NOTARIAL CERTIFICATE

TO ALL TO WHOM THESE PRESENTS SHALL COME

I, CHANG SHERN HIN, NOTARY PUBLIC, duly authorised and appointed, practising in the Republic of Singapore **DO HEREBY CERTIFY AND ATTEST** that the document annexed hereto is a copy of a **REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018** (In Ringgit Malaysia) of **HCL AXON MALAYSIA SDN. BHD.** (Company No. 453811-P) AND ITS SUBSIDIARY.

IN TESTIMONY WHEREOF I, the said Notary Public, have hereunto subscribed my name and affixed my Seal of Office this 14th day of September 2018

WHICH I ATTEST

CHANG SHERN HIN
NOTARY PUBLIC
SINGAPORE

REPUBLIC OF SINGAPORE
NOTARY PUBLIC

NOTARY PUBLIC
Chang Shern Hin
N2018/0051
1 Apr 2018 - 31 Mar 2019
SINGAPORE

NOTARY PUBLIC
Chang Shern Hin
N2018/0051
1 Apr 2018 - 31 Mar 2019
SINGAPORE

HCL AXON MALAYSIA SDN. BHD.

(Co. No. 453811-P)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31
MARCH 2018
(In Ringgit Malaysia)

HCL AXON MALAYSIA SDN. BHD.
(Co. No. 453811-P)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

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HCL AXON MALAYSIA SDN. BHD.
(Co. No. 453811-P)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

Directors' report

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2018.

Principal activities

The principal activity of the Company is the provision of software services, business process sourcing services and information technology infrastructure services.

The principal activities of the subsidiary are disclosed in Note 11 to the financial statements.

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

Results

	Group RM	Company RM
Profit for the financial year	23,861,772	12,293,268

Reserves and provisions

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

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial period. The Directors do not recommend any dividend for the financial year ended 31 March 2018.

HCL AXON MALAYSIA SDN. BHD.
(Co. No. 453811-P)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

Directors

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Subramanian Gopalakrishnan
Sundaram Sridharan
Chiu Kim Boo
Shiv Walia
Chong Li Khuen

Directors' interests in shares

According to the Register of Director's Shareholdings, the interest of directors in office at the end of the financial year in shares in the Company and its related incorporations during the financial year were as follows:

	Number of Ordinary Shares of Rs. 2 each			
	Balance as at 1.4.2017	Bought	Sold	Balance as at 31.3.2018
Shareholdings registered in the name of Directors in the ultimate holding company:				
Sundaram Sridharan	12,104	-	-	12,104
Subramanian Gopalakrishnan	50	-	50	-

By virtue of the Directors' interest in the shares of the holding company, the above Directors are deemed interested in the shares of the Company during the financial year to the extent of their shareholding in the holding company, in accordance with Section 8 of the Companies Act, 2016 in Malaysia.

The other directors in office at the end of the financial year, did not hold any interest in the ordinary shares of the Company and related corporations during the financial year, according to the register required to be kept under Section 59 of the Companies Act, 2016 in Malaysia.

HCL AXON MALAYSIA SDN. BHD.
(Co. No. 453811-P)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

Directors' benefits

Since the end of the previous financial period, no Director of the Company has received nor become entitled to receive any benefit 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 other than certain Directors who have substantial financial interest in companies which traded with certain companies in the Group and in the Company carry of business as disclosed in Note 21 to the financial statements.

There were no arrangements during or 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.

Directors' remuneration

None of the directors received remuneration from the Company in the financial year.

Indemnity and insurance for director, officer and auditor

There was no indemnity given to or insurance effected for any director, officer and auditor of the Company.

Issue of shares and debentures

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

On 31 January 2017, the Companies Act, 2016 ("the Act") in Malaysia became effective and rendered the par value regime no longer applicable. This has resulted in the Company's share capital no longer having a par value and the authorised share capital no longer relevant at the date of the report.

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

(i) proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts have been written off and that adequate provision had been 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) which would render the amount written off for bad debts or the making of provision for doubtful debts inadequate to any material extent; or

(ii) which would render the value attributed to 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, which 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 and 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 and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company have become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the Directors, will or may 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 2018 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 the financial period and the date of this report.

HCL AXON MALAYSIA SDN. BHD.
(Co. No. 453811-P)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

Holding companies

The immediate holding company is Axon Group Ltd, a company incorporated in the United Kingdom with its registered office at Axon Centre, Church Road, Egham, Surrey, TW20 9QB, United Kingdom.

The ultimate holding company is HCL Technologies Limited, a company incorporated in India with its registered office at 806, Siddharth, 96 Nehru Place, New Delhi 110019, India and listed on the NSE (National Stock Exchange, Bombay) and BSE (Bombay Stock Exchange).

Auditors

The auditors, Messrs PKF, have indicated their willingness to continue in office.

