit Committee from amongst themselves (pursuant to a resolution of the Board of Directors), comprising at least three (3) directors where the majority of them should be Independent Directors and at least one (1) member shall be a member of the Malaysian Institute of Accountants or possess such other qualifications and / or experience as approved by the Bursa Malaysia Securities Berhad.

The members of the Audit Committee shall elect a Chairman from amongst themselves who is an Independent Director and not an Executive Director of the Company or any related corporation.

All members of the Audit Committee, including the Chairman, will hold office only so long as they serve as Directors of the Company. Should any member of the Audit Committee ceases to be a Director of the Company, his membership in the Audit Committee would cease forthwith.

If the members of the Audit Committee for any reason be reduced to below three (3), the Board of Directors shall within three (3) months of that event, appoint such number of new members as may be required to make up minimum number of three (3) members.

# Audit committee report *(cont'd)*

## **FUNCTIONS**

The primary functions of the Audit Committee are as follows:

- i) to review with the External Auditors the scope and nature of their audit plan, the result of their evaluation of the system of internal control, the audit reports on the financial statements and the accounting policies within the Group and assistance given by the employees of the Group to External Auditors;
- ii) to review the quarterly and annual financial statements with the External Auditors and management prior to submission to the Board of Directors, focusing particularly on:
  - a) changes in or implementation of major accounting policy changes;
  - b) compliance with accounting standards and other legal requirements;
  - c) the going concern assumption;
  - d) significant and unusual events; and
  - e) major judgemental areas.
- iii) to review with management:
  - a) audit reports and management letter issued by the External Auditors and the implementation of audit recommendations;
  - b) quarterly financial information; and
  - c) the assistance given by the officers of the Company to External Auditors.
- iv) to review the effectiveness and adequacy of the scope, nature and resources of the internal audit functions and the system of internal control within the Group;
- v) to review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- vi) to review any related party transaction and conflict of interest that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- vii) to consider the appointment of auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person or persons as auditors; and
- viii) to carry out other functions as may be agreed by the Audit Committee and Board of Directors from time to time.

# Audit committee report *(cont'd)*

## MEETINGS AND ACTIVITIES

The Audit Committee shall meet at least four (4) times in each financial year. The quorum of a meeting shall be two (2) members, provided that the majority of members present at the meeting shall be independent.

The Company Secretary shall be the Secretary of the Committee.

The External Auditors have the right to appear at any meeting of the Audit Committee and shall appear before the Committee when required to do so by the Committee. The External Auditors may also request a meeting if they consider it necessary.

Other directors who are not members of the Audit Committee and employees may attend any particular Audit Committee Meeting upon the Audit Committee's invitation.

## RIGHTS

The Committee is authorised by the Board to investigate any activity within its terms of reference and shall have unrestricted access to both the Internal and External Auditors and to all employees of the Group. The Committee is also authorised by the Board to obtain external legal or other independent professional advice as necessary.

The Committee is also authorised to convene meetings with the External Auditors excluding the attendance of the executive members of the Committee, whenever deemed necessary.

## ACCESS TO RECORDS

In carrying out their duties and responsibilities, the Audit Committee will in principle have full, free and unrestricted access to all Company records, property and personnel.

## MEETINGS AND ACTIVITIES DURING THE FINANCIAL YEAR ENDED 31 MARCH 2005

During the financial year, the Committee carried out the following activities:

1. Reviewed the unaudited financial results and the relevant announcements to the Bursa Malaysia Securities Berhad prior to the consideration of the Board of Directors.
2. Reviewed the Internal Audit reports, recommendations and management responses arising from the internal audit and reviewed the implementation of these recommendations through follow-up audit reports.
3. Reviewed the external audit accounts and audit reports with the External Auditors.

## EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The allocation of options was reviewed by the Audit Committee to ensure compliance with the allocation criteria determined by the ESOS Committee and in accordance with the By-Laws of the ESOS.

## INTERNAL AUDIT FUNCTION

Details pertaining to internal audit function are set out in the statement on Internal Control on pages 20 and 21 of this Annual Report.

# Corporate governance statement

The Board of Directors is committed to high standards of Corporate Governance as this would serve to protect shareholders' interest and the Group's assets as well as to enhance the financial performance of the Group. The Board is therefore pleased to present below a statement which outlines the manner in which the Group has applied the Principles and the extent of compliance with the Best Practices of the Malaysian Code on Corporate Governance ("the Code") during the financial year under review.

Details of non compliance with the Best Practices of the Code are documented and explained in the respective paragraphs of this statement.

## BOARD OF DIRECTORS

### Composition and Balance

The Board, during the financial year, has a total of seven (7) members comprising three (3) Executive Directors, two (2) Non-Independent Non-Executive Directors and two (2) Independent Non-Executive Directors. This Board composition meets Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirement of having at least two (2) Directors or one third (1/3) of the Board whichever is higher, who are independent Directors.

The Board members are from diverse backgrounds with wide and varied range of experience and expertise relevant to the managing and directing of the Group's operations. The Executive Directors are charged with the responsibilities of implementing policies and decisions of the Board, and overseeing the operations of the Group. The Independent Non-Executive Directors provide unbiased and independent views to the decision making process of the Board. They provide strong support towards the effective discharge of the Board's duties and responsibilities.

The Board is satisfied that the current Board composition fairly reflects the investment of minority shareholders in the Company and represents the needed mix of skills and experience required to discharge the Board's duties and responsibilities. In addition, no individual Director or group of Directors can dominate the Board's decision making process.

The profile of each Director is presented on pages 6 to 8 of this Annual Report.

## DUTIES AND RESPONSIBILITIES

The Board takes full responsibility for the performance, development and control of the Group and has adopted the six primary responsibilities as listed in the Code to facilitate the effective discharge of their stewardship responsibilities.

The roles of the Chairman and the Managing Director are clearly distinct to ensure that there is a balance of power and authority. The positions of the Chairman and Managing Director are held by two separate members of the Board. The Chairman is primarily responsible for the conduct and working of the Board. The Managing Director is responsible for the daily management of the Group's business operations, implementation of policies and strategies adopted by the Board, and is accountable to the Board for the performance of the Group.

The Board appointed Mr Chai Moi Kim as the Senior Independent Non-Executive Director to whom concerns may be conveyed.

# Corporate governance statement *(cont'd)*

## BOARD MEETINGS

Board meetings are held quarterly, with additional meetings convened as and when necessary. During the financial year under review, the Board held four (4) meetings and the record of directors' attendance is documented in the table below.

Name of Director	Designation	No. of meetings attended
<b>DATO' LIM KIM HUAT</b>	Chairman, Non-Independent Non-Executive Director	4/4
<b>ONG TEE KEIN</b> (resigned with effect from 27/09/04)	Chief Executive Officer, Executive Director	2/2
<b>DOUGLAS CHENG HENG LEE</b> (appointed Managing Director with effect from 27/09/04)	Managing Director	4/4
<b>LEE YOKE SHUE</b>	Executive Director	4/4
<b>KONG SIN SENG</b> (appointed with effect from 27/09/04)	Executive Director	2/2
<b>SYED SADIQ OBAIDI ALBAR BIN SYED HAMID</b>	Independent Non-Executive Director	4/4
<b>DATUK CHU SUI KIONG</b>	Non-Independent Non-Executive Director	2/4
<b>CHAI MOI KIM</b>	Independent Non-Executive Director	4/4

## SUPPLY OF INFORMATION

To prepare the Directors for each Board meeting, they are provided with the meeting agenda and relevant papers on issues to be deliberated well in advance of each meeting. The documents are comprehensive and include qualitative and quantitative information to enable the Board members to make sound and informed decisions at the Board meetings. Senior management staff is invited to the meeting to clarify and explain issues being deliberated, where considered necessary. In addition, there is a formal schedule of matters reserved specifically for Board's decision, these include approval of key policies, significant acquisitions and disposals of assets, significant investments and approval of budgets and corporate plans.

The Directors, in the discharge of their duties, also have direct access to the advice and services of the Company Secretary and may seek independent advice should the need arise.

# Corporate governance statement *(cont'd)*

## **RE-ELECTION AND RE-APPOINTMENT OF DIRECTORS**

In accordance with the Company's Articles of Association, one third (1/3) of the Directors shall retire from office and shall be eligible for re-election at the annual general meeting. Furthermore, each Director shall retire from office at least once in every three years.

## **DIRECTORS' TRAINING**

All members of the Board have attended the Mandatory Accreditation Programme (MAP). The Directors have undergone and will continue to undergo other relevant training programmes to further enhance their skills and knowledge as well as to keep abreast with the developments in the market place.

A familiarisation program which includes a presentation of the Group's operations by senior management and site visits will be conducted for newly appointed Directors.

## **BOARD COMMITTEES**

The Board has established three (3) board committees, namely the Audit Committee, Nomination Committee and Remuneration Committee, to assist the Board in the discharge of their duties and responsibilities. All three (3) committees are provided with written terms of reference.

## **AUDIT COMMITTEE**

The report of the Audit Committee is set out on pages 9 to 11 of this Annual Report.

## **NOMINATION COMMITTEE ("NC")**

The NC comprises the following members during the financial year:

Chai Moi Kim – Chairman and Independent Non-Executive Director

Syed Sadiq Obaidi Albar Bin Syed Hamid – Member and Independent Non-Executive Director

In the furtherance of their duties, the NC is guided by specific terms of reference. The NC's duties are:

- (i) To recommend to the Board, candidates for directorships;
- (ii) To recommend Directors to sit on respective Board committees;
- (iii) To administer the annual assessment of Directors, including a review of the skill, qualification and competencies of the Board as a whole; and
- (iv) To identify suitable orientation, educational and training programmes for continuous development of Directors.

# Corporate governance statement *(cont'd)*

## **REMUNERATION COMMITTEE ("RC")**

The RC comprises solely of Non-Executive Directors who are as follows:

Datuk Chu Sui Kiong – Chairman And Non-independent Non-executive Director

Syed Sadiq Obaidi Albar Bin Syed Hamid - Member And Independent Non-executive Director

Dato' Lim Kim Huat – Non-independent Non-executive Director

The RC is provided with specific terms of reference to guide them in the furtherance of their duties which are as follows:

- (i) To recommend and advise the Board of Directors the remuneration and terms and conditions (and where appropriate, severance payments) of the Executive Directors (including the Managing Director);
- (ii) To establish a formal and transparent procedure for developing policy on remuneration packages of individual directors, taking into consideration the following:
  - In case of executive Directors, the component parts of remuneration should be structured so as to link rewards to corporate and individual performance; and
  - In the case of non-executive Directors, the level of remuneration should reflect the experience and level of responsibility undertaken by the non-executive concerned.
- (iii) Where possible, and to allow it to effectively discharge its duties, the RC shall seek comparative information on remuneration and conditions of service in comparable organizations, within the industry and other sectors;
- (iv) When considering severance payments, the RC should bear in mind that it must represent the public interest and avoid any inappropriate use of public funds. Care should be taken to avoid determining a severance package that public opinion might deem to be excessive; and
- (v) To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.

The determination of the remuneration packages of the Directors are considered and approved by the Board as a whole and the Directors shall abstain from discussions and approval of their own remuneration packages.

# Corporate governance statement *(cont'd)*

## DIRECTORS' REMUNERATION

Details of Director's remuneration for the financial year ended 31 March 2005 are as follows:

### (a) Total Remuneration

	Basic Salary	Bonuses	Fees	Benefits-in-kind	Attendance Fee	Total
	(RM)	(RM)	(RM)	(RM)	(RM)	(RM)
Executive Directors	390,428	95,772	-	-	-	486,200
Non-Executive Directors	-	-	-	-	-	-
<b>Total</b>	<b>390,428</b>	<b>95,772</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>486,200</b>

### (b) Directors' remuneration by bands

	Executive	Non-Executive	Total
Up to RM50,000	-	-	-
RM50,001 to RM100,000	3	-	3

The Board is of the view that the transparency and accountability aspects of the Code as applicable to Directors' Remuneration are appropriately served by the "band disclosure" in accordance with Bursa Malaysia's Listing Requirements. This is a deviation from the Code which stipulates that the remuneration of individual Directors should be disclosed in the annual report.

