

*Company No. 807569-H*

**20 MICRONS SDN. BHD.**  
(Incorporated in Malaysia)

**Reports and Financial Statements**  
**31 March 2018**

**20 MICRONS SDN. BHD.**

(Incorporated in Malaysia)

**Reports and Financial Statements  
31 March 2018**

**CONTENTS**

	<u>Page No.</u>
DIRECTORS' REPORT	1 - 4
STATEMENT BY DIRECTORS	5
STATUTORY DECLARATION	5
INDEPENDENT AUDITORS' REPORT	6 - 9
FINANCIAL STATEMENTS	
Statement of Financial Position	10
Statement of Comprehensive Income	11
Statement of Changes In Equity	12
Statement of Cash Flows	13
Notes to the Financial Statements	14 - 28

**20 MICRONS SDN. BHD.**

(Incorporated in Malaysia)

**DIRECTORS' REPORT**

The directors hereby submit their report together with the audited financial statements of the company for the financial year ended 31 March 2018.

**PRINCIPAL ACTIVITY**

The principal activity of the company is engaged in the trading of calcium carbonate. There has been no significant change in the nature of this activity during the financial year.

**FINANCIAL RESULTS**

Profit after taxation

RM  
299,967

---

**DIVIDEND**

No dividend was recommended by the directors for the financial year.

**RESERVES AND PROVISIONS**

There were no material transfers to or from reserves or provisions during the financial year.

**ISSUE OF SHARES AND DEBENTURES**

There was no issue of new shares or debentures by the company during the financial year.

**OPTIONS GRANTED OVER UNISSUED SHARES**

No option has been granted during the financial year to take up any unissued shares of the company.

**DIRECTORS**

The names of directors who served during the financial year and up to the date of this report are as follows:

Atil Chandresh Parikh  
Krishnaji Rao Vengoba Rao  
Rajesh Chandreshbhai Parikh

## DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:-

	----- Number of Ordinary Shares of IR10 each-----			
	As at 1.4.17	Bought	Sold	As at 31.3.18
<b><u>Ordinary Shares in the Holding Company, 20 Microns Limited.</u></b>				
Atil Chandresh Parikh	279,978	1,379,978	-	1,659,956
Rajesh Chandreshbhai Parikh	279,978	1,379,978	-	1,659,956

	----- Number of Ordinary Shares-----			
	As at 1.4.17	Bought	Sold	As at 31.3.18
<b><u>Ordinary Shares in the Company,</u></b>				
Krishnaji Rao Vengoba Rao	1	-	-	1
Rajesh Chandreshbhai Parikh	1	-	-	1

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivables by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the company or a related corporation 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.

Neither during nor at the end of the financial year was the company a party to any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

## DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are disclosed in Note 16 to the financial statements.

## INDEMNITY AND INSURANCE COST

During the financial year, there is no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

## OTHER STATUTORY INFORMATION

Before the financial statements of the company were prepared, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there were no known bad debts and that no allowance for impairment losses was necessary; and
- (b) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the company had been written down to an amount which the current assets might be expected so to realise.

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

- (a) which would render it necessary to write off any bad debts or to make any allowance for impairment losses on receivables; or
- (b) that would render the values attributed to current assets in the financial statements of the company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the company misleading or inappropriate.

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

- (a) any charge on the assets of the company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the company which has arisen since the end of the financial year.

No contingent or other liability of the company 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 affect the ability of the company to meet its obligations when they fall due.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the company which would render any amount stated in the financial statements misleading.

In the opinion of the directors:

- (a) the results of the operations of the company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the company for the financial year in which this report is made.

Company No. 807569-H

## HOLDING COMPANY

The holding company is 20 Microns Limited, a company incorporated in India and listed on the Bombay Stock Exchange and National Stock Exchange.

