

2006

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NOTICE IS HEREBY GIVEN that the Twenty-Second Annual General Meeting of the Company will be held at Sunrise Auditorium 2, Mon't Kiara Business Centre, Suite D-03-01, Level 3, Block D, Plaza Mont' Kiara, No. 2, Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur on Friday, 29 September 2006 at 10.30 a.m. for the following purposes:

#### AGENDA

- |    |   |  |
|----|---|--|
| 1. | To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2006 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:<br>(a) Mr Chai Moi Kim<br>(b) Mr Lee Yoke Shue    | Ordinary Resolution 2<br>Ordinary Resolution 3 |
| 3. | To re-elect the following directors who are retiring under Article 130 of the Articles of Association of the Company:<br>(a) Dato' Tan Ting Wong<br>(b) Mr Lee Kar Fook | Ordinary Resolution 4<br>Ordinary Resolution 5 |
| 4. | To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.  | Ordinary Resolution 6                          |
| 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 7

#### BY ORDER OF THE BOARD

MAH LI CHEN (MAICSA 7022751)  
LEE WAI KIM (MAICSA 7036446)  
COMPANY SECRETARIES

7 September 2006  
Kuala Lumpur

**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 7****Authority to Allot Shares pursuant to Section 132D of the Companies Act, 1965**

The proposed Ordinary Resolution 7, if passed, will give flexibility to the Directors of the Company to issue shares and allot up to 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 ANNUAL GENERAL MEETING**

(Pursuant to Paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)

1. Names of Directors who are standing for re-election at the Twenty-Second Annual General Meeting of the Company:

- (a) Mr Chai Moi Kim
- (b) Mr Lee Yoke Shue
- (c) Dato' Tan Ting Wong
- (d) Mr Lee Kar Fook

2. Details of attendance of Directors at Board Meetings

The details are set out on page 15 of this Annual Report.

3. Date, Time and Venue of the Twenty-Second Annual General Meeting of the Company

The Twenty-Second Annual General Meeting of the Company will be held on Friday, 29 September 2006 at Sunrise Auditorium 2, Mon't Kiara Business Centre, Suite D-03-01, Level 3, Block D, Plaza Mont' Kiara, No. 2, Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur at 10.30 a.m.

**STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING** *(cont'd)*

## 4. Further details of Directors who are standing for re-election / election as Directors

The details of the Directors who are standing for re-election at the Twenty-Second Annual General Meeting are set out on pages 7 to 10 of this Annual Report.

No individual other than the retiring Directors is seeking election as Director at the Twenty-Second Annual General Meeting of the Company.

No notice of nomination has been received to date from any members nominating any individual for election as a Director at the Twenty-Second Annual General Meeting of the Company.

**BOARD OF DIRECTORS**

*Dato' Lim Kim Huat*  
Executive Chairman

*Douglas Cheng Heng Lee*  
Executive Director

*Kong Sin Seng*  
Chief Operating Officer

*Lee Yoke Shue*  
Executive Director

*Datuk Chu Sui Kiong*  
Executive Director

*Dato' Tan Ting Wong*  
Executive Director

*Chai Moi Kim*  
Independent Non-Executive Director

*Syed Sadiq Obaidi Albar bin Syed Hamid*  
Independent Non-Executive Director

*Lee Kar Fook*  
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)  
Lee Wai Kim (MAICSA 7036446)

**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 15-2 Faber Imperial Court  
Jalan Sultan Ismail  
50250 Kuala Lumpur  
Tel No: (03) 2692 4271  
Fax No: (03) 2732 5388 / 5399

**AUDITORS**

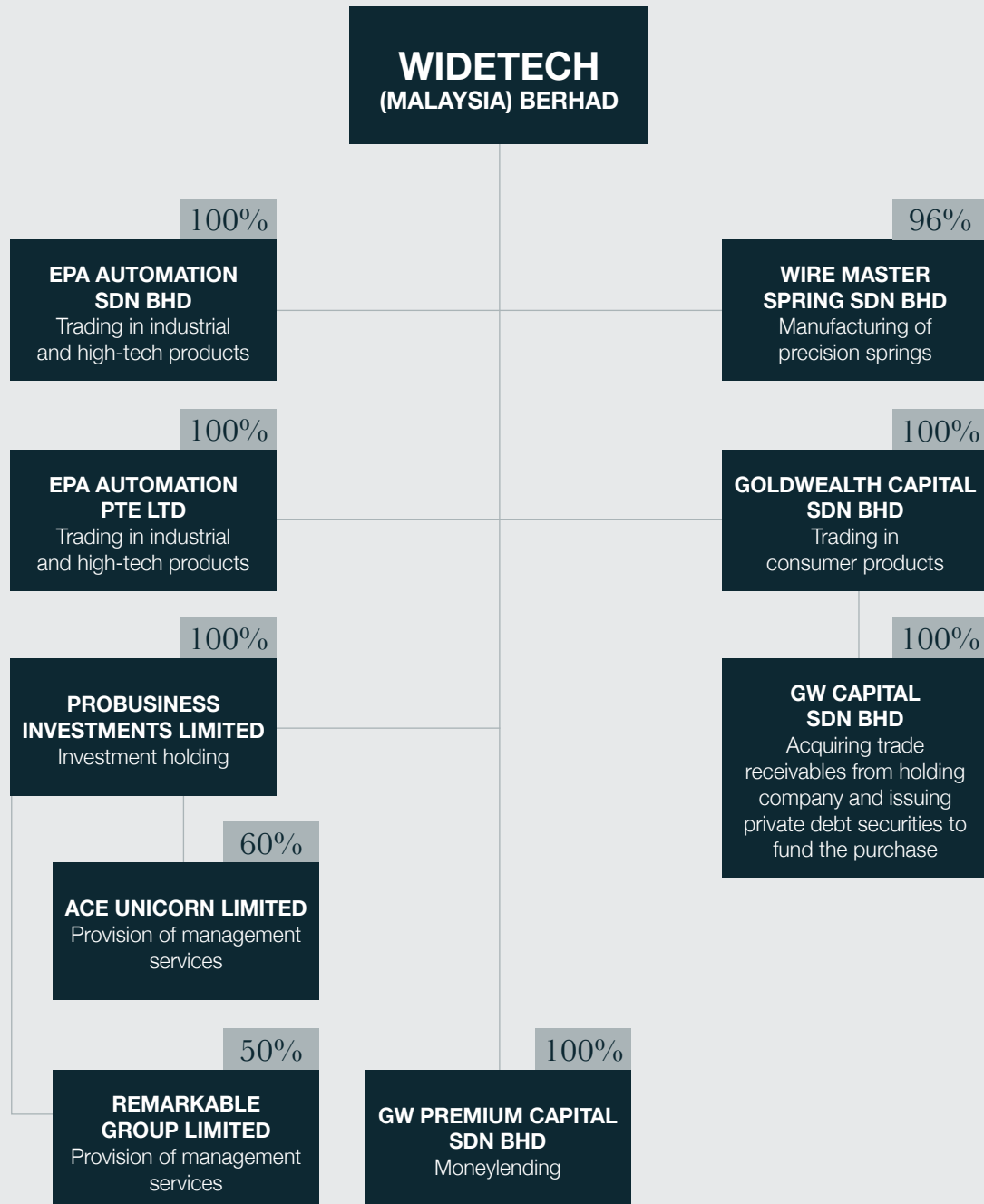
KPMG, Penang

**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



*Y Bhg Dato' Lim Kim Huat*

Malaysian, Age 46  
 Executive Chairman  
 Remuneration Committee Member

Y Bhg Dato' Lim Kim Huat was appointed to the Board of Widetech on 26 February 2004 as a Non-Independent Non-Executive Chairman. He subsequently assumed the position of an Executive Chairman on 25 July 2006. 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 Price Waterhouse (now known as PricewaterhouseCoopers) 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 30  
 Executive 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 subsequently assumed the position of an Executive Director on 25 July 2006. 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 Douglas 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 Y Bhg 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.

*Kong Sin Seng*

Malaysian, Age 50  
Executive Director  
Chief Operating Officer

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 subsequently assumed the position of the Chief Operating Officer on 25 July 2006.

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 four (4) Board of Directors' Meetings held during the financial year.

*Lee Yoke Shue*

Malaysian, Age 51  
Executive Director  
Audit Committee Member  
ESOS Committee Member

Mr Lee Yoke Shue was appointed as an Executive Director to the Board 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 Price Waterhouse (now known as PricewaterhouseCoopers) for 18 years. During his tenure, he was involved in providing auditing and business advisory services to both private and public sectors, investigations and litigation support to corporations facing disputes, corporate recovery and business turnarounds during economic crisis and privatisation 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.



*Datuk Chu Sui Kiong*

Malaysian, Age 47  
Executive Director

Datuk Chu Sui Kiong was appointed to the Board of Widetech on 31 January 2004 as a Non-Independent Non-Executive Director. He subsequently assumed the position of an Executive Director on 25 July 2006. He holds a Diploma in Commerce Business Study.

Datuk Chu 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 three (3) out of four (4) Board of Directors' Meeting held during the financial year.

*Y Bhg Dato'  
Tan Ting Wong*

Malaysian, Age 50  
Executive Director

Y Bhg Dato' Tan Ting Wong was appointed to the Board of Widetech as an Executive Director on 11 August 2006.

Dato' Tan, a business entrepreneur, accumulated his management skills and business acumen in owning and managing companies involved in the entertainment, recreation and service industries. He is currently the Executive Chairman of a company distributing multi media products and also holds the position of Executive Director in various private limited companies dealing in cuisines, investments, property management and transportation.

Apart from Widetech, Dato' Tan 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.

*Chai Moi Kim*

Malaysian, Age 48  
Independent Non-Executive Director  
Chairman of Audit Committee  
Nomination Committee and  
Remuneration 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 31  
 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.