## ACCOUNTABILITY AND AUDIT

### Financial Reporting

The Board is responsible for presenting a balanced and meaningful assessment of the Group's financial performance and prospects primarily through the annual report/financial statements and quarterly announcements of the Group's results.

The Responsibility Statement by the Directors pursuant to Bursa Malaysia's Listing Requirements is set out on page 19.

### INTERNAL CONTROL

The Board acknowledges its overall responsibility for maintaining the system of internal controls to safeguard shareholders' investment and the Group's assets. An overview of the state of internal controls of the Group is set out on pages 20 to 21 of this Annual Report.



# Corporate governance statement *(cont'd)*

## RELATIONSHIP WITH AUDITORS

The Board through the Audit Committee maintains a formal and transparent professional relationship with the external and internal auditors. The role of the Audit Committee in relation to the auditors is described in the Audit Committee Report set out on pages 9 to 11 of this Annual Report.

## RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

The Board acknowledges the importance of accountability to the shareholders. Timely releases of the financial results on a quarterly basis, press releases and announcements provide an overview of the Group's performance and operations to its shareholders. All queries from shareholders and members of public can be addressed to the Company's e-mail, [enquiry@widetechbhd.com.my](mailto:enquiry@widetechbhd.com.my). Senior Management staff and the Executive Directors are responsible for addressing their concerns.

At the annual general meeting and extraordinary general meeting, the Chairman, who chairs these meetings, gives shareholders ample opportunity to participate through questions on the prospects, performance of the Group and other matters of concern to them with the Board members.

## OTHER INFORMATION

In compliance with the requirements of Bursa Malaysia, the following information is provided:

### SHARE BUYBACKS

During the financial year, the Company did not enter into any share buyback transactions.

### OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

ESOS granted and accepted by employees on 24 May 2004 amounted to RM2,960,000 at option price of RM1.26. During the year, RM445,000 has lapsed due to resignation of employees.

RM140,000 warrants was converted to shares during the year.

### AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR") PROGRAMME

During the financial year, the Company did not sponsor any ADR or GDR programme.

# Corporate governance statement *(cont'd)*

## **IMPOSITION OF SANCTIONS AND/OR PENALTIES**

There were no material sanctions or penalties imposed on the Company and its subsidiaries, directors or management by any regulatory bodies during the financial year.

## **NON-AUDIT FEES**

During the financial year, no non-audit fees were paid to the external auditors.

## **UNAUDITED QUARTERLY RESULTS**

There were no variances of 10% or more between the results for the financial year and the unaudited quarterly results previously announced.

## **PROFIT GUARANTEE**

During the financial year, there were no profit guarantees given by the Company.

## **MATERIAL CONTRACTS**

There were no material contracts entered into by the Company and its subsidiary companies which involve directors' and major shareholders' interests subsisting at the end of the financial year ended 31 March 2005 or entered into since the end of the previous financial year.

## **REVALUATION OF LANDED PROPERTIES**

The Company does not have a revaluation policy on landed properties.

## **RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE**

There were no recurrent related party transactions of a revenue or trading nature which require shareholders' mandate during the financial year.

## Statement of Directors' responsibilities in respect of the audited financial statements

Directors are required by Company Law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results of the Group and of the Company of the financial year then ended.

In preparing the financial statements, the Directors have –

- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable accounting standards have been followed subject to any material departure disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping proper accounting records which are disclosed with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors are also responsible for safeguarding the assets of the Group and of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# Statement on internal control

## INTRODUCTION

The Malaysian Code of Corporate Governance states that the Board of Directors ("the Board") is responsible for maintaining a sound system of internal controls to safeguard shareholders' investment and the Group's assets. The Board is pleased to provide the following Statement on Internal Control of the Group pursuant to Paragraph 15.27 (b) of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Malaysia") which is prepared in accordance with the "Statement on Internal Control - Guidance for Directors of Public Listed Companies".

## RESPONSIBILITY

The Board recognises the importance of sound internal controls and risk management practices to good corporate governance. The Board acknowledges its responsibility for the Group's system of internal controls and risk management, and for reviewing the adequacy and integrity of these systems. The responsibility of reviewing the adequacy and integrity of the internal control system is delegated to the Audit Committee and their assessment of the adequacy and integrity of the internal control system is based on reports it receives from the outsourced internal audit function, external auditors and Management.

It should be noted that there are inherent limitations in any system of internal controls put into effect by Management and such a system cannot eliminate the risk of failure to achieve business objectives. Therefore, the internal control system established by Management can only provide reasonable and not absolute assurance against material misstatement or loss.

## RISK MANAGEMENT FRAMEWORK

The Board maintains an on-going commitment to enhance the Group's control environment and processes. The key risks relating to the Group's operations and strategic and business plans are addressed at Management's periodic meetings. Furthermore, the respective Heads of Department are responsible for managing the significant risks faced by the Group and the related responses are communicated to Senior Management at the scheduled management meetings.

Management with the assistance of the external consultants has completed revising the Group's key risk profile. The finalised Group key risk profile was presented to the Audit Committee on 25 July 2005. The risk assessment which involves rating the risks identified according to likelihood of occurrence and its impact to the Group caters to the allocation of Group's resources and responsibility.

The abovementioned procedures on risk management serves as the on-going process used to identify, evaluate and mitigate significant risks effectively.

# Statement on internal control *(cont'd)*

## INTERNAL CONTROL

The Group's system of internal controls comprises the following key elements:

### (a) Organisational Structure

An organisational structure with formal and clearly defined lines of responsibility and delegation of authority is in place.

### (b) Operational Review

The Executive Directors are responsible for the daily operations and performance of the respective businesses. They monitor the day to day operations through review of reports, attending the scheduled management meetings and having informal discussions on operational issues. Significant issues identified are brought to the attention of the Board members, if necessary. The clear reporting structure further ensures that financial and operational reports are periodically prepared and presented to Senior Management and/or the Board for review and deliberation on a timely basis.

In addition, the Senior Management team regularly visits the subsidiary's factory premises.

### (c) Financial Performance Review

Budgets are prepared annually and the actual performance is closely monitored against budget. Significant variances are followed up and management action taken, where necessary.

### (d) Quality Standards

Part of the Group's operations is ISO accredited and as such, are required to adhere to the ISO Quality Standards. Such operations are subject to ISO audits periodically, the results of which are communicated to Senior Management through a formal report. All issues raised are deliberated by the Management team and appropriate action plans implemented to address the issues raised.

### (e) Internal Audit

In respect of the internal audit function, audits are conducted according to the approved internal audit plan and the results of these audits are tabled at the Audit Committee's meetings. In addition, the internal audit function carries out follow up visits to ensure that recommendations for improvement to the internal control systems are satisfactorily implemented. Although a number of internal control weaknesses were identified, none of the weaknesses identified have resulted in any material losses or contingencies that would require disclosure in this annual report.

The Group's internal control system will be continually reviewed and enhanced to ensure that changes in the Group's business and operating environment are adequately addressed.

# Chairman's statement

On behalf of the Board, I am pleased to present the Annual Report and Financial Statements of the Group and the Company for the financial year ended 31 March 2005.

## Financial Performance

We had a good financial year in 2005 with the Group turnover increased by 13.9% to RM23.3 million as compared to RM20.5 million in the preceding year. The Group achieved a pre-tax profit of RM3.7 million, a significant improvement of 352% over the previous year while the Group's after tax profit increased by nine folds (929%) to RM2.67 million from RM0.26 million in the preceding year. Earnings per share for the financial year 2005 was 6.51 sen compared to 0.78 sen in the previous year. Shareholders' fund increased by RM2.97 million to RM30.2 million as at 31 March 2005.

## Prospects for 2006

We expect stiffer competition in the consumer business in the coming year with new competitors coming into the market. We also expect trading and interest margins to be marginally affected adversely from competition under the current low interest rate environment. However, we will try our best to remain competitive through our lower funding cost from the RM50.0 million Commercial Paper Issue to be completed in due course. This Commercial Paper Facility has been rated P2 by the Rating Agency Malaysia Berhad ("RAM") and has been approved by the Securities Commission.

The manufacturing arm, Wire Master Spring Sdn Bhd, contributed 14% to the Group's turnover. However, with growing competition, especially for companies consistently looking into cost reduction measures, margins will be significantly affected. The Company endeavors to venture into technologically advanced machineries for cost effectiveness production capabilities and to seek more customers to expand its current base.

We would also like to inform you that the Company is looking into an investment of approximately USD 1.0 million in Phnom Penh, Cambodia on a gaming business through a tie up with a local licensed company in Cambodia. This investment is expected to enhance and widen the earnings base of the Company in the ensuing years.

## Dividend

The Board has not recommended any final dividend for the financial year ended 31 March 2005.

## Appreciation

On behalf of the Board, I would like to take this opportunity to express our sincere appreciation to our former Director, Mr Ong Tee Kein who had over the years given the Board his full support and contribution and at the same time I would also like to take this opportunity to welcome on board, newly appointed Executive Director, Mr Kong Sin Seng. I would like to thank the members of the management team and staff for their hard work, commitment and loyalty and all our valued customers, suppliers, business associates, bankers and most importantly our shareholders for their continued support and confidence in the Group.

*Dato' Lim Kim Huat*

**Non Executive Chairman**

Kuala Lumpur  
Date : 8 September 2005

20<sup>05</sup>

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# Directors' report for the year ended 31 march 2005

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 March 2005.

## PRINCIPAL ACTIVITIES

The principal activities of the Group are as follows :

- Company - Investment holding
- Provision of management services
- Rental of properties

Subsidiaries - The principal activities of the subsidiaries are set out in Note 3 to the financial statements.

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

## RESULTS

	<b>GROUP RM</b>	<b>COMPANY RM</b>
Net profit for the year	<u>2,643,388</u>	<u>1,401,979</u>

## RESERVES AND PROVISIONS

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

## DIVIDEND

No dividend was paid since the end of the previous financial year and the Directors do not recommend any dividend to be paid for the current financial year.



# Directors' report for the year ended 31 march 2005 (*cont'd*)

## DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are :

Douglas Cheng Heng Lee  
 Lee Yoke Shue  
 Chai Moi Kim  
 Syed Sadiq Obaidi Albar bin Syed Hamid  
 Datuk Chu Sui Kiong  
 Dato' Lim Kim Huat  
 Kong Sin Seng (Appointed on 27.09.2004)  
 Ong Tee Kein (Resigned on 27.09.2004)

## DIRECTORS' INTEREST IN SHARES

The holdings and deemed holdings in the ordinary shares of the Company and its related companies of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows :

	Ordinary shares of RM1 each			Balance at 31.3.2005
	Balance at 1.4.2004	Bought	(Sold)	
<b>The Company</b>				
<i>Direct interest</i>				
Datuk Chu Sui Kiong	220,500	-	-	220,500
Douglas Cheng Heng Lee	-	716,100	-	716,100
<i>Indirect interest</i>				
Datuk Chu Sui Kiong	4,854,968	1,264,100	(1,099,300)	5,019,768
	Number of warrants			Balance at 31.3.2005
	Balance at 1.4.2004	Bought	(Sold)	
<b>The Company</b>				
<i>Direct interest</i>				
Datuk Chu Sui Kiong	98,000	-	-	98,000
Douglas Cheng Heng Lee	-	270,000	-	270,000
<i>Indirect interest</i>				
Datuk Chu Sui Kiong	1,226,994	2,079,240	-	3,306,234

# Directors' report for the year ended 31 march 2005 *(cont'd)*

## DIRECTORS' INTEREST IN SHARES *(cont'd)*

	Number of options for ordinary shares of RM1 each			Balance at 31.3.2005
	Balance at 1.4.2004	Granted	(Exercised)	
<b>The Company</b>				
Douglas Cheng Heng Lee	-	405,000	-	405,000
Lee Yoke Shue	-	405,000	-	405,000
Kong Sin Seng	-	405,000	-	405,000

None of the other Directors holding office at 31 March 2005 had any interest in the ordinary shares of the Company and its related companies during the financial year.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those benefits as disclosed in Note 15 to the financial statements) by reason of a contract made by the Company or a related company with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate other than the warrants and Employees' Share Option Scheme ("ESOS") where certain Directors may be deemed to derive benefits.

## ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 140,000 ordinary shares of RM1.00 each at par for cash arising from the conversion of warrants held in the Company.

## OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the year apart from the issue of options pursuant to ESOS.

At an Extraordinary General Meeting held on 5 September 2003, the Company's shareholders approved the establishment of an ESOS of not more than 10% of the issued share capital of the Company, to eligible employees of the Group.

# Directors' report for the year ended 31 march 2005 *(cont'd)*

## OPTIONS GRANTED OVER UNISSUED SHARES *(cont'd)*

The options granted to take up unissued ordinary shares of RM1 each and the option price are as follows :

Date of offer	Option price RM	Number of options over ordinary shares of RM1 each				
		Balance at 1.4.2004 RM	Granted and accepted RM	Lapsed due to resignation/ termination RM	(Exercised) RM	Balance at 31.3.2005 RM
24.5.2004	1.26	-	2,960,000	(445,000)	-	2,515,000

The Company applied to the Companies Commission of Malaysia for the exemption of Section 169(11) of the Companies Act, 1965. Approval has been granted from the authority to exclude the disclosure of details of the employees to whom the option has been granted other than the details of the employees who have been granted 140,000 or more ordinary shares. The details are as follows :

Name	Number of options over ordinary shares of RM1 each				
	Balance at 1.4.2004 RM	Granted RM	(Exercised) RM	Lapsed due to resignation RM	Balance at 31.3.2005 RM
Douglas Cheng Heng Lee	-	405,000	-	-	405,000
Lee Yoke Shue	-	405,000	-	-	405,000
Kong Sin Seng	-	405,000	-	-	405,000
Ong Tee Kein	-	405,000	-	(405,000)	-
Foo Toon Chai	-	140,000	-	-	140,000
Leong Yoon Cheng	-	140,000	-	-	140,000
Ho Wai Ling	-	140,000	-	-	140,000

The salient features of the ESOS are as follows :

- i) The total number of shares to be offered under the ESOS shall not exceed 10% of the issued and paid-up share capital of the Company at any point of time during the existence of ESOS;
- ii) The ESOS shall continue to be in force for a period of five (5) years commencing from 20 November 2003 ("Option period");
- iii) The option is personal to the grantee and is not assignable, transferable, disposable or changeable except for certain conditions provided for in the Bye-Laws;
- iv) Eligible persons are employees and executive Directors of the Group who have been confirmed on the date of offer and falls within any other criteria that the ESOS Committee may from time to time determine at its discretion;
- v) Each offer shall be in multiple of 100 options and accepted in multiples of 100 shares;

# Directors' report for the year ended 31 march 2005 *(cont'd)*

## **OPTIONS GRANTED OVER UNISSUED SHARES** *(cont'd)*

- vi) The option price shall be the higher of the following :
  - a) a discount of not more than 10% on the weighted average market price of the shares as quoted and shown in the daily official list issued by the Bursa Malaysia Securities Berhad for the five (5) Market Days preceding the date of the offer; and
  - b) the par value of the shares.
- vii) The options granted do not confer any dividend or other distribution declared to the shareholders as at a date which precedes the date of exercise of the option and will be subject to all the provisions of the Articles of Association of the Company; and
- viii) In the event of any alteration in the capital structure of the Company during the option period, whether by way of capitalisation of profits or reserves, rights issues, reduction of capital, subdivision, consolidation of shares or otherwise howsoever, taking places, such corresponding alterations (if any) shall be made in the number of shares relating to the unexercised Options and Option price.

In conjunction with the issuance of rights issue for the purpose of compliance with the minimum issued and paid-up share capital requirement of a public company listed on the Second Board of Bursa Malaysia Securities Berhad, the Company issued 18,000,000 warrants.

The warrants are in registered form and constituted by a deed poll and entitle the registered holder to subscribe for one (1) new ordinary share of RM1.00 in the Company at a price which is subject to adjustments in accordance with the provisions of the deed poll. The conversion ratio is subject to the aforesaid Deed Poll and can be exercised at any time during the five-year subscription period expiring on 27 November 2008. The warrants holders are not entitled to participate in any share issue of any other company. At the end of the year 17,860,000 warrants remained unexercised.

## **SIGNIFICANT EVENTS DURING THE YEAR**

The details of the significant events during the year are disclosed in Note 25 to the financial statements.

# Directors' report for the year ended 31 march 2005 *(cont'd)*

## **OTHER STATUTORY INFORMATION**

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that :

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances :

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 31 March 2005 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

# Directors' report for the year ended 31 march 2005 *(cont'd)*

## AUDITORS

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors :

.....  
**Douglas Cheng Heng Lee**

.....  
**Lee Yoke Shue**

Kuala Lumpur,

Date : 25 July 2005

# Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 34 to 73 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 March 2005 and the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors :

.....  
**Douglas Cheng Heng Lee**

.....  
**Lee Yoke Shue**

Kuala Lumpur,

Date : 25 July 2005

# Statutory declaration pursuant to Section 169(16) of the Companies Act, 1965

I, **Lee Yoke Shue**, the Director primarily responsible for the financial management of Widetech (Malaysia) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 34 to 73 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Georgetown in the State of Penang on 25 July 2005.

.....  
**Lee Yoke Shue**

Before me:

**Chai Choon Kiat, PJM**  
No: P.073

Commissioner for Oaths

Penang



# Report of the auditors

## to the members of Widetech (Malaysia) Berhad

We have audited the financial statements set out on pages 34 to 73. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with Section 174 of the Companies Act, 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations, which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion :

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of :
- i) the state of affairs of the Group and of the Company at 31 March 2005 and the results of their operations and cash flows for the year ended on that date; and
  - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company;
- and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

We have considered the financial statements and auditors' report of the subsidiaries of which we have not acted as auditors as indicated in Note 3 to the financial statements.

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 consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under sub-section (3) of Section 174 of the Act.

**KPMG**

Firm Number : AF 0758  
Chartered Accountants

**Ng Swee Weng**

Partner  
Approval Number : 1414/03/06 (J/PH)

Penang,

Date : 25 July 2005

# Consolidated balance sheet at 31 March 2005

	Note	2005 RM	2004 RM
<b>Property, plant and equipment</b>	2	<b>7,532,755</b>	13,949,756
<b>Goodwill on consolidation</b>	4	<b>607,447</b>	821,840
<b>Current assets</b>			
Inventories	5	621,960	407,133
Trade and other receivables	6	27,310,514	20,666,177
Cash and cash equivalents	7	1,034,881	4,179,049
		<b>28,967,355</b>	25,252,359
<b>Current liabilities</b>			
Trade and other payables	8	3,739,834	6,669,382
Borrowings	9	1,419,191	5,290,059
Taxation		372,780	471,903
		<b>5,531,805</b>	12,431,344
<b>Net current assets</b>		<b>23,435,550</b>	12,821,015
		<b>31,575,752</b>	27,592,611
<b>Financed by :</b>			
<b>Capital and reserves</b>			
Share capital	10	40,640,000	40,500,000
Reserves	11	(10,432,497)	(13,049,184)
<b>Shareholders' funds</b>		<b>30,207,503</b>	27,450,816
Minority shareholders' interests	12	136,710	109,530
<b>Long term liabilities</b>			
Borrowings	9	1,156,539	32,265
Deferred Tax	13	75,000	-
		<b>31,575,752</b>	27,592,611

The financial statements were approved and authorised for issue by the Board of Directors on 25 July 2005.

The notes set out on pages 43 to 73 form an integral part of, and should be read in conjunction with, these financial statements.

# Consolidated income statement

## for the year ended 31 March 2005

	Note	2005 RM	2004 RM
<b>Revenue</b>	14	<b>23,317,613</b>	20,471,464
Changes in manufactured inventories		70,513	(607,125)
Raw materials and consumables used		(984,610)	(772,223)
Staff costs	16	(1,639,469)	(1,713,058)
Depreciation	2	(495,391)	(596,456)
Operating expenses		(16,858,525)	(14,630,516)
Other operating income		750,383	245,321
<b>Operating profit</b>	15	<b>4,160,514</b>	2,397,407
Finance costs		(478,117)	(1,582,985)
<b>Profit before tax</b>		<b>3,682,397</b>	814,422
Tax expense	17	(1,011,829)	(554,945)
<b>Net profit after tax</b>		<b>2,670,568</b>	259,477
Minority interests		(27,180)	(35,946)
<b>Net profit for the year</b>		<b>2,643,388</b>	223,531
Basic earnings per ordinary share (sen)	18	6.51	0.78
Diluted earnings per ordinary share (sen)	18	6.01	0.73

The notes set out on pages 43 to 73 form an integral part of, and should be read in conjunction with, these financial statements.

# Consolidated statement

## of changes in equity for the year ended 31 March 2005

	Share Capital RM	Non- Distributable Capital Reserve RM	Exchange Fluctuation Reserve RM	Accumulated Losses RM	Total RM
<b>At 1 April 2003</b>	18,000,000	2,349,507	35,803	(13,458,015)	6,927,295
Impairment loss	-	(2,200,010)	-	-	(2,200,010)
Net profit for the year	-	-	-	223,531	223,531
Total recognised losses	-	(2,200,010)	-	223,531	(1,976,479)
Rights issue during the year	22,500,000	-	-	-	22,500,000
<b>At 31 March 2004</b>	40,500,000	149,497	35,803	(13,234,484)	27,450,816
Net profit for the year	-	-	-	2,643,388	2,643,388
Transfer to accumulated losses	-	(149,497)	-	149,497	-
Net loss not recognised in the income statements : Currency translation differences of a foreign subsidiary	-	-	(26,701)	-	(26,701)
Issue of shares : Conversion of warrants	140,000	-	-	-	140,000
<b>At 31 March 2005</b>	40,640,000	-	9,102	(10,441,599)	30,207,503

The notes set out on pages 43 to 73 form an integral part of, and should be read in conjunction with, these financial statements.

# Consolidated cash flow statement

## for the year ended 31 March 2005

	2005 RM	2004 RM
<b>Cash flows from operating activities</b>		
Profit before tax	3,682,397	814,422
Adjustments for :		
Depreciation	495,391	596,456
Goodwill amortised	214,393	214,393
Gain on disposal of plant and equipment	(177,420)	(18,738)
Interest income	(29,255)	(56,870)
Interest expense	478,117	1,582,985
Equipment written off	-	22,820
Negative goodwill	(47,012)	-
Operating profit before working capital changes	4,616,611	3,155,468
(Increase)/Decrease in :		
Inventories	(214,827)	472,918
Trade and other receivables	(6,567,194)	(11,169,381)
Decrease in trade and other payables	(2,930,679)	(3,517,459)
Cash used in operations	(5,096,089)	(11,058,454)
Interest paid	(478,117)	(1,582,985)
Tax paid	(1,029,952)	(280,000)
Net cash used in operating activities	(6,604,158)	(12,921,439)
<b>Cash flows from investing activities</b>		
Interest received	29,255	56,870
Purchase of plant and equipment	(162,170)	(84,631)
Acquisition of subsidiary, net cash outflow	(35,000)	-
Proceeds from disposal of plant and equipment	6,608,000	42,867
Net cash generated from investing activities	6,440,085	15,106

# Consolidated cash flow statement *(cont'd)*

	2005 RM	2004 RM
<b>Cash flows from financing activities</b>		
Repayment of term loans	(1,281,897)	(3,276,248)
Repayment of hire purchase obligations and finance lease liabilities	(94,976)	(85,189)
Short term borrowings, net	-	(2,016,908)
Fixed deposit pledged for banking facilities	27,151	12,183
Issue of shares	140,000	22,500,000
Net cash (used in)/generated from financing activities	(1,209,722)	17,133,838
Effects of exchange difference on working capital	(27,831)	-
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(1,401,626)</b>	4,227,505
<b>Cash and cash equivalents at beginning of year</b>	<b>2,430,377</b>	(1,797,128)
<b>Effects of exchange differences on cash and cash equivalents</b>	<b>1,130</b>	-
<b>Cash and cash equivalents at end of year</b>	<b>1,029,881</b>	2,430,377

## NOTES

### A. Purchase of plant and equipment

During the year, the Group acquired plant and equipment with an aggregate cost of RM508,970 (2004 : RM Nil) of which RM346,800 (2004 : RM Nil) was acquired by means of hire purchase. Cash payments of RM162,170 (2004 : RM Nil) were made for the purchase of plant and equipment.