## AUDITORS

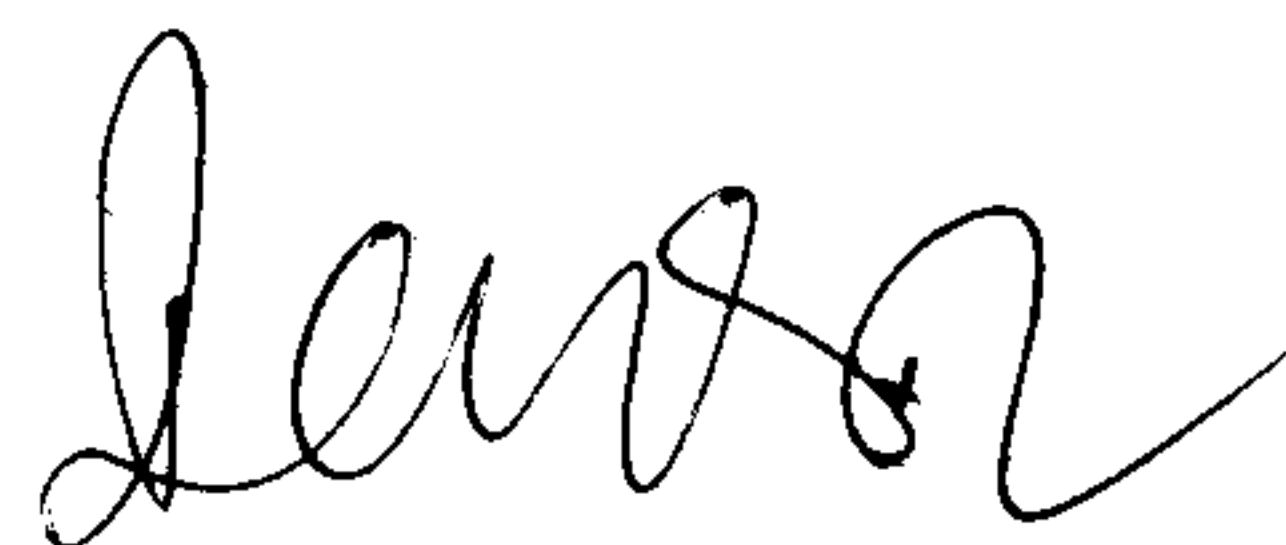
The auditors, Messrs Khor & Associates, have expressed their willingness to continue in office.

The auditors' remuneration is disclosed in Note 14 to the financial statements.

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



**KRISHNAJI RAO VENGOBA RAO**  
Director



**RAJESH CHANDRESHBHAJ PARIKH**  
Director

Ipoh, Perak Darul Ridzuan.

Date: **02 MAY 2018**



**20 MICRONS SDN. BHD.**

(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS**

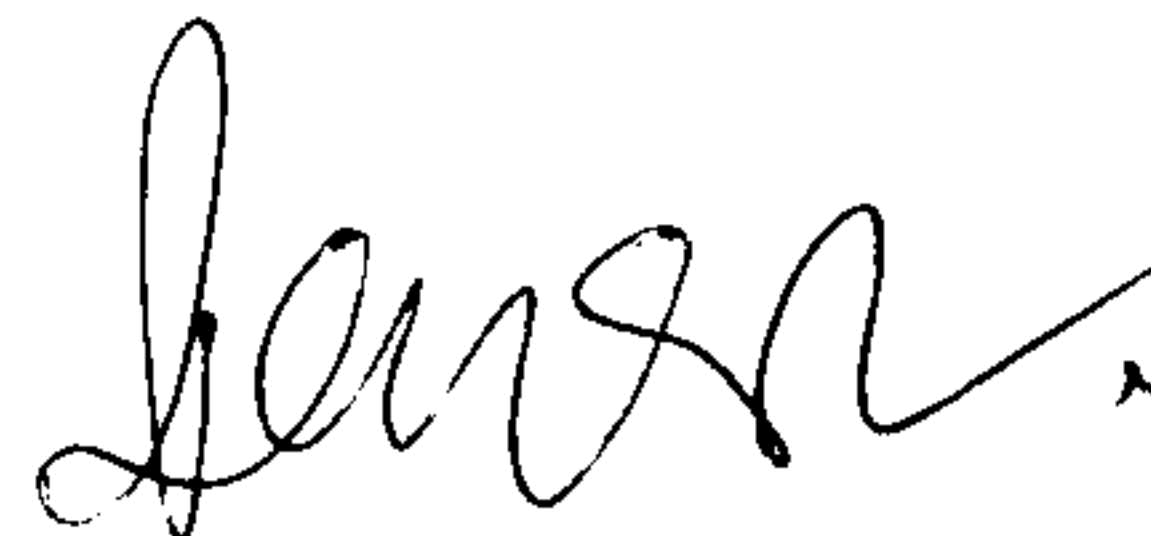
**PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016**

We, KRISHNAJI RAO VENGOBA RAO and RAJESH CHANDRESHBHAIRARIKH, being two of the directors of 20 Microns Sdn. Bhd., state that, in the opinion of the directors, the financial statements set out on pages 10 to 28 are drawn up in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 March 2018 and of its financial performance and cash flows for the financial year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated **02 MAY 2018**