He boasts more than eight (8) years of experience in the field of business and management. Having had the opportunity of being part of a former General Electric Company in Malaysia, as well as with a Middle Eastern venture capitalist Voice over Internet Protocol firm in Malaysia, he was also instrumental in being one of the core team members at Makmal.com Sdn Bhd, a leading Malaysian IT and investment firm. His current role as Chief Executive Officer of Metro Millennium Sdn Bhd, a homegrown mechanical and engineering consultancy company, complemented with his previous portfolios have given him the edge in combining local know-how with his international network. He also sits on the Board of Directors of Kalmar (Malaysia) Sdn Bhd, a container and industrial handling specialist which is part of a larger European based entity.

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 four (4) Board of Directors' Meetings held during the financial year.

*Lee Kar Fook*

Malaysian, Age 49  
 Independent and  
 Non-Executive Director

Mr Lee Kar Fook was appointed as an Independent Non-Executive Director to the Board of Widetech on 11 August 2006.

He is a Fellow of the Association of Chartered Certified Accountants, United Kingdom and also possesses a Diploma in Commerce (Financial Accounting) from Tunku Abdul Rahman College, Malaysia.

He has more than 25 years of working experience in various companies.

He is currently the Chief Financial Officer of VTI Vintage Berhad, a public company listed on the Second Board of Bursa Malaysia Securities Berhad.

Prior to this, he was the Group Financial Controller and then headed the Asset Management Division of United Malayan Land Bhd, a public company listed on the Main Board of Bursa Malaysia Securities Berhad.

His previous stints included working in various financial institutions and private companies involved in property development, construction and trading.

Apart from Widetech, Mr Lee 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.

## 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 2006 are as follows:

### COMPOSITION OF THE AUDIT COMMITTEE

Name	Attendance
Chai Moi Kim, Chairman (Independent Non-Executive Director)	4/4
Syed Sadiq Obaidi Albar bin Syed Hamid (Independent Non-Executive Director)	4/4
Lee Yoke Shue (Executive Director)	4/4

Details of the members of the Audit Committee are contained in the "Directors' Profile" as set out on pages 7 to 10 of this Annual Report.

### 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.

## 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.

## 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 2006**

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 the implementation of these recommendations through follow-up audit reports;
3. Reviewed with external auditors on the results and issues arising from their audit of the financial year end statements and their resolutions of such issues highlighted in their report to the Audit Committee; and
4. Reviewed the list of recurrent related party transactions.

**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 the internal audit function are set out in the Statement on Internal Control on pages 23 to 24 of this Annual Report.

The Board of Directors (“the Board”) of Widetech (Malaysia) Berhad places great effort in upholding its corporate governance standards as the Board believes that good governance is an important component in striving to protect the interests of the Group’s stakeholders and safeguard the Group’s assets. The Board is firmly committed towards ensuring that good governance is practiced throughout the Group and continuously improving corporate governance practices.

The Board is pleased to present below a statement which outlines the manner in which the Group has applied the Principles set out in Part 1 of the Malaysian Code of Corporate Governance (“the Code”) and the extent of compliance with the Best Practices as recommended in Part 2 of the Code. The Company has complied with the best practices of the Code except as explained in the relevant paragraphs of this statement.

## **BOARD OF DIRECTORS**

### **Board Balance and Composition**

The Company is headed by an effective Board which assumes the responsibility of leadership and control of the Group. The Board comprises nine (9) Directors, of which six (6) are Executive Directors and three (3) are Independent Non-Executive Directors. This Board composition meets Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements of having at least 2 Directors or 1/3 of the Board whichever is higher, who are independent Directors.

The Board members are well equipped with wide range of the business experiences, expertise, knowledge and skills to manage the overall business operations of the Group. The Executive Directors are responsible for implementing the policies and decisions of the Board and overseeing the operations of the Group. The Non-Executive Directors play a pivotal role in ensuring that the strategies proposed by the executive management are for the full benefits of the stakeholders and bring forth a balanced, unbiased and independent judgement on all aspects of the Group’s strategies and performance.

The Board is satisfied that its current membership 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.

The Directors’ profiles are set out on pages 7 to 10 of this Annual Report.

The Board is responsible for the performance, development and control of the Group and has adopted the specific responsibilities listed in the Code which includes reviewing and adopting strategic plans, overseeing the conduct of the Group’s business operations, risk management, succession planning, proper and appropriate communication with shareholders and reviewing the adequacy and integrity of the Group’s system of internal controls and management information system.

Mr Chai Moi Kim is the Senior Independent Non-Executive Director to whom concerns may be conveyed.

### **Board Meetings**

During the financial year ended 31 March 2006, the Board met four (4) times to deliberate and consider matters relating to the Group’s financial performance, significant investments, corporate development, strategic issues and business plan. Details of each Director’s attendance of Board meetings are set out below:

<b>Name of Director</b>	<b>No. of meetings attended</b>
Dato' Lim Kim Huat (Executive Chairman)	4/4
Douglas Cheng Heng Lee (Executive Director)	4/4
Kong Sin Seng (Executive Director and Chief Operating Officer)	4/4
Lee Yoke Shue (Executive Director)	4/4
Datuk Chu Sui Kiong (Executive Director)	3/4
Dato' Tan Ting Wong (appointed on 11 August 2006) (Executive Director)	-
Chai Moi Kim (Independent Non-Executive Director)	4/4
Syed Sadiq Obaidi Albar bin Syed Hamid (Independent Non-Executive Director)	4/4
Lee Kar Fook (appointed on 11 August 2006) (Independent Non-Executive Director)	-

### **Supply of Information**

All Directors are provided with the meeting agenda and relevant information and reports on financial, operational, corporate, regulatory and business development by way of Board papers or upon specific request to facilitate informed decision making and effective discharge of their duties. These documents are comprehensive and include qualitative and quantitative information to enable the Board members to make sound decisions at the Board meetings. Senior management staff is invited to attend these meetings to explain and clarify the matters being tabled where considered to be necessary.

There is also a formal schedule of matters specifically reserved for the Board's decision. These include approval of key policies, significant acquisitions and disposal of assets, significant investments and approval of budgets and corporate plans.

Notice of Board Meetings and Board papers are provided to the Directors in advance so that meaningful deliberation and sound decisions can be made at Board meetings. All proceedings of the Board meetings are minuted by the Company Secretary.

To assist in the discharge of their responsibilities and duties, all Directors have access to the advice and services of the Company Secretary. If required, the Directors may engage independent professionals at the Group's expense, in the furtherance of their duties.

### Re-election and Re-appointment of Directors

The Company's Articles of Association provides that at least 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 every three years.

### Director's Training

All members of the Board except for Y Bhg. Dato' Tan Ting Wong and Mr Lee Kar Fook, have attended and successfully completed the Mandatory Accreditation Programme ("MAP") as prescribed by Bursa Securities. Y Bhg. Dato' Tan Ting Wong and Mr Lee Kar Fook were appointed to the Board of Directors of the Company on 11 August 2006.

During the financial year, the Board has also attended the following training programmes as part of their Continuing Education Programme ("CEP") to enhance their knowledge and to keep abreast with new developments in the furtherance of their duties:

No.	Title of Seminar / Training Attended	Date	No. of Days Spent
1	Financial Reporting Standards	19/09/05	½ day
2.	Financial Reporting Standards	27/09/05	½ day
3.	Financial Reporting Standards Forum	20/10/05	½ day
4.	National Accountants Conference 2005	22/11/05 and 23/12/05	2 days
5.	Tax Audit & Investigation in Malaysia	13/12/05 and 14/12/05	2 days
6.	Updates on Significant New / Revised Financial Reporting Standards	21/03/06	1 ½ hours

### Board Committees

To assist the Board in discharging their duties and in order to enhance business and operational efficiency, specific responsibilities have been delegated to three (3) committees. They are the Audit, Nomination and Remuneration Committees. These Committees have the authority to examine particular issues in accordance with their terms of reference and report to the Board with their recommendations.

### Audit Committee

The report of the Audit Committee is set out on pages 11 and 13 of this Annual Report.



**Nomination Committee (“NC”)**

The NC comprises the following members:

Chairman - Chai Moi Kim (Independent Non-Executive Director)

Member - Syed Sadiq Obaidi Albar Bin Syed Hamid (Independent Non-Executive Director)

The duties of the NC 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.

A meeting of the NC was held on 25 November 2005. The NC is satisfied that the current mix of skills and experience of the Board members is sufficient for the discharge of its duties.

**Remuneration Committee (“RC”)**

The RC comprises the following members:

Chairman - Chai Moi Kim (Independent Non-Executive Director)

Members - Syed Sadiq Obaidi Albar Bin Syed Hamid (Independent Non-Executive Director)

- Dato’ Lim Kim Huat (Executive Chairman)

The duties of the RC are:

- (i) To recommend and advise the Board, 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 the individual directors, taking into consideration the following:
  - In the 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 organisations, within the industry and other sectors;

**Remuneration Committee ("RC")** (cont'd)

- (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.

A meeting of the RC was held on 25 November 2005 to deliberate on key remuneration matters.

**DIRECTORS' REMUNERATION**

Details of Directors' remuneration for the financial year ended 31 March 2006 are as follows:

**(a) Total Remuneration**

	Categories of Remuneration (RM)					Total
	Basic Salary	Bonus	Fees	Benefits-In-Kind	Attendance Fee	
<b>Executive</b>	431,919	126,560	-	-	-	558,479
<b>Non-Executive</b>	-	-	-	-	-	-
<b>Total</b>	431,919	126,560	-	-	-	558,479

**(b) Directors' remuneration by bands**

	Executive	Non-Executive	Total
Up to RM50,000	-	-	-
RM50,001 to RM100,000	-	-	-
RM100,001 to RM150,000	-	-	-
RM150,001 to RM200,000	2	-	2
RM200,001 to RM250,000	1	-	1

The details of remuneration of each director are not disclosed in this Annual Report. The Board considers that the Directors' remuneration disclosures by the band and analysis between executive and non-executive directors are sufficient to cater to the transparency and accountability aspects of the Code.