### B. Cash and cash equivalents

Cash and cash equivalents included in the consolidated cash flow statement comprise the following consolidated balance sheet amounts :

	2005 RM	2004 RM
Fixed deposits with licensed banks	411,000	3,511,000
Cash and bank balances	618,881	635,898
Bank overdrafts	-	(1,716,521)
	<b>1,029,881</b>	2,430,377

The notes set out on pages 43 to 73 form an integral part of, and should be read in conjunction with, these financial statements.

# Balance sheet at 31 March 2005

	Note	2005 RM	2004 RM
<b>Property, plant and equipment</b>	2	<b>2,621,941</b>	12,483,088
<b>Investments in subsidiaries</b>	3	<b>3,975,000</b>	2,625,130
<b>Amount due from a subsidiary</b>	6	<b>2,818,162</b>	-
<b>Current assets</b>			
Other receivables	6	<b>17,266,755</b>	12,805,104
Cash and cash equivalents	7	<b>417,941</b>	3,213,228
		<b>17,684,696</b>	16,018,332
<b>Current liabilities</b>			
Other payables	8	<b>304,754</b>	5,677,046
Taxation		-	196,438
		<b>304,754</b>	5,873,484
<b>Net current assets</b>		<b>17,379,942</b>	10,144,848
		<b>26,795,045</b>	25,253,066
<b>Financed by :</b>			
<b>Capital and reserves</b>			
Share capital	10	<b>40,640,000</b>	40,500,000
Reserves	11	<b>(13,844,955)</b>	(15,246,934)
<b>Shareholders' funds</b>		<b>26,795,045</b>	25,253,066

The notes set out on pages 43 to 73 form an integral part of, and should be read in conjunction with, these financial statements.

# Income statement for the year ended 31 March 2005

	Note	2005 RM	2004 RM
<b>Revenue</b>	14	<b>866,000</b>	696,000
Staff costs		<b>(533,140)</b>	(281,068)
Depreciation	2	<b>(174,164)</b>	(354,187)
Operating expenses		<b>(1,005,834)</b>	(1,723,182)
Other operating income		<b>2,066,640</b>	468,649
<b>Operating profit/(loss)</b>	15	<b>1,219,502</b>	(1,193,788)
Finance costs		<b>(32,028)</b>	(407,437)
<b>Profit/(Loss) before tax</b>		<b>1,187,474</b>	(1,601,225)
Tax expense	17	<b>214,505</b>	-
<b>Net profit/(loss) for the year</b>		<b>1,401,979</b>	(1,601,225)

The notes set out on pages 43 to 73 form an integral part of, and should be read in conjunction with, these financial statements.



# Statement of changes in equity

## for the year ended 31 March 2005

	Share Capital RM	Capital Reserve RM	Accumulated Losses RM	Total RM
<b>At 1 April 2003</b>	18,000,000	2,200,010	(13,645,709)	6,554,301
Impairment loss	-	(2,200,010)	-	(2,200,010)
Net loss for the year	-	-	(1,601,225)	(1,601,225)
Total recognised losses	-	(2,200,010)	(1,601,225)	(3,801,235)
Rights issue during the year	22,500,000	-	-	22,500,000
<b>At 31 March 2004</b>	40,500,000	-	(15,246,934)	25,253,066
Net profit for the year	-	-	1,401,979	1,401,979
Issue of shares : Conversion of warrants	140,000	-	-	140,000
<b>At 31 March 2005</b>	<u>40,640,000</u>	<u>-</u>	<u>(13,844,955)</u>	<u>26,795,045</u>

The notes set out on pages 43 to 73 form an integral part of, and should be read in conjunction with, these financial statements.

# Cash flow statement for the year ended 31 March 2005

	2005 RM	2004 RM
<b>Cash flows from operating activities</b>		
Profit/(Loss) before tax	1,187,474	(1,601,225)
Adjustments for :		
Depreciation	174,164	354,187
Gain on disposal of property and plant	(730,130)	-
Interest income	(21,636)	(338,614)
Interest expense	32,028	407,437
Reversal of impairment loss on investments in subsidiaries	(1,314,870)	-
Operating loss before working capital changes	(672,970)	(1,178,215)
Increase in trade and other receivables	(7,279,813)	(12,752,435)
Decrease in other payables	(5,372,292)	(1,229,001)
Cash used in operations	(13,325,075)	(15,159,651)
Interest paid	(32,028)	(407,437)
Tax refunded	18,067	-
Net cash used in operating activities	(13,339,036)	(15,567,088)
<b>Cash flows from investing activities</b>		
Interest received	21,636	338,614
Investment in a subsidiary	(35,000)	-
Purchase of plant and equipment	(7,887)	(32,393)
Proceeds from disposal of property and plant	10,425,000	-
Net cash generated from investing activities	10,403,749	306,221
<b>Cash flows from financing activities</b>		
Repayment of term loan	-	(2,016,889)
Short term borrowings, net	-	(2,016,908)
Issue of shares	140,000	22,500,000
Net cash generated from financing activities	140,000	18,466,203
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,795,287)</b>	<b>3,205,336</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>3,213,228</b>	<b>7,892</b>
<b>Cash and cash equivalents at end of year (Note 7)</b>	<b>417,941</b>	<b>3,213,228</b>

The notes set out on pages 43 to 73 form an integral part of, and should be read in conjunction with, these financial statements.

# Notes to the financial statements

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies are adopted by the Group and by the Company and are consistent with those adopted in previous years.

### (a) Basis of accounting

The financial statements of the Company are prepared on the historical cost basis except as disclosed in the notes to the financial statements and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

### (b) Basis of consolidation

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

A subsidiary is excluded from consolidation when control is intended to be temporary if the subsidiary is acquired and held exclusively with a view of its subsequent disposal in the near future and it has not previously been consolidated or it operates under severe long term restrictions which significantly impair its ability to transfer funds to the Company. Subsidiaries excluded on these grounds are accounted for as investments.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is reflected as goodwill or negative goodwill as appropriate.

Intragroup transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

### (c) Property, plant and equipment

Freehold land is stated at cost. All other property, plant and equipment are stated at cost/valuation less accumulated depreciation and accumulated impairment losses, if any.

Property, plant and equipment retired from active use and held for disposal are stated at the carrying amount at the date when the asset is retired from active use, less impairment losses, if any.

## Notes to the financial statements *(cont'd)*

### (d) Depreciation

Freehold land is not amortised. Leasehold land is amortised in equal instalments over the period of the respective leases ranging from 60 to 99 years.

Other property, plant and equipment are depreciated on a straight-line basis to write off the cost or valuation of the assets over the term of their estimated useful lives at the following principal annual rates :

	%
Buildings	2
Electrical installation	10
Plant, machinery, factory equipment and tools	20 - 50
Furniture, fixtures and office equipment	12.50 – 33.33
Motor vehicles	20

### (e) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair values of the net identifiable assets acquired and is stated at cost less accumulated amortisation and accumulated impairment losses.

Goodwill is amortised from the date of initial recognition over its estimated useful life of not more than 5 years.

Negative goodwill represents the excess of the fair values of the net identifiable assets acquired over the cost of acquisition.

To the extent that negative goodwill relates to an expectation of future losses and expenses that are identified in the plan of acquisition and can be measured reliably, but which have not yet been recognised, it is recognised in the income statement when the future losses and expenses are recognised. Any remaining negative goodwill, but not exceeding the fair values of the non-monetary assets acquired, is recognised in the income statement over the weighted average useful life of those assets that are depreciable/ amortisable. Negative goodwill in excess of the fair values of the non-monetary assets acquired is recognised immediately in the income statement.

### (f) Impairment

The carrying amount of the Group's assets, other than inventories and financial assets (other than investments in subsidiaries), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to equity.

# Notes to the financial statements *(cont'd)*

## **(f) Impairment *(cont'd)***

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the income statement, unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.

## **(g) Investments**

Long term investments other than in subsidiaries, are stated at cost. An allowance is made when the Directors are of the view that there is a diminution in their value which is other than temporary.

Long term investments in subsidiaries are stated at cost in the Company's financial statements, less impairment loss where applicable.

## **(h) Inventories**

Raw materials, manufactured inventories and trading inventories are stated at the lower of cost and net realisable value with first-in, first-out being the main basis for cost. For work-in-progress and manufactured inventories, cost consists of materials, direct labour and an appropriate proportion of fixed and variable production overheads.

## **(i) Trade and other receivables**

Trade and other receivables are stated at cost less unearned service charges and allowance for doubtful debts.

## **(j) Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statements, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

## Notes to the financial statements *(cont'd)*

### **(k) Liabilities**

Borrowings and trade and other payables are stated at cost.

### **(l) Hire purchase**

Assets acquired under hire purchase instalment plans are capitalised as plant and equipment and the corresponding obligations are treated as liabilities. Financing charges over the hire purchase periods are allocated to the income statement using the "Sum-of-digit" method.

### **(m) Provisions**

A provision is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation (legal or constructive) as a result of a past event and a reliable estimate can be made of the amount.

### **(n) Income tax**

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

# Notes to the financial statements *(cont'd)*

## (o) Foreign currency

### i) Foreign currency transactions

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies, which are stated at historical cost, are translated to Ringgit Malaysia at the foreign exchange rates ruling at the date of the transactions.

### ii) Financial statements of foreign operations

The Group's foreign operations are not considered an integral part of the Company's operations. Accordingly, the assets and liabilities of foreign operations are translated to Ringgit Malaysia at exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Ringgit Malaysia at average exchange rates applicable throughout the year. Foreign exchange differences arising on translation are recognised directly in equity.

The closing rates used in the translation of foreign currency monetary assets and liabilities and the financial statements of foreign operations are as follows :

	<b>2005</b>	<b>2004</b>
	<b>RM</b>	<b>RM</b>
1 USD	<b>3.80</b>	3.80
1 SGD	<b>2.20</b>	2.08

## (p) Revenue

### i) Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration receivable and is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

### ii) Service charge

Service charge is recognised as when it accrues over the instalment period based on the sum-of-digits method. Unearned service charge as at balance sheet date is deferred to future periods and is deducted from the trade receivables balance shown on the balance sheet as disclosed in Note 6.

## Notes to the financial statements *(cont'd)*

### **(p) Revenue *(cont'd)***

#### **iii) Service fee and facility fee**

Service fee and facility fee are recognised as when the fees accrue.

#### **iv) Dividend income**

Dividend income is recognised when the right to receive payment is established.

#### **v) Interest income**

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

#### **vi) Rental income**

Rental income is recognised in the income statement as and when it accrues.

### **(q) Finance costs**

All interest and other costs incurred in connection with borrowings are expensed as incurred.

### **(r) Employee benefits**

#### **i) Short term employee benefits**

Wages, salaries and bonuses 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 absences occur.

#### **ii) Defined contribution plans**

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.