The remuneration of auditors is amounting to RM280,299 as disclosed in Note 7 to the financial statements.

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

SUNDARAM SRIDHARAN

SHIV WALIA

Singapore

HCL AXON MALAYSIA SDN. BHD.
(Co. No. 453811-P)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251 (2) OF THE COMPANIES ACT, 2016 IN MALAYSIA

In the opinion of the Directors, the accompanying financial statements as set out on pages 11 to 71 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2018 and of their financial performance and their cash flows for the financial year ended on that date.

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

SUNDARAM SRIDHARAN	SHIV WALIA

Singapore

STATUTORY DECLARATION PURSUANT TO SECTION 251 (1)(b) OF THE COMPANIES ACT, 2016 IN MALAYSIA

I, SUNDARAM SRIDHARAN, being the Director primarily responsible for the financial management of HCL AXON MALAYSIA SDN. BHD., do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements as set out on pages 11 to 71 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 Notaries Public Act, 1965.

Subscribed and solemnly declared by the above named at Singapore on	)))	SUNDARAM SRIDHARAN

Before me,

NOTARY PUBLIC

Accountants &
business advisers

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HCL AXON MALAYSIA SDN. BHD.
AND ITS SUBSIDIARY
(Co. No. 453811-P)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HCL AXON MALAYSIA SDN. BHD., which comprise the statements of financial position as at 31 March 2018 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 11 to 71.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2018, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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 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.

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

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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 Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and 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 Group and 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 Group and 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 financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards 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 Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and 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 Group or 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 Group and 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.

PKF
Accountants &
business advisers

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and 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 Group's and 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 Group's or 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 Group and 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 Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

PKF
Accountants &
business advisers

(continued)

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 11 to the financial statements.

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.

PKF
AF 0911
CHARTERED ACCOUNTANTS

NGU SIOW PING
03033/11/2019 J
CHARTERED ACCOUNTANT

Kuala Lumpur

14 September 2018

HCL AXON MALAYSIA SDN. BHD.
(Co. No. 453811-P)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Note	Group		Company	
		01.04.2017 to 31.03.2018 RM	**01.04.2016 to 31.03.2017 RM**	**01.04.2017 to 31.03.2018 RM**	**01.04.2016 to 31.03.2017 RM**
Revenue	3	244,039,727	244,276,270	134,502,632	122,665,431
Cost of sales	4	(193,095,507)	(179,668,014)	(103,423,026)	(90,561,437)
Gross profit		50,944,220	64,608,256	31,079,606	32,103,994
Selling and marketing expenses		(3,469,287)	(7,117,034)	(2,012,568)	(7,117,034)
Administrative expenses		(10,466,934)	(16,050,159)	(6,712,501)	(8,087,085)
Other operating expenses		(3,290,492)	(677,655)	(887,093)	(463,222)
		(17,226,713)	(23,844,848)	(9,612,162)	(15,667,341)
Operating profit		33,717,507	40,763,408	21,467,444	16,436,653
Other (loss) / income	5	(7,628,650)	1,673,845	(5,815,935)	1,083,704
Profit from operations		26,088,857	42,437,253	15,651,509	17,520,357
Finance costs	6	(46,558)	(43,400)	(46,558)	(43,400)
Profit before tax	9	26,042,299	42,393,853	15,604,951	17,476,957
Tax expenses	9	(2,180,527)	(12,995,071)	(3,311,683)	(4,239,115)
Profit for the financial year		23,861,772	29,398,782	12,293,268	13,237,842
Other comprehensive (loss)/income:					
Items that will or may be reclassified subsequently to profit or loss					
Currency translation (loss)/gain arising from consolidation		(1,959,169)	1,832,556	-	-
Profit and other comprehensive income for the financial year		21,902,603	31,231,338	12,293,268	13,237,842