**KRISHNAJI RAO VENGOBA RAO**



**RAJESH CHANDRESHBHAIRARIKH**

Ipoh

**STATUTORY DECLARATION**

**PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016**

I, KRISHNAJI RAO VENGOBA RAO (Passport No. : Z1763607) being the director primarily responsible for the financial management of 20 Microns Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 10 to 28 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

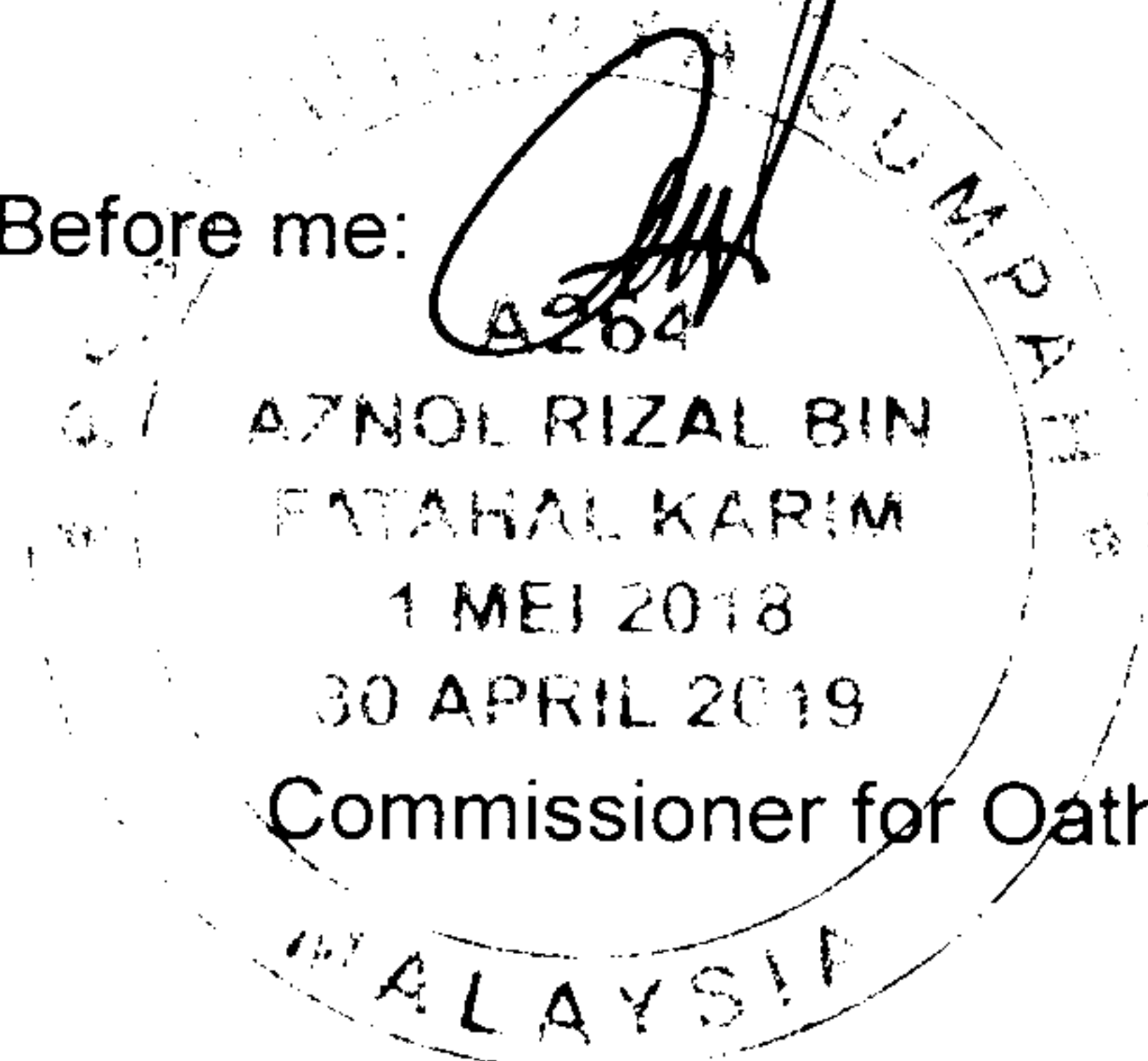
Subscribed and solemnly declared by the abovementioned  
KRISHNAJI RAO VENGOBA RAO, Passport No. : Z1763607  
at Ipoh

in the state of Perak Darul Ridzuan on **02 MAY 2018**



**KRISHNAJI RAO VENGOBA RAO**

Before me:



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
20 MICRONS SDN. BHD.**

(Incorporated in Malaysia)  
Company No. 807569-H

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the financial statements of 20 Microns Sdn. Bhd., which comprise the statement of financial position as at 31 March 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 28.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at 31 March 2018, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

***Other Matter***

The financial statements of the company for the preceding financial year were audited by another firm of auditors whose report dated 8 May 2017, expressed an unmodified opinion on those financial statements.