# Notes to the financial statements *(cont'd)*

## 2. PROPERTY, PLANT AND EQUIPMENT - GROUP

	At Valuation				At Cost					
	Long term leasehold land RM	Short term leasehold land RM	Buildings RM	Long term leasehold land RM	Freehold land RM	Buildings and electrical installation RM	Plant, machinery, factory equipment and tools RM	Furniture, fixtures and office equipment RM	Motor vehicles RM	Total RM
<b>Valuation/Cost</b>										
At 1 April 2004	394,670	1,152,123	6,160,547	922,716	2,824,680	6,711,898	3,261,621	689,882	356,012	22,474,149
Additions	-	-	-	-	-	-	57,380	55,354	396,236	508,970
Disposals	(394,670)	(1,152,123)	(6,160,547)	-	(79,480)	(2,877,663)	(263,436)	-	(224,275)	(11,152,194)
At 31 March 2005	-	-	-	922,716	2,745,200	3,834,235	3,055,565	745,236	527,973	11,830,925
<b>Depreciation and impairment losses</b>										
At 31 March 2004										
Accumulated depreciation	35,830	200,407	1,131,835	93,075	-	1,115,140	2,973,201	506,384	268,511	6,324,383
Accumulated impairment losses	-	-	2,200,010	-	-	-	-	-	-	2,200,010
Charge for the year	3,575	9,601	61,368	15,379	-	120,128	124,023	96,176	65,141	495,391
Disposals	(39,405)	(210,008)	(3,393,213)	-	-	(653,770)	(259,116)	-	(166,102)	(4,721,614)
At 31 March 2005	-	-	-	108,454	-	581,498	2,838,108	602,560	167,550	4,298,170
Accumulated depreciation	-	-	-	108,454	-	581,498	2,838,108	602,560	167,550	4,298,170
Accumulated impairment losses	-	-	-	-	-	-	-	-	-	-
<b>Net book value</b>										
At 31 March 2005	-	-	-	814,262	2,745,200	3,252,737	217,457	142,676	360,423	7,532,755
At 31 March 2004	358,840	951,716	2,828,702	829,641	2,824,680	5,596,758	288,420	183,498	87,501	13,949,756
Depreciation charge for the year ended 31 March 2004	4,290	19,202	123,211	15,379	-	164,899	131,924	89,496	48,055	596,456

Notes to the financial statements *(cont'd)*

## 2. PROPERTY, PLANT AND EQUIPMENT - COMPANY

	At Valuation			At Cost			Total RM
	Short term leasehold land RM	Buildings RM	Long term leasehold land RM	Freehold land RM	Buildings and electrical installation RM	Furniture, fixtures and office equipment RM	
<b>Valuation/Cost</b>							
At 1 April 2004	1,152,123	5,947,720	922,716	2,582,000	6,407,635	212,649	17,224,843
Additions	-	-	-	-	-	7,887	7,887
Disposals	(1,152,123)	(5,947,720)	(922,716)	-	(6,407,635)	-	(14,430,194)
At 31 March 2005	-	-	-	2,582,000	-	220,536	2,802,536
<b>Depreciation and impairment losses</b>							
At 1 April 2004	200,407	1,086,510	93,075	-	1,021,763	139,990	2,541,745
Accumulated depreciation	-	2,200,010	-	-	-	-	2,200,010
Accumulated impairment losses	200,407	3,286,520	93,075	-	1,021,763	139,990	4,741,755
Charge for the year	9,601	57,821	3,845	-	62,292	40,605	174,164
Disposals	(210,008)	(3,344,341)	(96,920)	-	(1,084,055)	-	(4,735,324)
At 31 March 2005	-	-	-	-	-	180,595	180,595
Accumulated depreciation	-	-	-	-	-	-	-
Accumulated impairment losses	-	-	-	-	-	-	-
<b>Net book value</b>							
At 31 March 2005	-	-	-	2,582,000	-	39,941	2,621,941
At 31 March 2004	951,716	2,661,200	829,641	2,582,000	5,385,872	72,659	12,483,088
Depreciation charge for the year ended 31 March 2004	19,202	118,954	15,379	-	159,779	40,873	354,187

# Notes to the financial statements *(cont'd)*

## 2. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

Certain leasehold land and buildings of the Group and of the Company were revalued in 1997 by the Directors based on a valuation exercise carried out by a firm of professional valuers using the open market value basis in 1995, as approved by the Securities Commission.

Subsequent additions are at cost while disposals are at cost or valuation as appropriate.

It is the Group's policy to state property, plant and equipment at cost. Revaluation of certain properties of the Company and its subsidiaries in 1997 was carried out primarily for the purpose of the Company's listing exercise and was not intended to effect a change in accounting policy to one of revaluation of properties. Hence, in accordance with the transitional provisions of the Malaysian Accounting Standards Board's Approved Accounting Standards, International Accounting Standards 16 (Revised) : Property, Plant and Equipment which allows for the current treatment of revalued properties by the Group, the valuation in 1997 has not been updated. Surplus arising from the above revaluation were dealt with in the capital reserve account.

The net book value of those revalued assets stated at their original cost less accumulated depreciation are as follows :

	Cost RM	Accumulated Depreciation RM	Net Book Value RM
<b>GROUP</b>			
<b>2005</b>			
Long term and short term leasehold land	-	-	-
Buildings	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>2004</b>			
Long term and short term leasehold land	512,169	102,305	409,864
Buildings	2,912,898	686,956	2,225,942
	<u>3,425,067</u>	<u>789,261</u>	<u>2,635,806</u>
<b>COMPANY</b>			
<b>2005</b>			
Short term leasehold land	-	-	-
Buildings	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

# Notes to the financial statements *(cont'd)*

## 2. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

	Cost RM	Accumulated Depreciation RM	Net Book Value RM
<b>2004</b>			
Short term leasehold land	330,069	82,515	247,554
Buildings	2,636,998	631,776	2,005,222
	<u>2,967,067</u>	<u>714,291</u>	<u>2,252,776</u>

Included under property, plant and equipment of the Group is net book value of motor vehicles amounting to RM360,423 (2004 : RM76,568) acquired under hire purchase instalment plans.

## 3. INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2005 RM	2004 RM
Unquoted shares, at cost	5,261,130	5,226,130
Less : Impairment losses	(1,286,130)	(2,601,000)
	<u>3,975,000</u>	<u>2,625,130</u>

Details of the subsidiaries are as follows :

Name of Company	Place of Incorporation	Equity Held		Principal Activities
		2005	2004	
Wire Master Spring Sdn. Bhd.	Malaysia	96%	96%	Manufacture of precision springs
EPA Automation Sdn. Bhd.	Malaysia	100%	100%	Trading in industrial and high-tech products
EPA Automation Pte Ltd *	Republic of Singapore	100%	100%	Trading in industrial and high-tech products
Goldwealth Capital Sdn. Bhd.	Malaysia	100%	100%	Trading in consumer products
GW Premium Capital Sdn. Bhd.	Malaysia	100%	-	Money lending
Subsidiary of Goldwealth Capital Sdn. Bhd.				
- GW Capital Sdn. Bhd	Malaysia	100%	100%	Dormant

\* Subsidiary not audited by KPMG

# Notes to the financial statements *(cont'd)*

## 3. INVESTMENTS IN SUBSIDIARIES *(cont'd)*

During the year, the Company acquired 250,000 ordinary shares of RM1.00 each, representing 100% of the issued and paid-up share capital of GW Premium Capital Sdn. Bhd. for a total cash consideration of RM35,000. The details of acquisition are shown in Note 24.

## 4. GOODWILL ON CONSOLIDATION - GROUP

	2005 RM	2004 RM
Cost		
Opening balance/Closing balance	<u>1,071,965</u>	<u>1,071,965</u>
Amortisation and impairment losses		
Opening balance	250,125	35,732
Amortisation charge for the year	214,393	214,393
Closing balance	<u>464,518</u>	<u>250,125</u>
Net book value		
As at 31 March	<u>607,447</u>	<u>821,840</u>

## 5. INVENTORIES - GROUP

	2005 RM	2004 RM
Raw materials	303,747	159,433
Manufactured inventories	318,213	247,700
	<u>621,960</u>	<u>407,133</u>

# Notes to the financial statements *(cont'd)*

## 6. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
<b>Short term</b>				
Trade receivables	<b>37,965,947</b>	29,834,707	-	-
Less : Unearned service charges	<b>(10,896,943)</b>	(8,636,323)	-	-
	<b>27,069,004</b>	21,198,384	-	-
Less : Allowance for doubtful debts	<b>(598,468)</b>	(846,542)	-	-
	<b>26,470,536</b>	20,351,842	-	-
Amount due from subsidiaries	-	-	<b>20,360,996</b>	15,310,247
Less : Allowance for doubtful debts	-	-	<b>(3,110,263)</b>	(2,521,050)
	-	-	<b>17,250,733</b>	12,789,197
Other receivables, deposits and prepayments	<b>5,780,356</b>	5,248,713	<b>5,016,022</b>	5,015,907
Less : Allowance for doubtful debts	<b>(5,000,000)</b>	(5,000,000)	<b>(5,000,000)</b>	(5,000,000)
	<b>780,356</b>	248,713	<b>16,022</b>	15,907
Tax refundable	<b>59,622</b>	65,622	-	-
	<b>27,310,514</b>	20,666,177	<b>17,266,755</b>	12,805,104
<b>Long term</b>				
Amount due from a subsidiary	-	-	<b>2,818,162</b>	-
	<b>27,310,514</b>	20,666,177	<b>20,084,917</b>	12,805,104

# Notes to the financial statements *(cont'd)*

## 6. TRADE AND OTHER RECEIVABLES *(cont'd)*

### GROUP

Included in the trade receivables is an amount of RM18,045,084 (2004 : RM12,613,324) with a maturity structure of one to five years.

### GROUP/COMPANY

Included in other receivables is an amount of RM5,000,000 (2004 : RM5,000,000) due from a third party which is unsecured, interest-free and has no fixed terms of repayment. This receivable has been fully provided for in the prior year.

### COMPANY

Included in amount due from subsidiaries is an amount of RM Nil (2004 : RM12,316,919) due from a subsidiary with an interest rate of Nil (2004 : 8%) per annum which is unsecured and has no fixed terms of repayment.

## 7. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Fixed deposits with licensed banks	416,000	3,543,151	411,000	3,100,000
Cash and bank balances	618,881	635,898	6,941	113,228
	<b>1,034,881</b>	4,179,049	<b>417,941</b>	3,213,228

Included in the Group's fixed deposit is an amount of RM5,000 (2004 : RM32,151) pledged to licensed banks for banking facilities granted to a subsidiary.

## 8. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Trade payables	1,560,114	1,290,672	-	-
Other payables and accruals	2,179,720	5,378,710	304,754	4,615,311
Amount due to subsidiaries	-	-	-	1,061,735
	<b>3,739,834</b>	6,669,382	<b>304,754</b>	5,677,046

# Notes to the financial statements *(cont'd)*

## 8. TRADE AND OTHER PAYABLES *(cont'd)*

### GROUP/COMPANY

Included in other payables are the following :

- i) an amount of RM Nil (2004 : RM1,319,000) due to the vendors of Goldwealth Capital Sdn. Bhd. being the purchase consideration for the shares. The amount owing is unsecured and has no fixed terms of repayment. Interest is charged at 8.0% (2004 : 8.0%) per annum.

### Company

The amount due to subsidiaries is non-trade, unsecured, interest-free and has no fixed terms of repayment.

## 9. BORROWINGS

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Current				
Term loans - secured	1,356,290	3,532,320	-	-
Bank overdrafts - unsecured	-	1,716,521	-	-
Hire purchase obligations	62,901	41,218	-	-
	<b>1,419,191</b>	<b>5,290,059</b>	<b>-</b>	<b>-</b>
Non-Current				
Term loans - secured	894,133	-	-	-
Hire purchase obligations	262,406	32,265	-	-
	<b>1,156,539</b>	<b>32,265</b>	<b>-</b>	<b>-</b>



# Notes to the financial statements *(cont'd)*

## 9. BORROWINGS *(cont'd)*

The term loans are secured as follows :

- i) The rights and interest in a subsidiary's current account maintained with another financial institution;
- ii) Debenture creating first fixed and floating charge over all present and future assets, property, undertaking, rights and revenue including the uncalled capital of the subsidiary;
- iii) Assignment of all rights, titles and interest in, to and under the Supply Agreement entered into between the subsidiary and Koperasi Konsumer Malaysia Bhd.; and
- iv) Joint and several guarantees of a third party, a Director and three former shareholders of the subsidiary.

The above bank borrowings are subject to interest of 2.00% (2004 : 2.00% to 2.50%) per annum above the respective banks' base lending rates or prevailing inter-bank rate as the case may be. Hire purchase is subject to a fixed interest rate of 3.07% - 4.25% (2004 : 6.50%).