HCL AXON MALAYSIA SDN. BHD.
(Co. No. 453811-P)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	Group 31.03.2018 RM	Group 31.03.2017 RM	Company 31.03.2018 RM	Company 31.03.2017 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	10	21,106,922	5,755,542	3,677,084	1,935,779
Investment in a subsidiary	11	-	-	-	-
Goodwill	12	275,983	275,983	275,983	275,983
Deferred tax assets	13	3,283,643	5,041,124	1,826,112	1,144,330
Trade and non-trade receivables	14	2,477,990	4,271,585	-	-
		27,144,538	15,344,234	5,779,179	3,356,092
Current Assets					
Trade and non-trade receivables	14	90,905,837	68,122,432	44,640,387	29,557,027
Amount due from ultimate holding company	15	310,365	1,537,568	310,365	1,537,568
Amount due from a subsidiary	16	-	-	1,313,032	1,244,104
Amount due from related companies	17	101,851,232	123,414,491	62,259,326	60,610,564
Cash and bank balances		44,824,598	40,113,621	5,941,238	6,818,285
		237,892,032	233,188,112	114,464,348	99,767,548
TOTAL ASSETS		265,036,570	248,532,346	120,243,527	103,123,640
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	18	22,000,000	22,000,000	22,000,000	22,000,000
Share premium	19	58,096,463	58,096,463	58,096,463	58,096,463
Retained earnings/ (Accumulated losses)		59,508,339	35,646,567	7,555,347	(4,737,921)
Reserve fund		15,969	15,969	-	-
Currency translation reserve		(1,734,985)	224,184	-	-
		137,885,786	115,983,183	87,651,810	75,358,542
Current Liabilities					
Trade and non-trade payables	19	28,294,123	33,116,146	14,335,428	14,477,912
Amount due to ultimate holding company	15	6,119,420	18,445,251	3,238,951	6,411,750
Amount due to related companies	17	84,761,945	63,257,695	7,058,830	2,910,392
Tax payable		7,975,296	17,730,071	7,958,508	3,965,044
Total Liabilities		127,150,784	132,549,163	32,591,717	27,765,098
TOTAL EQUITY AND LIABILITIES		265,036,570	248,532,346	120,243,527	103,123,640

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

HCL AXON MALAYSIA SDN. BHD.
(Co. No. 453811-P)
(Incorporated in Malaysia)
AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIALYEAR ENDED 31 MARCH 2018

	Attributable to equity holders of the Company							
		Non-distributable					Distributable	
The Group	Share capital RM	Preference shares RM	Share premium RM	Preference share application money pending allotment RM	Reserve fund RM	Currency translation reserve RM	Retained earnings RM	Total RM
At 1 April 2016	10,000,000	12,000,000	58,096,463	-	15,969	(1,608,372)	6,247,785	84,751,845
Foreign currency translation differences for foreign operations	-	-	-	-	-	1,832,556	-	1,832,556
Profit for the financial year	-	-	-	-	-	-	29,398,782	29,398,782
Total comprehensive income for the financial year	-	-	-	-	-	1,832,556	29,398,782	31,231,338
As at 31 March 2017	10,000,000	12,000,000	58,096,463	-	15,969	224,184	35,646,567	115,983,183
Foreign currency translation differences for foreign operations	-	-	-	-	-	(1,959,169)	-	(1,959,169)
Profit for the financial year	-	-	-	-	-	-	23,861,772	23,861,772
Total comprehensive income for the financial year	-	-	-	-	-	(1,959,169)	23,861,772	21,902,603
As at 31 March 2018	10,000,000	12,000,000	58,096,463	-	15,969	(1,734,985)	59,508,339	137,885,786

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

HCL AXON MALAYSIA SDN. BHD.
(Co. No. 453811-P)
(Incorporated in Malaysia)
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STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONTINUED)

	Attributable to equity holders of the Company					
	Non-distributable				Distributable	
The Company	**Ordinary share capital RM**	**Preference shares RM**	**Share premium RM**	**Preference share application money pending allotment RM**	**(Accumulated Losses) / Retained earnings RM**	**Total RM**
At 1 April 2016	10,000,000	12,000,000	58,096,463	-	(17,975,763)	62,120,700
Profit for the financial year	-	-	-	-	13,237,842	13,237,842
At 31 March 2017	10,000,000	12,000,000	58,096,463	-	(4,737,921)	75,358,542
Profit for the financial year	-	-	-	-	12,293,268	12,293,268
At 31 March 2018	10,000,000	12,000,000	58,096,463	-	7,555,347	87,651,810

HCL AXON MALAYSIA SDN. BHD.
(Co. No. 453811-P)
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

	Group		Company	
	01.04.2017 to 31.03.2018 RM	**01.04.2016 to 31.03.2017 RM**	**01.04.2017 to 31.03.2018 RM**	**01.04.2016 to 31.03.2017 RM**
Cash flows from operating activities				
Profit before tax	26,042,299	42,393,853	15,604,951	17,476,957
Adjustments for:-				
Plant and equipment written off	-	883,034	-	76,556
Impairment loss on trade receivables	(1,093,843)	1,043,030	-	-
Utilisation of provision for doubtful debts	(573,936)	(1,350,368)	(835,272)	(1,286,267)
Provision for unutilised leaves	233,415	670,898	233,415	670,898
Depreciation	3,290,492	1,586,020	887,093	463,222
Interest income	(1,263,307)	(574,342)	(1,263,307)	(328,070)
Unrealised foreign currency exchange difference	6,855,250	125,013	6,855,248	125,013
Operating profit before working capital changes	33,490,370	44,777,138	21,482,128	17,198,309
(Increase)/Decrease in receivables	(14,534,754)	2,056,472	(9,567,394)	4,944,179
Decrease/(Increase) in amounts due from related companies, subsidiary and ultimate holding company (net of payables)	25,118,585	(53,675,680)	(6,365,144)	(23,747,974)
(Decrease)/Increase in payables	(5,090,141)	12,899,483	(410,602)	3,231,658
Cash generated from operations	38,984,060	6,057,413	5,138,988	1,626,172
Income tax paid	(14,935,349)	(10,027,153)	(4,650,944)	(4,025,784)
Net cash (used in)/generated from operating activities	24,048,711	(3,969,740)	488,044	(2,399,612)
Cash flows from investing activities				
Interest received	1,263,307	574,342	1,263,307	328,070
Purchase of property, plant and equipment	(18,641,872)	(6,002,017)	(2,628,398)	(1,084,146)
Net cash used in investing activities	(17,378,565)	(5,427,675)	(1,365,091)	(756,076)
Net increase/(decrease) in cash and cash equivalents	6,670,146	(9,397,415)	(877,047)	(3,155,688)
Foreign exchange difference in opening balances	(1,959,169)	1,832,556	-	-
Cash and cash equivalents at 1 April	40,113,621	47,678,480	6,818,285	9,973,973
Cash and cash equivalents at 31 March	44,824,598	40,113,621	5,941,238	6,818,285

