ANNUAL REPORT 2010

WIDETECH

(MALAYSIA) BERHAD (113939-U)

Contents

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Twenty-Sixth Annual General Meeting of the Company will be held at Sunrise Auditorium 1, Mont' Kiara Business Centre, Suite D-03-01, Level 3, Block D, Plaza Mont' Kiara, No. 2, Jalan Kiara, 50480 Kuala Lumpur on Tuesday, 28 September 2010 at 10.30 a.m. for the following purposes:

A G E N D A

1. To lay the Audited Financial Statements for the financial year ended 31 March 2010 together with the Reports of the Directors and Auditors thereon. **Please refer to Note A**

2. To re-elect the following Directors who are retiring under Article 124 of the Articles of Association of the Company:

   (i) Kong Sin Seng **Ordinary Resolution 1**

   (ii) Dato' Cheng Joo Teik **Ordinary Resolution 2**

   (iii) Dato' Tan Ting Wong **Ordinary Resolution 3**

3. To appoint Messrs SJ Grant Thornton as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 4**

   Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed hereto as "Annexure", has been received by the Company for the nomination of Messrs SJ Grant Thornton, who have given their consent to act, for appointment as Auditors and of the intention to propose the following ordinary resolution:

   "THAT Messrs SJ Grant Thornton be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs KPMG and to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration."

SPECIAL BUSINESS

To consider and if thought fit, pass the following Ordinary Resolution:

4. **AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** **Ordinary Resolution 5**

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to 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 at the time of issue 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."

BY ORDER OF THE BOARD

LIM MING TOONG (MAICSA 7000281)
LAI CHEE WAH (MAICSA 7031124)
COMPANY SECRETARIES

6 September 2010
Kuala Lumpur

NOTES:

A. This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders and hence, is not put forward for voting.

1. A member entitled to attend and vote at the meeting may appoint another person as his proxy to attend and vote in his stead. 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 of Companies. However, his attendance at the general meeting shall automatically revoke the proxy's authority.

2. A member shall be entitled to appoint more than one proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holdings to be represented by each proxy.

3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

4. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.

5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 10th Floor, Menara Hap Seng, No. 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

6. If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of its attorney.

7. Explanatory Note on Special Business

   Ordinary Resolution 5 - Authority to Issue Shares pursuant to Section 132D of the Companies Act 1965

   The proposed Ordinary Resolution 5, if passed, will give flexibility to the Directors of the Company to issue shares up to a maximum of ten per centum (10%) of the issued share capital of the Company at the time of such 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.

   This is the renewal of the mandate obtained from the shareholders at the last Annual General Meeting ("the previous mandate"). The previous mandate was not utilised and no proceeds were raised. The purpose of this general mandate sought will provide flexibility to the Company for any possible fund raising activities but not limited for futher placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of borrowings and/or acquisitions.

Statement Accompanying Notice of Annual General Meeting

1. Further details of the Directors standing for re-election or re-appointment are set out in the Directors' Profile appearing on pages 7 to 10 of the Annual Report.

ANNEXURE

Dato' Cheng Joo Teik
148 Jalan Bukit Pantai
59100 Kuala Lumpur
Wilayah Persekutuan

Date: 24 August 2010

The Board of Directors
WIDETECH (MALAYSIA) BERHAD
10th Floor, Menara Hap Seng
No. 1 & 3, Jalan P. Ramlee
50250 Kuala Lumpur

Dear Sirs,

NOTICE OF NOMINATION OF AUDITORS

Pursuant to Section 172 (11) of the Companies Act, 1965, I, being a shareholder of Widetech (Malaysia) Berhad ("the Company"), hereby give notice of my intention to nominate Messrs SJ Grant Thornton for the appointment as Auditors of the Company to replace Messrs KPMG and to propose the following as an ordinary resolution to be tabled at the forthcoming Annual General Meeting of the Company:

"THAT Messrs SJ Grant Thornton be and are hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs KPMG and to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorised to fix their remuneration."

Yours faithfully,

Dato' Cheng Joo Teik

Chairman's Statement

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 2010.

Financial Performance

For the financial year under review, the Group registered a lower revenue of RM10.246 million with a pre-tax loss of RM1.147 million as compared to a revenue of RM15.081 million with a pre-tax loss of RM7.260 million in FY 2009.

The reduced losses was mainly attributed to an improved earnings from our gaming operations which achieved a higher revenue of RM1.304 million with a pre-tax profit of RM0.178 million against a revenue of RM0.496 million with a pre-tax loss of RM6.150 million in FY 2009 . The loss in FY 2009 was attributable to provisions and one-off impairment charges made in accordance with the Financial Reporting Standards.

Despite an economically challenging year, our manufacturing division continued to perform satisfactorily with an improved pre-tax profit of RM0.396 million as compared to RM0.326 million in FY 2009.

Our consumer goods financing business however showed lower profits amidst stiff competition in the market. The division recorded a revenue of RM3.790 million and a pre-tax profit of RM1.097 million, a decline of 62% and 31% over its FY 2009's revenue of RM9.861 million and a pre-tax profit of RM1.586 million respectively. We expect the contribution from this division to be lower in the coming years as it is no longer an attractive business due to the entry by financial institutions into this market which enjoy lower funding costs.

Our hotel operation in Laos remained loss making with a pre-tax loss of RM1.526 million as compared to RM1.607 million in FY 2009. As we are unable to obtain a gaming license for the hotel we are looking into alternative strategies, including disposal of the hotel.

Brief Description of the Industry Trend and Development

The business environment for the coming year will continue to be challenging as the recovery of the global economy continue to remain fragile and uncertain. However, the Board will continue in its efforts to identify and explore potential business opportunities to further enhance the earnings of the Group. With the company's positive cash position, we are looking into new ventures to improve the earnings of the company.

Prospects and Outlook

Moving forward, the consumer products business is operating in a highly competitive environment with increasingly stiff competition from the financial institutions. It is expected to contribute positively to its earnings but contribution to sales is expected to decline.

In the gaming segment, we expect a higher contribution for the coming financial year. On a long term scenario, the Board is confident that our e-gaming operations on a revenue sharing basis with two casinos in Cambodia will eventually contribute positively to the earnings of the Group.

Our manufacturing division will strive for continuous improvement in production and operational efficiencies, with plans to increase its market share by enlarging its customer base.

Corporate Social Responsibility

The Group recognise the importance of its CSR and are committed to continuous improvement in its CSR program.

We continue to place top priority to provide a safer and healthier environment for our employees and customers in our business premises.

We will ensure that our manufacturing division continues to adopt and maintain environmental best practices in compliance with ISO 14001.

We continue to remind and encourage our employees to practice recycling and energy conservation exercises in the Group.

Both the Company and staff affirmed their continuous support to non-profit organizations by way of donations.

Dividend

The Board does not recommend any dividend for the financial year ended 31 March 2010.

Acknowledgements

On behalf of the Board, I wish to thank my fellow board members, the Management and staff for their continued dedication and contribution to the Group. The Board and I would also like to express our deepest appreciation for the invaluable contributions by Mr. Lee Kar Fook who resigned from the Board on 3 August 2010.

My sincere appreciation to our valued customers, suppliers, business associates, bankers and most importantly our esteemed shareholders for their relentless support and confidence given to the Group.

Dato' Lim Kim Huat
Executive Chairman

Kuala Lumpur

Profile of Directors

Y BHG DATO' LIM KIM HUAT
Malaysian, Aged 50
Executive Chairman

Dato' Lim Kim Huat was appointed to the Board on 26 February 2004 as Non-Independent Non-Executive Director and subsequently, assumed the position of an Executive Chairman on 25 July 2006. He is 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 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 has extensive exposures and experience in diverse industries such as manufacturing, trading, property development, leisure & entertainment and food services.

He is currently the Executive Deputy Chairman of Sunrise Berhad and also the Managing Director of Gefung Holdings Berhad.

KONG SIN SENG
Malaysian, Aged 55
Chief Executive Officer

Kong Sin Seng was appointed to the Board on 27 September 2004. He holds a Bachelor of Accounting (Hons) from the University of Kent, England. He is a member of Institute of Chartered Accountants in England & Wales. He assumed the position of Chief Executive Officer of the Company on 9 February 2007.

He started his career as an articled clerk with Reeves & Neylan, Chartered Accountants in the United Kingdom from 1978 to 1982 and subsequently joined 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 also sits on the Board of Fitters Diversified Berhad since December 2001.

Y BHG DATUK CHU SUI KIONG
Malaysian, Aged 51
Executive Director

Datuk Chu Sui Kiong was appointed to the Board on 31 January 2004 as Non-Independent Non-Executive Director. He subsequently assumed the position of an Executive Director on 25 July 2006.

Datuk Chu, a business entrepreneur, is involved in Property Development. He is currently the Owner and Executive Chairman of Kudat Golf & Marina Resort Hotel.

Y BHG DATO' CHENG JOO TEIK
Malaysian, Aged 64
Executive Director

Dato' Cheng Joo Teik was appointed to the Board on 6 December 2006.

He was formerly with Malaysian Airline System Berhad and having accumulated extensive experience in the commercial and service industry, Dato' Cheng then joined as the Group Executive Director of a renowned group of companies specializing in managing hotels, restaurants, recreational clubs, entertainment and gaming activities for both its local and international operations. He was instrumental in implementing various internal controls and risk controlled procedures for the group of companies in ensuring management and operational efficiency.

Dato' Cheng also serves as a committee member in various philanthropic and charitable organizations and has contributed extensively to fund raising and charitable activities for the needy and underprivileged.

Y BHG DATO' TAN TING WONG
Malaysian, Aged 54
Executive Director

Dato' Tan Ting Wong was appointed to the Board on 17 January 2008.

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.

LEE YOKE SHUE
Malaysian, Aged 55
Non-Independent Non-Executive Director

Lee Yoke Shue was appointed to the Board on 14 May 2002 as Executive Director and subsequently was re-designated to Non-Independent and Non-Executive Director on 1 July 2010.

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 Eighteen (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.

LOH SUAN PHANG
Malaysian, Aged 50
Executive Director

Mr Loh Suan Phang was appointed to the Board on 17 January 2008.

Mr Loh holds a Bachelor of Arts (Hons) from University of Malaya.

Mr Loh started his initial years with Genting Berhad and has more than 15 years of experience in the senior management of food and leisure corporation.

Y BHG DATO' ZAKARIA BIN MOHAMMED
Malaysian, Aged 67
Independent Non-Executive Director

Y Bhg Dato' Zakaria Bin Mohammed was appointed to the Board on 23 May 2008. He is a member of the Audit Committee and the Chairman of the Nomination Committee and Remuneration Committee.

Dato' Zakaria is a Polis DiRaja Malaysia pensioner holding the rank of Senior Assistant Commissioner I before he retired in 1998. He had held several senior posts including the Officer-in-charge of Criminal Investigation and Deputy Chief Police Officer Kuala Lumpur. He was also the Chief Police Officer of Kelantan.

Dato' Zakaria was previously with TT Resources Berhad and Zaitun Berhad. He is also a director of several private limited companies.

NG BEE KEN
Malaysian, Aged 56
Independent Non-Executive Director

Mr Ng Bee Ken was appointed to the Board on 22 June 2009. He is the Chairman of the Audit Committee, a member of the Nomination Committee and Remuneration Committee.

He holds a Bachelor of Law (Honours) from University of Wales, Cardiff, Wales and a Master of Laws from King's College, University of London. He is also a Barrister-at-Law of Lincoln's Inn, London, an Advocate & Solicitor of the High Court of Malaya and a certified mediator. He is presently the managing partner of a law firm.

He also holds a Master of Science (Corporate Communication) from Universiti Putra Malaysia and is an Associate of the Association of Costs and Executive Accountants, England.

Mr Ng is currently the Chairman and an Independent Non-Executive Director of Sinotop Holdings Bhd (formerly known as John Master Industries Berhad) and he also sits on the board of Talam Corporation Berhad and Opensys (M) Berhad as an Independent Non-Executive Director.

<u>Notes to the Directors' Profile:</u>

1. None of the Directors of Widetech have family relationships with any other Directors and/or major shareholders of the Company;
2. None of the Directors have any convictions for offences (other than traffic offences) within the past 10 years.
3. None of the Directors have conflict of interest with the Widetech Group.
4. The details of Directors' attendance of Board Meetings during the financial year ended 31 March 2010 are disclosed in page 16 of this Annual Report.

Audit Committee Report

The Board of Directors of Widetech (Malaysia) Berhad is pleased to present the Audit Committee Report for the financial year ended 31 March 2010.

COMPOSITION AND MEETINGS

As at the date of this Annual Report, the Audit Committee comprises two (2) Directors as follows:

Chairman
Ng Bee Ken - Independent Non-Executive Director

Member
Dato' Zakaria Bin Mohammed - Independent Non-Executive Director

The Audit Committee is looking forward to fill in the vacancy in order to comply with Paragraph 15.09(1) of the Listing Requirements of Bursa Malaysia Securities Berhad.

During the financial year ended 31 March 2010, the Audit Committee met four (4) times. The details of attendance of the Audit Committee are as follows:

Name of Director	Attendance
Lee Kar Fook (Resigned on 3 August 2010)	4/4
Dato' Zakaria Bin Mohammed	4/4
Ng Bee Ken (Appointed on 22 June 2009)	3/3

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 are as follows:

Composition

The Board shall elect a Committee from amongst themselves (pursuant to a resolution of the Board of Directors), comprising at least three (3) Directors where all the Committee members must be Non-Executive Directors, with a majority of whom must 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 ("Bursa Securities").

The members of the Committee shall elect a Chairman from amongst themselves who is an Independent Director of the Company.

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

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

Functions

i) to review with the External Auditors the scope and nature of their audit plan, the results 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, competency, 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 internal and external 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 Committee and Board of Directors from time to time.

Meetings and Activities

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

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

The Committee may call for a meeting as and when required with reasonable notice as the Committee Members deem fit. The Committee Members may participate in a meeting by means of conference telephone, conference videophone or any similar or other communications equipment by means of which all persons participating in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at such meeting.

Rights

The Committee is authorized 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 also authorized by the Board to obtain external legal or other independent professional advise as necessary.