### Terms and debt repayment schedule

#### Term loans

Term loans are repayable as follows :

	Total RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM
<b>GROUP</b>				
At 31 March 2005	2,250,423	1,356,290	894,133	-
At 31 March 2004	3,532,320	3,532,320	-	-

#### Hire purchase obligations

Hire purchase obligations are payable as follows :

	2005			2004		
	Payments RM	Interest RM	Principal RM	Payments RM	Interest RM	Principal RM
<b>GROUP</b>						
Less than 1 year	78,954	(16,053)	62,901	45,249	(4,031)	41,218
Between 1 and 5 years	245,341	(35,685)	209,656	40,083	(7,818)	32,265
More than 5 years	54,633	(1,883)	52,750	-	-	-
	<b>378,928</b>	<b>(53,621)</b>	<b>325,307</b>	<b>85,332</b>	<b>(11,849)</b>	<b>73,483</b>

# Notes to the financial statements *(cont'd)*

## 10. SHARE CAPITAL

	2005 RM	2004 RM
Ordinary shares of RM1 each		
Authorised :	<u>150,000,000</u>	<u>150,000,000</u>
Issued and fully paid		
Opening balance	40,500,000	18,000,000
Rights issue during the year (5 for 4)	-	22,500,000
Exercise of warrants	140,000	-
Closing balance	<u>40,640,000</u>	<u>40,500,000</u>

## 11. RESERVES

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Non-distributable				
Capital reserve	-	149,497	-	-
Exchange fluctuation reserve	9,102	35,803	-	-
	<u>9,102</u>	185,300	-	-
Accumulated losses	<u>(10,441,599)</u>	(13,234,484)	<u>(13,844,955)</u>	(15,246,934)
	<u>(10,432,497)</u>	<u>(13,049,184)</u>	<u>(13,844,955)</u>	<u>(15,246,934)</u>

## 12. MINORITY SHAREHOLDERS' INTERESTS

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

# Notes to the financial statements *(cont'd)*

## 13. DEFERRED TAX

The recognised deferred tax liabilities are as follows :

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Unabsorbed capital allowance	98,520	-	-	-
Deductible temporary differences	(23,520)	-	-	-
	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

No deferred tax has been recognised for the following items :

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Deductible temporary differences	(2,011,000)	(1,890,000)	(15,000)	630,000
Unabsorbed capital allowances	(2,009,000)	(1,228,000)	(1,788,000)	(873,000)
Unutilised tax losses	(6,612,000)	(6,611,000)	(2,978,000)	(2,977,000)
	<u>(10,632,000)</u>	<u>(9,729,000)</u>	<u>(4,781,000)</u>	<u>(3,220,000)</u>

The unutilised tax losses, unabsorbed capital allowances and deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits.

The comparative figures have been restated to reflect the revised deductible temporary differences, unabsorbed capital allowances and unutilised tax losses available to the Group and the Company.

## 14. REVENUE

Revenue of the Group comprises service charges for instalment sales, service fee, facility fee, rental income and the invoiced value of goods sold less discounts and returns.

Revenue of the Company comprises management fees receivable from subsidiaries and rental income.

# Notes to the financial statements *(cont'd)*

## 15. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is arrived at:

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
After charging :				
Auditors' remuneration				
- current year	<b>53,020</b>	42,424	<b>18,000</b>	16,000
- prior year	<b>4,016</b>	-	-	-
Depreciation (Note 2)	<b>495,391</b>	596,456	<b>174,164</b>	354,187
Directors' emoluments				
Directors of the Company				
- Remuneration	<b>280,686</b>	270,902	<b>280,686</b>	153,300
- Over provision in prior year	-	(130,000)	-	(130,000)
Other Directors				
- Remuneration	<b>205,514</b>	170,648	-	-
Rental of premises	<b>37,620</b>	46,802	<b>18,810</b>	18,578
Allowance for doubtful debts				
- subsidiaries	-	-	<b>589,213</b>	327,875
- others	<b>61,393</b>	84,677	-	-
Inventories written off	-	62,059	-	-
Realised loss on foreign exchange	<b>1,411</b>	4,691	-	-
Operating lease rentals	<b>163,729</b>	114,536	-	-
Unrealised loss on foreign exchange	-	9,198	-	-
Professional fees in respect of right issues	-	586,637	-	586,637
Goodwill amortised	<b>214,393</b>	214,393	-	-
Equipment written off	-	22,820	-	-
and crediting :				
Rental income	<b>83,714</b>	554,300	<b>50,000</b>	516,000
Interest income	<b>29,255</b>	56,870	<b>21,636</b>	338,614
Gain on disposal of plant and equipment	<b>177,420</b>	18,738	<b>730,130</b>	-
Inventories written back	<b>175,457</b>	435,730	-	-
Negative goodwill recognised	<b>47,012</b>	-	-	-
Reversal of impairment loss on investments in subsidiaries	-	-	<b>1,314,870</b>	-
Allowance for doubtful debts written back	<b>347,658</b>	-	-	-

# Notes to the financial statements *(cont'd)*

## 16. EMPLOYEE INFORMATION

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Staff costs	1,636,267	1,713,058	533,140	281,068

The number of employees of the Group and of the Company (including Executive Directors) at the end of the year was 42 (2004 : 45) and 9 (2004 : 7) respectively.

Staff costs included contributions to the Employees' Provident Fund of the Group and of the Company of RM166,047 (2004 : RM168,098) and RM52,822 (2004 : RM25,564) respectively.

## 17. TAX EXPENSE

	GROUP		COMPANY	
	2005 RM	2004 RM	2005 RM	2004 RM
Current tax expense				
- Current year	1,151,334	554,945	-	-
- Prior years	(214,505)	-	(214,505)	-
Deferred Tax				
- Current year	75,000	-	-	-
	<u>1,011,829</u>	<u>554,945</u>	<u>(214,505)</u>	<u>-</u>

# Notes to the financial statements *(cont'd)*

## 17. TAX EXPENSE *(cont'd)*

### Reconciliation of effective tax expense

	2005 RM	2004 RM
<b>GROUP</b>		
Profit before tax	<b>3,682,397</b>	814,422
Income tax using Malaysian tax rates	<b>1,431,504</b>	244,893
Non-deductible expenses	<b>534,178</b>	434,062
Non-taxable income	<b>(999,178)</b>	-
Deferred tax assets not recognised/(recognised)	<b>274,693</b>	(124,010)
Tax incentive	<b>(96,873)</b>	-
Other items	<b>82,010</b>	-
	<b>1,226,334</b>	554,945
Over provision in prior years	<b>(214,505)</b>	-
Tax expense	<b>1,011,829</b>	554,945

### Reconciliation of effective tax expense

	2005 RM	2004 RM
<b>COMPANY</b>		
Profit/(Loss) before tax	<b>1,187,474</b>	(1,601,225)
Income tax using Malaysian tax rates	<b>332,493</b>	(448,343)
Non-deductible expenses	<b>213,062</b>	403,270
Non-taxable income	<b>(982,410)</b>	-
Deferred tax assets not recognised	<b>436,855</b>	45,073
	<b>-</b>	-
Over provision in prior years	<b>(214,505)</b>	-
Tax expense	<b>(214,505)</b>	-

# Notes to the financial statements *(cont'd)*

## 18. BASIC EARNINGS PER ORDINARY SHARE - GROUP

### Basic earnings per share

The calculation of basic earnings per share is based on net profit attributable to ordinary shareholders of RM2,643,388 (2004 : RM223,531) and the weighted average number of ordinary shares outstanding during the year of 40,601,699 (2004 : 28,627,397).

### Weighted average number of ordinary shares

	2005 RM	2004 RM
Issued ordinary shares at beginning of the year	40,500,000	18,000,000
Effect of warrants conversion	101,699	-
Effects of rights issue	-	10,627,397
Weighted average number of ordinary shares	<u>40,601,699</u>	<u>28,627,397</u>

### Diluted earnings per share

The calculation of diluted earnings per share is based on the net profit attributable to ordinary shareholders of RM2,643,388 (2004 : RM223,531) and the weighted average number of ordinary shares outstanding during the year of 43,995,280 (2004 : 30,739,750) calculated as follows :

### Weighted average number of ordinary shares (diluted)

	2005 RM	2004 RM
Weighted average number of ordinary shares as above	40,601,699	28,627,397
Effect of warrants	3,393,581	2,112,353
Weighted average number of ordinary shares (diluted)	<u>43,995,280</u>	<u>30,739,750</u>

## 19. RELATED PARTIES

### 19.1 Related party relationships

- i) Subsidiaries of the Group as disclosed in the financial statements
- ii) Key management personnel of the Group
  - Lee Yoke Shue
  - Douglas Cheng Heng Lee
  - Kong Sin Seng

# Notes to the financial statements *(cont'd)*

## 19. RELATED PARTIES *(cont'd)*

19.2 Significant transactions with related parties other than those disclosed elsewhere in the financial statements are as follows :

i) Transactions between the Company and its subsidiaries :

	<b>2005 RM</b>	<b>2004 RM</b>
Management fees receivable	<b>816,000</b>	180,000
Interest receivable	-	289,696
Sale of property and plant	<b>4,800,000</b>	-

The Directors of the Company are of the opinion that the above transactions were entered into in the normal course of business and the terms of which have been established on a negotiated basis.

ii) Transactions with Directors and key management personnel

There were no transactions with the Directors and key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their appointment and interest payable on the amount due to the vendors of Goldwealth Capital Sdn. Bhd., as mentioned in Note 8(i) of which a Director of the Company is related to one of the vendors of Goldwealth Capital Sdn. Bhd..

19.3 Significant non-trade related party balances - COMPANY

	<b>2005 RM</b>	<b>2004 RM</b>
Amount due from subsidiaries	<b>23,179,158</b>	15,310,247
Less : Allowance for doubtful debts	<b>(3,110,263)</b>	(2,521,050)
	<b>20,068,895</b>	12,789,197
Amount due to subsidiaries	-	(1,061,735)
	<b>20,068,895</b>	11,727,462



# Notes to the financial statements *(cont'd)*

## 20. CONTINGENT LIABILITIES

### Group

As at 31 March 2005, a former employee of a subsidiary has instituted legal action against the subsidiary for unfair dismissal. The outcome of the legal action is presently not determinable and the Company has not made any provision for possible losses arising from the claim in the financial statements.

### Company

- i) The Company has issued corporate guarantees to financial institutions for banking facilities granted to its subsidiaries up to limits of RM2.425 million (2004 : RM3.856 million)
- ii) The Company has also undertaken to provide financial support to certain subsidiaries to enable them to continue as a going concern.

## 21. SEGMENTAL INFORMATION - GROUP

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, is based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

### Business segments

The Group comprises the following main business segments :

Manufacturing	Manufacture of precision springs
Trading	Trading in industrial and high-tech products
Supply	Supply of consumer products
Others	<ol style="list-style-type: none"> <li>i) Investment holding</li> <li>ii) Provision of management services</li> <li>iii) Rental of properties</li> <li>iv) Money lending</li> </ol>

# Notes to the financial statements *(cont'd)*

## 21. SEGMENTAL INFORMATION - GROUP *(cont'd)*

### Geographical segments

The Group's business is carried out in two geographical areas, Malaysia and Singapore.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of assets.