Cash and cash equivalent comprise represent cash and bank balances.

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

1. Basis of preparation

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the Companies Act, 2016 in Malaysia.

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

(a) Standards issued and effective

On 1 January 2017, the following new and amended MFRS are mandatory for annual financial periods beginning on or after 1 January 2017.

Description	**Effective for annual periods beginning on or after**
• Annual improvements to MFRSs 2014 - 2016 cycle	
- Amendments to MFRS 12, Disclosure of Interests in Other Entities	1 January 2017
• Amendments to MFRS 107, Statement of Cash Flows: Disclosure Initiative	1 January 2017
• Amendments to MFRS 112, Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017

The Directors expect that the adoption of the new and amended MFRS above will have no material impact on the financial statements in the period of initial application.

(b) Standards issued but not yet effective

The Company has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
• Annual improvements to MFRSs 2014-2016 cycle	
- Amendments to MFRS 1, First-time Adoptions of Malaysian Financial Reporting Standards	1 January 2018
- Amendments to MFRS 128, Investment in Associates and Joint Ventures	1 January 2018
• Annual improvements to MFRSs 2015-2017 cycle	
- Amendments to MFRS 3, Business Combinations	1 January 2019
- Amendments to MFRS 11, Joint Arrangements	1 January 2019
- Amendments to MFRS 112, Income Taxes	1 January 2019
- Amendments to MFRS 123, Borrowing Costs	1 January 2019

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NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

1. Basis of preparation (continued)

(b) Standards issued but not yet effective (continued)

Description	**Effective for annual periods beginning on or after**
• Amendments to MFRS 2, Share-based Payment: Classification and Measurements of Share-based Payment Transactions	1 January 2018
• Amendments to MFRS 4, Insurance Contracts: Applying MFRS 9 Financial Instrument with MFRS 4 Insurance Contracts	1 January 2018
• Amendments to MFRS 119, Employee Benefits: Plan Amendment, Curtailment and Settlement	1 January 2019
• Amendments to MFRS 2, Share-based Payment	1 January 2020
• Amendments to MFRS 3, Business Combinations	1 January 2020
• Amendments to MFRS 6, Exploration for and Evaluation of Mineral Resources	1 January 2020
• Amendments to MFRS 14, Regulatory Deferral Accounts	1 January 2020
• Amendments to MFRS 101, Presentation of Financial Statements	1 January 2020
• Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
• Amendments to MFRS 134, Interim Financial Reporting	1 January 2020
• Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
• Amendments MFRS 138, Intangible Assets	1 January 2020
• MFRS 9, Financial Instruments	1 January 2018
• MFRS 15, Revenue from Contract with Customers	1 January 2018
• Clarifications to MFRS 15, Revenue from Contracts with Customers	1 January 2018
• MFRS 16, Leases	1 January 2019
• MFRS 17, Insurance Contracts	1 January 2021
• Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128 Investment in Associate and Joint Ventures: Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred
• Amendments to MFRS 140, Investment Property: Transfer of Investment Property	1 January 2018
• Amendments to MFRS 9, Financial Instruments: Prepayment Features with Negative Compensation	1 January 2019

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

1. Basis of preparation (continued)

(b) Standards issued but not yet effective (continued)

Description	Effective for annual periods beginning on or after
• Amendments to MFRS 128, Investment in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures	1 January 2019
• IC Interpretation 22, Foreign Currency Transactions and Advance Consideration	1 January 2018
• IC Interpretation 23, Uncertainty over Income Tax Treatments	1 January 2019
• Amendments to IC Interpretation 12, Service Concession Arrangements	1 January 2020
• Amendments to IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
• Amendments to IC interpretation 20, Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
• Amendments to IC Interpretation 22, Foreign Currency Transactions and Advance Consideration	1 January 2020
• Amendments to IC Interpretation 132, Intangible Assets - Web Site Costs	1 January 2020

The initial application of the abovementioned accounting standards, amendments or interpretations are not expected to have any material impacts to the financial statement of the Company except as mentioned below:

MFRS 9 Financial Instruments

MFRS 9 replaces the guidance in MFRS 139, Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost.