The Committee is also authorised to convene meetings with the Internal Auditors and External Auditors, excluding the attendance of other directors and employees of the Group, whenever deemed necessary.

Access to records

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

SUMMARY OF ACTIVITIES

In accordance with the terms and reference of the Audit Committee, the following activities were undertaken by the Audit Committee during the financial year ended 31 March 2010, including the deliberation on and review of:

(a) the unaudited quarterly financial statements of the Group to ensure that they are in compliance with the requirements of relevant authorities, prior to the submission to the Board for their approval and release of the Group's results to Bursa Securities.

(b) the annual audited financial statements of the Group and of the Company prior to submission to the Board of Directors for consideration and approval.

(c) the external auditors' report in relation to audit and accounting issues arising from the audit; matters arising from the audit of the Group in meetings with the external auditors without the presence of the executive Board members and management.

(d) the internal audit report and the results and recommendations arising from the reviews conducted by the outsourced internal audit function;

(e) the related party transactions and potential conflict of interest situation that may have arisen within the Company or Group.

(f) the re-appointment of external auditors and their audit fees, before the recommendation to the Board of Directors for approval.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent professional firm to review and improve its existing processes for identifying and managing the Group's risks and the control procedures to manage those risks.

Further details pertaining to the internal audit function are set out in the Statement on Internal Controls on pages 23 to 24 of this Annual Report.

STATEMENT ON EMPLOYEES' SHARE OPTION SCHEME

The Audit Committee hereby confirms that during the financial year under review, there were no options granted to the eligible employees of the Group pursuant to the employees' share option scheme.

Corporate Governance Statement

The Board of Directors of Widetech (Malaysia) Berhad ("the Board") recognises that its primary responsibility is to safeguard and promote the interests of the shareholders and to enhance the long-term value of the Company. The Board continuously strives and is fully committed to maintaining high standards of corporate governance throughout the organisation and to safeguard the interests of the shareholders.

The Group will continue to endeavour to comply with all the key Principles and Best Practices of the Malaysian Code on Corporate Governance (Revised 2007) ("the Code") in its effort to observe high standards of transparency, accountability and integrity.

This statement sets out the manner in which the Group complies with paragraph 15.25 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad and has applied the Principles and the extent of compliance with the Best Practices in Corporate Governance as set out in the Code. The best practices that were not adopted during the financial year are explained in the relevant paragraphs.

A. BOARD OF DIRECTORS

(i) Board Balance and Composition

The Board currently comprises nine (9) members, of whom, 6 are Executive Directors (including the Executive Chairman) and 2 are Independent Non-Executive Directors and 1 (one) is Non-Independent Non-Executive Director. As at the date of this Annual Report, the Company did not comply with Paragraph 15.02 of the Main Market Listing Requirements which requires that at least 2 Directors or 1/3 of the Board of Directors, whichever is the higher, to be independent. The Board is looking forward to seek the suitable candidate to fill the vacancy within the prescribed period in order to comply thereof.

The Board comprises highly respectable and professional persons and represents a diverse background of knowledge, expertise and experience. With their combined experience and knowledge they provide sound advice and judgement for the benefit of the Company and its shareholders. The mixed skills and experience are vital for the successful performance of the Company. A brief profile of each Director is presented in the section of Directors' Profile of this Annual Report.

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.

In addition, due to the active participation of all the Directors including the 2 Independent Non-Executive Directors, no individual or small group of individuals dominate the Board's decision making processes.

The roles of the Chairman and Chief Executive Officer are distinct and separate with a clear division of responsibilities to ensure the balance of power and authority so that no single individual has absolute power within the Group. The Chairman leads the Board to ensure its effectiveness whereas the Chief Executive Officer is responsible for the efficient and effective management of the business and operations of the Company.

Dato' Zakaria Bin Mohammed is the Senior Independent Non-Executive Director to whom concerns may be conveyed.

(ii) Board Meetings

The Board meets on regularly basis, at least four (4) times a year deliberate and consider matters relating to the Group's financial performance, significant investments, corporate development, strategic issues and business plan. Additional Board meetings are held as and when urgent issues warrant matters to be deliberated.

During the financial year ended 31 March 2010, the Board met four (4) times and the details of the attendance of the Board members during their respective tenure are set out as follows:

Name of Director	Designation	No. of Meetings Attended
Dato' Lim Kim Huat	Executive Chairman	4/4
Kong Sin Seng	Chief Executive Officer	4/4
Datuk Chu Sui Kiong	Executive Director	3/4
Dato' Cheng Joo Teik	Executive Director	3/4
Dato' Tan Ting Wong	Executive Director	4/4
Loh Suan Phang	Executive Director	3/4
Lee Yoke Shue	Non Independent Non-Executive Director	4/4
Dato' Zakaria Bin Mohammed	Independent Non-Executive Director	4/4
Lee Kar Fook *(resigned on 3 August 2010)*	Independent Non- Executive Director	4/4
Ng Bee Ken *(Appointed on 22 June 2009)*	Independent Non- Executive Director	3/3

(iii) 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 are invited to attend these meetings to explain and clarify the matters being tabled where considered necessary.

In addition, there is a schedule of matters reserved specifically for the Board's decisions, including the approval of major acquisitions or disposal of business or assets, significant investments and changes to management and control structure of the Group, namely, key policies and procedures.

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.

The Board has unrestricted access to all information within the Company, whether as a full Board or in their individual capacity, which is necessary for discharge of its responsibilities and may obtain independent professional advice at the Company's expense in furtherance of its duties. Wherever necessary, consultants and experts were invited to brief the Board on their areas of expertise or their reports.

The Board has access to the advice and services of the Company Secretary who is responsible to ensure that Board Meeting procedures are followed, and the applicable statutory and regulatory requirements are complied with. The Company Secretary also serves notice to Directors on the closed period for trading in the Company's securities in accordance with Chapter 14 on Dealings in Listed Securities of Bursa Securities Main market Listing Requirements.

The proceedings and resolutions reached at each Board meeting are recorded in the Minutes Book kept at the registered office. Besides Board meetings, the Board also exercises control on matters that requires its approval through the circulation of Directors' resolutions.

(iv) Re-election and Re-appointment of Directors

The appointment of Directors is undertaken by the Board as a whole guided by formal recommendations by the Nomination Committee.

In accordance with the Company's Articles of Association, all Board members who are appointed by the Board shall be subject to election by shareholders at the first opportunity of their appointment. The Company's Articles of Association also provide that at least one-third (1/3) of the Directors shall retire by rotation at each Annual General Meeting and that all Directors shall retire from office at least once every three (3) years. A retiring Director shall be eligible for re-election.

The Directors to retire from office at the forthcoming Annual General Meeting are Mr Kong Sing Seng, Dato' Cheng Joo Teik and Dato' Tan Ting Wong.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965. Presently, there is no Director of the Company who is subject to such re-appointment.

(v) Director's Training

All Directors have attended and successfully completed the Mandatory Accreditation Program as prescribed by Bursa Securities.

The Board of Directors are encouraged to evaluate their own training needs on a regular basis and to determine the relevant programmes, seminars or dialogues available that would best enable them to enhance their skill and knowledge so as to effectively discharge their duties.

At the same time, the Board of Directors was briefed at quarterly Board meetings on any significant changes in laws and regulations that were relevant by the Company Secretaries with the intention to keep the Directors abreast with the regulatory and legal related developments.

The Directors concerned have undertaken that they will attend relevant seminars or training programmes in the next financial year to continue to enhance their skills and knowledge for the purpose of disposing their duties and responsibilities.

(vi) Board Committees

The Board of Directors delegates specific responsibilities to the respective Committees of the Board namely, Audit Committee, Nomination Committee and Remuneration Committee in order to enhance business and corporate efficiency and effectiveness. These Committees have the authority to examine particular issues and will report to the Board with their recommendations and minutes of these meetings are circulated to the Board. The Board, however, makes the final decision on all matters in the best interest of the Company.

1. Audit Committee

The Board has established the Audit Committee to assist the Board in discharging its duties. The Audit Committee works closely with the external and internal auditors and maintains a transparent professional relationship with them.

The report of the Audit Committee is set out on pages 11 to 14 of this Annual Report.

2. Nomination Committee

The members of the Nomination Committee are:

- Dato' Zakaria Bin Mohammed (Independent Non-Executive Chairman)
- Ng Bee Ken (Independent Non-Executive Member)

The primary objective of the Nomination Committee is to evaluate suitability of candidates and make recommendations to the Board for new appointments. The Nomination Committee is also empowered to assess the effectiveness of the Board as a whole.

Members of the Nomination Committee met once during the year with the full attendance of its members. The purpose of the meeting was to assess the effectiveness of the Board as a whole.

3. Remuneration Committee

The members of the Remuneration Committee are:

- Dato' Zakaria Bin Mohammed (Independent Non-Executive Chairman)
- Dato' Lim Kim Huat (Independent Non-Executive Member)

The Remuneration Committee is responsible to recommend to the Board the remuneration framework for Directors necessary to attract, retain and motivate the Directors which are reflective of the Directors' experience and level of responsibilities.

It is the ultimate responsibility of the entire Board to approve the remuneration of the Executive Directors and none of the Executive Directors participate in any way in determining their individual remuneration. The remuneration and entitlements of the Non-Executive Directors is a matter of the Board of Directors as a whole, with individual Directors abstaining form decisions in respect of their remuneration.

The Remuneration Committee held one (1) meeting during the year, which was attended by all the members.

B. DIRECTORS' REMUNERATION

Details of Directors' remuneration for the financial year ended 31 March 2010 are as follows:

(a) Total Remuneration

	Categories of Remuneration (RM)				
	Basic Salary	**Bonus**	**Fees**	**Allowance**	**Total**
Executive	466,673	35,228	-	571,974	1,073,875
Non-Executive	-	-	-	33,000	33,000
Total	466,673	35,228	-	604,974	1,106,875

(b) Directors' remuneration by bands

	Executive	Non-Executive	Total
Up to RM50,000	1	3	4
RM50,001 to RM100,000	-	-	-
RM100,001 to RM150,000	4	-	4
RM150,001 to RM200,000	-	-	-
RM200,001 to RM250,000	1	-	1
RM250,001 to RM300,000	1	-	1

For security and confidential reasons, the details of individual Directors' remuneration are not shown. The details of remuneration of each Director are not disclosed in this Annual Report. The Board considers that the Directors' remuneration disclosures by band and analysis between Executive and Non-Executive Directors are sufficient to cater to the transparency and accountability aspects of the Code.

C. RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

The Board recognises the importance of effective communication with shareholders and the investment community, and adheres strictly to the disclosure requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). Effective and transparent communication enables the shareholders, investors and the market at large to make informed evaluation of the Company.

Information is released on a timely basis to shareholders and investors through various disclosures and announcements to the Bursa Malaysia Securities Berhad which include 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. From time to time, the Company had also announced major corporate development within the Group through announcement via Bursa Securities' Listing Information Network to ensure thorough dissemination of important valuable information throughout the whole market.

At the Annual General Meeting, questions are welcome from shareholders pertaining to the performance and business activities of the Group where active two-way communication between the shareholders and the Company is observed. The external auditors are also available to provide professional and independent perspectives and clarification. The share registrar is also present to respond to matters relating to shareholders interests.

D. ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible for ensuring that the quarterly and annual audited financial statements of the Company present a fair and balance view and assessment of the Company's financial position, performance and prospects. The Audit Committee assists the Board in reviewing and scrutinizing the information in terms of accuracy, adequacy and completeness for disclosure.

The Statement of Directors' Responsibility in respect of the Audited Financial Statements pursuant to paragraph 15.26(a) of MMLR and pursuant to the Statement of Directors' responsibility of the Companies Act, 1965 is set out in the section of Statement of Directors' Responsibility in relation to the Financial Statements of this Annual Report.

Internal Controls

The Board acknowledges its responsibilities for the Group's system of internal controls covering not only financial controls but also operational, compliance controls and risk management.

The internal audit function of the Group is outsourced to an independent professional firm, which reports directly to the Audit Committee and assists the Board in monitoring and managing risks and internal controls.

The Statement on Internal Control set out on pages 23 to 24 of this Annual Report provides an overview of the state of internal controls within the Group.

Relationship with Auditors

Through the Audit Committee, the Board maintains a formal and transparent relationship with the external auditors in seeking professional advice and ensuring compliance with the appropriate accounting standards. From time to time, the external auditors highlight to the Audit Committee and the Board on matters that require their attention.

Information on the role of Audit Committee in relation to the external auditors is set out in the Audit Committee Report on pages 11 to 14 of this Annual Report.

ADDITIONAL COMPLIANCE INFORMATION

1. Shares Buy-Backs

During the financial year ended 31 March 2010, the Company did not have a scheme to buy back its own shares.

2. Options, Warrants or Convertible Securities

There were no options granted to the eligible employees of the Group pursuant to the employees' share option scheme during the financial year ended 31 March 2010.

The Company did not issue any warrants or convertible securities during the financial period under review.

3. American Depository Receipts ("ADR") or Global Depository Receipt ("GBR")

The Company did not participate in any ADR or GDR Programme during the financial year.

4. Imposition of Sanction / Penalties

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

5. Non-Audit Fees

The amount of non-audit fees incurred for services rendered by the external auditors to the Group for the financial year ended 31 March 2010 amounted to RM12,150.

6. **Variation in Results for the Financial Year**

There was no deviation of 10% or more between the results of the financial year ended 31 March 2010 as per the audited financial statements and the unaudited results previously announced.

7. **Profit Guarantee**

There were no profit guarantees given by the Company during the financial year.

8. **Material Contracts involving Directors' and Major Shareholders' Interests**

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interests, which were subsisting at the end of the financial year ended 31 March 2010.

9. **Utilisation of Proceeds**

The Company did not implement any fund raising exercise during the financial year ended 31 March 2010.

10. **Revaluation Policy on Landed Properties**

The Group doest not adopt a revaluation policy on landed properties.

Statement of Directors' Responsibilities

In Relation to the Audited Financial Statements

The Directors are required to prepare the financial statements that give a true and fair view of the state of affairs of the Company and of the Group at the end of each financial year and of the results and cashflow for that year. The financial statements are prepared in compliance with the Companies Act, 1965 and with applicable approved accounting standards.