### Business segments

	Manufacturing RM	Trading RM	Supply RM	Others RM	Eliminations RM	Consolidated RM
Revenue from external customers	3,292,684	299,950	19,631,580	93,399	-	23,317,613
Inter-segment revenue	-	-	-	816,000	(816,000)	-
<b>Total revenue</b>	<b>3,292,684</b>	<b>299,950</b>	<b>19,631,580</b>	<b>909,399</b>	<b>(816,000)</b>	<b>23,317,613</b>
<b>Segment result</b>	955,351	329,304	4,121,064	(1,077,824)	-	4,327,895
Goodwill amortised						(214,393)
Negative goodwill recognised						47,012
Operating profit						4,160,514
Finance costs						(478,117)
Profit before tax						3,682,397
Tax expense						(1,011,829)
Minority interests						(27,180)
<b>Net profit after tax for the year</b>						<b>2,643,388</b>
<b>Segment assets</b>	6,842,622	462,039	26,717,872	2,477,577	-	36,500,110
Goodwill						607,447
<b>Total assets</b>						<b>37,107,557</b>
Segment liabilities	(533,410)	(1,360,898)	(4,551,242)	(317,794)	-	(6,763,344)
Minority interest						(136,710)
<b>Total liabilities</b>						<b>(6,900,054)</b>
Capital expenditure	73,645	-	80,638	7,887	-	162,170
Depreciation and amortisation	(153,378)	(10,160)	(88,393)	(243,460)	-	(495,391)
Non-cash expenses other than depreciation and amortisation	(9,070)	(58,190)	(43,757)	(66,403)	-	(177,420)
Goodwill amortised						(214,393)
Negative goodwill recognised						47,012

# Notes to the financial statements *(cont'd)*

## 21. SEGMENTAL INFORMATION - GROUP *(cont'd)*

2004	Manufacturing RM	Trading RM	Supply RM	Others RM	Eliminations RM	Consolidated RM
Revenue from external customers	3,025,981	706,195	16,223,288	516,000	-	20,471,464
Inter-segment revenue	-	-	-	180,000	(180,000)	-
<b>Total revenue</b>	<b>3,025,981</b>	<b>706,195</b>	<b>16,223,288</b>	<b>696,000</b>	<b>(180,000)</b>	<b>20,471,464</b>
<b>Segment result</b>	<b>1,038,386</b>	<b>(593,758)</b>	<b>3,033,086</b>	<b>(865,914)</b>	<b>-</b>	<b>2,611,800</b>
Goodwill amortised						(214,393)
Operating profit						2,397,407
Finance costs						(1,582,985)
Profit before tax						814,422
Tax expense						(554,945)
Minority interests						(35,946)
<b>Net profit after tax for the year</b>						<b>223,531</b>
<b>Segment assets</b>	<b>1,981,120</b>	<b>1,174,262</b>	<b>20,336,360</b>	<b>15,710,373</b>	<b>-</b>	<b>39,202,115</b>
Goodwill						821,840
<b>Total assets</b>						<b>40,023,955</b>
<b>Segment liabilities</b>	<b>307,792</b>	<b>2,879,901</b>	<b>4,467,342</b>	<b>4,808,574</b>	<b>-</b>	<b>12,463,609</b>
Minority interest						109,530
<b>Total liabilities</b>						<b>12,573,139</b>
Capital expenditure	26,316	-	25,922	32,393	-	84,631
Depreciation and amortisation	(145,510)	(29,786)	(66,973)	(354,187)	-	(596,456)
Non-cash expenses other than depreciation and amortisation	(12,000)	(143,114)	(23,640)	-	-	(178,754)
Goodwill amortised						(214,393)
Impairment loss	-	-	-	(2,200,010)	-	(2,200,010)

# Notes to the financial statements *(cont'd)*

## 21. SEGMENTAL INFORMATION - GROUP *(cont'd)*

### Geographical segments

	Malaysia RM	Singapore RM	Others RM	Eliminations RM	Consolidated RM
Revenue from external customers by location of customers	23,317,613	-	-	-	23,317,613
Segment assets by location of assets	37,086,760	20,797	-	-	37,107,557
Capital expenditure by location of assets	162,170	-	-	-	162,170

### 2004

Revenue from external customers by location of customers	19,864,865	21,291	585,308	-	20,471,464
Segment assets by location of assets	39,722,116	301,839	-	-	40,023,955
Capital expenditure by location of assets	84,631	-	-	-	84,631

## 22. OPERATING LEASE COMMITMENTS - GROUP

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

	2005 RM	2004 RM
Less than 1 year	186,084	159,241
Between 1 and 5 years	357,872	467,916
	<u>543,956</u>	<u>627,157</u>

The Group leases a number of machines under operating leases. The leases typically run for an initial period of 3 to 5 years, with an option to continue for another year. None of the leases include contingent rentals.

# Notes to the financial statements *(cont'd)*

## 23. FINANCIAL INSTRUMENTS

### Financial risk management objectives and policies

Exposure to credit, interest rate and currency risk arises in the normal course of the Group's and Company's business. The Group's and Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and Company's businesses.

### Credit risk

The credit risk is minimised by the application of acceptable methods of control comprising of credit approvals, limits and close monitoring procedures on an ongoing basis.

### Foreign currency risk

The Group incurs foreign currency risk on sales and purchases that are denominated in foreign currency. The Group does not use any hedging methods to minimise such risk. Exposure to foreign risk is monitored on an ongoing basis by the Group to ensure the net exposure is on an acceptable level. The pegging of Ringgit to US Dollars further reduces such risk.

### Interest rate risk

The Group's and Company's policy is to borrow principally on a floating rate basis. The Group's and the Company's exposure to market risk for changes in interest rates relates primarily to the Group's and Company's debt obligations.

### Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice or mature, whichever is earlier.

	Effective interest rate %	Total RM	Within 1 year RM	1 - 5 years RM
<b>GROUP</b>				
<b>2005</b>				
<b>Financial asset</b>				
Fixed deposits with licensed banks	1.43	416,000	416,000	-
<b>Financial liabilities</b>				
Secured term loans	8.90	2,250,423	2,250,423	-

# Notes to the financial statements *(cont'd)*

## 23. FINANCIAL INSTRUMENTS *(cont'd)*

	Effective interest rate %	Total RM	Within 1 year RM	1 - 5 years RM
<b>GROUP</b>				
<b>2004</b>				
<b>Financial asset</b>				
Fixed deposits with licensed banks	2.10	3,543,151	3,543,151	-
<b>Financial liabilities</b>				
Secured term loans	8.90	3,532,320	3,532,320	-
Unsecured bank overdrafts	8.50	1,716,521	1,716,521	-
Amount due to vendors of Goldwealth Capital Sdn. Bhd.	8.00	1,319,000	1,319,000	-
<b>COMPANY</b>				
<b>2005</b>				
<b>Financial asset</b>				
Fixed deposits with licensed banks	1.40	411,000	411,000	-
<b>2004</b>				
<b>Financial assets</b>				
Fixed deposits with licensed banks	2.10	3,100,000	3,100,000	-
Amount due from a subsidiary	8.00	12,316,919	12,316,919	-
<b>Financial liability</b>				
Amount due to vendors of Goldwealth Capital Sdn. Bhd.	8.00	1,319,000	1,319,000	-

### Fair values

#### *Recognised financial instruments*

The carrying amounts approximate fair value due to the relatively short term nature of these financial instruments in respect of cash and cash equivalents, trade and other receivables, trade and other payables and short term borrowings.

# Notes to the financial statements *(cont'd)*

## 23. FINANCIAL INSTRUMENTS *(cont'd)*

The aggregate fair value of the other financial assets and liabilities carried on the balance sheet as at 31 March are shown below :

	2005		2004	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
<b>GROUP</b>				
<b>Financial asset</b>				
Fixed deposits with licensed banks	416,000	416,000	3,543,151	3,543,151
<b>Financial liability</b>				
Secured term loans	2,250,423	2,250,423	3,532,320	3,532,320
<b>COMPANY</b>				
<b>Financial asset</b>				
Fixed deposits with licensed banks	411,000	411,000	3,100,000	3,100,000
Amount due from a subsidiary	-	-	12,316,919	12,316,919
<b>Financial liability</b>				
Amount due to vendors of Goldwealth Capital Sdn. Bhd.	-	-	1,319,000	1,319,000

## 24. ACQUISITION OF A SUBSIDIARY

During the year, the Company acquired 100% equity interest in GW Premium Capital Sdn. Bhd. for a total cash consideration of RM35,000.

# Notes to the financial statements *(cont'd)*

## 24. ACQUISITION OF A SUBSIDIARY *(cont'd)*

### Effect of acquisition

The fair values of assets and liabilities issued in the acquisition of the subsidiary and their cash flow effects are as follows :

	<b>2005 RM</b>
Current assets	
- Other receivables	<b>83,143</b>
Current liabilities	
- Other payables and accruals	<b>(1,131)</b>
Net assets	<b>82,012</b>
Reserve on consolidation	<b>(47,012)</b>
Total consideration	<b>35,000</b>
Cash acquired	-
Net cash outflow	<b>35,000</b>

## 25. SIGNIFICANT EVENTS DURING THE YEAR

During the financial year :

- a) the Company has disposed of :
  - i) a property held under H.S.(D) 1522, P.T. No. PT208, Mukim of Seberang Perai Tengah, Penang to a subsidiary, Wire Master Spring Sdn. Bhd. for a total consideration of RM4,800,000; and
  - ii) a leasehold land known as P.T. No. 1277 (Plot 97) held under H.S. (D) 8437, Mukim 12, Daerah Barat Daya, Penang together with a two storey office and a three storey factory erected thereon for a total cash consideration of RM5,625,000.
- b) the Company's wholly-owned subsidiary, EPA Automation Sdn. Bhd. has disposed of :
  - i) a property held under H.S. (D) 116019, P.T. No. 1673, Bandar Sunway, Daerah Petaling, Selangor for a total cash consideration of RM550,000; and
  - ii) a property held under H.S. (D) 123159, P.T. No. PTD 24746 Mukim of Tebrau, District of Johor Bahru, Johor for a total consideration of RM270,000.



# Notes to the financial statements *(cont'd)*

## 25. SIGNIFICANT EVENTS DURING THE YEAR *(cont'd)*

- c) The Company's wholly-owned subsidiary, GW Capital Sdn. Bhd. has obtained approval on 8 July 2004 from Securities Commission for the issuance of commercial paper amounting to RM50.0 million.
- d) a first offer of the ESOS amounting to 2,960,000 shares of RM1.26 per share was made to the eligible Directors and employees of the Group.

## 26. MATERIAL LITIGATION

On 28 May 2003, the Company's wholly-owned subsidiaries, EPA Automation Sdn. Bhd. and EPA Automation Pte. Ltd. ("EPA"), filed a suit against Camozzi s.p.a, Camozzi Malaysia Sdn Bhd and two former employees of EPA Malaysia, (collectively known as the "Camozzi Defendants") in relation to the alleged wrongful termination of the sole agency and distributorship agreement between EPA with Camozzi s.p.a. and the alleged wrongful use of EPA's confidential information by the Camozzi Defendants. EPA has claimed for damages arising thereof and damages resulting from unlawful interference of their business by the Camozzi Defendants. An injunction is in place prohibiting the Camozzi Defendants from utilising the confidential information. The Camozzi Defendants have filed a counterclaim in these proceedings against Widetech and EPA for the value of goods sold to EPA of Euro 233,250.49 together with interest charged at 8% per annum and other damages. Given that the purported nature of termination was wrongful, and that there was a wrongful use of EPA's confidential information and as there was unlawful interference with EPA's business, the Directors are of the view that there are reasonable prospects of success by EPA in its claim against the Camozzi Defendants. The trial of this matter is now fixed from 3, 4, 6, 17 and 18 April 2006.

# List of properties

Location	Tenure	Land Area	Description, Age of Building & Year of Acquisition	Net Book Value RM'000 as at 31 March 2005
<b>A. REGISTERED OWNER : WIDETECH (MALAYSIA) BERHAD</b>				
Lot 898, Geran No. 5054 Mukim 7 Seberang Perai Selatan Penang	Freehold	4.2 acres	Commercial land 2000	2,582
<b>B. REGISTERED OWNER : WIRE MASTER SPRING SDN BHD</b>				
Plot 51 (A) Phase 1 Bukit Minyak Industrial Park Mukim 13 District of Province Wellesley Central Penang	Leasehold - 60 years Expiring 2055	2.00 acres	2 storey factory 8 years old 2004	4,729

# Analysis of shareholdings

A) Authorised Share Capital	:	RM150,000,000
Issued and Fully Paid Up Capital	:	RM40,640,000
Class of Share	:	Ordinary shares of RM1/- each
Voting Right	:	Every member of the Company, present in person or by proxy, shall have on a show of hands, one (1) vote or on a poll, one (1) vote for each share held

## B) DISTRIBUTION OF SHAREHOLDINGS AS AT 8 AUGUST 2005

Category	No. of Holders		No. of Shares		Percentage (%)	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less than 100 Shares	16	1	786	50	@	@
100 to 1,000 Shares	395	4	376,568	4,000	0.93	0.01
1,001 to 10,000 Shares	555	9	2,072,195	50,500	5.10	0.12
10,001 to 100,000 Shares	101	8	2,700,320	280,500	6.64	0.69
100,001 to 2,031,999 Shares <sup>1</sup>	23	3	11,828,525	480,200	29.10	1.18
2,032,000 and above of Issued Shares <sup>2</sup>	4	0	22,846,356	0	56.22	0
<b>Total</b>	<b>1,094</b>	<b>25</b>	<b>39,824,750</b>	<b>815,250</b>	<b>97.99</b>	<b>2.00</b>