The Company is currently assessing the financial impact that may arise from the adoption of MFRS 9.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts, MFRS 118, Revenue, IC Interpretation 13, Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfers of Assets from Customers and IC Interpretation 131, Revenue – Barter Transactions Involving Advertising Services.

The Company is currently assessing the financial impact that may arise from the adoption of MFRS 15.

1. Basis of preparation (continued)

(b) Standards issued but not yet effective (continued)

MFRS 16 Leases

MFRS 16 replaces existing guidance in MFRS 117 Leases, IC Interpretation 4 Determining Whether an Arrangement Contains a Lease, IC Interpretation 115 Operating Leases – Incentives, and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The Company is currently assessing the financial impact that may arise from the adoption of MFRS 16.

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis other than a disclosed in Note 2 to the financial statements.

(d) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

(i) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Company recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

1. Basis of preparation (continued)

(d) Critical accounting estimates and judgements (continued)

(ii) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Company anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value in use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Written down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(v) Fair Value Estimates for Certain Financial Assets and Liabilities

The Company carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Company uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

1. Basis of preparation (continued)

(d) Critical accounting estimates and judgements (continued)

(vi) Impairment of Trade and Non-trade Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgment to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(vii) Deferred Tax Assets and Liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

(viii) Classification of Leasehold Land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease.

Accordingly, management judged that the Company has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

1. Basis of preparation (continued)

(d) Critical accounting estimates and judgements (continued)

(ix) Provision for staff gratuity

The present value of the retirement gratuities is determined by discounting the amount payable by reference to market yields at the date of the statement of financial position on high quality corporate bonds which have terms to maturity approximating the terms of the related liability. Past service costs are recognised immediately in profit or loss.

2. Summary of significant accounting policies

(a) Basis of consolidation

(i) Subsidiary

Subsidiary is entities, including structured entities, controlled by the Company. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group adopted MFRS 10, Consolidated Financial Statements in the current financial year. This resulted in changes to the following policies:

(i) Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has ability to affect those returns through its power over the entity. In the previous financial years, 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.

(ii) Potential voting rights are considered when assessing control only when such rights are substantive. In the previous financial years, potential voting rights are considered when assessing control when such rights are presently exercisable.

(iii) The Group considers it has de facto power over an investee when, despite not having the majority voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return. In the previous financial years, the Group did not consider de facto power in its assessment of control.

The adoption of MFRS 10 has no significant impact to the financial statements of the Group.

2. Summary of significant accounting policies (continued)

(a) Basis of consolidation (continued)

(i) Subsidiary (continued)

Business combinations are accounted for using the acquisition method on the acquisition date. The consideration transferred includes the fair value of assets transferred, equity interest issued by the Group and liabilities assumed. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are recognised in the profit or loss as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

(ii) Accounting for business combinations

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at the reporting date. A subsidiary is consolidated from the date of acquisition, being the date on which the Company obtains control, and continues to be consolidated until the date that such control ceases.

The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company.

Acquisitions of subsidiary are accounted for by applying the acquisition method.

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

2. Summary of significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Accounting for business combinations (continued)

Acquisitions between 1 January 2006 to 1 January 2011

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income.

The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination.

Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in the profit or loss on the date of acquisition.

When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Acquisitions on or after 1 January 2011

For acquisitions on or after 1 January 2011, the Group measures goodwill at the acquisition date as:

- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interests in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

2. Summary of significant accounting policies (continued)

(a) Basis of consolidation (continued)

(ii) Accounting for business combinations (continued)

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Other than those associated with the issue of debt or equity securities, cost related with a business combination are expensed as incurred.

Acquisitions on or after 1 January 2011 (continued)

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and or future service.

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

2. Summary of significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iv) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and other comprehensive income for the year between non-controlling interests and the owners of the Company.

The Group applies Revised MFRS 127, Consolidated and Separate Financial Statements since the beginning of the reporting period.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so caused the non-controlling interests to have a deficit balance.

In the previous years, where losses applicable to the non-controlling interests exceed their interests in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interests, were charged against the Group's interest except to the extent that the non-controlling interests had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reported profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had been recovered.

(v) Transactions with non-controlling interests

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners.

On acquisition of non-controlling interest, the difference between the consideration and the Group's share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

2. Summary of significant accounting policies (continued)

(a) Basis of consolidation (continued)

(vi) Transactions eliminated on consolidation

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

(b) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of the Group and the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia (RM), which are the Group's and the Company's functional currency.