In preparing the financial statements of the Company and of the Group for the financial year ended 31 March 2010, the Directors have:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured that all applicable accounting standards have been followed; and
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for ensuring that the Company and Group maintained accounting records which disclose with reasonable accuracy the financial position of the Company and of the Group and that the financial statements comply with the requirements of the Companies Act, 1965. The Directors have the general responsibility for taking reasonable measures to prevent and detect fraud and other irregularities in order to safeguard the assets of the Company and of the Group.

Statement on Internal Control

INTRODUCTION

Pursuant to paragraph 15.26 (b) of Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and as guided by Statement on Internal Control: Guidance for Directors of Public Listed Companies ('the Guidance"), the Board of Directors ("the Board") of Widetech (Malaysia) Berhad is pleased to include a statement on the state of the Group's internal control in this annual report for the financial year ended 31 March 2010.

BOARD'S RESPONSIBILITY

The Board acknowledges its responsibility and re-affirms its commitment in maintaining a sound system of internal control to safeguard shareholders' investments and the Group's assets as well as reviewing the adequacy and effectiveness of the system of internal control.

As there are inherent limitations in any system of internal controls, such system put in place by Management can only mitigate risks within tolerable levels rather than eliminate all risks of failure to achieve the Group's corporate objectives. Hence, the system can only provide a reasonable rather than absolute assurance against material misstatement or loss.

RISK MANAGEMENT FRAMEWORK

Key management staff and Heads of Departments are delegated with the responsibility to manage identified risks within defined parameters and standards. Periodic management meetings, attended by the Heads of Departments and key management staffs are held in which key risks and the appropriate mitigating controls are also discussed. Key risks relating to the Group's strategic and business plans are presented and discussed at Board meetings.

The abovementioned risk management practices of the Group serves as the on-going process used to identify, evaluate and manage significant risks.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to external audit professionals to assist the Board and Audit Committee in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system and procedures. The scope of review of the outsourced internal audit function is determined by the Audit Committee with feedback from the Executive Management.

During the financial year ended 31 March 2010, the internal audit function carried out an internal audit visit on 2 subsidiaries focusing on certain key business processes. The results of the audits were presented to the Audit Committee at one of its scheduled meetings. The costs incurred in maintaining the outsourced internal audit functions for the financial year ended 31 March 2010 amounted RM24,692.

OTHER KEY ELEMENTS OF INTERNAL CONTROL

The other key elements of the Group's internal control systems are:-

1. A well defined organisational structure with clear lines of accountability and which has a documented delegation of authority that sets out the decisions that need to be taken and the appropriate authority levels of management including matters that require Board approval.

Statement on Internal Control (cont'd)

2. The Audit Committee reviews the quarterly financial reports, annual financial statements and the internal audit report on a periodic basis. Discussions with Management were held to deliberate on the actions that are required to be taken to address internal control matters identified by the outsourced internal audit function.

3. The Executive Directors are closely involved in the running of business and operations of the Group and they report to the Board on significant changes in the business and external environment, which affect the operations of the Group at large.

4. Experienced and dedicated team of personnel across key functional units.

5. Regular management meetings are held to discuss the Group's performance, business operations and management issues as well as formulate appropriate measures to address them.

6. Established internal policies and procedures for key business units within the Group.

7. One of the Group's operations is ISO 9001:2000 and ISO 14001:2004 certified. With such a certification, audits are conducted by external parties periodically to ensure compliance with the terms and conditions of the certification.

CONCLUSION

The Board is of the view that the Group's system of internal controls is adequate to safeguard shareholders' investments and the Group's assets. However, the Board is also cognizant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the system of internal controls.

This statement was approved by the Board of Directors on 27 July 2010.

Corporate Information

BOARD OF DIRECTORS

Dato' Lim Kim Huat
Executive Chairman

Kong Sin Seng
Chief Executive Officer

Datuk Chu Sui Kiong
Executive Director

Dato' Cheng Joo Teik
Executive Director

Dato' Tan Ting Wong
Executive Director

Loh Suan Phang
Executive Director

Lee Yoke Shue
Non-Independent Non-Executive Director

Dato' Zakaria Bin Mohammed
Independent Non-Executive Director

Ng Bee Ken
Independent Non-Executive Director

AUDIT COMMITTEE

Dato' Zakaria Bin Mohammed
Ng Bee Ken

SECRETARIES

Lim Ming Toong (MAICSA 7000281)
Lai Chee Wah (MAICSA 7031124)

REGISTERED OFFICE

10th Floor Menara Hap Seng
No. 1 & 3 Jalan P. Ramlee
50250 Kuala Lumpur
Tel No : 603.2382.4288
Fax No : 603.2382.4170 / 4171 / 4172

SHARE REGISTRAR

Mega Corporate Services Sdn Bhd
Level 15-2 Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel No : 603.2692.4271
Fax No : 603.2732.5388 / 5399

AUDITORS

KPMG, Penang
1st Floor, Wisma Penang Garden
42 Jalan Sultan Ahmad Shah
10050 Penang

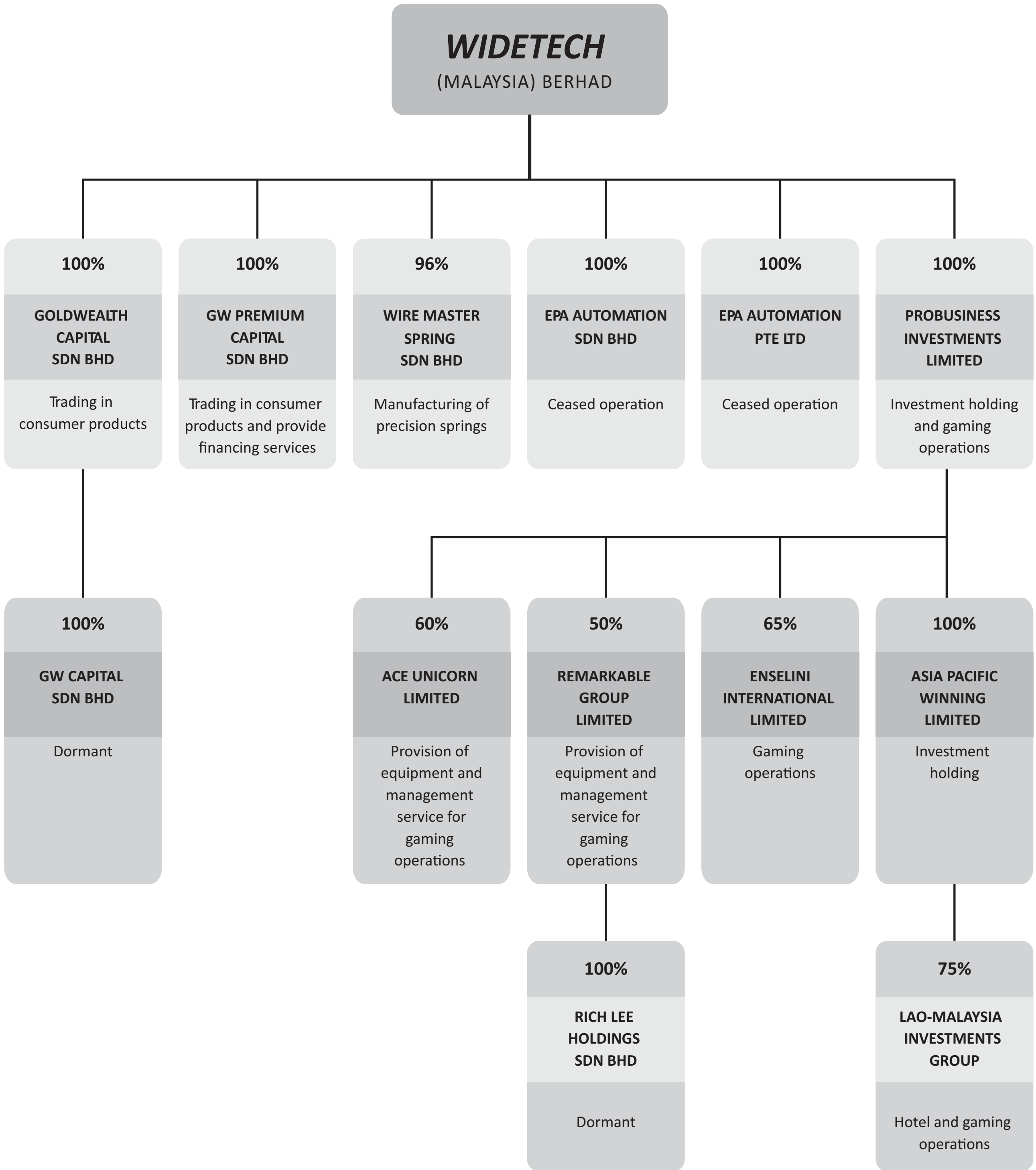
PRINCIPAL BANKERS

CIMB Bank Berhad
Maybank Berhad
Public Bank Berhad
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad
Stock Code: 7692

Corporate Structure



Financial Statement

Directors' Report

for the year ended 31 March 2010

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 2010.

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 5 to the financial statements.

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

Results

	Group RM	Company RM
Loss attributable to :		
Shareholders of the Company	(1,526,141)	(301,380)
Minority interest	120,901	-
	(1,405,240)	(301,380)

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 during the year and the Directors do not recommend any dividend to be paid for the year under review.

Directors of the Company

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

Dato' Lim Kim Huat
Datuk Chu Sui Kiong
Dato' Cheng Joo Teik
Dato' Tan Ting Wong
Loh Suan Phang
Kong Sin Seng
Lee Yoke Shue
Lee Kar Fook
Dato' Zakaria bin Mohammed
Ng Bee Ken

Directors' Report

for the year ended 31 March 2010 (cont'd)

Directors' interest in shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows :

	Balance at 1.4.2009	Bought	(Sold)	Balance at 31.3.2010
		Ordinary shares of RM1 each		
The Company				
Direct interest				
Dato' Cheng Joo Teik				
- own	200,000	-	-	200,000
- others @	1,404,000	74,200	-	1,478,200
Datuk Chu Sui Kiong	220,500	-	-	220,500
Loh Suan Phang	2,011,300	-	-	2,011,300
Indirect interest				
Dato' Cheng Joo Teik	4,198,952	-	-	4,198,952
Datuk Chu Sui Kiong	8,030,652	-	-	8,030,652
Dato' Tan Ting Wong	8,030,652	-	-	8,030,652
Subsidiaries				
Direct interest				
Dato' Cheng Joo Teik				
- Wire Master Spring Sdn. Bhd.				
- own	1	-	-	1
Indirect interest				
Datuk Chu Sui Kiong				
- Wire Master Spring Sdn. Bhd.	1,439,998	-	-	1,439,998
Dato' Tan Ting Wong				
- Wire Master Spring Sdn. Bhd.	1,439,998	-	-	1,439,998

Directors' Report

for the year ended 31 March 2010 (cont'd)

Directors' interest in shares (cont'd)

	Balance at 1.4.2009	Bought	(Sold)	Balance at 31.3.2010
	Ordinary shares of USD1 each			
Datuk Chu Sui Kiong				
- Ace Unicorn Limited	3	-	-	3
- Remarkable Group Limited	1	-	-	1
- Enselini International Limited	65	-	-	65
- Lao-Malaysia Investments Group	750,000	-	-	750,000
Dato' Tan Ting Wong				
- Ace Unicorn Limited	3	-	-	3
- Remarkable Group Limited	1	-	-	1
- Enselini International Limited	65	-	-	65
- Lao-Malaysia Investments Group	750,000	-	-	750,000

@ These are shares held in the name of the son and are treated as interest of the Director in accordance with Section 134 (12) (c) of the Companies Act, 1965.

By virtue of their interest in the shares of the Company, Datuk Chu Sui Kiong and Dato' Tan Tin Wong are also deemed to be interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

None of the other Directors holding office at 31 March 2010 had any interest in the ordinary shares of the Company and its related corporations 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 certain Directors who may be deemed to derive a benefit by virtue of transactions entered into in the ordinary course of business and the acquisition of a building between the Company and companies in which the Directors have substantial financial interest, as disclosed in Note 22 to the financial statements.

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.

Issue of shares and debentures

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

There were no debentures issued 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 financial year.

Other statutory information

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

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) all current assets have been stated at the lower of cost and net realisable value.

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

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the 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 2010 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Directors' Report

for the year ended 31 March 2010 (cont'd)

Auditors

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

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors :

Dato' Cheng Joo Teik

Kong Sin Seng

Kuala Lumpur,

Date : 27 July 2010

Statement by Directors

pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 37 to 87 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 March 2010 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors :

Dato' Cheng Joo Teik

Kong Sin Seng

Kuala Lumpur,

Date : 27 July 2010

Statutory Declaration

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

I, Kong Sin Seng, 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 37 to 87 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 27 July 2010

Kong Sin Seng

Before me :

CHEAH BENG SUN
DJN, AMN, PKT, PJK, PJM, PK
No : P.103

Commissioner for Oaths

Penang

Independent Auditors' Report

to the Members of Widetech (Malaysia) Berhad

Report on the Financial Statements

We have audited the financial statements of Widetech (Malaysia) Berhad, which comprise the balance sheets as at 31 March 2010 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 37 to 87.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2010 and of their financial performance and cash flows for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the accounts and the auditors' report of subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.