***Basis for Opinion***

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Independence and Other Ethical Responsibilities***

We are independent of the company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.



Company No. 807569-H

### ***Information Other than the Financial Statements and Auditors' Report Thereon***

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

### ***Responsibilities of the Directors for the Financial Statements***

The directors of the Company are responsible for the preparation of the financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements of the company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

*Company No. 807569-H*

***Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)***

As a part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:-

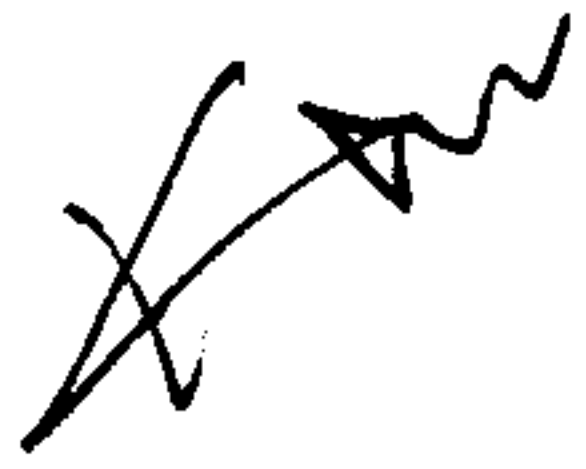
- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Company No. 807569-H*

**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



**Khor & Associates**  
Firm No: AF002244  
Chartered Accountants



**Khor Chun Wai**  
Approval No: 03318/08/2019 J  
Chartered Accountant

Subang Jaya  
Date: 2 May 2018

**20 MICRONS SDN. BHD.**  
(Incorporated in Malaysia)

**STATEMENT OF FINANCIAL POSITION**  
**As at 31 March 2018**

	Note	2018 RM	2017 RM
<b>ASSETS</b>			
<b>NON-CURRENT ASSET</b>			
Equipment	4	34,545	46,618
<b>CURRENT ASSETS</b>			
Trade receivables	5	528,799	946,797
Other receivables, deposits and prepayment	6	471,877	491,603
Cash and bank balances	7	1,209,262	815,617
<b>TOTAL CURRENT ASSETS</b>		<b>2,209,938</b>	<b>2,254,017</b>
<b>TOTAL ASSETS</b>		<b>2,244,483</b>	<b>2,300,635</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	8	360,002	360,002
Retained profits	9	1,408,513	1,108,546
		<b>1,768,515</b>	<b>1,468,548</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITY</b>			
Hire purchase payable	10	16,641	27,471
<b>CURRENT LIABILITIES</b>			
Trade payables	11	220,683	517,538
Other payables and accruals	12	191,533	258,653
Hire purchase payable	10	10,516	9,885
Current tax liabilities		36,595	18,540
<b>TOTAL CURRENT LIABILITIES</b>		<b>459,327</b>	<b>804,616</b>
<b>TOTAL LIABILITIES</b>		<b>475,968</b>	<b>832,087</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,244,483</b>	<b>2,300,635</b>

The accompanying notes form an integral part of the financial statements.

**20 MICRONS SDN. BHD.**  
(Incorporated in Malaysia)

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the financial year ended 31 March 2018**

	Note	2018 RM	2017 RM
REVENUE	13	4,971,532	3,165,957
COST OF SALES		(3,863,401)	(2,349,099)
GROSS PROFIT		1,108,131	816,858
OTHER INCOME		5,043	248,061
ADMINISTRATIVE EXPENSES		(701,566)	(409,767)
PROFIT FROM OPERATIONS		411,608	655,152
FINANCE COSTS		(1,608)	(2,555)
PROFIT BEFORE TAXATION	14	410,000	652,597
INCOME TAX EXPENSE	15	(110,033)	(91,403)
PROFIT AFTER TAXATION		299,967	561,194

The accompanying notes form an integral part of the financial statements.