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Group and the Company are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's and the Company's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group and the Company on disposal of the foreign operation.

2. Summary of significant accounting policies (continued)

(b) Foreign currencies (continued)

(ii) Foreign currency transactions (continued)

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operation

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at average exchange rates for the year, which approximates the exchange rate at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2. Summary of significant accounting policies (continued)

(b) Foreign currencies (continued)

(iii) Foreign operation (continued)

The principal exchange rates for every unit of foreign currency ruling at reporting date used are as follow:

	31.03.2018 RM	31.03.2017 RM
1 United States Dollar	3.8635	4.4255
1 Singapore Dollar	2.9490	3.1675
1 EURO	4.7624	4.7313
1 Great British Pound	5.4300	5.5078
100 Indian Rupee	5.9306	6.8217
1 Australian Dollar	2.9735	3.3829
1 Chinese Renminbi	0.6200	0.6425

(c) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured.

(i) Sales of goods

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and provisions, 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 reliably estimated, and there is no continuing measurement involvement with the goods.

Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Revenue from services

Revenue from services provided is recognised net of service tax and discount, where applicable, as and when the services are performed.

2. Summary of significant accounting policies (continued)

(d) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial period in which the associated services are rendered by employees of the Group and 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, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

The Group's and the Company's contribution to defined contribution plans are charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company has no further liability in respect of the defined contribution plans.

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sales.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(f) Tax expense

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

2. Summary of significant accounting policies (continued)

(f) Tax expense (continued)

(ii) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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 future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are 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 the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities are when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination

2. Summary of significant accounting policies (continued)

(g) Impairment

(i) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

Trade and other receivables and other financial assets carried at amortised cost.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2. Summary of significant accounting policies (continued)

(g) Impairment (continued)

(ii) Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

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NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

2. Summary of significant accounting policies (continued)

(h) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. All other repair and maintenance costs are recognised in profit or loss as incurred.

Capital work-in-progress are not depreciated as these assets are not available for use.

Depreciation of other property, plant and equipment is provided for on a straight line basis, at the following annual rates. During the year, the Company estimated life of assets has been revised as follows:

Leasehold improvements	Over the remaining period of lease or 4 years, whichever is lower
Office equipment	5 years
Computer equipment	4 - 5 years
Computer software	3 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2. Summary of significant accounting policies (continued)

(i) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at loans and receivables.

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

2. Summary of significant accounting policies (continued)

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, short term and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(k) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as other financial liabilities.

Other financial liabilities

The Group's and the Company's other financial liabilities include trade and non-trade payables, amount due to ultimate holding company and related companies.

Trade and non-trade payables, amount due to ultimate holding company and related companies are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. Summary of significant accounting policies (continued)

(l) Leases

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liabilities so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight line basis.

(m) Provisions

Provisions are recognised when the Group and the Company have present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations, and a reliable estimate of the amount can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision will be reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability and the present value of the expected expenditure required to settle the obligation.

(n) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

2. Summary of significant accounting policies (continued)

(o) Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of their liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are approved.

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and dividends are discretionary. Dividends thereon are recognised as distributions within equity.

3. Revenue

	Group		Company	
	01.04.2017 to 31.03.2018	01.04.2016 to 31.03.2017 RM	01.04.2017 to 31.03.2018	01.04.2016 to 31.03.2017 RM
Application and support services	242,708,460	243,156,425	133,171,365	121,545,586
Product revenue	1,331,267	1,119,845	1,331,267	1,119,845
	244,039,727	244,276,270	134,502,632	122,665,431

4. Cost of sales

Cost of sales consists of costs attributable to the services rendered. Included in cost of sales are employee benefit expenses of the Group and of the Company amounting to RM145,435,864 (2017: RM179,534,729) and RM103,423,026 (2017: RM90,561,437) respectively.

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5. Other (loss)/ income

	Group		Company	
	01.04.2017 to 31.03.2018 RM	**01.04.2016 to 31.03.2017 RM**	**01.04.2017 to 31.03.2018 RM**	**01.04.2016 to 31.03.2017 RM**
Interest income from related companies	1,263,307	574,342	1,263,307	328,070
Realised foreign currency exchange (loss)/gain, net	(2,106,980)	1,213,082	(223,994)	880,647
Unrealised foreign currency exchange (loss)/gain, net	(6,855,248)	(125,013)	(6,855,248)	(125,013)
Miscellaneous income	70,271	11,434	-	-
	(7,628,650)	1,673,845	(5,815,935)	1,083,704

6. Finance costs

	Group		Company	
	01.04.2017 to 31.03.2018 RM	**01.04.2016 to 31.03.2017 RM**	**01.04.2017 to 31.03.2018 RM**	**01.04.2016 to 31.03.2017 RM**
Bank charges	46,558	43,400	46,558	43,400
	46,558	43,400	46,558	43,400

