

**20 MICRONS SDN. BHD.**  
**(807569-H)**  
**(Incorporated in Malaysia)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**31 MARCH 2014**

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**KHOON ASSOCIATES (AF 002008)**  
Chartered Accountants (M)

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

**FINANCIAL STATEMENTS – 31 MARCH 2014**

**CONTENTS**

	<b>Page</b>
Corporate Information	1
Directors' Report	2 - 5
Statement by Directors	6
Statutory Declaration	6
Independent Auditors' Report	7 - 8
Balance Sheet	9
Income Statement	10
Statement of Changes in Equity	11
Cash Flow Statement	12
Notes to the Financial Statements	13 – 20

**CORPORATE INFORMATION**

<b>DIRECTORS</b>	:	Atil Chandresh Parikh Krishnaji Rao Vengoba Rao Rajesh Chandreshbhai Parikh
<b>SECRETARIES</b>	:	Ng Soo Kuan (MIA 16927)
<b>REGISTERED OFFICE</b>	:	No.6, Jalan Chew Sin On, 31650, Ipoh, Perak Darul Ridzuan.
<b>AUDITORS</b>	:	Khoon Associates (AF 002008) Chartered Accountants (M)

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

**DIRECTORS' REPORT**

The Directors hereby present their report together with the audited financial statements of the Company for the financial year ended 31 March 2014.

**PRINCIPAL ACTIVITY**

The Company is principally involved in the trading of calcium carbonate.

There has been no significant change in the nature of the principal activity during the financial year.

**RESULTS**

	<b>RM</b>
Net profit for the financial year	421,978
Accumulated losses brought forward	(7,395)
Dividend paid	<u>(248,400)</u>
Retained profits carried forward	<u>166,183</u>

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

In the opinion of the Directors, 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.

**DIVIDEND**

The amount of dividends paid by Company during the financial year were as follow :

	<b>RM</b>
Single tier interim dividend of RM 0.69 on 360,002 shares	<u>248,400</u>

**DIRECTORS**

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

Atil Chandresh Parikh  
Krishnaji Rao Vengoba Rao  
Rajesh Chandreshbhai Parikh

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

**DIRECTORS' REPORT (CONT'D)**

**DIRECTORS' BENEFITS**

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

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

**DIRECTORS' INTERESTS**

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

	Number of Ordinary Shares of RM1 Each			Balance
	Balance	Bought	Sold	as at
	as at			31 March
	1 April 2013	During the year		2014
<b>Direct Interest:</b>				
Krishnaji Rao Vengoba Rao	1	-	-	1
Rajesh Chandreshbhai Parikh	1	-	-	1

The other director, Atil Chandresh Parikh, has an indirect interest in the share capital of the Company by virtue of his shareholdings in the holding company, 20 Mircons Limited.

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

**DIRECTORS' REPORT (CONT'D)**

**ISSUE OF SHARES AND DEBENTURES**

During the financial year, the Company did not issue any shares or debentures. There were no share options granted during the financial year or unissued shares under option at the end of the financial year in respect of shares in the Company.

**OTHER STATUTORY INFORMATION**

- (a) Before the income statement and balance sheet of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debt was necessary; and
  - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- (i) it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Company; and
  - (ii) the values attributed to the current assets in the financial statements of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) 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
  - (ii) any contingent liability of the Company which has arisen since the end of the financial year.

Company No: 807569-H

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

**DIRECTORS' REPORT (CONT'D)**

**OTHER STATUTORY INFORMATION (CONT'D)**


(f) In the opinion of the Directors:

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

**AUDITORS**

The auditors, Khoon Associates, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the Directors dated 28 April 2014.

  
RAJESH CHANDRESHBHAI  
PARIKH

  
KRISHNAJI RAO VENGOBA RAO


Company No: 807569-H

**20 MICRONS SDN. BHD.**  
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**STATEMENT BY DIRECTORS**  
**PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965**

We, KRISHNAJI RAO VENGOBA RAO and RAJESH CHANDRESHBHAI PARIKH, being the two Directors of 20 MICRONS SDN. BHD., do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 9 to 20 are drawn up in accordance with applicable Private Entities Reporting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Company as at 31 March 2014 and of the results and the cash flows of the Company for the financial year then ended.