**20 MICRONS SDN. BHD.**  
(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY**  
**For the financial year ended 31 March 2018**

	Share Capital RM	Retained Profits RM	Total RM
Balance at 1 April 2016	360,002	547,352	907,354
Profit after taxation	-	561,194	561,194
Balance at 31 March 2017/1 April 2017	360,002	1,108,546	1,468,548
Profit after taxation	-	299,967	299,967
Balance at 31 March 2018	360,002	1,408,513	1,768,515

The accompanying notes form an integral part of the financial statements.

**20 MICRONS SDN. BHD.**  
(Incorporated in Malaysia)

**STATEMENT OF CASH FLOWS**  
**For the financial year ended 31 March 2018**

	2018 RM	2017 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	410,000	652,597
Adjustments for:-		
Depreciation of equipment	13,497	13,502
Interest expenses	1,608	2,555
Interest income	(5,043)	(869)
Operating profit before working capital changes	420,062	667,785
Increase/(Decrease) in receivables	437,724	(574,297)
(Increase)/Decrease in payables	(363,975)	502,702
Cash from operations	493,811	596,190
Interest paid	(1,608)	(2,555)
Interest received	5,043	869
Tax paid	(91,978)	(86,012)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>405,268</b>	<b>508,492</b>
<b>NET CASH FOR INVESTING ACTIVITY</b>		
Purchase of equipment	(1,424)	-
<b>NET CASH FOR FINANCING ACTIVITY</b>		
Repayment of hire purchase obligations	(10,199)	(9,254)
Net increase in cash and bank balances	393,645	499,238
Cash and bank balances at beginning of the financial year	815,617	316,379
Cash and bank balances at end of the financial year	<u>1,209,262</u>	<u>815,617</u>

The accompanying notes form an integral part of the financial statements.

**20 MICRONS SDN. BHD.**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018**

**1. GENERAL INFORMATION**

The Company is a private company limited by shares and is incorporated under the Companies Act 2016 in Malaysia. The domicile of the Company is Malaysia.

The registered office of the Company is located at No. 6, Jalan Chew Sin On, 31650 Ipoh, Perak Darul Ridzuan.

The principal place of business of the Company is located at No. 808A, Jalan Raja Dr Nazrin Shah, Taman Chandan Desa, 31300 Simpang Pulai, Perak Darul Ridzuan.

The principal activity of the company is engaged in trading of calcium carbonate. There has been no significant changes in the nature of this activity during the financial year.

The holding company is 20 Microns Limited, a company incorporated in India.

**2. BASIC OF PREPARATION**

(a) Statement of compliance

The financial statements of the company have been prepared in accordance with Malaysian Private Entities Reporting Standard ("MPERS") and the requirements of Companies Act 2016 in Malaysia.

(b) Basis Of Measurement

The financial statements have been prepared on the historical costs basis other than as disclosed in Note 3 to the financial statements.

(c) Functional And Presentation Currency

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

## 2. BASIC OF PREPARATION (CONT'D)

### (d) Use Of Estimates And Judgements

The preparation of the financial statements in conformity with MPERS 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 estimates are 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:

#### Measurement of Income Taxes

The company operates in various jurisdictions and are subject to income taxes in each jurisdiction. Significant judgement is required in determining the company's provision for current and deferred taxes because the ultimate tax liability for the company as a whole is uncertain. When the final outcome of the taxes payable is determined with the tax authorities in each jurisdiction, the amounts might be different from the initial estimates of the taxes payable. Such differences may impact the current and deferred taxes in the period when such determination is made. The company will adjust for the differences over-or under- provision of current or deferred taxes in the current period in which those differences arise.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, unless otherwise stated.

### (a) Financial Instruments

#### (i) Initial Recognition and Measurement

A financial asset or financial liability is recognised in the statement of financial position when, and only when, the company becomes party to the contractual provision of the instrument.

A financial instrument is recognised initially at the transaction price (including transaction costs except in the initial measurement of a financial asset or financial liability that is measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for similar debt instrument.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (a) Financial Instruments (Cont'd)

##### (ii) Subsequent Measurement

Debt instruments that meet the following conditions are measured at amortised cost using the effective interest method:

- (a) Returns to the holder are determinable, e.g. a fixed amount and/or variable rate of return benchmark against a quoted or observable interest rate;
- (b) There is no contractual provision that could result in the holder losing the principal amount or any interest attributable to the current or prior periods; and
- (c) Prepayment option, if any, is not contingent on future events.