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7. Profit before tax

	Group		Company	
	01.04.2017 to 31.03.2018 RM	01.04.2016 to 31.03.2017 RM	01.04.2017 to 31.03.2018 RM	01.04.2016 to 31.03.2017 RM
Profit before tax is arrived at after charging/(crediting):				
Auditors' remuneration	280,299	271,877	71,126	107,630
Depreciation (Note 10)	3,290,492	1,586,020	887,093	463,222
Employee benefits expense (Note 8)	110,474,624	116,392,443	66,240,170	63,646,583
Impairment loss on trade receivables (Note 14)	(1,093,843)	1,043,030	-	-
Provision for unutilised leaves	233,415	670,898	233,415	670,898
Rental	3,566,160	3,319,740	932,679	1,154,302
Realised foreign currency exchange loss/(gain), net	2,106,980	(1,213,082)	223,994	(880,647)
Unrealised foreign currency exchange loss	6,855,248	125,013	6,855,248	125,013
Plant and equipment written off	-	883,034	-	76,556

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8. Employee benefits expense

	Group		Company	
	01.04.2017 to 31.03.2018 RM	01.04.2016 to 31.03.2017 RM	01.04.2017 to 31.03.2018 RM	01.04.2016 to 31.03.2017 RM
Staff costs				
- salaries and other emoluments	107,018,199	93,477,232	62,783,745	59,638,409
- defined contribution plan	3,103,754	6,341,708	3,103,754	3,220,742
- social security contribution	(37,134)	15,116,070	(37,134)	74,405
- unutilised leave	233,415	670,898	233,415	670,898
- termination costs	156,390	786,535	156,390	42,129
	110,474,624	116,392,443	66,240,170	63,646,583

The total number of employee, inclusive of executive Directors of the Group and of the Company at the end of the financial year were 903 (2017: 790) and 553 (2017: 501) respectively.

9. Tax expense

	Group		Company	
	01.04.2017 to 31.03.2018 RM	01.04.2016 to 31.03.2017 RM	01.04.2017 to 31.03.2018 RM	01.04.2016 to 31.03.2017 RM
Current income tax				
- Current year	4,292,199	16,404,037	3,993,465	3,854,085
- (Over) provision in prior year	(3,762,569)	-	-	-
	529,630	16,404,037	3,993,465	3,854,085
Deferred tax				
- Current year	1,650,897	(3,408,966)	(681,782)	385,030
- (Over) provision in prior year	-	-	-	-
	2,180,527	12,995,071	3,311,683	4,239,115

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9. Tax expense (continued)

	Group		Company	
	01.04.2017 to 31.03.2018 RM	**01.04.2016 to 31.03.2017 RM**	**01.04.2017 to 31.03.2018 RM**	**01.04.2016 to 31.03.2017 RM**
Reconciliation of effective tax expense				
Profit before tax	26,042,299	42,393,853	15,604,951	17,476,957
Tax computed at statutory tax rate of 24%	6,250,152	10,174,525	3,745,188	4,194,470
Non-deductible expenses	2,345,833	7,851,784	2,322,749	1,531,056
Non-taxable income	(848,820)	(1,217,641)	(848,820)	(1,217,641)
Allowable claims	(3,578,875)	(1,099,707)	(1,337,612)	(1,099,707)
Taxable income	111,960	445,907	111,960	445,907
Effect of higher tax rate of subsidiary	11,949	249,169	-	-
Current income tax for the year	4,292,199	16,404,037	3,993,465	3,854,085
(Over) provision of current tax in prior year	(3,762,569)	-	-	-
Deferred tax assets derecognised / (recognised) during the year	1,650,897	(3,408,966)	(681,782)	385,030
	2,180,527	12,995,071	3,311,683	4,239,115

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

10. Property, plant and equipment

2018 Group	**Leasehold improvements RM**	**Office Equipment* RM**	**Computer Equipment RM**	**Computer software RM**	**Total RM**
Cost					
At 1 April	7,295,938	8,626,162	11,163,961	4,343,248	31,429,309
Additions	-	16,195,266	2,605,116	-	18,800,382
Disposals	-	(379,845)	(3,377,436)	-	(3,757,281)
Translation difference	-	(233,898)	-	-	(233,898)
At 31 March	7,295,938	24,207,685	10,391,641	4,343,248	46,238,512
Accumulated depreciation					
At 1 April	7,295,779	4,747,910	9,286,830	4,343,248	25,673,767
Depreciation charge for the year (Note 7)	159	2,414,920	875,413	-	3,290,492
Disposals	-	(379,845)	(3,377,436)	-	(3,757,281)
Translation difference	-	(75,388)	-	-	(75,388)
At 31 March	7,295,938	6,707,597	6,784,807	4,343,248	25,131,590
Net carrying value	-	17,500,088	3,606,834	-	21,106,922

* Office equipment include movement of capital advance and CWIP.