## SHAREHOLDERS

### Relationship with Shareholders and Investors

The Board recognises the need for shareholders to be kept informed of all major developments affecting the Group. Information is released on a timely basis to shareholders and investors through various disclosures and announcements to the Bursa Securities which includes quarterly results, annual reports and any other announcements via circulars and press releases. All queries from shareholders and members of the public can be addressed to the Company's email, [enquiry@widetechbhd.com.my](mailto:enquiry@widetechbhd.com.my). The Senior Management staff and the Executive Directors are responsible for addressing their concerns.

### Annual General Meeting ("AGM") and Extraordinary General Meeting ("EGM")

At the annual general meeting and extraordinary general meeting, the Chairman gives shareholders ample opportunity and time in the question and answer session on the prospects, performance of the Group and other matters of concern. The members of the Board are present to answer questions raised at the meeting.

## ACCOUNTABILITY AND AUDIT

### Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects to shareholders, primarily through the annual financial statements and quarterly announcements of the Group's results. The Board is assisted by the Audit Committee in overseeing the Group's financial reporting processes and in ensuring the accuracy, adequacy and completeness of its financial reports.

The Responsibility Statement by the Directors pursuant to Bursa Securities' Listing Requirements is set on page 22.

### Internal Control

The Board is committed towards maintaining a sound system of internal controls to safeguard shareholders' investment and the Group's assets. An outline of the state of internal controls of the Group is set out on pages 23 to 24 of this Annual Report.

### Relationship with Auditors

The Board via the Audit Committee has established a transparent and appropriate 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 11 to 13 of this Annual Report.

**OTHER INFORMATION**

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

**Share Buy-back**

There were no share buy-back or cancellation or resale of treasury shares during the financial year under review.

**Options, Warrants or Convertible Securities**

There were no options, warrants or convertible securities exercised during the financial year under review. There is however, additional options granted to eligible employees 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.

**Material 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 under review.

**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**

The Company has not issued any profit guarantee during the financial year.

**Material Contracts**

There were no material contracts entered into by the Company and its subsidiaries involving the Directors’ and major shareholders’ interests.

**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.

**Utilisation of Proceeds**

The Company's wholly-owned subsidiary, GW Capital Sdn Bhd, has obtained approval from the Securities Commission on 8 July 2004 for the issuance of Commercial Papers amounting to RM50.0 million.

Since 19 September 2005, a total of RM24.0 million Commercial Papers have been issued, of which RM4.0 million have been repaid. Utilisation of the proceeds raised from the issue as at 31 July 2006 amounted to RM15.7 million towards payment of professional fees in relation to the issuance, repayment of bank borrowings and working capital.

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 disclose with reasonable accuracy the financial position of the Group and of the Company and 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.

## Introduction

Pursuant to paragraph 15.27(b) of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements, the Board of Directors (“the Board”) of Widetech (Malaysia) Berhad is pleased to provide its Statement on Internal Control, which has been prepared in accordance with the Statement on Internal Control: Guidance for Directors of Public Listed Companies. The statement below outlines the nature and scope of the internal controls of the Group during the financial year.

## Board Responsibility

The Board affirms its overall responsibility for Group’s systems of internal control and risk management which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. The Audit Committee is tasked with the responsibility of ensuring the adequacy and integrity of the abovementioned systems and their assessment of these systems 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 control. Therefore, such systems put in place within the Group can only manage rather than eliminate all risks that may impede the achievement of the Group’s business objectives. Accordingly, the internal control systems established can only provide reasonable and not absolute assurance against material misstatement or loss.

## Risk Management Framework

The Board continually strives for an appropriate balance between control and empowerment. Senior Management is accountable for the conduct and performance of the Group’s businesses within the agreed business strategies. Through their review of performance and operations reports, as well as attending management meetings, Senior Management closely monitors the day-to-day affairs of the Group.

Furthermore, key risks relating to the Group’s operations and strategic and business plans are addressed at the Board level. The responsibility of managing the risks of each department lies with the respective Heads of Department and it is during the periodic management meetings, significant risks identified and the corresponding internal controls implemented are communicated to Senior Management.

Management with the assistance of the external consultants has completed the update of the key risk profiles of the significant business entities. In assessing priority of the risks identified, the process takes into account the possibility of the risk occurring and its impact to the Group in the event the risk takes place. The finalised key risk profiles were presented to the Audit Committee on 25 July 2006.

The abovementioned practices undertaken by Management serve as the on-going process used to identify, evaluate and manage significant risks.

## Internal Control

The key elements of the Group's internal control systems are described below:

### (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 performances of the respective businesses. Daily operations are monitored 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 are implemented to address the issues raised.

### (e) Internal Audit

Internal audit reviews are conducted by the outsourced internal audit function and the results of these reviews together with recommendations for improvement are tabled at the Audit Committee meetings. None of the weaknesses identified have resulted in any material losses or contingencies that would require disclosure in this Annual Report.



On behalf of the Board of Directors, it is my pleasure to present the Annual Report of Widetech (Malaysia) Berhad for the financial year ended 31 March 2006.

### **Financial Performance**

I am pleased to report that the Group had performed better in 2006 by registering a 6.28% growth in revenue to RM24.79 million from RM23.32 million recorded from the previous year. The Group's pre-tax profit is RM5.65 million, an increase of 53.38% from the year before. Earnings per share had improved significantly from 6.51 sen in 2005 to 9.76 sen in 2006.

### **Prospects for 2006**

During the year under review, we have ventured overseas by providing our management expertise and machines to the e-gaming license holder, whose operations are located at hotel premises. Our income in the form of management fees are based on profit sharing basis with the license holder. We have invested approximately US\$1.55 million in the two outlets, one in Cambodia and the other in Vietnam. We expect this to contribute positively to our financial results in the coming year.

Our consumer goods division has been providing us a consistent income with sales of RM21.29 million for the year. We have completed our RM50.0 million Commercial Paper Issue Facility in September 2005, which will provide working capital to our consumer goods division to expand its earning base in the ensuing years.

The precision spring division had been contributing consistently to the overall result of the Group, recording a revenue of RM3.29 million in 2006. Overall, raw material costs continue to escalate and with emerging markets like China, the emphasis on improved productivity, investment on new machinery, expanding regional markets, etc, would be under review in further improving the results for the ensuing years.

### **Dividend**

The Board has not recommended any final dividend for the financial year ended 31 March 2006.

### **Acknowledgements**

On behalf of the Board, I would like to take this opportunity to welcome on board, Y Bhg Dato' Tan Ting Wong and Mr Lee Kar Fook, who were appointed as Executive Director and Independent Non-Executive Director respectively on 11 August 2006.

I would like to thank our valued customers, suppliers, business associates, bankers and most importantly our esteemed shareholders for their continued support and confidence to the Group. I would also like to commend the management and staff for their contribution, commitment and loyalty to the continuing development of the Group.

*Dato' Lim Kim Huat*  
Executive Chairman

Kuala Lumpur

## financial statements

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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 2006.

### 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</b>	<b>COMPANY</b>
	<b>RM</b>	<b>RM</b>
Net profit for the year	3,964,636	35,115

### RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the year under review except 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 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

**DIRECTORS' INTEREST IN SHARES**

The holdings and deemed holdings in the ordinary shares, warrants and share options 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 31.3.2006
	Balance at 1.4.2005	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	5,019,768	-	-	5,019,768
<b>Subsidiary company</b>				
<b>- Wire Master Spring Sdn. Bhd.</b>				
<i>Direct interest</i>				
Douglas Cheng Heng Lee	-	1	-	1

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

	Number of warrants			Balance at 31.3.2006
	Balance at 1.4.2005	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	3,306,234	-	-	3,306,234

	Number of options over ordinary shares of RM1 each			Balance at 31.3.2006
	Balance at 1.4.2005	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 2006 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 the benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in 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 other than a Director whom may be deemed to derive a benefit by virtue of a transaction entered into in the ordinary course of business between the Company and a company in which the Director has 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 apart from issue of warrants and Employees' Share Option Scheme ("ESOS") of the Company.

## ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital of the Company during the financial year.

## 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.

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

Date of offer	Exercised price RM	Number of options over ordinary shares of RM1 each				
		Balance at 1.4.2005 RM	Granted and accepted RM	Lapsed due to resignation/ termination RM	(Exercised) RM	Balance at 31.3. 2006 RM
24.05.2004	1.26	2,515,000	-	(80,000)	-	2,435,000
24.05.2005	1.00	-	95,000	(15,000)	-	80,000
24.11.2005	1.00	-	95,000	-	-	95,000

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 of RM1 each.

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;

**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 (2005 : 17,860,000) warrants remained unexercised.

**SIGNIFICANT EVENTS DURING THE YEAR**

The details of the significant events during the year are disclosed in Note 24 to the financial statements.

**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.

**OTHER STATUTORY INFORMATION** (cont'd)

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 financial statements of the Group and of the Company 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 2006 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.

**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**

Kuala Lumpur,

Date : 25 July 2006

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



In the opinion of the Directors, the financial statements set out on pages 36 to 76 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 2006 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 2006

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 36 to 76 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 2006.

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

Before me :

**CHAI CHOON KIAT, PJM**

No: P. 073

Commissioner for Oaths

Penang

We have audited the financial statements set out on pages 36 to 76. 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 also 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 2006 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

Penang,

Date : 25 July 2006

**Ng Swee Weng**

Partner  
Approval Number : 1414/03/08 (J/PH)

	Note	2006 RM	2005 RM
<b>Property, plant and equipment</b>	2	<b>11,949,843</b>	7,532,755
<b>Goodwill on consolidation</b>	4	<b>393,054</b>	607,447
<b>Current assets</b>			
Inventories	5	<b>636,720</b>	621,960
Trade and other receivables	6	<b>35,557,429</b>	27,250,892
Tax refundable		<b>349,673</b>	59,622
Cash and cash equivalents	7	<b>12,182,498</b>	1,034,881
		<b>48,726,320</b>	28,967,355
<b>Current liabilities</b>			
Trade and other payables	8	<b>6,874,651</b>	3,739,834
Borrowings	9	<b>19,615,767</b>	1,419,191
Taxation		<b>53,874</b>	372,780
		<b>26,544,292</b>	5,531,805
<b>Net current assets</b>		<b>22,182,028</b>	23,435,550
		<b>34,524,925</b>	31,575,752
<b>Financed by :</b>			
<b>Capital and reserves</b>			
Share capital	10	<b>40,640,000</b>	40,640,000
Reserves	11	<b>(6,497,199)</b>	(10,432,497)
<b>Shareholders' funds</b>		<b>34,142,801</b>	30,207,503
Minority shareholders' interests	12	<b>147,824</b>	136,710
<b>Long term and deferred liabilities</b>			
Borrowings	9	<b>194,300</b>	1,156,539
Deferred tax	13	<b>40,000</b>	75,000
		<b>34,524,925</b>	31,575,752

The financial statements were approved and authorised for issue by the Board of Directors on 25 July 2006.