Debt instruments that are classified as current assets or current liabilities are measured at the undiscounted amount to the cash or other consideration expected to be paid or received unless the arrangement constitutes, in effect, a financing transaction.

Investments in no-puttable ordinary shares, and investments in non-convertible and non-puttable preference shares are measured at cost less impairment, unless the shares are publicly traded or their fair value can otherwise be measured reliably, in which case the investments are measured at fair value with changes in fair value recognised in profit or loss.

All other financial assets or financial liabilities not measured at amortised cost or cost less impairment are measured at fair value recognised in profit or loss.

All financial assets (except for financial assets measured at fair value through profit or loss) are assessed at each reporting date whether there is any objective evidence of impairment. An impairment loss is measured as follows:

- For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.
- For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (a) Financial Instruments (Cont'd)

##### (iii) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or are settled, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset derecognised and the consideration received (including any newly created rights and obligations) is recognised in profit or loss.

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

#### (b) Functional and Foreign Currencies

The financial statements of the Company are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

Transactions in foreign currencies are converted into the Company's functional currency on initial recognition using exchange rates at the transaction dates. At the end of the reporting period, foreign currency monetary assets and liabilities are retranslated at the exchange rates of that date. Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date.

#### (c) Impairment of Non-Financial Assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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 from other assets or cash-generating units.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset or cash-generating unit.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (c) Impairment of Non-Financial Assets (Cont'd)

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. An impairment loss recognised in prior periods is assessed at the end of each reporting period 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 since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

#### (d) Equipment

##### (i) Recognition and measurement

Items of equipment is measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the assets 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 also includes the cost of materials and direct labour. Cost also may include transfers from equity of any gain or loss on qualifying hedges of foreign currency purchases of equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

The gain or loss on disposal of an item of equipment is determined by comparing the proceeds from disposal with the carrying amount of equipment and is recognised net within "other income" or "other expenses" respectively in profit or loss.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (d) Equipment (Cont'd)

##### (ii) Subsequent costs

The cost of replacing a component of an item of equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing equipment is recognised in profit or loss as incurred.

##### (iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of equipment from the date that they are available for use. Equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Computer	5 years
Motor vehicle	5 years
Office equipment	10 years



### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Equity Instrument

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity, net of any related income tax benefits.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(f) Borrowing Costs

Borrowing costs are recognised as expenses in profit or loss in the period in which they are incurred by using the effective interest method.

(g) Employee Benefits

(i) Short term benefits

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

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the statement of comprehensive income as incurred.

(h) Revenue Recognition

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods have been transferred to the buyer and where the Company does not have continuing managerial involvement and effective control over the goods sold.

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### (i) Income Tax Expense

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or 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 end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

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



#### 4. EQUIPMENT

	Balance 1 April 2017	Additions	Disposal	Balance 31 March 2018
	RM	RM	RM	RM
<b>Cost:</b>				
Computer	1,399	-	-	1,399
Motor vehicle	64,331	-	-	64,331
Office equipment	3,555	1,424	-	4,979
	69,285	1,424	-	70,709

	Balance 1 April 2017	Charge for the year	Disposal	Balance 31 March 2018
	RM	RM	RM	RM
<b>Accumulated depreciation:</b>				
Computer	1,120	278	-	1,398
Motor vehicle	19,387	12,867	-	32,254
Office equipment	2,160	352	-	2,512
	22,667	13,497	-	36,164

	Balance 31 March 2018	Balance 31 March 2017
	RM	RM
<b>Net book value</b>		
Computer	1	279
Motor vehicle	32,077	44,944
Office equipment	2,467	1,395
	34,545	46,618

#### 4. EQUIPMENT (CONT'D)

Included in the equipment at the end of the reporting period were motor vehicle with a total carrying amount of RM32,077 (2017 – RM44,944), which were acquired under hire purchase terms. These leased assets have been pledged as security for the related finance lease liabilities as disclosed in Note 10 to the financial statements.

The cost of fully depreciated equipment still in use are as follows:-

	2018 RM	2017 RM
Computers	1,399	-
Office equipment	1,976	1,976
	<u>3,375</u>	<u>1,976</u>

#### 5. TRADE RECEIVABLES

	2018 RM	2017 RM
Trade receivables	<u>528,799</u>	<u>946,797</u>

The Company's normal trade credit term range from 30 to 90 (2017: 30 to 90) days. Other credit terms are assessed and approved on a case by case basis.