Signed in accordance with a resolution of the Directors dated 28 April 2014.

  
RAJESH CHANDRESHBHAI  
PARIKH

  
KRISHNAJI RAO VENGOBA RAO

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

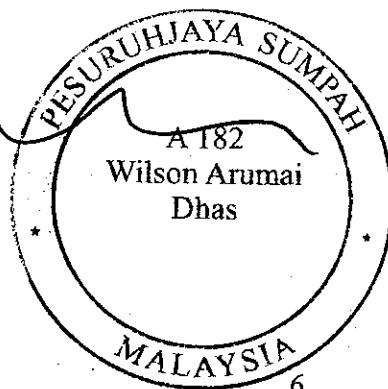
I, KRISHNAJI RAO VENGOBA RAO, being the Director primarily responsible for the financial management of 20 MICRONS SDN. BHD., do solemnly and sincerely declare that the financial statements set out on pages 9 to 20 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by )  
the abovenamed KRISHNAJI RAO )  
VENGOBA RAO at Ipoh in the State of )  
Perak Darul Ridzuan on 28 April 2014. )

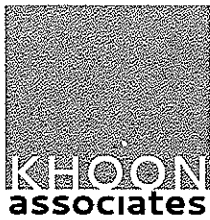
  
KRISHNAJI RAO VENGOBA RAO

Before me,

  
Commissioner for Oaths



No. 4, Medan Istana 3,  
Bandar Ipoh Raya,  
30000 Ipoh, Perak.



**KHOON ASSOCIATES** (AF002008)  
**Chartered Accountants (M)**  
No 6-B ,Jalan Chew Sin On,  
31650 Ipoh Perak Darul Ridzuan.  
**Tel :** +605-2411794 / 012-5382249  
**Fax :** +605-2544875  
**Email :** khoon\_associates@yahoo.com

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
20 MICRONS SDN. BHD (807569-H)**  
(Incorporated in Malaysia)

**Report on the Financial Statements**

We have audited the accompanying financial statements of 20 MICRONS SDN. BHD., which comprise the balance sheet as at 31 March 2014, the income statement, statement of changes in equity and cash flow statement of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes as set out in pages 9 to 20.

**Directors' Responsibility for the Financial Statements**

The Directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Private Entities Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

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



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
20 MICRONS SDN. BHD. (807569-H) (CONT'D)**  
(Incorporated in Malaysia)

**Opinion**

In our opinion the financial statements have been properly drawn up in accordance with the Private Entities Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 March 2014 and of its financial performance and cash flows of the Company for the financial 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 that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

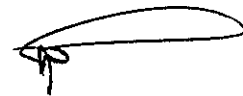
**Other Matters**

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.



**KHOON ASSOCIATES**  
**AF 002008**  
**Chartered Accountants**

Ipoh, Perak Darul Ridzuan, Malaysia  
Date: 28 April 2014



**SEOU LIM KHOON**  
**No. 1482/01/16(J)**  
**Chartered Accountant**

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

**BALANCE SHEET**  
**AS AT 31 MARCH 2014**

	Note	2014 RM	2013 RM
<b>NON-CURRENT ASSET</b>			
Plants and equipment	3	<u>2,325</u>	<u>2,075</u>
<b>CURRENT ASSETS</b>			
Trade receivables		438,084	281,650
Other receivable, deposit and prepayment	4	2,250	7,054
Amount owing by a director		3,958	818
Amount owing by holding company	5	-	257,600
Cash and bank balances		464,902	62,630
Tax recoverable		-	6,346
		<u>909,194</u>	<u>616,098</u>
<b>CURRENT LIABILITIES</b>			
Trade payable		165,281	149,456
Other payable and accruals	6	145,822	115,810
Provision for taxation		73,831	-
		<u>384,934</u>	<u>265,266</u>
<b>NET CURRENT ASSETS</b>			
		<u>524,260</u>	<u>350,832</u>
		<u>526,585</u>	<u>352,907</u>
<b>FINANCED BY:</b>			
Share capital	7	360,002	360,002
Retained profits / (Accumulated losses)		166,183	(7,395)
Shareholders' equity		<u>526,185</u>	<u>352,607</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	8	400	300
		<u>526,585</u>	<u>352,907</u>