The notes set out on pages 45 to 76 form an integral part of, and should be read in conjunction with, these financial statements.

	Note	2006 RM	2005 RM
<b>Revenue</b>	14	<b>24,781,821</b>	23,317,613
Changes in manufactured inventories		<b>12,424</b>	70,513
Raw materials and consumables used		<b>(979,977)</b>	(984,610)
Staff costs	16	<b>(1,850,398)</b>	(1,639,469)
Depreciation	2	<b>(738,153)</b>	(495,391)
Operating expenses		<b>(15,409,698)</b>	(16,858,525)
Other operating income		<b>235,385</b>	750,383
<b>Operating profit</b>	15	<b>6,051,404</b>	4,160,514
Finance costs		<b>(403,486)</b>	(478,117)
<b>Profit before tax</b>		<b>5,647,918</b>	3,682,397
Tax expense	17	<b>(1,672,178)</b>	(1,011,829)
<b>Net profit after tax</b>		<b>3,975,740</b>	2,670,568
Minority interests		<b>(11,104)</b>	(27,180)
<b>Net profit for the year</b>		<b>3,964,636</b>	2,643,388
Basic earnings per ordinary share (sen)	18	<b>9.76</b>	6.51
Diluted earnings per ordinary share (sen)	18	<b>9.76</b>	6.01

The notes set out on pages 45 to 76 form an integral part of, and should be read in conjunction with, these financial statements.

	<b>Share capital RM</b>	<b>Non- distributable capital reserve RM</b>	<b>Exchange fluctuation reserve RM</b>	<b>Accumulated losses RM</b>	<b>Total RM</b>
<b>At 1 April 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 :					
Exchange differences on translation of the financial statement of foreign entities	-	-	(26,701)	-	(26,701)
Issue of shares :					
Conversion of warrants	140,000	-	-	-	140,000
<b>At 31 March 2005</b>	<u>40,640,000</u>	<u>-</u>	<u>9,102</u>	<u>(10,441,599)</u>	<u>30,207,503</u>
Net profit for the year	-	-	-	3,964,636	3,964,636
Net loss not recognised in the income statements :					
Exchange differences on translation of the financial statement of foreign entities	-	-	(29,338)	-	(29,338)
<b>At 31 March 2006</b>	<u>40,640,000</u>	<u>-</u>	<u>(20,236)</u>	<u>(6,476,963)</u>	<u>34,142,801</u>

The notes set out on pages 45 to 76 form an integral part of, and should be read in conjunction with, these financial statements.

	<b>2006 RM</b>	<b>2005 RM</b>
<b>Cash flows from operating activities</b>		
Profit before tax	<b>5,647,918</b>	3,682,397
Adjustments for :		
Depreciation	<b>738,153</b>	495,391
Goodwill amortised	<b>214,393</b>	214,393
Gain on disposal of plant and equipment	<b>(60,476)</b>	(177,420)
Interest income	<b>(129,395)</b>	(29,255)
Interest expense	<b>403,486</b>	478,117
Negative goodwill	<b>-</b>	(47,012)
Operating profit before working capital changes	<b>6,814,079</b>	4,616,611
Increase in :		
Inventories	<b>(14,760)</b>	(214,827)
Trade and other receivables	<b>(8,297,296)</b>	(6,595,025)
Decrease/(Increase) in trade and other payables	<b>3,095,321</b>	(2,930,679)
Cash generated from/(used in) in operations	<b>1,597,344</b>	(5,123,920)
Tax paid	<b>(2,316,159)</b>	(1,029,952)
Net cash used in operating activities	<b>(718,815)</b>	(6,153,872)
<b>Cash flows from investing activities</b>		
Interest received	<b>129,395</b>	29,255
Purchase of plant and equipment	<b>(5,458,280)</b>	(162,170)
Acquisition of subsidiary, net cash outflow	<b>-</b>	(35,000)
Proceeds from disposal of plant and equipment	<b>363,515</b>	6,608,000
Net cash (used in)/generated from investing activities	<b>(4,965,370)</b>	6,440,085

	<b>2006 RM</b>	<b>2005 RM</b>
<b>Cash flows from financing activities</b>		
Repayment of term loans	<b>(2,250,423)</b>	(1,281,897)
Repayment of hire purchase obligations	<b>(65,843)</b>	(94,976)
Proceeds from issuance of Commercial Papers (net)	<b>19,550,603</b>	-
Fixed deposit pledged	<b>(4,001,118)</b>	27,151
Issue of shares	-	140,000
Interest paid	<b>(403,486)</b>	(478,117)
Shares issued to minority shareholders	<b>10</b>	-
Net cash generated from/(used in) financing activities	<b>12,829,743</b>	(1,687,839)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>7,145,558</b>	(1,401,626)
<b>Cash and cash equivalents at beginning of year</b>	<b>1,029,881</b>	2,430,377
<b>Effects of exchange differences on cash and cash equivalents</b>	<b>941</b>	1,130
<b>Cash and cash equivalents at end of year</b>	<b>8,176,380</b>	1,029,881

**NOTES**A. *Purchase of plant and equipment*

During the year, the Group acquired plant and equipment with an aggregate cost of RM5,458,280 (2005 : RM508,970) of which RM Nil (2005 : RM346,800) was acquired by means of hire purchase. Cash payments of RM5,458,280 (2005 : RM162,170) 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 :

	<b>2006 RM</b>	<b>2005 RM</b>
Short term deposit with licensed banks and financial institutions	<b>1,355,164</b>	-
Fixed deposits with licensed banks (excluding deposits pledged)	<b>6,200,000</b>	411,000
Cash and bank balances	<b>621,216</b>	618,881
	<b>8,176,380</b>	1,029,881

The notes set out on pages 45 to 76 form an integral part of, and should be read in conjunction with, these financial statements.



	Note	2006 RM	2005 RM
<b>Property, plant and equipment</b>	2	<b>2,615,762</b>	2,621,941
<b>Investments in subsidiaries</b>	3	<b>3,975,004</b>	3,975,000
<b>Amount due from subsidiaries</b>	6	-	2,818,162
<b>Current assets</b>			
Other receivables	6	<b>20,415,037</b>	17,266,755
Cash and cash equivalents	7	<b>122,249</b>	417,941
		<b>20,537,286</b>	17,684,696
<b>Current liabilities</b>			
Other payables	8	<b>297,892</b>	304,754
		<b>297,892</b>	304,754
<b>Net current assets</b>		<b>20,239,394</b>	17,379,942
		<b>26,830,160</b>	26,795,045
<b>Financed by :</b>			
<b>Capital and reserves</b>			
Share capital	10	<b>40,640,000</b>	40,640,000
Reserves	11	<b>(13,809,840)</b>	(13,844,955)
<b>Shareholders' funds</b>		<b>26,830,160</b>	26,795,045

The notes set out on pages 45 to 76 form an integral part of, and should be read in conjunction with, these financial statements.

	Note	2006 RM	2005 RM
<b>Revenue</b>	14	900,000	866,000
Staff costs	16	(567,749)	(533,140)
Depreciation	2	(13,504)	(174,164)
Operating expenses		(442,704)	(1,005,834)
Other operating income		163,687	2,066,640
<b>Operating profit</b>	15	39,730	1,219,502
Finance costs		(1,917)	(32,028)
<b>Profit before tax</b>		37,813	1,187,474
Tax expense	17	(2,698)	214,505
<b>Net profit for the year</b>		35,115	1,401,979

The notes set out on pages 45 to 76 form an integral part of, and should be read in conjunction with, these financial statements.

	<b>Share capital RM</b>	<b>Capital reserve RM</b>	<b>Accumulated losses RM</b>	<b>Total RM</b>
<b>At 1 April 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>
Net profit for the year	-	-	35,115	35,115
<b>At 31 March 2006</b>	<u>40,640,000</u>	<u>-</u>	<u>(13,809,840)</u>	<u>26,830,160</u>

statement of changes in equity for the year ended 31 March 2006

The notes set out on pages 45 to 76 form an integral part of, and should be read in conjunction with, these financial statements.

	2006 RM	2005 RM
<b>Cash flows from operating activities</b>		
Profit before tax	37,813	1,187,474
Adjustments for :		
Depreciation	13,504	174,164
Gain on disposal of property and plant	-	(730,130)
Interest income	(3,202)	(21,636)
Interest expense	1,917	32,028
Reversal of impairment loss on investments in subsidiaries	-	(1,314,870)
Operating profit/(loss) before working capital changes	50,032	(672,970)
Increase in trade and other receivables	(330,120)	(7,279,813)
Decrease in other payables	(6,862)	(5,372,292)
Cash used in operations	(286,950)	(13,325,075)
Tax (paid)/refunded	(2,698)	18,067
Net cash used in operating activities	(289,648)	(13,307,008)
<b>Cash flows from investing activities</b>		
Interest received	3,202	21,636
Investment in subsidiaries	(4)	(35,000)
Purchase of plant and equipment	(7,325)	(7,887)
Proceeds from disposal of property and plant	-	10,425,000
Net cash (used in)/generated from investing activities	(4,127)	10,403,749
<b>Cash flows from financing activities</b>		
Issue of shares	-	140,000
Interest paid	(1,917)	(32,028)
Net cash (used in)/generated from financing activities	(1,917)	107,972
<b>Net decrease in cash and cash equivalents</b>	(295,692)	(2,795,287)
<b>Cash and cash equivalents at beginning of year</b>	417,941	3,213,228
<b>Cash and cash equivalents at end of year (Note 7)</b>	122,249	417,941

The notes set out on pages 45 to 76 form an integral part of, and should be read in conjunction with, these 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.