Independent Auditors' Report

to the Members of Widetech (Malaysia) Berhad (cont'd)

c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act, other than as disclosed in Note 5 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG
AF 0758
Chartered Accountants

Ooi Kok Seng
2432/05/11 (J)
Chartered Accountant

Date : 27 July 2010
Penang

Consolidated Balance Sheet

at 31 March 2010

	Note	2010 RM	2009 RM
Assets			
Property, plant and equipment	3	17,800,561	19,897,717
Prepaid lease payments	4	1,518,247	1,643,466
Receivables, deposits and prepayments	7	7,892,531	10,273,140
Total non-current assets		27,211,339	31,814,323
Receivables, deposits and prepayments	7	6,578,485	9,011,002
Inventories	8	682,409	917,190
Current tax assets		114,748	136,906
Cash and cash equivalents	9	5,300,324	2,401,771
Total current assets		12,675,966	12,466,869
Total assets		39,887,305	44,281,192
Equity			
Share capital	10	44,753,400	44,753,400
Reserves	11	(13,893,034)	(11,613,947)
Total equity attributable to equity shareholders of the Company		30,860,366	33,139,453
Minority interests	12	253,452	622,301
Total equity		31,113,818	33,761,754
Liabilities			
Borrowings	13	4,741,383	4,886,633
Deferred tax liabilities	14	95,000	93,000
Total non-current liabilities		4,836,383	4,979,633
Payables and accruals	15	3,580,582	4,332,634
Borrowings	13	332,522	1,202,746
Current tax liabilities		24,000	4,425
Total current liabilities		3,937,104	5,539,805
Total liabilities		8,773,487	10,519,438
Total equity and liabilities		39,887,305	44,281,192

The notes on pages 47 to 87 are an integral part of these financial statements.

Consolidated Income Statement

for the year ended 31 March 2010

	Note	2010 RM	2009 RM
Continuing operations			
Revenue	16	10,246,389	15,081,430
Changes in manufactured inventories		(42,436)	(85,001)
Raw materials and consumables used		(1,509,829)	(1,324,151)
Staff costs	18	(3,497,919)	(3,438,053)
Depreciation	3	(2,701,915)	(2,741,131)
Amortisation	4	(32,662)	(32,491)
Operating expenses		(3,539,350)	(5,379,334)
Other operating expenses		-	(9,382,157)
Other operating income		159,032	662,674
Operating loss		(918,690)	(6,638,214)
Finance costs		(228,058)	(621,584)
Loss before tax	17	(1,146,748)	(7,259,798)
Tax expense	20	(258,492)	(445,803)
Loss for the year		(1,405,240)	(7,705,601)
Attributable to :			
Shareholders of the Company		(1,526,141)	(7,362,076)
Minority interest		120,901	(343,525)
Loss for the year		(1,405,240)	(7,705,601)
Basic loss per ordinary share (sen)	21	(3.41)	(16.45)

The notes on pages 47 to 87 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 March 2010

	Note	Share capital RM	Share premium RM	Share option reserve RM	Exchange fluctuation reserve RM	Accumulated losses RM	Total RM	Minority interests RM	Total equity RM
		Attributable to equity shareholders of the Company							
		Non-distributable							
At 31 March 2008		44,753,000	132,167	12,570	(2,026,909)	(3,921,774)	38,949,054	965,826	39,914,880
Issuance of shares pursuant to :									
- warrants conversion	10	400	-	-	-	-	400	-	400
Transfer to retained earnings for share options lapsed		-	-	(12,570)	-	12,570	-	-	-
Loss for the year		-	-	-	-	(7,362,076)	(7,362,076)	(343,525)	(7,705,601)
Net gain not recognised in the income statements : Exchange differences on translation of the financial statements of foreign entities		-	-	-	1,552,075	-	1,552,075	-	1,552,075
At 31 March 2009		44,753,400	132,167	-	(474,834)	(11,271,280)	33,139,453	622,301	33,761,754
Dividend paid to minority interest		-	-	-	-	-	-	(489,750)	(489,750)
Loss for the year		-	-	-	-	(1,526,141)	(1,526,141)	120,901	(1,405,240)
Net loss not recognised in the income statements : Exchange differences on translation of the financial statements of foreign entities		-	-	-	(752,946)	-	(752,946)	-	(752,946)
At 31 March 2010		44,753,400	132,167	-	(1,227,780)	(12,797,421)	30,860,366	253,452	31,113,818

The notes on pages 47 to 87 are an integral part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 March 2010

	Note	2010 RM	2009 RM
Cash flows from operating activities			
Loss before tax from continuing operations		(1,146,748)	(7,259,798)
Adjustments for :			
Depreciation of property, plant and equipment	3	2,701,915	2,741,131
Impairment loss on plant and equipment	3	-	5,700,918
Amortisation of prepaid lease payments	4	32,662	32,491
(Gain)/loss on disposal of plant and equipment	17	(598)	156,219
Gain on disposal of asset classified as held for sale	17	-	(327,719)
Plant and equipment written off	17	586	386,300
Interest income	17	(52,347)	(146,758)
Interest expense	17	228,058	621,584
Impairment loss on goodwill	6	28,220	393,054
Operating profit before changes in working capital		1,791,748	2,297,422
Changes in working capital :			
Inventories		230,210	196,311
Receivables, deposits and prepayments		4,451,220	5,867,591
Payables and accruals		(702,720)	(4,441,953)
Cash generated from operations		5,770,458	3,919,371
Tax paid		(207,783)	(259,698)
Net cash from operating activities		5,562,675	3,659,673
Cash flows from investing activities			
Interest received		52,347	146,758
Purchase of plant and equipment		(982,491)	(7,612,345)
Proceeds from disposal of plant and equipment		2,560	66,395
Proceeds from disposal of asset classified as held for sale		-	2,909,719
Acquisition of a subsidiary	B	(4)	-
Net cash used in investing activities		(927,588)	(4,489,473)
Cash flows from financing activities			
Dividend paid to minority interest		(489,750)	-
Drawdown of term loan		258,000	5,077,000
Repayment of finance lease liabilities		(70,077)	(67,818)
Repayment of commercial papers		-	(10,695,164)
Repayment of term loan		(241,972)	(140,252)
Proceeds from issuance of shares		-	400
Fixed deposits pledged		-	3,633,486
Interest paid		(228,058)	(621,584)
Net cash used in financing activities		(771,857)	(2,813,932)

Consolidated Cash Flow Statement

for the year ended 31 March 2010 (cont'd)

	Note	2010 RM	2009 RM
Net increase/(decrease) in cash and cash equivalents		3,863,230	(3,643,732)
Cash and cash equivalents at 1 April		1,440,346	5,045,071
Effects of exchange differences on cash and cash equivalents		(3,252)	39,007
Cash and cash equivalents at 31 March	A	5,300,324	1,440,346

NOTES

A) *Cash and cash equivalents*

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

	Note	2010 RM	2009 RM
Deposits with licensed banks and financial institutions	9	4,255,616	1,755,184
Cash and bank balances	9	1,044,708	646,587
		5,300,324	2,401,771
Less : Bank overdraft	13	-	(961,425)
		5,300,324	1,440,346

B) *Acquisition of a subsidiary*

On 10 June 2009, the Company's subsidiary, Remarkable Group Limited completed the exercise of the call option granted by the vendors of the 10,000 ordinary shares of RM1.00 each in the capital of Rich Lee Holdings Sdn Bhd ("RLHSB"), representing the entire issued and paid up share capital of RLHSB for a total cash consideration of USD 1.00 (RM3.64). Subsequent to the acquisition, RLHSB became a subsidiary of the Company.

The fair values of assets acquired and liabilities assumed in the acquisition of RLHSB and its cash flow effects are as follows :-

	RM
Freehold land	500,000
Tax recoverable	6,976
Other payables and accruals	(35,192)
Amount payable to directors	(500,000)
Fair value of net liabilities	(28,216)
Goodwill on acquisition	28,220
Total consideration, satisfied in cash	4

The notes on pages 47 to 87 are an integral part of these financial statements.

Balance Sheet

at 31 March 2010

	Note	2010 RM	2009 RM
Assets			
Property, plant and equipment	3	7,106,423	7,118,213
Investments in subsidiaries	5	3,975,004	3,975,004
Total non-current assets		11,081,427	11,093,217
Receivables, deposits and prepayments	7	20,985,798	20,874,255
Cash and cash equivalents	9	857	3,720
Total current assets		20,986,655	20,877,975
Total assets		32,068,082	31,971,192
Equity			
Share capital	10	44,753,400	44,753,400
Reserves	11	(23,183,842)	(22,882,462)
Total equity		21,569,558	21,870,938
Liabilities			
Borrowings	13	4,692,590	4,765,504
Total non-current liability		4,692,590	4,765,504
Payables and accruals	15	5,545,748	4,202,081
Borrowings	13	260,186	1,132,669
Total current liabilities		5,805,934	5,334,750
Total liabilities		10,498,524	10,100,254
Total equity and liabilities		32,068,082	31,971,192

The notes on pages 47 to 87 are an integral part of these financial statements.

Income Statement

for the year ended 31 March 2010

	Note	2010 RM	2009 RM
Continuing operations			
Revenue	16	3,650,172	694,267
Staff costs	18	(363,534)	(567,804)
Depreciation	3	(407,941)	(306,637)
Operating expenses		(239,483)	(182,001)
Other operating expenses		(2,723,143)	(9,929,049)
Other operating income		-	2,794,402
Operating loss		(83,929)	(7,496,822)
Finance costs		(216,641)	(284,436)
Loss before tax	17	(300,570)	(7,781,258)
Tax expense	20	(810)	(1,955)
Loss for the year		(301,380)	(7,783,213)

The notes on pages 47 to 87 are an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 31 March 2010

	Note	Share capital RM	← Non-distributable Share premium reserve RM	→ Share option reserve RM	Accumulated losses RM	Total RM
At 1 April 2008		44,753,000	132,167	12,570	(15,243,986)	29,653,751
Issuance of shares pursuant to warrant conversion	10	400	-	-	-	400
Transfer to accumulated losses for share options lapsed		-	-	(12,570)	12,570	-
Loss for the year		-	-	-	(7,783,213)	(7,783,213)
At 31 March 2009		44,753,400	132,167	-	(23,014,629)	21,870,938
Loss for the year		-	-	-	(301,380)	(301,380)
At 31 March 2010		44,753,400	132,167	-	(23,316,009)	21,569,558

The notes on pages 47 to 87 are an integral part of these financial statements.

Cash Flow Statement

for the year ended 31 March 2010

	Note	2010 RM	2009 RM
Cash flows from operating activities			
Loss before tax from continuing operations		(300,570)	(7,781,258)
Adjustments for :			
Depreciation of property, plant and equipment	3	407,941	306,637
Plant and equipment written off	17	-	35,036
Loss on disposal of plant and equipment	17	-	136,563
Gain on disposal of asset classified as held for sale	17	-	(327,719)
Interest income	17	-	(17,918)
Interest expense	17	216,641	284,436
Dividend income		(3,000,000)	-
Operating loss before changes in working capital		(2,675,988)	(7,364,223)
Changes in working capital :			
Receivables, deposits and prepayments		2,888,457	2,517,640
Payables and accruals		1,343,667	3,577,859
Cash from/(used in) operations		1,556,136	(1,268,724)
Interest paid		(216,641)	(284,436)
Tax paid		(810)	(1,955)
Net cash from/(used in) operating activities		1,338,685	(1,555,115)
Cash flows from investing activities			
Interest received		-	17,918
Purchase of property, plant and equipment		(396,151)	(7,325,029)
Proceeds from disposal of plant and equipment		-	49,826
Proceeds from disposal of asset classified as held for sale		-	2,909,719
Net cash used in investing activities		(396,151)	(4,347,566)

Cash Flow Statement

for the year ended 31 March 2010 (cont'd)

	Note	2010 RM	2009 RM
Cash flows from financing activities			
Proceeds from issuance of shares		-	400
Drawdown of term loan		258,000	5,077,000
Repayment of term loan		(241,972)	(140,252)
Net cash from financing activities		16,028	4,937,148
Net increase/(decrease) in cash and cash equivalents		958,562	(965,533)
Cash and cash equivalents at 1 April		(957,705)	7,828
Cash and cash equivalents at 31 March		857	(957,705)

NOTE

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

	Note	2010 RM	2009 RM
Cash and bank balance	9	857	3,720
Bank overdraft	13	-	(961,425)
		857	(957,705)

The notes on pages 47 to 87 are an integral part of these financial statements.

Notes to the Financial Statements

Widetech (Malaysia) Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of its registered office and principal place of business are as follows:

Registered office

10th Floor Menara Hap Seng
No. 1 & 3 Jalan P. Ramlee
50250 Kuala Lumpur

Principal place of business

K-09-01, No. 2, Jalan Solaris
Solaris Mont' Kiara
50480 Kuala Lumpur

The consolidated financial statements of the Company as at and for the year ended 31 March 2010 comprise the Company and its subsidiaries.

The Company is principally engaged as an investment holding company, provision of management services and rental of properties. The principal activities of its subsidiaries are disclosed in Note 5 to the financial statements.

The financial statements were approved by the Board of Directors on 27 July 2010.

1. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standards (FRS), accounting principles generally accepted and the Companies Act, 1965 in Malaysia.