The currency exposure profile of trade receivables is as follows:

	2018 RM	2017 RM
US Dollar	524,660	934,380
Ringgit Malaysia	4,139	12,417
	<u>528,799</u>	<u>946,797</u>

## 6. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

	2018 RM	2017 RM
Other receivables	396,583	450,667
Deposits	3,850	2,250
Prepayment	71,444	38,686
	<u>471,877</u>	<u>491,603</u>

The currency exposure profile of other receivables is as follows:

	2018 RM	2017 RM
US Dollar	394,707	448,667
Ringgit Malaysia	1,876	2,000
	<u>396,583</u>	<u>450,667</u>

## 7. CASH AND BANK BALANCES

The currency exposure profile of cash and cash balances is as follows:

	2018 RM	2017 RM
US Dollar	992,963	581,785
Ringgit Malaysia	216,299	233,832
	<u>1,209,262</u>	<u>815,617</u>

## 8. SHARE CAPITAL

	2018 NUMBER OF SHARES	2017 NUMBER OF SHARES	2018 RM	2017 RM
ISSUED AND FULLY PAID-UP	<u>360,002</u>	<u>360,002</u>	<u>360,002</u>	<u>360,002</u>

- (i) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company.
- (ii) On 31 January 2017, the concepts of authorised share capital and par value of share capital were abolished in accordance with Companies Act 2016. There is no impact on the numbers of the ordinary shares in issue or the relative entitlement of any of the members as a result of the adoption of the Companies Act 2016.

## 9. RETAINED PROFITS

Under the single-tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

## 10. HIRE PURCHASE PAYABLE

	2018 RM	2017 RM
Minimum hire purchase payments		
- not later than 1 year	11,807	11,808
- later than 1 year and not later than 5 years	17,391	29,512
	<hr/>	<hr/>
	29,198	41,320
Less: Future finance charges	(2,041)	(3,964)
	<hr/>	<hr/>
	27,157	37,356
	<hr/>	<hr/>
Analysed by:-		
Current liability	10,516	9,885
Non-current liability	16,641	27,471
	<hr/>	<hr/>
	27,157	37,356
	<hr/>	<hr/>

## 11. TRADE PAYABLES

The normal trade credit terms granted to the Company range from 30 to 90 (2017 – 30 to 90) days.

The currency exposure profile of trade payables is as follows:

	2018 RM	2017 RM
US Dollar	4,435	61,644
Ringgit Malaysia	216,248	455,894
	<hr/>	<hr/>
	220,683	517,538
	<hr/>	<hr/>

## 12. OTHER PAYABLES AND ACCRUALS

	2018 RM	2017 RM
Other payables	161,865	212,997
Accruals	29,668	45,656
	<u>191,533</u>	<u>258,653</u>

The currency exposure profile of other payables is as follows:

	2018 RM	2017 RM
US Dollar	-	7,676
Ringgit Malaysia	161,865	205,321
	<u>161,865</u>	<u>212,997</u>

## 13. REVENUE

Revenue represents the invoiced value of goods sold net of discounts and returns, where applicable.

## 14. PROFIT BEFORE TAXATION

	2018 RM	2017 RM
Profit before taxation is arrived after <i>charging/(crediting)</i> :		
Auditors' remuneration	8,500	8,500
Depreciation	13,497	13,502
Directors' emoluments	184,806	173,146
Hire purchase interest	1,608	2,555
Loss/(Gain) on foreign exchanges		
- realised	141,726	12,041
- unrealised	193,908	(141,319)
Rental of guest house	9,000	9,000
Rental of office	2,400	-
Staff costs:		
- salaries, allowances and bonuses	5,859	-
- defined contribution plan	765	-
Interest income	(5,043)	(869)
	<u>(5,043)</u>	<u>(869)</u>



## 15. INCOME TAX EXPENSE

	2018 RM	2017 RM
Current tax:		
- for the financial year	110,033	91,978
Deferred taxation		
Reversal of temporary differences	-	(575)
	<u>110,033</u>	<u>91,403</u>

The corporate tax rate on the first RM500,000 of chargeable income is 18%. The tax rate applicable to the balance of the chargeable income is 24%.