**(c) Property, plant and equipment (cont'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, club and office equipment	12.50 – 33.33
Motor vehicles	20

**(d) 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.

**(e) 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.

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.

**(e) Impairment** *(cont'd)*

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.

**(f) 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.

**(g) 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.

**(h) Trade and other receivables**

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

**(i) 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.

**(j) Liabilities**

Borrowings and trade and other payables are stated at cost.

**(k) 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.

**(l) 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.

**(m) 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.

**(n) 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>2006</b>	<b>2005</b>
	<b>RM</b>	<b>RM</b>
1 USD	<b>3.69</b>	3.80
1 SGD	<b>2.30</b>	2.20

**(o) 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.



**(o) Revenue** *(cont'd)***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.

**iii) Service fee and facility fee**

Service fee and facility fee are recognised as and 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.

**vii) Insurance commission**

Insurance commission is recognised as it accrues.

**(p) Finance costs**

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

**(q) Operating leases**

Payments made under operating leases are recognised in the income statement on a straight line basis over the term of the lease.

**(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.

**iii) Equity and equity-related compensation benefits**

The share option programme allows Group employees to acquire shares of the Company. When the options are exercised, equity is increased by the amount of the proceeds received.

**2. PROPERTY, PLANT AND EQUIPMENT - GROUP**

Valuation/Cost	At Valuation			At Cost							Total RM
	Long term leasehold land RM	Short term leasehold land RM	Buildings RM	Freehold land RM	Long term leasehold land RM	Buildings and electrical installation and tools RM	Plant, machinery, factory equipment and tools RM	Furniture, fixtures, club and office equipment RM	Motor vehicles RM		
At 1 April 2005	-	-	-	2,745,200	922,716	3,834,235	3,055,565	745,236	527,973	11,830,925	
Additions	-	-	-	-	-	70,090	6,950	5,381,240	-	5,458,280	
Disposals	-	-	-	(163,200)	-	-	-	(144,735)	(84,981)	(392,916)	
At 31 March 2006	-	-	-	2,582,000	922,716	3,904,325	3,062,515	5,981,741	442,992	16,896,289	
<b>Accumulated depreciation</b>											
At 1 April 2005	-	-	-	-	108,454	581,498	2,838,108	602,560	167,550	4,298,170	
Charge for the year	-	-	-	-	15,379	74,956	123,136	442,236	82,446	738,153	
Disposals	-	-	-	-	-	-	-	(4,896)	(84,981)	(89,877)	
At 31 March 2006	-	-	-	-	123,833	656,454	2,961,244	1,039,900	165,015	4,946,446	
<b>Net book value</b>											
At 31 March 2006	-	-	-	2,582,000	798,883	3,247,871	101,271	4,941,841	277,977	11,949,843	
At 31 March 2005	-	-	-	2,745,200	814,262	3,252,737	217,457	142,676	360,423	7,532,755	
Depreciation charge for the year ended 31 March 2005	3,575	9,601	61,368	-	15,379	120,128	124,023	96,176	65,141	495,391	

## 2. PROPERTY, PLANT AND EQUIPMENT - COMPANY

Valuation/Cost	-----At Valuation----->		<-----At Cost----->					Total
	Short term leasehold land RM	Buildings RM	Freehold land RM	Long term leasehold land RM	Buildings and electrical installation RM	Furniture, fixtures and office equipment RM		
At 1 April 2005	-	-	2,582,000	-	-	220,536	2,802,536	
Additions	-	-	-	-	-	7,325	7,325	
At 31 March 2006	-	-	2,582,000	-	-	227,861	2,809,861	
<b>Accumulated depreciation</b>								
At 1 April 2005	-	-	-	-	-	180,595	180,595	
Charge for the year	-	-	-	-	-	13,504	13,504	
At 31 March 2006	-	-	-	-	-	194,099	194,099	
<b>Net book value</b>								
At 31 March 2006	-	-	2,582,000	-	-	33,762	2,615,762	
At 31 March 2005	-	-	2,582,000	-	-	39,941	2,621,941	
Depreciation charge for the year ended 31 March 2005	9,601	57,821	-	3,845	62,292	40,605	174,164	

## 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.

Included under property, plant and equipment of the Group is net book value of motor vehicles amounting to RM273,710 (2005 : RM360,423) acquired under hire purchase instalment plans.

## 3. INVESTMENTS IN SUBSIDIARIES

	<b>COMPANY</b>	
	<b>2006</b>	<b>2005</b>
	<b>RM</b>	<b>RM</b>
Unquoted shares, at cost	5,261,134	5,261,130
Less : Impairment losses	(1,286,130)	(1,286,130)
	3,975,004	3,975,000

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

Details of the subsidiaries are as follows :

Name of Company	Place of Incorporation	Equity Held		Principal Activities
		2006	2005	
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%	100%	Money lending
Probusiness Investments Limited #	British Virgin Islands	100%	-	Investment holding
<i>Subsidiary of Goldwealth Capital Sdn Bhd</i>				
- GW Capital Sdn. Bhd	Malaysia	100%	100%	Acquiring trade receivables from holding company and issuing private debt securities to fund the purchase
<i>Subsidiary of Probusiness Investments Limited</i>				
- Ace Unicorn Limited #	British Virgin Islands	60%	-	Provision of equipment and management service for gaming operation
- Remarkable Group Limited #	British Virgin Islands	50%	-	Provision of equipment and management service for gaming operation

\* Subsidiary not audited by KPMG

# The financial statements of these subsidiaries are not required to be audited by their respective local legislation.

**4. GOODWILL ON CONSOLIDATION - GROUP**

	<b>2006 RM</b>	<b>2005 RM</b>
<b>Cost</b>		
At 1 April/31 March	<b>1,071,965</b>	1,071,965
Amortisation and impairment losses		
At 1 April	<b>464,518</b>	250,125
Amortisation charge for the year	<b>214,393</b>	214,393
At 31 March	<b>678,911</b>	464,518
<b>Net book value</b>		
At 31 March	<b>393,054</b>	607,447

**5. INVENTORIES - GROUP**

	<b>2006 RM</b>	<b>2005 RM</b>
Raw materials	<b>374,543</b>	303,747
Manufactured inventories	<b>262,177</b>	318,213
	<b>636,720</b>	621,960

**6. TRADE AND OTHER RECEIVABLES**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2006 RM</b>	<b>2005 RM</b>	<b>2006 RM</b>	<b>2005 RM</b>
<b>Short term</b>				
Trade receivables	<b>41,127,937</b>	37,965,947	-	-
Less : Unearned service charges	<b>(10,505,713)</b>	(10,896,943)	-	-
	<b>30,622,224</b>	27,069,004	-	-
Less : Allowance for doubtful debts	<b>(594,608)</b>	(598,468)	-	-
	<b>30,027,616</b>	26,470,536	-	-
Amount due from subsidiaries	-	-	<b>23,339,695</b>	20,360,996
Less : Allowance for doubtful debts	-	-	<b>(2,949,778)</b>	(3,110,263)
	-	-	<b>20,389,917</b>	17,250,733
Other receivables, deposits and prepayments	<b>10,529,813</b>	5,780,356	<b>5,025,120</b>	5,016,022
Less : Allowance for doubtful debts	<b>(5,000,000)</b>	(5,000,000)	<b>(5,000,000)</b>	(5,000,000)
	<b>5,529,813</b>	780,356	<b>25,120</b>	16,022
	<b>35,557,429</b>	27,250,892	<b>20,415,037</b>	17,266,755
<b>Long term</b>				
Amount due from a subsidiary	-	-	-	2,818,162
	<b>35,557,429</b>	27,250,892	<b>20,415,037</b>	20,084,917

**Group**

Included in other receivables, deposits and prepayment is an amount of RM4,797,959 (2005 : Nil) being advances to club operators for the gaming operations.

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

Included in the trade receivables is an amount with the maturity structure as follows :

	<b>2006 RM</b>	<b>2005 RM</b>
Maturing within one year	<b>9,060,847</b>	7,816,121
One year to five years	<b>19,849,764</b>	18,045,084
More than five years	<b>326,686</b>	-
	<b>29,237,297</b>	25,861,205

**Group/Company**

Included in other receivables is an amount of RM5,000,000 (2005 : 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 years.

**7. CASH AND CASH EQUIVALENTS**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2006 RM</b>	<b>2005 RM</b>	<b>2006 RM</b>	<b>2005 RM</b>
Short term deposits with licensed banks and financial institutions	<b>1,355,164</b>	-	-	-
Fixed deposits with licensed banks and financial institutions	<b>10,206,118</b>	416,000	-	411,000
Cash and bank balances	<b>621,216</b>	618,881	<b>122,249</b>	6,941
	<b>12,182,498</b>	1,034,881	<b>122,249</b>	417,941

Included in the Group's fixed deposits is an amount of RM5,000 (2005 : RM5,000) pledged to a licensed bank for banking facilities granted to a subsidiary and RM4,001,118 (2005 : RM Nil) assigned to an appointed trustee for the purpose of Commercial Papers (Note 9).



**8. TRADE AND OTHER PAYABLES**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2006 RM</b>	<b>2005 RM</b>	<b>2006 RM</b>	<b>2005 RM</b>
Trade payables	<b>1,346,971</b>	1,560,114	-	-
Other payables and accruals	<b>5,527,680</b>	2,179,720	<b>297,892</b>	304,754
	<b>6,874,651</b>	3,739,834	<b>297,892</b>	304,754

**Group**

Included in other payables and accruals is an amount of RM4,292,218 (2005 : Nil) due to minority shareholders of Ace Unicorn Limited and Remarkable Group Limited.