The Group and the Company have not applied the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group :

FRSs effective for annual periods beginning on or after 1 July 2009
- FRS 8, *Operating Segments*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010
- FRS 4, *Insurance Contracts*
- FRS 7, *Financial Instruments: Disclosures*
- FRS 101, *Presentation of Financial Statements (revised)*
- FRS 123, *Borrowing Costs (revised)*
- FRS 139, *Financial Instruments: Recognition and Measurement*
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards*
- Amendments to FRS 2, *Share-based Payment: Vesting Conditions and Cancellations*
- Amendments to FRS 7, *Financial Instruments: Disclosures*
- Amendments to FRS 101, *Presentation of financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
- Amendments to FRS 127, *Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*

1. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2010 (Cont'd)

- Amendments to FRS 132, *Financial Instruments: Presentation*
  - *Puttable Financial Instruments and Obligations Arising on Liquidation*
  - *Separation of Compound Instruments*
- Amendments to FRS 139, *Financial Instruments: Recognition and Measurement*
  - *Reclassification of Financial Assets*
  - *Collective Assessment of Impairment for Banking Institutions*
- Improvements to FRSs (2009)
- IC Interpretation 9, *Reassessment of Embedded Derivatives*
- IC Interpretation 10, *Interim Financial Reporting and Impairment*
- IC Interpretation 11, FRS 2 – *Company and Treasury Share Transactions*
- IC Interpretation 13, *Customer Loyalty Programmes*
- IC Interpretation 14, FRS 119 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction*

Amendments effective for annual periods beginning on or after 1 March 2010

- Amendments to FRS 132, *Financial Instruments: Presentation – Classification of Rights Issues*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2010

- FRS 1, *First-time Adoption of Financial Reporting Standards (revised)*
- FRS 3, *Business Combinations (revised)*
- FRS 127, *Consolidated and Separate Financial Statements (revised)*
- Amendments to FRS 2, *Share-based Payment*
- Amendments to FRS 5, *Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 138, *Intangible Assets*
- IC Interpretation 12, *Service Concession Agreements*
- IC Interpretation 15, *Agreements for the Construction of Real Estate*
- IC Interpretation 16, *Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17, *Distribution of Non-cash Assets to Owners*
- Amendments to IC Interpretation 9, *Reassessment of Embedded Derivatives*

Amendments effective for annual periods beginning on or after 1 January 2011

- Amendments to FRS 1, First-time Adoption of Financial Reporting Standards
  - *Limited Exemption from comparative FRS 7 Disclosures for First-time Adopters*
  - *Additional Exemptions for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*
- Amendments to FRS 2, *Group Cash-settled Share Based Payment*
- IC Interpretation 4, *Determining whether an Arrangement contains a Lease*
- IC Interpretation 18, *Transfers of Assets from Customers*

1. Basis of preparation (Cont'd)

(a) Statement of compliance (Cont'd)

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations:

- from the annual period beginning 1 April 2010 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2009, 1 January 2010 and 1 March 2010, except for FRS 4, Amendments to FRS 2, IC Interpretation 11, IC Interpretation 13 and IC Interpretation 14 which are not applicable to the Group and the Company; and
- from the annual period beginning 1 April 2011 for those standards, amendments or interpretations that will be effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, except for Amendments to FRS 2, IC Interpretation 12, IC Interpretation 15, IC Interpretation 17 and IC Interpretation 18 which are not applicable to the Group and the Company.

The initial application of a standard, an amendment or an interpretation, which will be applied prospectively, is not expected to have any financial impacts to the current and prior periods financial statements upon their first adoption.

The impacts and disclosures as required by FRS 108.30(b), Accounting Policies, Changes in *Accounting Estimates and Errors*, in respect of applying FRS 7 and FRS 139 are not disclosed by virtue of the exemptions given in these respective FRSs.

Material impacts of initial application of a standard, an amendment or an interpretation, which will be applied retrospectively, are disclosed below:

(i) FRS 8, Operating Segments

FRS 8 replaces FRS 114_{2004}, Segment Reporting and requires the identification and reporting of operating segments based on internal reports that are regularly reviewed by the chief operating decision maker of the Group in order to allocate resources to the segment and to assess its performance. Currently, the Group presents segment information in respect of its business and geographical segment (see note 24). The adoption of FRS 8 will not have any significant impact on the financial statements of the Group other than changes in disclosure.

(ii) IC Interpretation 10, *Interim Financial Reporting and Impairment*

IC Interpretation 10 prohibits the reversal of an impairment loss that has been recognised in an interim period during a financial year in respect of the following:

(a) goodwill
(b) an investment in an equity instrument; or
(c) a financial asset carried at cost.

In accordance with the transitional provisions, the Group will apply IC Interpretation 10 to goodwill, investment in equity instruments, and financial assets carried at cost prospectively from the date the Group first applied the measurement criteria of FRS 136, *Impairment of Assets* and FRS 139, *Financial Instruments: Recognition and Measurement* respectively.

1. **Basis of preparation (Cont'd)**

(a) Statement of compliance (Cont'd)

(iii) Improvements to FRSs (2009)

Improvements to FRSs (2009) contain various amendments that result in accounting changes for presentation, recognition or measurement and disclosure purposes. Amendments that have material impact are:

FRS 117, *Leases*

- The amendments clarify the classification of lease of land and require entities with existing leases of land to reassess the classification of land as finance or operating lease. Leasehold land which in substance is a finance lease will be reclassified to property, plant and equipment. The adoption of these amendments will result in a change in accounting policy which will be applied retrospectively in accordance with the transitional provisions.

The adoption of the above amendments to improvements to FRS (2009) does not have any significant impact to the Group's financial position or results.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes :

- Note 3 - Impairment of club equipment
- Note 6 - Impairment of goodwill on consolidation
- Note 7 - Allowance for doubtful debts

2. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment losses.

(ii) Changes in Group composition

Where a subsidiary issues new equity shares to minority interests for cash consideration and the issue price has been established at fair value, the reduction in the Group's interests in the subsidiary is accounted for as a disposal of equity interest with the corresponding gain or loss recognised in the income statement.

When a group purchases a subsidiary's equity shares from minority interests for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the purchase accounting method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iii) Minority interest

Minority interest at the balance sheet date, being the portion of the net identifiable assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Minority interest in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interest and the equity shareholders of the Company.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated with all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

2. Significant accounting policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(iv) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies are translated at exchange rates at the dates of the transactions except for those that are measured at fair value, which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statements.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the balance sheet date, except for goodwill and fair value adjustments arising from business combinations before 1 April 2006 which are reported using the exchange rates at the dates of the acquisitions. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions. The exchange differences are dealt with as a movement in reserves.

Foreign currency differences are recognised in translation reserve. On disposal, accumulated translation differences are recognised in the consolidated income statement as part of the gain or loss on sale.

(iii) Net investment in foreign operations

Exchange differences arising from monetary items that in substance form part of the Company's net investment in foreign operations, are recognised in the Company's income statement. Such exchange differences are reclassified to equity in the consolidated financial statements. Deferred exchange differences are recognised in the consolidated income statement upon disposal of the investment.

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets includes the cost of materials and direct labour. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

2. **Significant accounting policies (Cont'd)**

(c) **Property, plant and equipment (Cont'd)**

(i) ***Recognition and measurement (Cont'd)***

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other operating income" or "other operating expenses" respectively in the income statements.

(ii) ***Subsequent costs***

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statements as incurred.

(iii) ***Depreciation***

Depreciation is recognised in the income statements on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Freehold land is not depreciated.

The depreciation rates for the current and comparative periods are as follows :

	%
Buildings	2
Building improvement	10
Electrical installation	10
Plant, machinery, factory equipment and tools	20
Hotel equipment, furniture, fittings, club and office equipment	12.5 - 33.3
Motor vehicles	20

Depreciation methods, useful lives and residual values are reassessed at the balance sheet date.

2. Significant accounting policies (Cont'd)

(d) Leased assets

(i) Finance lease

Leases in terms of which the Group or the Company assume substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(ii) Operating lease

Lease, where the Group does not assume substantially all the risks and rewards of the ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the Group's balance sheet. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payments.

Payments made under operating leases are recognised in the income statements on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Leasehold land is amortised over the respective lease period of 30 to 50 years.

(e) Goodwill

Goodwill arises on business combinations and is measured at cost less any accumulated impairment losses.

For acquisitions prior to 1 April 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair value of the net identifiable assets and liabilities.

With the adoption of FRS 3 beginning 1 April 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in income statements.

2. Significant accounting policies (Cont'd)

(f) Investments in equity securities

Investments in equity securities are recognised initially at fair value plus attributable transaction costs.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is recognised in the income statements.

All investments in equity securities are accounted for using settlement date accounting. Settlement date accounting refers to:

a) the recognition of an asset on the day it is received by the entity, and

b) the derecognition on an asset and recognition of any gain or loss on disposal on the date it is delivered.

(g) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Non-current assets held for sale

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories and financial assets, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in the income statements. Gains are not recognised in excess of any cumulative impairment loss.

(j) Cash and cash equivalents

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

2. **Significant accounting policies (Cont'd)**

(k) Equity instruments

All equity instruments are stated at cost on initial recognition and are not re-measured subsequently.

Share issue expenses

Incremental costs directly attributable to issue of shares and share option classified as equity are recognised as a deduction from equity.

(l) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

(n) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

(o) Impairment of assets

The carrying amounts of assets except for financial assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill that has indefinite useful lives, recoverable amount is estimated usually at each reporting date.

2. Significant accounting policies (Cont'd)

(o) Impairment of assets (Cont'd)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statements. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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. Reversals of impairment losses are credited to the income statements in the year in which the reversals are recognised.

(p) Loans and borrowings

Loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statements over the period of the borrowings using the effective interest method.

(q) Employee benefits

Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contributions to statutory pension funds are charged to the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

2. **Significant accounting policies (Cont'd)**

(r) Revenue recognition

(i) Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(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 7.

(iii) Service fee and facility fee

Service fee and facility fee are recognised as and when the fees accrue, when the right to receive payment is established.

(iv) Insurance commission

Insurance commission is recognised as it accrues, when the right to receive payment is established.

(v) Management fee

Management fee is recognised as it accrues, when the right to receive payment is established.

(vi) Gaming income

Gaming income represents net house takings, is recognised when the right to receive payment is established.

(vii) Hotel income

Revenue from the provision of rooms, foods and beverage and other department sales are recognised when services are rendered.

(viii) Rental income

Rental income is recognised as it accrues, when the right to receive payment is established.

(s) Interest income and borrowing cost

Interest income is recognised as it accrues, using the effective interest method.

All borrowing costs are recognised in the income statements using the effective interest method in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use.

2. Significant accounting policies (Cont'd)

(t) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statements except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) Earnings per ordinary share

The Group presents basic earnings per ordinary share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(v) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

3. Property, plant and equipment

Group	Note	Freehold land RM	Buildings, building improvement and electrical installation RM	Plant, machinery, factory equipment and tools RM	Hotel equipment, furniture, fixtures, club and office equipment RM	Motor vehicles RM	Total RM
Cost							
1 April 2008		-	8,492,940	3,090,305	15,782,276	692,135	28,057,656
Additions		-	6,111,543	10,285	1,490,517	-	7,612,345
Disposals		-	-	-	(357,027)	-	(357,027)
Write off		-	(49,400)	(10,463)	(350,904)	-	(410,767)
Effects of movement in exchange rate		-	644,874	-	2,036,110	11,197	2,692,181
At 31 March 2009/1 April 2009		-	15,199,957	3,090,127	18,600,972	703,332	37,594,388
Acquisition of a subsidiary		500,000	-	-	-	-	500,000
Additions		-	415,388	70,140	496,963	-	982,491
Disposals		-	-	-	(23,741)	-	(23,741)
Write off		-	-	(8,296)	(836)	-	(9,132)
Effect of movement in exchange rate		-	(548,035)	-	(1,729,021)	(9,498)	(2,286,554)
At 31 March 2010		500,000	15,067,310	3,151,971	17,344,337	693,834	36,757,452

3. **Property, plant and equipment (Cont'd)**

Group	Note	Freehold land RM	Buildings, building improvement and electrical installation RM	Plant, machinery, factory equipment and tools RM	Hotel equipment, furniture, fixtures, club and office equipment RM	Motor vehicles RM	Total RM
Depreciation and impairment loss							
1 April 2008		-	854,338	3,046,505	4,148,088	355,897	8,404,828
Depreciation for the year	17	-	654,464	28,008	1,928,462	130,197	2,741,131
Impairment loss	17	-	-	-	5,700,918	-	5,700,918
Disposals		-	-	-	(134,413)	-	(134,413)
Write off		-	-	(10,452)	(14,015)	-	(24,467)
Effects of movement in exchange rate		-	36,210	-	970,971	1,493	1,008,674
At 31 March 2009/1 April 2009							
Accumulated depreciation		-	1,545,012	3,064,061	6,899,093	487,587	11,995,753
Accumulated impairment loss		-	-	-	5,700,918	-	5,700,918
		-	1,545,012	3,064,061	12,600,011	487,587	17,696,671
Depreciation for the year	17	-	708,615	20,468	1,885,748	87,084	2,701,915
Disposals		-	-	-	(21,779)	-	(21,779)
Write off		-	-	(8,288)	(258)	-	(8,546)
Effects of movement in exchange rate		-	(84,421)	-	(1,323,783)	(3,166)	(1,411,370)
At 31 March 2010							
Accumulated depreciation		-	2,169,206	3,076,241	7,439,021	571,505	13,255,973
Accumulated impairment loss		-	-	-	5,700,918	-	5,700,918
		-	2,169,206	3,076,241	13,139,939	571,505	18,956,891
Carrying amounts							
At 1 April 2008		-	7,638,602	43,800	11,634,188	336,238	19,652,828
At 31 March 2009/1 April 2009		-	13,654,945	26,066	6,000,961	215,745	19,897,717
At 31 March 2010		500,000	12,898,104	75,730	4,204,398	122,329	17,800,561

3. Property, plant and equipment (Cont'd)

Company	Note	Buildings RM	Furniture, fixtures and office equipment RM	Total RM
Cost				
At 1 April 2008		-	507,809	507,809
Additions		6,075,716	1,249,313	7,325,029
Disposals		-	(310,013)	(310,013)
Write off		-	(48,887)	(48,887)
At 31 March 2009/1 April 2009		6,075,716	1,398,222	7,473,938
Additions		334,755	61,396	396,151
At 31 March 2010		6,410,471	1,459,618	7,870,089
Accumulated depreciation				
At 1 April 2008		-	186,563	186,563
Depreciation for the year	17	121,514	185,123	306,637
Disposals		-	(123,624)	(123,624)
Write off		-	(13,851)	(13,851)
At 31 March 2009/1 April 2009		121,514	234,211	355,725
Depreciation for the year	17	125,978	281,963	407,941
At 31 March 2010		247,492	516,174	763,666
Carrying amounts				
At 1 April 2008		-	321,246	321,246
At 31 March 2009/1 April 2009		5,954,202	1,164,011	7,118,213
At 31 March 2010		6,162,979	943,444	7,106,423

i) Assets under finance lease

Included under property, plant and equipment of the Group is a carrying amount of motor vehicles amounting to RM76,444 (2009: RM146,385) acquired under finance lease instalment plans.

ii) Security

The buildings of the Group and the Company with the carrying amount of RM9,061,113 (2009 : RM9,186,538) and RM6,162,979 (2009 : 5,954,202) respectively are pledged for banking facilities (see Note 13).

The title document of the Group's and the Company's building has yet to be issued by the relevant authorities.

Freehold land has been pledged for facilities granted to a former director of a subsidiary.