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

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

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2014**

	Note	2014 RM	2013 RM
Revenue	9	2,878,705	1,442,897
Cost of sales		<u>(2,189,823)</u>	<u>(1,220,123)</u>
Gross profit		688,882	222,774
Other operating income		101,323	4,873
Staff costs	10	(120,180)	(114,874)
Depreciation		(523)	(3,866)
Other operating expenses		<u>(104,179)</u>	<u>(113,067)</u>
Profit / (loss) before taxation	11	565,323	(4,160)
Taxation	12	<u>(143,345)</u>	<u>(3,818)</u>
Net profit / (loss) for the financial year		<u>421,978</u>	<u>(7,978)</u>

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 YEAR ENDED 31 MARCH 2014**

	<b>Share capital RM</b>	<b>Retained profits RM</b>	<b>Total RM</b>
As 1 April 2012	360,002	184,184	544,186
Net loss for the financial year	-	(7,978)	(7,978)
Dividends paid	-	(183,601)	(183,601)
At 31 March 2013 / 1 April 2013	<u>360,002</u>	<u>(7,395)</u>	<u>352,607</u>
Net profit for the financial year	-	421,978	421,978
Dividends paid	-	(248,400)	(248,400)
At 31 March 2014	<u>360,002</u>	<u>166,183</u>	<u>526,185</u>

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

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

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2014**

	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (loss) before taxation	565,323	(4,160)
Adjustment for:		
Bad debts written off	-	2,303
Depreciation	523	3,866
Plants and equipment written off	1,086	-
Operating profit before working capital changes	<u>566,932</u>	<u>2,009</u>
Changes in working capital:		
Receivables	(151,630)	(260,605)
Payables	45,837	229,301
Cash used in operating activities	<u>461,139</u>	<u>(29,295)</u>
Tax paid	(63,069)	(53,188)
Net cash generated from / (used in) operating activities	<u>398,070</u>	<u>(82,483)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Acquisition of plants and equipment, representing net cash used in investing activity	3(a) <u>(1,858)</u>	<u>(649)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Director's account	(3,140)	(818)
Holding company's account	257,600	250,500
Dividends paid	(248,400)	(183,601)
Net cash generated from financing activities	<u>6,060</u>	<u>66,081</u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>402,272</b>	<b>(17,051)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	<b>62,630</b>	<b>79,681</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<u><b>464,902</b></u>	<u><b>62,630</b></u>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	<u>464,902</u>	<u>62,630</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 2014**

**1. CORPORATE INFORMATION**

The Company is principally involved in the trading of calcium carbonate. There has been no significant change in the nature of the principal activity during the financial year.

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at No.6, Jalan Chew Sin On, 31650 Ipoh, Perak Darul Ridzuan.

The Company has no employee as at 31 March 2014 (2013: Nil).

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 April 2014.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

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

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Private Entities Reporting Standards in Malaysia.

**(b) Plants and Equipment, and Depreciation**

Plants and equipment are stated at cost less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2(f).

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

Motor vehicles	20%
Office equipment	10%
Computer	20%

Upon the disposal of an item of plants or equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement.

**20 MICRONS SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2014 (CONT'D)**

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(c) Cash and Cash Equivalents**

For the purpose of cash flow statement, cash and cash equivalents comprises cash in hand and at bank.

**(d) Income Tax**

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

**(e) Employee Benefits**

**(i) Short term benefits**

Wages, salaries and social security contributions are recognised as an expense in the year in which the associated services are rendered by the employees of the Company.

**(ii) Defined contribution plans**

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

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2014 (CONT'D)**

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(f) Revenue Recognition**

Revenue is recognised upon delivery of goods and performances of services.