**9. BORROWINGS - GROUP**

	<b>2006 RM</b>	<b>2005 RM</b>
<b>Current</b>		
Commercial Papers - secured	<b>19,550,603</b>	-
Term loans - secured	-	1,356,290
Hire purchase obligations	<b>65,164</b>	62,901
	<b>19,615,767</b>	1,419,191
<b>Non-Current</b>		
Term loans - secured	-	894,133
Hire purchase obligations	<b>194,300</b>	262,406
	<b>194,300</b>	1,156,539

**9. BORROWINGS - GROUP** (cont'd)

The Commercial Papers were issued with tenor between one (1) to six (6) months. The Commercial Papers are secured as follows :

- (i) First legal charge over the entire issued and paid-up share capital of GW Capital Sdn. Bhd. in favour of the appointed trustee;
- (ii) Assignment of trade receivables of not less than 1.38 times the aggregate Commercial Papers outstanding in favour of the appointed trustee and such assignments shall include all of the rights, title, benefit and interest in, to and under the trade receivables and any payments or amounts due from time to time thereafter;
- (iii) Assignment in favour of the appointed trustee of rights, title, benefit and interest in, to and under the Designated Accounts;
- (iv) Debenture in favour of the appointed trustee creating a first fixed and floating charge over the whole of the GW Capital Sdn. Bhd. undertaking, property, assets and rights, both present and future;
- (v) Assignment in favour of the appointed trustee of GW Capital Sdn. Bhd. rights, interest, title and benefits in, to and under all the Financing Documents; and
- (vi) Irrevocable corporate guarantee from the Company guaranteeing all amounts due and payable under the Commercial Papers.

The Commercial Papers are subject to interest rate ranging from 3.4% to 5.25% (2005 : Nil) per annum.

The term loans have been fully settled during the financial year. The term loans were subject to interest of 2.00% (2005 : 2.00%) 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 ranging from 3.07% to 3.20% (2005 : 3.07% to 4.25%).

**Terms and debt repayment schedule***Term loans*

Term loans are repayable as follows :

	<b>Total RM</b>	<b>Under 1 year RM</b>	<b>1 - 2 years RM</b>	<b>2 - 5 years RM</b>
<b>Group</b>				
At 31 March 2006	-	-	-	-
At 31 March 2005	2,250,423	1,356,290	894,133	-

**9. BORROWINGS** (cont'd)**Hire purchase obligations**

Hire purchase obligations are payable as follows :

Group	2006			2005		
	←-----→			←-----→		
	Payments RM	Interest RM	Principal RM	Payments RM	Interest RM	Principal RM
Less than 1 year	78,960	13,796	65,164	78,954	16,053	62,901
Between 1 and 5 years	207,154	23,677	183,477	245,341	35,685	209,656
More than 5 years	10,917	94	10,823	54,633	1,883	52,750
	<u>297,031</u>	<u>37,567</u>	<u>259,464</u>	<u>378,928</u>	<u>53,621</u>	<u>325,307</u>

**10. SHARE CAPITAL**

	2006 RM	2005 RM
Ordinary shares of RM1 each		
Authorised	<u>150,000,000</u>	<u>150,000,000</u>
Issued and fully paid		
At 1 April	<u>40,640,000</u>	40,500,000
Exercise of warrants	-	140,000
At 31 March	<u>40,640,000</u>	<u>40,640,000</u>

**11. RESERVES**

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
Non-distributable				
Exchange fluctuation reserve	(20,236)	9,102	-	-
	(20,236)	9,102	-	-
Accumulated losses	(6,476,963)	(10,441,599)	(13,809,840)	(13,844,955)
	(6,497,199)	(10,432,497)	(13,809,840)	(13,844,955)

**12. MINORITY SHAREHOLDERS' INTERESTS**

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

**13. DEFERRED TAX**

The recognised deferred tax liabilities are as follows :

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
Property, plant and equipment				
- capital allowance	79,000	98,520	-	-
Provision	(39,000)	(23,520)	-	-
	40,000	75,000	-	-

**13. DEFERRED TAX** (cont'd)

No deferred tax has been recognised for the following items :

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
Deductible temporary differences	<b>(1,210,000)</b>	(1,996,000)	-	-
Unabsorbed capital allowances	<b>(222,000)</b>	(236,000)	-	-
Unutilised tax losses	<b>(7,622,000)</b>	(6,336,000)	<b>(2,797,000)</b>	(2,702,000)
	<b><u>(9,054,000)</u></b>	<u>(8,568,000)</u>	<b><u>(2,797,000)</u></b>	<u>(2,702,000)</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.

**15. OPERATING PROFIT**

Operating profit is arrived at :

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
After charging :				
Auditors' remuneration				
- current year	<b>56,950</b>	53,020	<b>18,000</b>	18,000
- prior year	<b>3,800</b>	4,016	-	-
Depreciation (Note 2)	<b>738,153</b>	495,391	<b>13,504</b>	174,164
Directors' emoluments				
Directors of the Company				
- Remuneration	<b>558,479</b>	486,200	<b>187,950</b>	280,686
Other Directors				
- Remuneration	<b>46,000</b>	-	-	-
Rental of premises	<b>54,588</b>	37,620	<b>18,810</b>	18,810
Allowance for doubtful debts				
- subsidiaries	-	-	-	589,213
- others	<b>20,815</b>	61,393	-	-
Bad debts written off	<b>139,168</b>	-	-	-
Allowance for slow moving inventories	<b>44,487</b>	-	-	-
Realised loss on foreign exchange	<b>3,140</b>	1,411	-	-
Operating lease rentals	<b>186,084</b>	163,729	-	-
Unrealised loss on foreign exchange	<b>103,200</b>	-	<b>156,561</b>	-
Goodwill amortised	<b>214,393</b>	214,393	-	-
and crediting :				
Rental income	-	83,714	-	50,000
Interest income	<b>129,395</b>	29,255	<b>3,202</b>	21,636
Gain on disposal of plant and equipment	<b>60,476</b>	177,420	-	730,130
Realised gain on foreign exchange	<b>30</b>	-	-	-
Inventories written back	-	175,457	-	-
Negative goodwill recognised	-	47,012	-	-
Reversal of impairment loss on investments in subsidiaries	-	-	-	1,314,870
Allowance for doubtful debts written back	<b>24,850</b>	347,658	<b>160,485</b>	-

**16. EMPLOYEE INFORMATION**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>2006 RM</b>	<b>2005 RM</b>	<b>2006 RM</b>	<b>2005 RM</b>
Staff costs	<b>1,850,398</b>	1,639,469	<b>567,749</b>	533,140

The number of employees of the Group and of the Company (including executive Directors) at the end of the year was 42 (2005 : 42) and 7 (2005 : 9) respectively.

Staff costs included contributions to the Employees' Provident Fund of the Group and of the Company of RM186,266 (2005 : RM166,047) and RM52,408 (2005 : RM52,822) respectively.

**Equity compensation benefits- Group****Share option plan**

The Group offers vested share options over ordinary shares to Directors and other eligible employees. Movements in number of share options are as follows :

<b>Exercised price RM</b>	<b>Balance at 1.4.2005</b>	<b>Option granted and accepted</b>	<b>Option exercised</b>	<b>Option lapsed due to resignation</b>	<b>Balance at 31.3.2006</b>
1.26	2,515,000	-	-	(80,000)	2,435,000
1.00	-	190,000	-	(15,000)	175,000

Details of share option granted during the year :

	<b>2006</b>	<b>2005</b>
Expiry date	<b>19.11.2008</b>	19.11.2008
Exercise price per ordinary share (RM)	<b>1.00</b>	1.26
Aggregate proceed if ordinary shares are issued (RM'000)	<b>175</b>	3,068

There were no share options exercised during the year.

**16. EMPLOYEE INFORMATION** (cont'd)

Terms of the share options outstanding at 31 March :

Expiry date	Exercise price	Number of options over ordinary shares of RM1 each
19 November 2008	1.26	2,435,000
19 November 2008	1.00	175,000
		2,610,000

**17. TAX EXPENSE**

	GROUP		COMPANY	
	2006 RM	2005 RM	2006 RM	2005 RM
Current tax expense				
- Current year	<b>1,706,245</b>	1,151,334	-	-
- Prior years	<b>933</b>	(214,505)	<b>2,698</b>	(214,505)
	<b>1,707,178</b>	936,829	<b>2,698</b>	(214,505)
Deferred tax				
- Current year	-	75,000	-	-
- Prior years	<b>(35,000)</b>	-	-	-
	<b>(35,000)</b>	75,000	-	-
	<b>1,672,178</b>	1,011,829	<b>2,698</b>	(214,505)



**17. TAX EXPENSE** (cont'd)**Reconciliation of effective tax expense**

	<b>2006 RM</b>	<b>2005 RM</b>
<b>Group</b>		
Profit before tax	<b>5,647,918</b>	3,682,397
Income tax using Malaysian tax rates	<b>1,501,192</b>	1,431,504
Non-deductible expenses	<b>171,967</b>	534,178
Non-taxable income	<b>(101,567)</b>	(999,178)
Deferred tax assets not recognised/(recognised)	<b>136,081</b>	274,693
Tax incentive	<b>(3,036)</b>	(96,873)
Other items	<b>1,608</b>	82,010
	<b>1,706,245</b>	1,226,334
Over provision in prior years	<b>(34,067)</b>	(214,505)
Tax expense	<b>1,672,178</b>	1,011,829
	<b>2006 RM</b>	<b>2005 RM</b>
<b>Company</b>		
Profit before tax	<b>37,813</b>	1,187,474
Income tax using Malaysian tax rates	<b>10,588</b>	332,493
Non-deductible expenses	<b>7,628</b>	213,062
Non-taxable income	<b>(44,936)</b>	(982,410)
Deferred tax assets not recognised	<b>26,720</b>	436,855
	<b>-</b>	-
Under/(Over) provision in prior years	<b>2,698</b>	(214,505)
Tax expense	<b>2,698</b>	(214,505)

**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 RM3,964,636 (2005 : RM2,643,388) and the weighted average number of ordinary shares outstanding during the year of 40,640,000 (2005 : 40,601,699).