3. Property, plant and equipment (Cont'd)

iii) Impairment of assets

During the last financial year, club equipment with a carrying amount of RM5,700,918 was fully impaired as follows :

(a) Closure of club operation in Vietnam

An impairment charge of RM5,152,362 was made due to the unlawful interference of the club's business by the hotel owner. The hotel owner has blocked and controlled the club since July 2007 and has yet to return the physical possession of the club equipment.

(b) Closure of club operation in Cambodia

An impairment charge of RM548,556 was made due to the effect of Cambodian Government's order to close all e-gaming clubs in the country. The impairment charge was made on club equipment that are not in use.

In the current financial year, the management believes that the recoverable amounts of the assets may not be significantly different from their carrying amount, thus no impairment nor reversals of impairment were made during the year.

4. Prepaid lease payments

Group	Note	Unexpired period less than 50 years RM	Unexpired period more than 50 years RM	Total RM
Cost				
At 1 April 2008		799,126	922,716	1,721,842
Effect of movement in exchange rate		112,874	-	112,874
At 31 March 2009/1 April 2009		912,000	922,716	1,834,716
Effects of movement in exchange rate		(95,750)	-	(95,750)
At 31 March 2010		816,250	922,716	1,738,966
Accumulated amortisation				
At 1 April 2008		2,663	154,591	157,254
Amortisation for the year	17	17,112	15,379	32,491
Effects of movement in exchange rate		1,505	-	1,505
At 31 March 2009/ 1 April 2009		21,280	169,970	191,250
Amortisation for the year	17	17,283	15,379	32,662
Effects of movement in exchange rate		(3,193)	-	(3,193)
At 31 March 2010		35,370	185,349	220,719

4. Prepaid lease payments (Cont'd)

Group	Note	Unexpired period less than 50 years RM	Unexpired period more than 50 years RM	Total RM
Carrying amounts				
At 1 April 2008		796,463	768,125	1,564,588
At 31 March 2009/1 April 2009		890,720	752,746	1,643,466
At 31 March 2010		780,880	737,367	1,518,247

Prepaid lease payments with a carrying amount of RM737,367 (2009 : RM752,746) are pledged for banking facilities (see Note 13).

5. Investments in subsidiaries

	Company 2010 RM	Company 2009 RM
Unquoted shares, at cost	5,261,134	5,261,134
Less : Impairment losses	(1,286,130)	(1,286,130)
	3,975,004	3,975,004

Details of the subsidiaries are as follows :

Name of subsidiary	Place of incorporation	Equity ownership interest 2010	Equity ownership interest 2009	Principal activities
Wire Master Spring Sdn. Bhd.	Malaysia	96%	96%	Manufacture of precision springs
EPA Automation Sdn. Bhd.	Malaysia	100%	100%	Ceased operation
EPA Automation Pte Ltd * &	Republic of Singapore	100%	100%	Ceased operation
Goldwealth Capital Sdn. Bhd.	Malaysia	100%	100%	Trading in consumer products
GW Premium Capital Sdn.Bhd.	Malaysia	100%	100%	Trading in consumer products and provide financing services
Probusiness Investments Limited	British Virgin Islands	100%	100%	Investment holding and gaming operations

5. Investments in subsidiaries (Cont'd)

Name of subsidiary	Place of incorporation	Equity ownership interest 2010	2009	Principal activities
Subsidiary of Goldwealth Capital Sdn. Bhd.				
- GW Capital Sdn. Bhd	Malaysia	100%	100%	Acquiring trade receivables from holding company and issuing private debt securities to fund the purchase
Subsidiaries of Probusiness Investments Limited				
- Ace Unicorn Limited	British Virgin Islands	60%	60%	Provision of club equipment and management service for gaming operations
- Remarkable Group Limited	British Virgin Islands	50%	50%	Provision of club equipment and management service for gaming operations
- Enselini International Limited	British Virgin Islands	65%	65%	Gaming operations
- Asia Pacific Winning Limited	British Virgin Islands	100%	100%	Investment holding
Subsidiary of Asia Pacific Winning Limited				
- Lao-Malaysia Investments Group	Republic of Laos	75%	75%	Hotel and gaming operations
Subsidiary of Remarkable Group Limited				
- Rich Lee Holdings Sdn Bhd * #	Malaysia	100%	-	Dormant

* Subsidiary not audited by KPMG

& The auditors' report of the financial statements of the subsidiary contains an emphasis of matter on uncertainties over its ability to continue as a going concern.

\# The auditors' report of the financial statements of the subsidiary contains :-

i) A disclaimer opinion as
- the subsidiary has not maintained its accounting records and related documents in a proper manner; and the financial statements consequently include significant amounts based on estimates. The auditors were unable to carry out appropriate audit procedures to obtain sufficient and appropriate audit evidence over these estimates. The auditors were also unable to determine the effect of adjustments, if any, on the financial position of the subsidiary as at 31 March, 2010, or its financial performance and cash flows for the financial year then ended; and
- the subsidiary's freehold land has been pledged to a bank for banking facilities granted to a former director. The auditors were unable to ascertain the repayment status of the said loan and accordingly, to determine whether any adjustments were necessary in respect of the property concerned.

ii) Emphasis of matter on uncertainties over the subsidiary's ability to continue as a going concern.

6. Goodwill on consolidation - Group

	2010 RM	2009 RM
Carrying amount		
At 1 April	-	393,054
Acquisition of a subsidiary	28,220	-
Impairment loss for the year	(28,220)	(393,054)
At 31 March	-	-

Impairment testing

The goodwill arising from the acquisition of the subsidiary was fully impaired during the year as the subsidiary was inactive at the date of acquisition.

In the previous financial year, a full impairment was made on the carrying amount of the goodwill in view of the competitive business operating condition of the Group's supply of consumer products business segment.

7. Receivables, deposits and prepayments

	Note	Group		Company	
		2010 RM	2009 RM	2010 RM	2009 RM
Non-current					
Trade					
Trade receivables		11,842,840	15,679,210	-	-
Less : Unearned service charges		(3,950,309)	(5,406,070)	-	-
Total non-current receivables	7.1	7,892,531	10,273,140	-	-
Current					
Trade					
Trade receivables		6,289,329	8,577,918	-	-
Less : Unearned service charges		(1,498,607)	(2,118,475)	-	-
		4,790,722	6,459,443	-	-
Less : Allowance for doubtful debts		(993,852)	(1,047,423)	-	-
	7.1	3,796,870	5,412,020	-	-

7. Receivables, deposits and prepayments (Cont'd)

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Non-trade					
Amount due from subsidiaries		-	-	30,902,746	33,215,160
Less : Allowance for doubtful debts		-	-	(13,151,934)	(12,637,965)
	7.2	-	-	17,750,812	20,577,195
Dividend receivable		-	-	3,000,000	-
Other receivables	7.3	9,670,559	10,685,600	5,022,112	5,177,479
Deposits		135,531	145,544	76,943	82,162
Prepayments		183,746	101,497	135,931	37,419
Less : Allowance for doubtful debts		(7,208,221)	(7,333,659)	(5,000,000)	(5,000,000)
		2,781,615	3,598,982	3,234,986	297,060
Total current receivables		6,578,485	9,011,002	20,985,798	20,874,255

7.1 (i) The trade receivables are expected to be collected as follows :

	2010 RM	2009 RM
Within one year	3,796,870	5,412,020
One year to five years	4,323,541	6,139,503
More than five years	3,568,990	4,133,637
	11,689,401	15,685,160

(ii) Analysis of foreign currency exposure for significant receivables

Significant receivables that are not denominated in the functional currency of the Group entities are as follows :

Functional currency	Foreign currency	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
RM	USD	63,432	15,446	-	-

7.2 Amounts due from subsidiaries

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

7. Receivables, deposits and prepayments (Cont'd)

7.3 Other receivables

i) Included in other receivables of the Group is an amount of RM3,141,711 (2009 : RM3,130,181) being advances to club operators for the gaming operations. Allowance for doubtful debts of RM2,208,221 (2009 : RM 2,333,659) has been made for as at balance sheet date.

ii) Included in other receivables of the Group is an amount of RM631,974 (2009 : RM1,500,252) that relates to payments made to certain parties for the purpose of application of electronic gaming licenses for gaming business in two specified hotels located in Vietnam.

No allowance for doubtful debts has been made in the financial statements in respect of the above amount as the Directors are of the opinion that the amount is recoverable in full.

iii) Included in other receivables of the Group and of the Company is an amount of RM5,000,000 (2009 : RM5,000,000) due from a third party which is unsecured, interest-free and has no fixed terms of repayment. Allowance for doubtful debts has been fully made for as at balance sheet date.

8. Inventories - Group

	2010	**2009**
	RM	**RM**
At cost :		
Raw materials	480,807	673,152
Manufactured inventories	201,602	244,038
	682,409	917,190

9. Cash and cash equivalents

	Group		**Company**	
	2010	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
Short term deposits with licensed banks and financial institutions	2,140,493	1,755,184	-	-
Fixed deposits with licensed banks and financial institutions	2,115,123	-	-	-
	4,255,616	1,755,184	-	-
Cash and bank balances	1,044,708	646,587	857	3,720
	5,300,324	2,401,771	857	3,720

10. Share capital

	2010		2009	
	Amount RM	Number of shares	Amount RM	Number of shares
Ordinary shares of RM1 each				
Authorised :	150,000,000	150,000,000	150,000,000	150,000,000
Issued and fully paid :				
Balance at 1 April	44,753,400	44,753,400	44,753,000	44,753,000
Exercise of warrants RM Nil (2009 : RM 1) per ordinary share	-	-	400	400
31 March	44,753,400	44,753,400	44,753,400	44,753,400

11. Reserves

	Note	Group		Company	
		2010 RM	2009 RM	2010 RM	2009 RM
Non-distributable					
Share premium	11.1	132,167	132,167	132,167	132,167
Exchange fluctuation reserve	11.2	(1,227,780)	(474,834)	-	-
		(1,095,613)	(342,667)	132,167	132,167
Accumulated losses		(12,797,421)	(11,271,280)	(23,316,009)	(23,014,629)
		(13,893,034)	(11,613,947)	(23,183,842)	(22,882,462)

11.1 Share premium

The share premium account arose from the private placement net of share issue expenses and ESOS exercised in prior years.

11.2 Exchange fluctuation reserve

Exchange fluctuation reserve comprises foreign currency differences arising from the translation of financial statements of foreign operations.

The movements of the reserve are shown in the statements of changes in equity.

12. Minority interests

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

13. Borrowings

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Current					
Term loan - secured	13.3	260,186	171,244	260,186	171,244
Finance lease liabilities	13.4	72,336	70,077	-	-
Bank overdraft - secured		-	961,425	-	961,425
		332,522	1,202,746	260,186	1,132,669
Non-current					
Term loan - secured	13.3	4,692,590	4,765,504	4,692,590	4,765,504
Finance lease liabilities	13.4	48,793	121,129	-	-
		4,741,383	4,886,633	4,692,590	4,765,504

13.1 Securities

Group/Company

The term loan is secured by the Company's building.

The bank overdraft was secured by a subsidiary's building and prepaid lease payment.

13.2 Interest rate

Group/Company

The term loan is subject to interest rate at 1.50% (2009: 1.50%) above bank's prevailing 3 months effective cost of fund.

The bank overdraft is subject to interest rate at 1.25% (2009: 1.25%) above base lending rate.

Company

Finance lease liabilities are subject to a fixed interest rates ranging from 2.40% to 3.20% (2009 : 2.40% to 3.20%) per annum.

13. Borrowings (Cont'd)

13.3 Terms and debt repayment schedule

	Year of maturity	Carrying amount RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	Over 5 years RM
Group						
2010						
Term loan - secured	2029	4,952,776	260,186	270,541	877,958	3,544,091
Finance lease liabilities	2011 - 2013	121,129	72,336	41,231	7,562	-
		5,073,905	332,522	311,772	885,520	3,544,091
2009						
Term loan - secured	2029	4,936,748	171,244	180,508	602,255	3,982,741
Finance lease liabilities	2011-2013	191,206	70,077	83,159	37,970	-
Bank overdraft - secured		961,425	961,425	-	-	-
		6,089,379	1,202,746	263,667	640,225	3,982,741
Company						
2010						
Term loan - secured	2029	4,952,776	260,186	270,541	877,958	3,544,091
2009						
Term loan - secured	2029	4,936,748	171,244	180,508	602,255	3,982,741
Bank overdraft - secured		961,425	961,425	-	-	-
		5,898,173	1,132,669	180,508	602,255	3,982,741

13.4 Finance lease liabilities

Finance lease liabilities are payable as follows :

	2010			2009		
	Payments RM	Interest RM	Principal RM	Payments RM	Interest RM	Principal RM
Group						
Less than 1 year	77,772	5,436	72,336	77,772	7,695	70,077
Between 1 and 5 years	53,447	4,654	48,793	131,219	10,090	121,129
	131,219	10,090	121,129	208,991	17,785	191,206

14. Deferred tax liabilities

The recognised deferred tax liabilities are as follows :

	2010 RM	2009 RM
Property, plant and equipment		
- capital allowances	142,000	132,000
Provision	(47,000)	(39,000)
	95,000	93,000

Movement in temporary differences during the year

	At 1 April 2008 RM	Recognised in the income statement RM	At 31 March 2009 RM	Recognised in the income statement RM	At 31 March 2010 RM
Group					
Property, plant and equipment					
- capital allowances	94,000	38,000	132,000	10,000	142,000
Provisions	(30,000)	(9,000)	(39,000)	(8,000)	(47,000)
	64,000	29,000	93,000	2,000	95,000
		Note 20		Note 20	

No deferred tax has been recognised for the following items :

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Taxable temporary differences	21,000	122,000	21,000	122,000
Unabsorbed capital allowances	(77,000)	-	(77,000)	-
Unutilised tax losses	(7,547,000)	(7,533,000)	(2,872,000)	(2,808,000)
	(7,603,000)	(7,411,000)	(2,928,000)	(2,686,000)

The taxable temporary differences, unabsorbed capital allowances and unutilised tax losses 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 taxable temporary differences, unabsorbed capital allowances and unutilised tax losses available to the Group and the Company.