**(g) Foreign Currency Conversion**

Foreign currency assets and liabilities at the balance sheet date have been converted into Ringgit Malaysia at the rate of exchange ruling at the balance sheet date.

Foreign currency transactions during the year have been converted into Ringgit Malaysia at the rates of exchange ruling at the dates of the transactions.

Gains or losses on exchange are included in the income statement.

**(h) Impairment of Assets**

At each balance sheet date, the Company reviews the carrying amount of its assets, other than financial assets, to determine whether there is any indication of impairment. If such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows.

An impairment loss is charged to the income statement immediately. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recognised to the extent of the carrying amount of the asset that would have been determined (net of depreciation) had no impairment loss been recognised. The reversal is recognised in the



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

**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2014 (CONT'D)**

**3. PLANTS AND EQUIPMENT**

	<b>Computers RM</b>	<b>Motor vehicles RM</b>	<b>Office equipment RM</b>	<b>Total RM</b>
<b>Cost</b>				
At 1 April 2013	-	17,706	3,254	20,960
Additions	1,399	-	459	1,858
Written off	-	-	(1,278)	(1,278)
At 31 March 2014	<u>1,399</u>	<u>17,706</u>	<u>2,435</u>	<u>21,540</u>
<b>Accumulated depreciation</b>				
At 1 April 2013	-	17,704	1,181	18,885
Charge for the financial year	280	-	243	523
Written off	-	-	(193)	(193)
At 31 March 2014	<u>280</u>	<u>17,704</u>	<u>1,231</u>	<u>19,215</u>
<b>Net carrying amount</b>				
At 31 March 2014	<u>1,119</u>	<u>2</u>	<u>1,204</u>	<u>2,325</u>
At 31 March 2013	<u>-</u>	<u>2</u>	<u>2,073</u>	<u>2,075</u>
Depreciation charge for 2013	<u>-</u>	<u>3,540</u>	<u>326</u>	<u>3,866</u>

- (a) During the financial year, the plants and equipments of the Company were acquired by means of:

	<b>2014 RM</b>	<b>2013 RM</b>
Cash outright acquisitions	<u>1,858</u>	<u>649</u>

- (c) Included in plants and equipment are fully depreciated assets which are still in use costing RM 17,706. (2012: RM 17,706).

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2014 (CONT'D)**

**4. OTHER RECEIVABLE, DEPOSIT AND PREPAYMENT**

	2014 RM	2013 RM
Other receivable	-	4,054
Deposit	2,250	2,250
Prepayment	-	750
	<u>2,250</u>	<u>7,054</u>

**5. AMOUNT OWING BY HOLDING COMPANY**

The amount owing by holding company is unsecured, interest free and has no fixed terms of repayment.

**6. OTHER PAYABLE AND ACCRUALS**

	2014 RM	2013 RM
Other payable	91,803	101,387
Accruals	54,019	14,423
	<u>145,822</u>	<u>115,810</u>

**7. SHARE CAPITAL**

	Number of Ordinary Shares of RM1 Each		Amount	
	2014	2013	2014 RM	2013 RM
Authorised	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
Issued and fully paid	<u>360,002</u>	<u>360,002</u>	<u>360,002</u>	<u>360,002</u>

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2014 (CONT'D)**

**8. DEFERRED TAX LIABILITIES**

	2014 RM	2013 RM
At 1 April	300	800
Recognised in the income statement (Note 12)	100	(500)
At 31 March	<u>400</u>	<u>300</u>

Deferred tax liabilities in respect of temporary differences between the carrying amounts of assets in the balance sheet and their tax bases.

**9. REVENUE**

Revenue represents the net invoiced value of goods sold less discounts and return.