Notes:

- 1 Less than 5% of Issued Shares  
 2 5% and above of Issued Shares  
 @ Negligible

## C) SUBSTANTIAL SHAREHOLDERS AS AT 30 AUGUST 2005

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
1. Gain Millen Sdn Bhd	8,015,000	19.72	-	-
2. Distinct Rich Sdn Bhd	5,019,768	12.35	-	-
3. Lim Suh Hua @ Lim Yak Hua	5,311,588	13.07	-	-
4. Dato' Vincent Tan Ting Wong	-	-	*5,019,768	12.35
5. Datuk Chu Sui Kiong	220,500	0.54	*5,019,768	12.35
6. Dato' Cheng Joo Teik	200,000	0.49	**8,015,000	19.72
7. Chip Lam Seng Enterprise Berhad	4,500,000	11.07	-	-

\* Indirect Interest through Distinct Rich Sdn Bhd

\*\* Indirect Interest through Gain Millen Sdn Bhd

## Analysis of shareholdings *(cont'd)*

### D) DIRECTORS' SHAREHOLDINGS AS AT 8 AUGUST 2005

Name	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
1. Dato' Lim Kim Huat	-	-	-	-
2. Douglas Cheng Heng Lee	716,100	1.76	-	-
3. Lee Yoke Shue	-	-	-	-
4. Kong Sin Seng	-	-	-	-
5. Datuk Chu Sui Kiong	220,500	0.54	*5,019,768	12.35
6. Chai Moi Kim	-	-	-	-
7. Syed Sadiq Obaidi Albar bin Syed Hamid	-	-	-	-

\* Indirect Interest through Distinct Rich Sdn Bhd

### E) DIRECTORS' SHARE OPTIONS HELD UNDER THE EMPLOYEES' SHARE OPTION SCHEME OF THE COMPANY AS AT 8 AUGUST 2005

Name	No. of Share Options
1. Douglas Cheng Heng Lee	405,000
2. Lee Yoke Shue	405,000
3. Kong Sin Seng	405,000

### F) DIRECTORS' SHAREHOLDINGS IN RELATED CORPORATION AS AT 8 AUGUST 2005

Related Corporation – Wire Master Spring Sdn Bhd

Name	Direct		Indirect	
	No. of Shares held in Related Corporation	%	No. of Shares	%
1. Douglas Cheng Heng Lee	1	@	*	*

Notes:

@ Negligible

\* Mr Douglas Cheng Heng Lee is deemed interested by virtue of Section 6A of the Companies Act, 1965 to the extent Widetech (Malaysia) Berhad has interests.

# Analysis of shareholdings *(cont'd)*

## G) LIST OF 30 LARGEST SHAREHOLDERS AS AT 8 AUGUST 2005

	Name	No. of Shares	%
1.	Gain Millen Sdn Bhd	8,015,000	19.72
2.	Lim Suh Hua @ Lim Yak Hua	5,311,588	13.07
3.	Distinct Rich Sdn Bhd	5,019,768	12.35
4.	HDM Nominees (Tempatan) Sdn Bhd - HDM Capital Sdn Bhd for Chip Lam Seng Enterprise Berhad	4,500,000	11.07
5.	Actual Ace Sdn Bhd	1,912,500	4.71
6.	Chua Seng Yong	1,838,900	4.52
7.	Tan Boon Lee	1,282,800	3.16
8.	Ling Hee Leong	881,000	2.17
9.	Chin Seok Yin	723,500	1.78
10.	Kenneth Tan Keng Han	643,100	1.58
11.	Ooi Ah Seng	500,000	1.23
12.	Wong Chee Choon	417,150	1.03
13.	Citicorp Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Douglas Cheng Heng Lee (473700)	416,600	1.03
14.	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Oh Kim Sun (CEB)	399,900	0.98
15.	Prisma Pedoman Sdn Bhd	340,300	0.84
16.	Mar Teak Song	332,200	0.82
17.	Abul Hasan Bin Mohamed Rashid	315,000	0.78
18.	Cimsec Nominees (Tempatan) Sdn Bhd - CIMB for Douglas Cheng Heng Lee (Margin-MM1328)	299,500	0.74
19.	Ng Lai Chiek	290,900	0.72
20.	Citicorp Nominees (Asing) Sdn Bhd - UBS AG Singapore for Embassy Group Inc.	267,100	0.66
21.	HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chu Sui Kiong	220,500	0.54
22.	HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Cheng Joo Teik	200,000	0.49
23.	AllianceGroup Nominees (Asing) Sdn Bhd - Pledged Securities Account for Loh Kim Kah (100608)	163,000	0.40
24.	Ong Poh Geok	148,125	0.36
25.	Tan Sew Pik	143,000	0.35
26.	Leong Lai Shen	139,400	0.34
27.	Wong Cheng Fun	114,900	0.28
28.	Ong Har Hong	107,000	0.26
29.	Choong Suan How	106,250	0.26
30.	Eng Nominees (Asing) Sdn Bhd - Pledged Securities Account for Seow Sea Kiang	106,100	0.26
	<b>TOTAL</b>	<b>35,155,081</b>	<b>86.50</b>

# Analysis of warrant holdings

## A) DISTRIBUTION OF WARRANTHOLDINGS AS AT 8 AUGUST 2005

Category	No. of Holders		No. of Warrants		Percentage (%)	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less than 100 Warrants	4	0	180	0	0.01	0.00
100 to 1,000 Warrants	111	0	93,700	0	0.52	0.00
1,001 to 10,000 Warrants	337	7	1,060,480	48,400	5.94	0.27
10,001 to 100,000 Warrants	70	4	1,899,200	117,000	10.63	0.66
100,001 to 892,999 Warrants <sup>1</sup>	10	1	2,350,100	108,000	13.16	0.60
893,000 and above of Issued Warrants <sup>2</sup>	5	0	12,182,940	0	68.21	0.00
<b>Total</b>	<b>537</b>	<b>12</b>	<b>17,586,600</b>	<b>273,400</b>	<b>98.47</b>	<b>1.53</b>

Notes:

- 1 Less than 5% of Issued Warrants
- 2 5% and above of Issued Warrants

## B) LIST OF 30 LARGEST WARRANTHOLDERS AS AT 8 AUGUST 2005

Name	No. of Warrants	%
1. Gain Millen Sdn Bhd	3,612,000	20.22
2. Distinct Rich Sdn Bhd	3,306,234	18.51
3. Lim Suh Hua @ Lim Yak Hua	2,360,706	13.22
4. HDM Nominees (Tempatan) Sdn Bhd - HDM Capital Sdn Bhd for Chip Lam Seng Enterprise Berhad	2,000,000	11.20
5. Ling Hee Leong	904,000	5.06
6. Actual Ace Sdn Bhd	850,000	4.76
7. Cimsec Nominees (Tempatan) Sdn Bhd - CIMB for Douglas Cheng Heng Lee (Margin-MM1328)	270,000	1.51
8. RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Oh Kim Sun (CEB)	230,000	1.29
9. Chin Seok Yin	185,600	1.04
10. HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ng Tian Sang @ Ng Kek Chuan	152,700	0.85
11. Seah Peik Hock	148,000	0.83
12. Prisma Pedoman Sdn Bhd	145,800	0.82
13. Abul Hasan Bin Mohamed Rashid	140,000	0.78
14. Ong Poh Geok	123,700	0.69
15. HDM Nominees (Asing) Sdn Bhd - Phillip Securities Pte Ltd for Mohan s/o G P Dadlani	108,000	0.60
16. Wong Chee Choon	104,300	0.58
17. TA Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Colin Chuah Chin Yu	100,000	0.56
18. HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chu Sui Kiong	98,000	0.55
19. Tan Sew Pik	71,000	0.40

# Analysis of warrant holdings *(cont'd)*

## B) LIST OF 30 LARGEST WARRANTHOLDERS AS AT 8 AUGUST 2005 *(cont'd)*

	<b>Name</b>	<b>No. of Warrants</b>	<b>%</b>
20.	Ong Cheng Yeong	70,000	0.39
21.	Wong Cheng Fun	66,400	0.37
22.	Tan Kim Hong	62,000	0.35
23.	Khoo Kim Seng	60,500	0.34
24.	Leow Hong Yen	59,000	0.33
25.	Robert Tan Chung Meng	50,000	0.28
26.	Lee Kee Por	49,700	0.28
27.	Ngu See Hing	46,000	0.26
28.	Citicorp Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Cho See Yoo (472304)	44,000	0.25
29.	Liew Voon Tah	40,000	0.22
30.	Choi Ah Chai	38,000	0.21
	<b>TOTAL</b>	<b>15,495,640</b>	<b>86.76</b>

## C) DIRECTORS' WARRANTHOLDINGS AS AT 8 AUGUST 2005

<b>Name</b>	<b>Direct</b>		<b>Indirect</b>	
	<b>No. of Warrants</b>	<b>%</b>	<b>No. of Warrants</b>	<b>%</b>
1. Dato' Lim Kim Huat	-	-	-	-
2. Douglas Cheng Heng Lee	270,000	1.51	-	-
3. Lee Yoke Shue	-	-	-	-
4. Kong Sin Seng	-	-	-	-
5. Datuk Chu Sui Kiong	98,000	0.55	*3,306,234	18.51
6. Chai Moi Kim	-	-	-	-
7. Syed Sadiq Obaidi Albar bin Syed Hamid	-	-	-	-

\* Indirect Interest through Distinct Rich Sdn Bhd

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# Proxy form

NUMBER OF SHARES HELD

I/We \_\_\_\_\_  
(BLOCK LETTERS)

of \_\_\_\_\_  
being a member of WIDETECH (MALAYSIA) BERHAD, hereby appoint \* THE CHAIRMAN OF THE MEETING  
or \_\_\_\_\_  
of \_\_\_\_\_  
or failing him \_\_\_\_\_  
of \_\_\_\_\_ as my/our  
proxy to vote for me/us and on my/our behalf at the Twenty-First Annual General Meeting of the Company, to be held at Hotel Sri Petaling, 30, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur on Friday, 30 September 2005 at 10.00 a.m. and at any adjournment thereof.

\* If you wish to appoint other person(s) to be your proxy/proxies, kindly delete the words "The Chairman of the Meeting" and insert the name(s) of the person(s) desired.

Please indicate with an "X" in the space provided, how you wish your vote to be cast in respect of the following resolutions. In the absence of specific directions, your proxy may vote or abstain at his/her discretion. If you appoint two proxies, please specify the proportions of holdings to be represented by each proxy.

My/our proxy/proxies is/are to vote as indicated below :

	Resolutions	In favour of resolution	Against the resolution
1.	Adoption of the Audited Financial Statements for the financial year ended 31 March 2005		
2.	Re-election of Mr Douglas Cheng Heng Lee		
3.	Re-election of Encik Syed Sadiq Obaidi Albar Bin Syed Hamid		
4.	Re-election of Mr Kong Sin Seng		
5.	Re-appointment of Auditors		
6.	Authority pursuant to Section 132D of the Companies Act, 1965		

Dated this \_\_\_\_\_

\_\_\_\_\_  
Signature/Common Seal of Shareholder

## NOTES :

- i) A member entitled to attend and vote at the meeting may appoint another person as his proxy to attend and vote in his stead.
- ii) A member may appoint up to two (2) proxies to attend the meeting on his behalf. A proxy may but need not be a member of the Company. If the proxy is not a member, he need not be an advocate, an approved company auditor or a person approved by the Registrar. If a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- iii) The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised and in the case of a corporation shall be either under its common seal or under the hand of an officer or attorney duly authorised.
- iv) The Proxy Form must be deposited at the Registered Office of the Company at C15-1, Level 15, Tower C, Megan Avenue II, 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur not less than forty-eight (48) hours before the time of the meeting or at any adjournment thereof.

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**WIDETECH**  
(MALAYSIA) BERHAD  
(119294-U)

Affix Stamp  
Here

## The Company Secretary

**WIDETECH (MALAYSIA) BERHAD**  
C15-1 Level 15 Tower C  
Megan Avenue II  
12 Jalan Yap Kwan Seng  
50450 Kuala Lumpur

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