15. Payables and accruals

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Trade					
Trade payables		1,149,113	1,154,624	-	-
Non-trade					
Amounts due to subsidiaries	15.1	-	-	5,378,010	4,009,767
Other payables	15.2	2,108,909	2,944,525	153,575	165,561
Accrued expenses		322,560	233,485	14,163	26,753
		2,431,469	3,178,010	5,545,748	4,202,081
	15.3	3,580,582	4,332,634	5,545,748	4,202,081

15.1 Amounts due to subsidiaries

The amounts due to subsidiaries of the Company are unsecured, interest free and repayable on demand.

15.2 Other payables

Included in other payables of the Group is an amount of RM19,083 (2009 : RM1,018,395) due to minority shareholders of certain subsidiaries. The amount is unsecured, interest-free and repayable on demand.

15.3 Analysis of foreign currency exposure for significant payables

Significant payables that are not in the functional currencies of the Group entities are as follows :

Functional currency	Foreign currency	Group 2010 RM	Group 2009 RM
RM	USD	62,725	37,694
RM	Euro	909,478	909,478
RM	SGD	18,231	-
SGD	Euro	140,965	154,931

16. Revenue

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Invoiced value of goods sold less discounts and returns	5,295,287	10,106,407	-	-
Service charges	2,429,080	3,407,874	-	-
Management fees	1,092,368	496,931	180,000	420,000
Gaming income	211,776	-	-	-
Hotel income	892,212	885,166	-	-
Rental income	325,666	185,052	470,172	274,267
Dividend income	-	-	3,000,000	-
	10,246,389	15,081,430	3,650,172	694,267

17. Loss before tax

Loss before tax is arrived at :

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
After charging :					
Auditors' remuneration					
Auditors of the Company					
- current year					
- audit services		92,990	100,000	20,000	20,000
- other services		12,150	11,750	3,500	-
- prior year					
- audit services		(775)	8,000	-	-
Other auditors					
- current year					
- audit services		5,111	3,891	-	-
Depreciation of property, plant and equipment	3	2,701,915	2,741,131	407,941	306,637
Amortisation of prepaid lease payments	4	32,662	32,491	-	-
Bad debts written off		-	62,285	-	-
Directors of the Company					
- Remuneration		1,106,875	1,152,290	129,000	321,000
Other Directors					
- Remuneration		-	12,000	-	-
Rental of premises		-	193,544	-	61,530
Allowance for doubtful debts					
- third parties		126,584	2,681,663	-	-
- subsidiary		-	-	513,969	9,757,450
Impairment loss on plant and equipment	3	-	5,700,918	-	-
Impairment loss on goodwill	6	28,220	393,054	-	-
Allowance for slow moving inventories		29,935	-	-	-
Operating lease rentals		151,707	174,679	-	-
Loss on foreign exchange					
- realised		-	9,013	-	-
- unrealised		-	900	2,209,174	-
Plant and equipment written off		586	386,300	-	35,036
Loss on disposal of plant and equipment		-	156,219	-	136,563
Interest paid and payables					
- finance lease liabilities		7,695	9,954	-	-
- commercial papers		-	322,601	-	-
- term loan		195,163	264,027	195,163	264,027
- bank overdraft		21,478	20,409	21,478	20,409
- others		3,722	4,593	-	-
and after crediting :					
Gain on foreign exchange					
- realised		1,092	19,898	-	-
- unrealised		58,612	12,498	-	2,413,439
Gain on disposal of asset classified as held for sale		-	327,719	-	327,719
Interest income		52,347	146,758	-	17,918
Gain on disposal of plant and equipment		598	-	-	-
Bad debts recovered		1,268	5,015	-	-
Allowance for doubtful debts written back		-	4,640	-	-
Rental income from:					
- third parties		325,666	185,052	325,666	185,052
- subsidiary		-	-	144,506	89,215

18. Employee information

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Staff costs (including Directors' remuneration)	3,497,919	3,438,053	363,534	567,804

Staff costs include contributions to the Employees' Provident Fund of the Group and of the Company of RM203,461 (2009 : RM208,429) and RM22,561 (2009 : RM25,433) respectively.

Equity compensation benefits- Group

Share-based payments

On 5 September 2003, the Group established a share option programme that entitles key management personnel and senior employees to purchase shares in the Group. In accordance with these programmes options are exercisable at the market price of the shares at the date of grant.

The Group offers vested share options over ordinary shares to Directors and other eligible employees.

The exercisable condition of the share option is that the eligible persons are entitled to exercise the number of options granted equally over the remaining life of ESOS from the granting date on condition that the eligible persons are still in employment. The options granted had expired on 19 November 2008.

The number and weighted average exercise prices of share options are as follows :

	Weighted average exercise price 2010 RM	Number of options '000 2010	Weighted average exercise price 2009 RM	Number of options '000 2009
Outstanding at 1 April	-	-	1.19	2,946
Lapsed during the year	-	-	1.19	(2,946)
Outstanding at 31 March	-	-	-	-
Exercisable at 31 March	-	-	-	-

19. Key management personnel compensation

The key management personnel compensations are as follows :

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Directors of the Company				
- Remuneration	1,106,875	1,152,290	129,000	321,000
Other director				
- Remuneration	-	12,000	-	-
	1,106,875	1,164,290	129,000	321,000

20. Tax expense

Recognised in the income statements

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Current tax expense				
- Current year	291,810	422,255	810	1,955
- Prior years	(35,318)	(5,452)	-	-
Total current tax recognised in the income statements	256,492	416,803	810	1,955
Deferred tax expense				
- Current year	2,000	14,000	-	-
- Prior years	-	15,000	-	-
Total deferred tax recognised in the income statements	2,000	29,000	-	-
Total tax expense	258,492	445,803	810	1,955
Reconciliation of effective tax expense				
Loss for the year	(1,405,240)	(7,705,601)	(301,380)	(7,783,213)
Total tax expense	258,492	445,803	810	1,955
Loss before tax	(1,146,748)	(7,259,798)	(300,570)	(7,781,258)
Tax calculated using Malaysian tax rate of 25%	(286,687)	(1,814,950)	(75,142)	(1,945,315)
Losses of foreign subsidiaries not available for set-off	481,836	2,056,119	-	-
Non-deductible expenses	42,734	102,301	764,581	2,495,389
Non-taxable income	-	(1,566)	(750,000)	(603,360)
Deferred tax assets not recognised	48,756	86,166	60,561	53,745
Other items	7,171	8,185	810	1,496
	293,810	436,255	810	1,955
(Over)/under provision in prior years	(35,318)	9,548	-	-
Tax expense	258,492	445,803	810	1,955

21. Basic loss per ordinary share - Group

Basic loss per ordinary share

The calculation of basic loss per share is based on net loss attributable to ordinary shareholders of RM1,526,141 (2009 : RM7,362,076) and the weighted average number of ordinary shares outstanding during the year of 44,753,400 (2009 : 44,753,400).

22. Related parties - Group/Company

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

Related parties include the following :

i) Subsidiaries of the Company

ii) Directors and key management personnel of the Company

iii) Profit Haven Sdn. Bhd. ("PHSB"), a company in which a Director is deemed to have substantial financial interest

iv) Machines Sdn. Bhd. ("MSB"), a company in which a Director is deemed to have substantial financial interest

v) Keyspan Express Sdn. Bhd. ("KESB"), a company in which a Director is deemed to have substantial financial interest

vi) Sunrise Centure Sdn. Bhd. ("SCSB"), a company in which a Director is deemed to have substantial financial interest

22.1 The significant related party transactions of the Group and the Company, other than those disclosed in the financial statements are as follows :

i) Transactions between the Company and its subsidiaries :

	Transactions amount for the year ended 31 March 2010 RM	2009 RM
Dividend income	3,000,000	-
Management fees receivable	180,000	420,000
Rental receivable	144,506	89,215

22. Related parties - Group/Company (Cont'd)

ii) Transactions with companies in which a Director is deemed to have substantial financial interest :

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
Purchase of building	322,686	6,346,000	322,686	6,346,000
Rental payable	-	89,600	-	61,530
Rental receivable	317,232	185,052	317,232	185,052
Sale of equipment	1,960	53,260	-	48,301

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.

22.2 Significant non-trade related companies' balances - Company

	2010	**2009**
	RM	**RM**
Amounts due from subsidiaries	30,902,746	33,215,160
Less : Allowance for doubtful debts	(13,151,934)	(12,637,965)
	17,750,812	20,577,195
Amounts due to subsidiaries	5,378,010	4,009,767

All the amounts outstanding are unsecured, interest-free and repayable on demand.

23. Contingent liabilities - Unsecured

Group

i) Freehold land pledged to bank for credit facilities granted to a former director of a subsidiary amounted to RM500,000 (2009 : Nil)

Company

i) The Company has issued corporate guarantees to financial institutions amounting to RM116,526 (2009 : RM1.00 million) for banking facilities granted to subsidiaries of which RM116,526 (2009 : RM268,000) was utilised at balance sheet date.

ii) The Company has issued corporate guarantees to a subsidiary for hire purchase facility amounting to RM68,378 (2009 : RM99,000) as 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.

24. 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 related revenue, interest-bearing loans, borrowings and related expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets other than goodwill.

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 and provision of gaming operation
Hotel	Hotel operation
Others	i) Investment holding ii) Provision of management services iii) Provision of financing services iv) Trading in industrial and high-tech products v) Rental of properties

Geographical segments

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

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.

24. Segmental information - Group (Cont'd)

Business segments

2010	Manufacturing RM	Supply RM	Gaming RM	Hotel RM	Others RM	Eliminations RM	Consolidated RM
Revenue from external customers	3,934,427	3,789,940	1,304,144	892,212	325,666	-	10,246,389
Inter-segment revenue	-	-	-	-	324,506	(324,506)	-
Total revenue	3,934,427	3,789,940	1,304,144	892,212	650,172	(324,506)	10,246,389
Segment result	125,567	904,276	(412,454)	(1,525,771)	(2,544,387)	2,481,732	(971,037)
Interest income							52,347
Operating loss							(918,690)
Finance costs							(228,058)
Loss before tax							(1,146,748)
Tax expense							(258,492)
Loss for the year							(1,405,240)
Segment assets	2,132,504	11,954,953	3,693,769	6,651,815	11,083,900		35,516,941
Unallocated assets							4,370,364
Total assets							39,887,305
Segment liabilities	227,365	876,084	849,463	69,721	1,557,949		3,580,582
Unallocated liabilities							5,192,905
Total liabilities							8,773,487
Capital expenditure	72,039	74,163	305,798	134,334	396,157		982,491
Depreciation and amortisation	83,850	52,640	943,576	1,155,789	498,722		2,734,577

24. Segmental information - Group (Cont'd)

Business segments (Cont'd)

	Manufacturing RM	Supply RM	Gaming RM	Hotel RM	Others RM	Eliminations RM	Consolidated RM
2009							
Revenue from external customers	3,653,727	9,860,554	496,486	885,166	185,497	-	15,081,430
Inter-segment revenue	-	-	-	-	509,215	(509,215)	-
Total revenue	3,653,727	9,860,554	496,486	885,166	694,712	(509,215)	15,081,430
Segment result	56,600	1,456,982	(9,546,454)	(1,606,693)	(18,099,967)	20,954,560	(6,784,972)
Interest income							146,758
Operating loss							(6,638,214)
Finance costs							(621,584)
Loss before tax							(7,259,798)
Tax expense							(445,803)
Loss for the year							(7,705,601)
Segment assets	2,116,305	15,736,704	4,980,629	8,353,707	11,201,757		42,389,102
Unallocated assets							1,892,090
Total assets							44,281,192
Segment liabilities	181,229	1,119,340	1,501,408	213,478	1,317,179		4,332,634
Unallocated liabilities							6,186,804
Total liabilities							10,519,438
Capital expenditure	15,279	57,901	145,920	68,216	7,325,029		7,612,345
Depreciation and amortisation	265,267	98,007	1,106,933	1,079,208	224,207		2,773,622
Impairment loss on property, plant and equipment recognised directly in income statements	-	-	5,700,918	-	-		5,700,918

24. Segmental information - Group (Cont'd)

Geographical segments

	Malaysia RM	Cambodia RM	Vietnam RM	Laos RM	Others RM	Consolidated RM
2010						
Revenue from external customers by location of customers	8,050,033	211,776	1,092,368	892,212	-	10,246,389
Segment assets by location of assets	25,671,354	1,635,391	1,558,381	6,651,815	-	35,516,941
Capital expenditure by location of assets	542,356	305,801	-	134,334	-	982,491
2009						
Revenue from external customers by location of customers	13,699,333	-	496,486	885,166	445	15,081,430
Segment assets by location of assets	28,999,854	949,287	4,031,342	8,353,707	54,912	42,389,102
Capital expenditure by location of assets	7,398,209	-	145,920	68,216	-	7,612,345

25. Commitments

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Plant and equipment :				
Approved but not contracted for	-	328	-	328

26. Operating lease commitments - Group

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

	2010 RM	2009 RM
Less than 1 year	89,921	151,707
Between 1 and 5 years	18,605	108,526
	108,526	260,233

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

27. 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 the Company's business. The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the 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.

At balance sheet date, there were no significant concentrations of credit risk other than the trade receivables from a major customer amounting to RM10,585,685 (2009 : RM14,520,338).

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 fluctuations on its investments in foreign subsidiaries. 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 the Company's policy is to borrow principally on a floating rate basis.

The Group uses a fixed rate to determine service charges on its trade receivables from financing services.

The Group's and the Company's exposure to market risk for changes in interest rates relates primarily to the Group's and the Company's debt obligations and the Group's trade receivables from financing services.

27. 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.