**Weighted average number of ordinary shares**

	<b>2006 RM</b>	<b>2005 RM</b>
Issued ordinary shares at beginning of the year	<b>40,640,000</b>	40,500,000
Effect of warrants conversion	-	101,699
	<b>40,640,000</b>	<u>40,601,699</u>

**Diluted earnings per share**

The calculation of diluted earnings per share is based on the net profit attributable to ordinary shareholders of RM3,964,636 (2005 : RM2,643,388) and the weighted average number of ordinary shares outstanding during the year of 40,640,000 (2005 : 43,995,280) calculated as follows :

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

	<b>2006 RM</b>	<b>2005 RM</b>
Weighted average number of ordinary shares as above	<b>40,640,000</b>	40,601,699
Effect of warrants	-	3,393,581
	<b>40,640,000</b>	<u>43,995,280</u>

**Diluted earning per ordinary share**

The fully diluted earning per ordinary share is the same as the basic earning per ordinary share for the year ended 31 March 2006 as the effect of anti-dilutive potential ordinary shares are ignored in calculating diluted earning per ordinary share in accordance with the FRS133 on Earnings per share.

**19. RELATED PARTIES - GROUP/COMPANY**

## 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
- iii) Sports Planet Sdn. Bhd. ("SPSB"), a company in which a Director is deemed to have substantial financial interest.

## 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>2006 RM</b>	<b>2005 RM</b>
Management fees receivable	<b>900,000</b>	816,000
Sale of property and plant	-	4,800,000

- ii) The Group paid rental amounted to RM15,400 to SPSB in which a Director has substantial financial interests.

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

- iii) 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 share options granted to Executive Directors as disclosed in the Director's Report.

## 19.3 Significant non-trade related party balances - Company

	<b>2006 RM</b>	<b>2005 RM</b>
Amount due from subsidiaries	<b>23,339,695</b>	23,179,158
Less : Allowance for doubtful debts	<b>(2,949,778)</b>	(3,110,263)
	<b><u>20,389,917</u></b>	<u>20,068,895</u>

**20. CONTINGENT LIABILITIES - UNSECURED****Company**

- i) The Company has issued corporate guarantees to financial institutions amounting to RM1.800 million (2005 : RM2.425 million) for banking facilities granted to subsidiaries of which RM Nil (2005 : RM Nil) was utilised at balance sheet date.
- ii) The Company has issued corporate guarantees to a subsidiary amounting to RM50.0 million (2005 : RM Nil) for issuance of Commercial Papers of which RM19.5 million (2005 : RM Nil) was utilised at balance sheet date.
- iii) The Company has 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 year 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
Supply	Supply of consumer products
Gaming	Management of gaming operation
Others	<ul 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> <li>v) Trading in industrial and high-tech products</li> </ul>

**Geographical segments**

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

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.

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

<b>2006</b>	<b>Manufacturing RM</b>	<b>Supply RM</b>	<b>Gaming RM</b>	<b>Others RM</b>	<b>Eliminations RM</b>	<b>Consolidated RM</b>
Revenue from external customers	3,288,916	21,285,614	-	207,291	-	24,781,821
Inter-segment revenue	-	930,000	-	900,000	(1,830,000)	-
<b>Total revenue</b>	<b>3,288,916</b>	<b>22,215,614</b>	<b>-</b>	<b>1,107,291</b>	<b>(1,830,000)</b>	<b>24,781,821</b>
<b>Segment result</b>	<b>576,787</b>	<b>6,843,171</b>	<b>(254,374)</b>	<b>(1,029,182)</b>	<b>-</b>	<b>6,136,402</b>
Interest income						129,395
Goodwill amortised						(214,393)
Operating profit						6,051,404
Finance costs						(403,486)
Profit before tax						5,647,918
Tax expense						(1,672,178)
Minority interests						(11,104)
<b>Net profit after tax for the year</b>						<b>3,964,636</b>
<b>Segment assets</b>	<b>6,760,582</b>	<b>33,930,428</b>	<b>9,669,432</b>	<b>2,405,883</b>	<b>-</b>	<b>52,766,325</b>
Goodwill						393,054
Unallocated assets						7,909,838
<b>Total assets</b>						<b>61,069,217</b>
<b>Segment liabilities</b>	<b>(355,631)</b>	<b>(20,389,976)</b>	<b>(4,294,211)</b>	<b>(1,385,436)</b>	<b>-</b>	<b>(26,425,254)</b>
Minority interest						(147,824)
Unallocated liabilities						(353,338)
<b>Total liabilities</b>						<b>(26,926,416)</b>
Capital expenditure	85,039	1,176	5,364,740	7,325	-	5,458,280
Depreciation and amortisation	(155,874)	(80,514)	(395,866)	(105,899)	-	(738,153)

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

<b>2005</b>	<b>Manufacturing RM</b>	<b>Supply RM</b>	<b>Others RM</b>	<b>Eliminations RM</b>	<b>Consolidated RM</b>
Revenue from external customers	3,292,684	19,631,580	393,349	-	23,317,613
Inter-segment revenue	-	-	816,000	(816,000)	-
<b>Total revenue</b>	<u>3,292,684</u>	<u>19,631,580</u>	<u>1,209,349</u>	<u>(816,000)</u>	<u>23,317,613</u>
<b>Segment result</b>	955,351	4,114,517	(771,228)	-	4,298,640
Interest income					29,255
Goodwill amortised					(214,393)
Negative goodwill recognised					47,012
Operating profit					<u>4,160,514</u>
Finance costs					(478,117)
Profit before tax					<u>3,682,397</u>
Tax expense					(1,011,829)
Minority interests					(27,180)
<b>Net profit after tax for the year</b>					<u>2,643,388</u>
<b>Segment assets</b>	6,837,622	26,717,872	2,468,994	-	36,024,488
Goodwill					607,447
Unallocated assets					475,622
<b>Total assets</b>					<u>37,107,557</u>
<b>Segment liabilities</b>	(335,800)	(1,725,861)	(1,678,173)	-	(3,739,834)
Minority interest					(136,710)
Unallocated liabilities					(3,023,510)
<b>Total liabilities</b>					<u>(6,900,054)</u>
Capital expenditure	73,645	80,638	7,887	-	162,170
Depreciation and amortisation	(153,378)	(88,393)	(253,620)	-	(495,391)

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

	<b>Malaysia</b>	<b>Cambodia</b>	<b>Vietnam</b>	<b>Others</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>2006</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Revenue from external customers by location of customers	24,781,821	-	-	-	-	24,781,821
Segment assets by location of assets	43,085,573	6,467,899	3,201,533	11,320	-	52,766,325
Capital expenditure by location of assets	93,540	4,180,104	1,184,636	-	-	5,458,280
<b>2005</b>						
Revenue from external customers by location of customers	23,317,613	-	-	-	-	23,317,613
Segment assets by location of assets	36,003,691	-	-	20,797	-	36,024,488
Capital expenditure by location of assets	162,170	-	-	-	-	162,170

## 22. OPERATING LEASE COMMITMENTS - GROUP

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

	<b>2006 RM</b>	<b>2005 RM</b>
Less than 1 year	<b>186,084</b>	186,084
Between 1 and 5 years	<b>171,788</b>	357,872
	<b><u>357,872</u></b>	<u>543,956</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.

## 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. In addition, the Group is exposed to foreign currency movements on its investments in foreign subsidiary companies. 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.

#### 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.



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

Group	Effective interest rate per annum %	Total RM	Within 1 year RM	1 - 5 years RM
<b>2006</b>				
<b>Financial asset</b>				
Fixed deposits				
- licensed banks	2.94	6,506,118	6,506,118	-
- financial institutions	3.00	3,700,000	3,700,000	-
Short term deposit				
- licensed bank	2.20	55,000	55,000	-
- financial institution	2.89	1,300,164	1,300,164	-
<b>Financial liability</b>				
Commercial Papers	5.05	19,550,603	19,550,603	-
<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	-

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

	Effective interest rate per annum %	Total RM	Within 1 year RM	1 - 5 years RM
<b>Company</b>				
<b>2006</b>				
<b>Financial asset</b>				
Fixed deposits with licensed banks	-	-	-	-

**2005****Financial asset**

Fixed deposits with licensed banks	1.40	411,000	411,000	-
------------------------------------	------	---------	---------	---

**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.

There were no unrecognised financial instruments at balance sheet date.

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

	2006		2005	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
<b>Group</b>				
<b>Financial liability</b>				
Secured term loans	-	-	2,250,423	2,250,423

## 24. SIGNIFICANT EVENTS DURING THE YEAR

During the financial year,

- (a) the Company acquired 1 ordinary shares of USD1.00 each, representing 100% of the issued and paid-up share capital of Probusiness Investments Limited ("PIL") for a total cash consideration of USD1.00.
- (b) the Company's wholly-owned subsidiary, PIL has acquired :
  - i) 3 ordinary shares of USD1.00 each, representing 60% of the issued and paid-up share capital of Ace Unicorn Limited for a total cash consideration of USD3.00; and
  - ii) 1 ordinary shares of USD1.00 each, representing 50% of the issued and paid-up share capital of Remarkable Group Limited for a total cash consideration of USD1.00.
- (c) the PIL's subsidiary, Ace Unicorn Limited, has entered into a Management Agreement to provide advances for the initial set-up costs, gaming machines, operation and management services for a gaming club in Phnom Penh, Cambodia.
- (d) the PIL's subsidiary, Remarkable Group Limited, has entered into a Management Agreement to provide advances for the initial set-up costs, gaming machines, operation and management services for a gaming club in Nha Trang, Vietnam.
- (e) an additional offer of ESOS amounting to 190,000 option over ordinary shares of RM1.00 each was made to the eligible employees of the Group.

## 25. MATERIAL LITIGATION - GROUP

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 the Company 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 14 to 17 May 2007.

**26. ACQUISITION OF SUBSIDIARIES - GROUP**

## 26.1 Acquisition of subsidiaries during the year

On 27 July 2005, the Group acquired 100% of the equity interest in the shares in Probusiness Investments Limited ("PIL") for a consideration of USD1.00 satisfied by cash and PIL had on the same day acquired 60% equity interest in the shares in Ace Unicorn Limited for a consideration of USD3.00 satisfied by cash.