**10. STAFF COSTS**

	2014 RM	2013 RM
Directors' remuneration and other benefits	120,180	114,754
Medical fees	-	120
	<u>120,180</u>	<u>114,874</u>

**11. PROFIT / (LOSS) BEFORE TAXATION**

	2014 RM	2013 RM
Profit / (Loss) before taxation is arrived at after charging:		
Auditors' remuneration	6,000	5,000
Depreciation	523	3,866
Realised and unrealised loss on foreign exchange	6,294	36,379
Rental of guest house	9,750	9,000
Rental of motor vehicle	290	-
Staff costs (Note 11)	<u>120,180</u>	<u>114,874</u>

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2014 (CONT'D)**

**11. PROFIT / (LOSS) BEFORE TAXATION (CONT'D)**

	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
And crediting:		
Realised gain on foreign exchange	56,784	-

**12. TAXATION**

	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
Income Tax:		
For the financial year	143,245	4,318
Deferred tax (Note 8)		
In relation to originating of temporary differences	100	(500)
Income tax expenses	143,345	3,818

Income tax is calculated at the Malaysian statutory tax rates of 20% on the first RM500,000 of assessable profit for the year and where applicable, 25% (2012: 25%) on all assessable profit in excess of RM500,000.

A reconciliation of income tax expenses applicable to loss before taxation of the statutory income tax rate to income tax expenses at the effective income tax rate of the Company is as follows:

	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
Profit before taxation	565,323	(4,160)
Taxation at applicable tax rate	113,065	(1,040)
Expenses not deductible for tax purposes	30,180	4,658
Deferred tax not recognised in previous year	-	200
Deferred tax recognised in current year	100	-
Tax expense for the year	143,345	3,818

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

**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2014 (CONT'D)**

**18. RELATED PARTY**

Identity of related party:

For the purpose of these financial statements, parties are considered to be related to the Company if 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 Company and the party are subject to common or common significant influence. Related parties may be individual or other entities.

There are no significant transactions with related parties during the year.

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

**DETAILED INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2014**

	2014	2013
	RM	RM
<b>REVENUE</b>	<u>2,878,705</u>	<u>1,442,897</u>
<b>LESS: COST OF SALES</b>		
Purchases	1,207,016	667,149
Freight charges	<u>982,807</u>	<u>552,974</u>
	<u>2,189,823</u>	<u>1,220,123</u>
<b>GROSS PROFIT</b>	688,882	222,774
<b>ADD: OTHER OPERATING INCOME</b>		
Waiver of debts	44,539	4,873
Realised gain on foreign exchange	<u>56,784</u>	<u>-</u>
	<u>101,323</u>	<u>4,873</u>
<b>LESS: STAFF COSTS</b>		
Directors' remuneration and other benefits	120,180	114,754
Medical fees	<u>-</u>	<u>120</u>
	<u>120,180</u>	<u>114,874</u>
<b>LESS: OTHER OPERATING EXPENSES</b>		
Auditors' remuneration	6,000	5,000
Bad debts written off	-	2,303
Bank charges	27,476	8,748
Commission	6,704	-
Compensation expenses	-	920
Depreciation	523	3,866
Electricity and water charges	1,480	1,413
Entertainment	5,240	3,463
Filing and attestation fees	500	330
Fine and penalty	-	1,138
Fixed assets written off	1,086	-
Gift	500	-
Guest house expenses	2,408	4,953
Insurance and road tax	2,298	1,912
Parking and toll	50	-
Sub-total carried forward	<u>54,265</u>	<u>34,046</u>

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

**DETAILED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 MARCH 2014 (CONT'D)**

	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
<b>LESS: OTHER OPERATING EXPENSES</b>		
Sub-total brought forward	54,265	34,046
Petrol and diesel	3,597	3,684
Postage, printing and stationery	13,413	18,877
Realised and unrealised loss on foreign exchange	6,294	36,379
Rental of motor vehicle	290	-
Rental of guest house	9,750	9,000
Secretarial fees	600	600
Service charges	35	-
Service tax	444	411
Sundry expenses	-	75
Taxation fees	3,400	1,800
Telephone and internet charges	7,592	7,530
Travelling and accomodation	3,226	3,748
Upkeep of motor vehicles	1,327	783
Upkeep of office equipment	469	-
	<u>104,702</u>	<u>116,933</u>
<b>PROFIT / (LOSS) BEFORE TAXATION</b>	<u>565,323</u>	<u>(4,160)</u>