	Note	Average effective interest rate per annum %	Total RM	Less than 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM
Group									
2010									
Financial assets									
Fixed rate instruments									
Short term deposits with licensed banks and financial institutions	9	1.98	2,140,493	2,140,493	-	-	-	-	-
Fixed deposits with licensed banks and financial institutions	9	2.17	2,115,123	2,115,123	-	-	-	-	-
Trade receivables		10.61	10,604,182	2,711,651	1,392,755	1,061,133	922,927	946,726	3,568,990
Financial liabilities									
Fixed rate instruments									
Finance lease liabilities	13	2.75	121,129	72,336	41,231	7,562	-	-	-
Floating rate instrument									
Term loan	13	3.91	4,952,776	4,952,776	-	-	-	-	-

27. Financial instruments (Cont'd)

	Note	Average effective interest rate per annum %	Total RM	Less than 1 year RM	1 - 2 years RM	2 - 3 years RM	3 - 4 years RM	4 - 5 years RM	More than 5 years RM
Group									
2009									
Financial assets									
Fixed rate instruments									
Short term deposits with licensed banks and financial institutions	9	1.46	1,755,184	1,755,184	-	-	-	-	-
Trade receivables		10.71	14,525,914	4,252,774	2,419,195	1,699,896	1,122,456	897,956	4,133,637
Financial liabilities									
Fixed rate instruments									
Finance lease liabilities	13	2.80	191,206	70,077	83,159	30,408	7,562	-	-
Floating rate instruments									
Term loan	13	5.28	4,936,748	4,936,748	-	-	-	-	-
Bank overdraft	13	6.80	961,425	961,425	-	-	-	-	-
Company									
2010									
Financial liabilities									
Floating rate instruments									
Term loan	13	3.91	4,952,776	4,952,776	-	-	-	-	-
2009									
Financial liabilities									
Floating rate instruments									
Term loan	13	5.28	4,936,748	4,936,748	-	-	-	-	-
Bank overdraft	13	6.80	961,425	961,425	-	-	-	-	-

27. Financial instruments (Cont'd)

Fair values

Recognised financial instruments

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

The Company provides financial guarantees to banks for credit facilities extended to certain subsidiaries. The fair value of such financial guarantees is not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote.

In respect of trade receivables with the repayment structure described in Note 7, it is not practicable to estimate the fair value of the fixed rate trade receivables due to the lack of information on discount rate and the inability to estimate the fair value without incurring excessive costs. However, the Directors believe that there is no significant difference between the fair value and the book value of the trade receivables.

There were no unrecognised financial instruments at balance sheet date.

The fair values of other financial liability, together with carrying amount shown in the balance sheets are as follows:

	2010		2009	
	Carrying Amount RM	Fair value RM	Carrying Amount RM	Fair value RM
Group				
Finance lease liabilities	121,129	*121,129	191,206	*191,206

* The fair value of this fixed interest financial instrument is determined by discounting the relevant cash flows using current interest rates for similar financial instruments at the balance sheet date. Since the current interest rates do not significantly differ from the intrinsic rate of this financial instrument, the fair value of this financial instrument therefore, closely approximates its carrying value as at the balance sheet date.

28. Material litigations - Group

The material litigations of the Group are as below :

i) 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 has been postponed numerous times and the court has fixed the new trial date from 24 November 2010 to 30 November 2010.

28. Material litigations - Group (Cont'd)

ii) The Company's subsidiary, Remarkable Group Limited ("RGL") has initiated a legal suit against Viet Star (formerly known as Amara Saigon Hotel Co. Ltd) ("the hotel owner") requesting for compensation and fullfilment of a management contract entered by the subsidiary and the hotel owner. The hotel owner has illegally blocked and prevented the club from operating since July 2007 and has yet to return the operation and the assets, which they have seized to the subsidiary. The compensation claimed by the subsidiary approximate to RM12,757,335 (USD3,907,300) for the damage due to the loss of destruction of the subsidiary's assets and business losses from the closure of the club operation. The hotel owner has not submitted any counter claim in the court against RGL. The court has yet to fix a trial date. The Board is of the opinion that there is reasonable prospect of success by the subsidiary in the claim against the hotel owner.

In addition, on 5th and 8th February 2010, Rich Lee Holdings Sdn Bhd ("RLHSB") and RGL had filed separate petitions against Viet Star seeking damages approximate to RM43,695,495 (USD13,383,000) and RM30,939,140 (USD9,476,000) respectively for the unlawful closure of RGL's club.

29. Acquisition of subsidiary - Group

On 10 June 2009, the Company's subsidiary, RGL completed the exercise of the call option granted by the vendors of the 10,000 ordinary shares of RM1.00 each in the capital of RLHSB, representing the entire issued and paid up share capital of RLHSB for a total cash consideration fo USD1.00 (RM3.64). Subsequent to the acquisition, RLHSB became a subsidiary of the Company.

The fair value of assets acquired and liabilities assumed in the acquisition of RLHSB and its cash flow effects are as follows :-

	RM
Freehold land	500,000
Tax recoverable	6,976
Other payables and accruals	(35,192)
Amount payable to directors	(500,000)
Fair value of net liabilities	(28,216)
Goodwill on acquisition	28,220
Total consideration, satisfied in cash	4

The acquisition has no significant effect to the Group's operating results and to the Group's net tangible assets.

List of Properties

Location	Tenure	Land Area / Gross Floor Area	Description, Age of Building & Year of Acquisition	Net Book Value as at 31 March 2010 (RM'000)
A. REGISTERED OWNER: WIDETECH (MALAYSIA) BERHAD				
K-09-01 to K-09-02 Block K, No. 2 Jalan Solaris Solaris Mont' Kiara Kuala Lumpur Wilayah Persekutuan	Freehold	K-09-01: 963.2 square metres K-09-02: 787.6 square metres	Office Units 3 years 2008/2009	6,163
B. REGISTERED OWNER: WIRE MASTER SPRING SDN BHD				
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 13 years 2004	4,313

Analysis of Shareholdings

as at 4 August 2010

Authorised Share Capital	:	RM150,000,000
Issued and Paid-up Share Capital	:	RM 44,753,400
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	1 vote per ordinary shareholder on a show of hands 1 vote per ordinary share on a poll
Number of Shareholders	:	990

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of Holders		No. of Shares		%	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less than 100 Shares	35	0	1,662	0	@	0.00
100 to 1,000 Shares	344	3	297,367	3,000	0.66	0.01
1,001 to 10,000 Shares	456	4	1,742,615	30,500	3.89	0.07
10,001 to 100,000 Shares	96	12	2,633,050	431,600	5.88	0.96
100,001 to 2,237,669 Shares [1]	32	3	17,448,832	1,669,500	38.99	3.73
2,237,670 and above of Issued Shares [2]	4	1	17,758,804	2,736,470	39.68	6.11
Total	967	23	39,882,330	4,871,070	89.12	10.88

Notes:
[1] Less than 5% of Issued Shares.
[2] 5% and above of Issued Shares.
@ Negligible.

SUBSTANTIAL SHAREHOLDERS

		Direct		Indirect	
	Name	No. of Shares	%	No. of Shares	%
1.	Distinct Rich Sdn Bhd	8,030,652	17.94	-	-
2.	Lim Hian Yu Sdn Bhd	5,529,200	12.35	-	-
3.	Gain Millen Sdn Bhd	4,198,952	9.38	-	-
4.	Dato' Tan Ting Wong	-	-	8,030,652 [1]	17.94
5.	Datuk Chu Sui Kiong	220,500	0.49	8,030,652 [1]	17.94
6.	Dato' Cheng Joo Teik	200,000	0.45	4,198,952 [2]	9.38

Notes:
[1] Deemed interest through Distinct Rich Sdn Bhd.
[2] Deemed interest through Gain Millen Sdn Bhd.

Analysis of Shareholdings

as at 4 August 2010 (cont'd)

DIRECTORS' SHAREHOLDINGS

Name	Direct No. of Shares	Direct %	Indirect No. of Shares	Indirect %
Loh Suan Phang	2,011,300	4.49	-	-
Dato' Cheng Joo Teik	200,000	0.45	5,743,852 [2]	12.83
Datuk Chu Sui Kiong	220,500	0.49	8,030,652 [1]	17.94
Dato' Lim Kim Huat	-	-	-	-
Kong Sin Seng	-	-	-	-
Dato' Tan Ting Wong	-	-	8,030,652 [1]	17.94
Lee Yoke Shue	-	-	-	-
Dato' Zakaria Bin Mohammed	-	-	-	-
Ng Bee Ken	-	-	-	-

Notes:

1 Deemed interest through Distinct Rich Sdn Bhd.

2 Deemed interest through Gain Millen Sdn Bhd and the shares held in the name of his son, Douglas Cheng Heng Lee in accordance with Section 134(12)(c) of the Companies Act, 1965.

DIRECTORS' SHAREHOLDINGS IN RELATED CORPORATIONS

Name	Direct No. of Shares held in Related Corporation	Direct %	Indirect No. of Shares held in Related Corporation	Indirect %
Dato' Cheng Joo Teik				
Wire Master Spring Sdn Bhd	1	@	-	-
Datuk Chu Sui Kiong*				
Wire Master Spring Sdn Bhd#	-	-	1,439,998	96.00
Ace Unicorn Limited^	-	-	3	60.00
Remarkable Group Limited^	-	-	1	50.00
Enselini International Limited^	-	-	65	65.00
Lao-Malaysia Investments Group^	-	-	750,000	75.00
Dato' Tan Ting Wong*				
Wire Master Spring Sdn Bhd#	-	-	1,439,998	96.00
Ace Unicorn Limited^	-	-	3	60.00
Remarkable Group Limited^	-	-	1	50.00
Enselini International Limited^	-	-	65	65.00
Lao-Malaysia Investments Group^	-	-	750,000	75.00

Notes:

* Deemed interested by virtue of Section 6A of the Companies Act, 1965 to the extent Widetech (Malaysia) Berhad has interests.

Ordinary Shares of RM1.00 each.

^ Shares of USD1.00 each.

@ Negligible.

Analysis of Shareholdings

as at 4 August 2010 (cont'd)

LIST OF 30 LARGEST SHAREHOLDERS

	Name	No. of Shares	%
1.	Lim Hian Yu Sdn Bhd	5,529,200	12.35
2.	Distinct Rich Sdn Bhd	5,019,768	11.22
3.	Gain Millen Sdn Bhd	4,198,952	9.38
4.	Distinct Rich Sdn Bhd	3,010,884	6.73
5.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Credit Suisse (SG BR-TST-Asing)	2,736,470	6.11
6.	Actual Ace Sdn Bhd	2,007,664	4.49
7.	Chua Seng Yong	1,838,900	4.11
8.	HLG Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Loh Suan Phang (CCTS)	1,592,300	3.56
9.	Cimsec Nominees (Asing) Sdn Bhd Snowshill Securities Limited	1,282,800	2.87
10.	Lim Heok Chye	967,962	2.16
11.	Alicia E Fen	827,032	1.85
12.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Douglas Cheng Heng Lee (MM1328)	741,300	1.66
13.	Ho Kok Meng	738,909	1.65
14.	Chin Seok Yin	723,500	1.62
15.	Cimsec Nominees (Tempatan) Sdn Bhd On Yat Securities (Malaysia) Sdn Bhd	710,000	1.59
16.	A.A. Anthony Nominees (Tempatan) Sdn Bhd	659,700	1.47
17.	Lim Suh Hua @ Lim Yak Hua	611,588	1.37
18.	Tan Meng Chuen	552,796	1.24
19.	Ling Hee Leong	517,236	1.16
20.	Khoo Kim Seng	517,236	1.16
21.	Loh Suan Phang	419,000	0.94
22.	Teh Tiew Leong	413,514	0.92
23.	Chiew Kok Boo	393,000	0.88
24.	Kenneth Tan Keng Han	352,600	0.79
25.	Ng Lai Chiek	320,800	0.72
26.	Abul Hasan Bin Mohamed Rashid	315,000	0.70
27.	Hiew Vun Kee	309,796	0.69
28.	Yong Kian Keong	271,749	0.61
29.	Citigroup Nominees (Asing) Sdn Bhd UBS AG Singapore for Embassy Group Inc.	267,100	0.60
30.	Goh Mo Looi	236,000	0.53
	Total	**38,082,756**	**85.13**

This page is intentionally left blank

PROXY FORM

NO. OF SHARES HELD
CDS ACCOUNT NO.

WIDETECH (MALAYSIA) BERHAD
(113939-U)

I/We ____

(BLOCK LETTERS)

of ____

being a member(s) of **WIDETECH (MALAYSIA) BERHAD** (113939-U), hereby appoint *THE CHAIRMAN OF THE MEETING or ____

of ____

failing him/her, ____

of ____

as my/our proxy, to vote for me/us and on my/our behalf at the Twenty-Sixth Annual General Meeting of the Company, to be held at Sunrise Auditorium 1, Mont' Kiara Business Centre, Suite D-03-01, Level 3, Block D, Plaza Mont' Kiara, No. 2, Jalan Kiara, 50480 Kuala Lumpur on Tuesday, 28 September 2010 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 or failing him" and insert the name(s) of the person(s) desired.

Mark either box if you wish to direct the proxy how to vote. If no mark is made the proxy may vote on the resolution or abstain from voting as the proxy thinks fit. If you appoint two proxies and wish them to vote differently this should be specified.

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

No	Ordinary Resolutions	For	Against
1	Re-election of Kong Sin Seng as Director.		
2	Re-election of Dato' Cheng Joo Teik as Director.		
3	Re-election of Dato' Tan Ting Wong as Director.		
4	Appointment of Messrs SJ Grant Thornton as Auditors of the Company and Authority to the Directors to fix their remuneration.		
5	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		

Dated this ____________ day of ______________ 2010

____

Signature / Common Seal of Shareholder

NOTES:

1. A member entitled to attend and vote at the meeting may appoint another person as his/her proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company. If the proxy is not a member, he/she need not be an advocate, an approved company auditor or a person approved by the Registrar of Companies. However, his attendance at the general meeting shall automatically revoke the proxy's authority.
2. A member shall be entitled to appoint more than one proxy (subject always to a maximum of two (2) proxies at each meeting) to attend and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportions of his holdings to be represented by each proxy.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
5. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 10th Floor, Menara Hap Seng, 1 & 3 Jalan P. Ramlee, 50250 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
6. If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of its attorney.

please fold here

Affix Stamp
Here

The Company Secretaries

WIDETECH (MALAYSIA) BERHAD (113939-U)
10th Floor Menara Hap Seng
No. 1 & 3 Jalan P. Ramlee
50250 Kuala Lumpur

please fold here