On 19 December 2005, PIL acquired 50% of the equity interest in the shares in Remarkable Group Limited for a consideration of USD1.00 satisfied by cash.

Both acquisitions were accounted for using the acquisition method of accounting.

## 26.2 Acquisition of subsidiary in 31 March 2005

In the last financial year, the Group acquired a subsidiary, GW Premium Capital Sdn. Bhd. The fair values of assets and liabilities assumed in the acquisition of the subsidiary and their cash flow effects are as follows :

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

**27. COMPARATIVE FIGURE**

Certain comparative figures have been restated to conform with the current year presentation.

Location	Tenure	Land Area	Description, Age of Building & Year of Acquisition	Net Book Value (RM'000) as at 31 March 2006
<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 9 years old 2004	4,703

- 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 31 JULY 2006**

Category	No. of Holders		No. of Shares		Percentage (%)	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less than 100 shares	18	-	886	-	@	@
100 to 1,000 shares	393	3	372,968	3,000	0.92	0.01
1,001 to 10,000 shares	546	9	2,012,265	54,500	4.95	0.13
10,001 to 100,000 shares	101	9	2,551,200	297,000	6.28	0.73
100,001 to 2,031,999 shares <sup>1</sup>	23	3	12,006,125	495,700	29.54	1.22
2,032,000 and above of issued shares <sup>2</sup>	4	-	22,846,356	-	56.22	-
<b>Total</b>	<b>1,085</b>	<b>24</b>	<b>39,789,800</b>	<b>850,200</b>	<b>97.91</b>	<b>2.09</b>

Notes:

- <sup>1</sup> Less than 5% of issued shares  
<sup>2</sup> 5% and above of issued shares  
@ Negligible

**C) SUBSTANTIAL SHAREHOLDERS AS AT 31 JULY 2006**

Name	Direct		Indirect	
	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
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. HDM Nominees (Tempatan) Sdn Bhd - HDM Capital for Chip Lam Seng Enterprise Berhad	4,500,000	11.07	-	-
5. Datuk Chu Sui Kiong	220,500	0.54	*5,019,768	12.35
6. Dato' Tan Ting Wong	-	-	*5,019,768	12.35
7. Dato' Cheng Joo Teik	200,000	0.49	**8,015,000	19.72

Notes:

- \* Deemed interest through Distinct Rich Sdn Bhd  
\*\* Deemed interest through Gain Millen Sdn Bhd

**D) DIRECTORS' SHAREHOLDINGS AS AT 31 JULY 2006**

Name	Direct		Indirect	
	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
1. Dato' Lim Kim Huat	-	-	-	-
2. Douglas Cheng Heng Lee	1,610,600	3.96	-	-
3. Lee Yoke Shue	-	-	-	-
4. Kong Sin Seng	-	-	-	-
5. Datuk Chu Sui Kiong	220,500	0.54	*5,019,768	12.35
6. Dato' Tan Ting Wong	-	-	*5,019,768	12.35
7. Chai Moi Kim	-	-	-	-
8. Syed Sadiq Obaidi Albar bin Syed Hamid	-	-	-	-
9. Lee Kar Fook	-	-	-	-

Notes:

\* Deemed interest through Distinct Rich Sdn Bhd

**E) DIRECTORS' SHARE OPTIONS HELD UNDER THE EMPLOYEES' SHARE OPTION SCHEME OF THE COMPANY AS AT 31 JULY 2006**

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 31 JULY 2006**

Related Corporation – Wire Master Spring Sdn Bhd

Name	Direct		Indirect	
	No. of Shares held in Related Corporation	Percentage (%)	No. of Shares	Percentage (%)
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.

**G) LIST OF 30 LARGEST SHAREHOLDERS AS AT 31 JULY 2006**

	<b>Name</b>	<b>No. of Shares</b>	<b>Percentage (%)</b>
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.	Lim Hian Yu Sdn Berhad	829,200	2.04
10.	Chin Seok Yin	723,500	1.78
11.	Kenneth Tan Keng Han	643,200	1.58
12.	Wong Chee Choon	417,150	1.03
13.	Citigroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Douglas Cheng Heng Lee (473700)	416,600	1.03
14.	Prisma Pedoman Sdn Bhd	340,300	0.84
15.	RHB Capital Nominess (Tempatan) Sdn Bhd - Pledged Securities Account for Oh Kim Sun (CEB)	329,100	0.81
16.	Abul Hasan Bin Mohamed Rashid	315,000	0.78
17.	Cimsec Nominees (Tempatan) Sdn Bhd - BCB for Douglas Cheng Heng Lee (MM1328)	299,500	0.74
18.	Ng Lai Chiek	290,900	0.72
19.	Citigroup Nominees (Asing) Sdn Bhd - UBS AG Singapore for Embassy Group Inc.	267,100	0.66
20.	Yap Yin Kim	251,300	0.62
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.	Goh Phaik Lynn	139,400	0.34
27.	Inter-Pacific Equity Nominees (Asing) Sdn Bhd - Pledged Securities Account for Seow Sea Kiang	121,600	0.30
28.	Wong Cheng Fun	114,900	0.28
29.	Ong Har Hong	107,000	0.26
30.	Choong Suan How	106,250	0.26
	<b>TOTAL</b>	<b>35,348,181</b>	<b>86.98</b>



**A) DISTRIBUTION OF WARRANTHOLDINGS AS AT 31 JULY 2006**

Category	No. of Holders		No. of Warrants		Percentage (%)	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less than 100 warrants	4	-	180	-	0.01	-
100 to 1,000 warrants	131	-	108,100	-	0.61	-
1,001 to 10,000 warrants	335	9	1,079,280	57,600	6.04	0.32
10,001 to 100,000 warrants	70	4	1,939,800	117,000	10.86	0.66
100,001 to 892,999 warrants <sup>1</sup>	10	1	2,267,100	108,000	12.69	0.60
893,000 and above of issued warrants <sup>2</sup>	5	-	12,182,940	-	68.21	-
<b>Total</b>	<b>555</b>	<b>14</b>	<b>17,577,400</b>	<b>282,600</b>	<b>98.42</b>	<b>1.58</b>

Notes:

<sup>1</sup> Less than 5% of issued warrants<sup>2</sup> 5% and above of issued warrants**B) LIST OF 30 LARGEST WARRANTHOLDERS AS AT 31 JULY 2006**

Name	No. of Warrants	Percentage (%)
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 - BCB for Douglas Cheng Heng Lee (MM1328)	270,000	1.51
8. Chin Seok Yin	185,600	1.04
9. Seah Peik Hock	163,000	0.91
10. HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ng Tian Sang @ Ng Kek Chuan	159,700	0.89
11. Prisma Pedoman Sdn Bhd	145,800	0.82
12. Abul Hasan Bin Mohamed Rashid	140,000	0.78
13. Tan Kim Hong	125,000	0.70
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

Name	No. of Warrants	Percentage (%)
16. Wong Chee Choon	104,300	0.58
17. HLB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chu Sui Kiong	98,000	0.55
18. HDM Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ooi Eng Hin (M01)	95,000	0.53
19. Tan Sew Pik	71,000	0.40
20. TA Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Colin Chuah Chin Yu	70,000	0.39
21. Ong Cheng Yeong	70,000	0.39
22. Wong Cheng Fun	66,400	0.37
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. Citigroup 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. Yam Ah Mooi @ Yam Ai Meng	38,000	0.21
<b>TOTAL</b>	<b>15,415,640</b>	<b>86.31</b>

### C) DIRECTORS' WARRANTHOLDINGS AS AT 31 JULY 2006

Name	Direct		Indirect	
	No. of Warrants	Percentage (%)	No. of Warrants	Percentage (%)
1. Dato' Lim Kim Huat	-	-	-	-
2. Douglas Cheng Heng Lee	293,700	1.64	-	-
3. Lee Yoke Shue	-	-	-	-
4. Kong Sin Seng	-	-	-	-
5. Datuk Chu Sui Kiong	98,000	0.55	*3,306,234	18.51
6. Dato' Tan Ting Wong	-	-	*3,306,234	18.51
7. Chai Moi Kim	-	-	-	-
8. Syed Sadiq Obaidi Albar bin Syed Hamid	-	-	-	-
9. Lee Kar Fook	-	-	-	-

Notes:

\* Deemed interest through Distinct Rich Sdn Bhd

**PROXY FORM****NUMBER OF SHARES HELD****WIDETECH (MALAYSIA) BERHAD**  
(113939-U)I/We \_\_\_\_\_  
(BLOCK LETTERS)of \_\_\_\_\_  
being a member of **WIDETECH (MALAYSIA) BERHAD**, hereby appoint \* THE CHAIRMAN OF THE MEETING  
or \_\_\_\_\_  
or failing him \_\_\_\_\_  
of \_\_\_\_\_

as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Second Annual General Meeting of the Company, to be held at Sunrise Auditorium 2, Mont' Kiara Business Centre, Suite D-03-01, Level 3, Block D, Plaza Mont' Kiara, No.2, Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur on Friday, 29 September 2006 at 10.30 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 proportion of holdings to be represented by each proxy.

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

	<b>Resolutions</b>	<b>In favour of resolution</b>	<b>Against the resolution</b>
1	To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2006 together with the Reports of the Directors and Auditors thereon.		
2	To re-elect Mr Chai Moi Kim who is retiring under Article 125 of the Articles of Association of the Company.		
3	To re-elect Mr Lee Yoke Shue who is retiring under Article 125 of the Articles of Association of the Company.		
4	To re-elect Dato' Tan Ting Wong who is retiring under Article 130 of the Articles of Association of the Company.		
5	To re-elect Mr Lee Kar Fook who is retiring under Article 130 of the Articles of Association of the Company.		
6	To re-appoint Messrs KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration.		
7	To consider and if thought fit, pass the following resolution: Authority to allot shares 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.

Affix Stamp  
Here

The Company Secretaries

**WIDETECH (MALAYSIA) BERHAD** (113939-U)

C15-1 Level 15 Tower C  
Megan Avenue II  
12 Jalan Yap Kwan Seng  
50450 Kuala Lumpur

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