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	2018 RM	2017 RM
Profit before taxation	<u>410,000</u>	<u>652,597</u>
Tax at the statutory tax rate of 24%	98,400	156,623
Tax effects of:		
Non-deductible expenses	1,016	1,118
Non-taxable gain	-	(33,917)
Double deduction expenses	(2,911)	(3,168)
Deferred tax assets not recognised during the financial year	47,533	-
Exemption on increase in chargeable income	(4,005)	(180)
Differential in tax rate	(30,000)	(29,885)
Others	-	812
Tax expense for the year	<u>110,033</u>	<u>91,403</u>

## 16. RELATED PARTY DISCLOSURES

	2018 RM	2017 RM
Key management personnel		
Directors' emoluments	<u>184,806</u>	<u>173,146</u>

## 17. FINANCIAL INSTRUMENTS

	Carrying amount RM	Fair value through profit or loss RM	Amortised cost RM	Cost less impairment RM
<b>2018</b>				
<b>Financial assets</b>				
Trade receivables	528,799	-	528,799	-
Other receivables and deposits	400,433	-	400,433	-
Cash and bank balances	1,209,262	-	1,209,262	-
	<u>2,138,494</u>	<u>-</u>	<u>2,138,494</u>	<u>-</u>
<b>Financial liabilities</b>				
Trade payables	220,683	-	220,683	-
Other payables and accruals	191,533	-	191,533	-
Hire purchase payable	27,157	-	27,157	-
	<u>439,373</u>	<u>-</u>	<u>439,373</u>	<u>-</u>
<b>2017</b>				
<b>Financial assets</b>				
Trade receivables	946,797	-	946,797	-
Other receivables and deposits	452,917	-	452,917	-
Cash and bank balances	815,617	-	815,617	-
	<u>2,215,331</u>	<u>-</u>	<u>2,215,331</u>	<u>-</u>
<b>Financial liabilities</b>				
Trade payables	517,538	-	517,538	-
Other payables and accruals	258,653	-	258,653	-
Hire purchase payable	37,356	-	37,356	-
	<u>813,547</u>	<u>-</u>	<u>813,547</u>	<u>-</u>

## 18. COMPARATIVE FIGURES

Certain comparative figures in the financial statements have been reclassified to conform with the current year's presentation.

## 19. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 2 May 2018 by the Board of Directors.

**20 MICRONS SDN. BHD.**  
(Incorporated in Malaysia)

**STATEMENT OF DETAILED COMPREHENSIVE INCOME**  
**for the year ended 31 March 2018**

	2018 RM	2017 RM
REVENUE	4,971,532	3,165,957
Less: COST OF SALES		
Purchases	2,231,557	1,288,469
Freight charges	1,656,853	963,913
Export charges	(25,009)	96,717
	3,863,401	2,349,099
GROSS PROFIT	1,108,131	816,858
Add: OTHER INCOME		
Interest income	5,043	869
Gain on foreign exchange		
- realised	-	105,873
- unrealised	-	141,319
	5,043	248,061
	1,113,174	1,064,919
Less: ADMINISTRATIVE EXPENSES		
Audit fee	8,500	8,500
Bank charges	53,868	37,356
Book keeping fees	6,440	6,000
Depreciation	13,497	13,502
Defined contribution plan	765	-
Directors' emoluments	184,806	173,146
Electricity and water charges	2,228	843
Filing and attestation fees	-	300
Fine and penalty	-	200
Gift	571	-
GST expenses	4,185	-
Guest house expenses	409	2,967
Insurance and road tax	12,128	106
Petrol and diesel	5,974	4,304
Postage, printing and stationery	17,058	10,542
Balance carried forward	310,429	257,766

**20 MICRONS SDN. BHD.**  
(Incorporated in Malaysia)

**STATEMENT OF DETAILED COMPREHENSIVE INCOME**  
**for the year ended 31 March 2018**

	2018 RM	2017 RM
Balance brought forward	310,429	257,766
Loss on foreign exchange		
- realised	141,726	117,914
- unrealised	193,908	-
Rental of guest house	9,000	9,000
Rental of office	2,400	-
Secretarial fee	1,310	1,250
Staff salaries, allowances and bonus	5,859	-
Taxation fee	1,600	1,800
Telephone and internet charges	8,745	9,074
Travelling and accommodation	17,202	8,927
Upkeep of motor vehicles	2,853	3,415
Upkeep of office equipment	6,534	621
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>701,566</b>	<b>409,767</b>
<b>PROFIT FROM OPERATIONS</b>	<b>411,608</b>	<b>655,152</b>
Less: FINANCE COST		
Hire purchase payable	1,608	2,555
<b>PROFIT BEFORE TAXATION</b>	<b>410,000</b>	<b>652,597</b>
<b>INCOME TAX EXPENSE</b>	<b>(110,033)</b>	<b>(91,403)</b>
<b>PROFIT AFTER TAXATION</b>	<b>299,967</b>	<b>561,194</b>