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

10. Property, plant and equipment (continued)

2017 Group	**Leasehold improvements RM**	**Office Equipment RM**	**Computer Equipment RM**	**Computer software RM**	**Total RM**
Cost					
At 1 April	7,295,938	4,532,665	10,119,272	4,343,248	26,291,123
Additions	-	4,957,328	1,044,689	-	6,002,017
Disposals	-	(956,632)	-	-	(956,632)
Translation difference	-	92,801	-	-	92,801
At 31 March	7,295,938	8,626,162	11,163,961	4,343,248	31,429,309
Accumulated depreciation					
At 1 April	7,295,358	3,594,569	8,835,369	4,343,248	24,068,544
Depreciation charge for the year (Note 7)	421	1,134,138	451,461	-	1,586,020
Disposals	-	(22,377)	-	-	(22,377)
Translation difference	-	41,580	-	-	41,580
At 31 March	7,295,779	4,747,910	9,286,830	4,343,248	25,673,767
Net carrying value	159	3,878,252	1,877,131	-	5,755,542

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

10. Property, plant and equipment (continued)

2018 Company	Leasehold Improvements RM	Office Equipment* RM	Computer equipment RM	Computer Software RM	Total RM
Cost					
At 1 April	7,295,938	2,989,690	11,163,961	4,343,248	25,792,837
Additions	-	23,282	2,605,116	-	2,628,398
Capital Assets Write off	-		(3,377,436)	-	(3,377,436)
At 31 March	7,295,938	3,012,972	10,391,641	4,343,248	25,043,799
Accumulated depreciation					
At 1 April	7,295,779	2,931,201	9,286,830	4,343,248	23,857,058
Depreciation charge for the year (Note 7)	159	11,521	875,413	-	887,093
Capital Assets Write off	-	-	(3,377,436)	-	(3,377,436)
At 31 March	7,295,938	2,942,722	6,784,807	4,343,248	21,366,715
Net carrying value	-	70,250	3,606,834	-	3,677,084

* Office equipment include movement of capital advance and CWIP.

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

10. Property, plant and equipment (continued)

2017 Company	**Leasehold Improvements RM**	**Office equipment RM**	**Computer equipment RM**	**Computer Software RM**	**Total RM**
Cost					
At 1 April	7,295,938	3,026,789	10,119,272	4,343,248	24,785,247
Additions	-	39,457	1,044,689	-	1,084,146
Capital Assets Write off	-	(76,556)	-	-	(76,556)
At 31 March	7,295,938	2,989,690	11,163,961	4,343,248	25,792,837
Accumulated depreciation					
At 1 April	7,295,358	2,919,861	8,835,369	4,343,248	23,393,836
Depreciation charge for the year (Note 7)	421	11,340	451,461	-	463,222
Capital Assets Write off	-	-	-	-	-
At 31 March	7,295,779	2,931,201	9,286,830	4,343,248	23,857,058
Net carrying value	159	58,489	1,877,131	-	1,935,779

11. Investment in a subsidiary

	Company 31.03.2018 RM	Company 31.03.2017 RM
Unquoted shares, at cost	77,149,146	77,149,146
Less: Accumulated impairment loss	(77,149,146)	(77,149,146)
	-	-

Details of subsidiary is as follows:

Name of subsidiary (Country of incorporation)	Effective interest held 2018 %	Effective interest held 2017 %	Principal activities
Axon Solutions (Shanghai) Co. Ltd.* (People's Republic of China)	100	100	Provision of software development, designing and related consulting services.

* Audited by firms other than PKF.

12. Goodwill

	Group 31.03.2018 RM	Group 31.03.2017 RM	Company 31.03.2018 RM	Company 31.03.2017 RM
Goodwill Volvo IT business				
Cost				
At 1 April	275,983	275,983	275,983	275,983
Addition	-	-	-	-
At 31 March	275,983	275,983	275,983	275,983
Accumulated amortisation	-			
At 1 April	-	-	-	-
Amortisation charge	-	-	-	-
At 31 March	-	-	-	-
Net carrying value	275,983	275,983	275,983	275,983

12. Goodwill (continued)

On 15 February 2016, HCL Axon Malaysia Sdn. Bhd. acquired Volvo Malaysia IT business (as a part of global acquisition of Volvo IT business by HCL Technologies Ltd.).

The acquired business is an IT business which was earlier operated by Volvo itself and now the same has been taken over by HCL.

(a) Impairment test for goodwill

Keys assumptions used in value-in-use calculations

The recoverable amount of a cash-generating unit ("CGU") is determined based on financial budgets approved by management covering a two year period.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(i) Budgeted net margin

The basis used to determine the value assigned to the budgeted net margins achieved in the year immediately before the budgeted year increased from expected efficiency improvements. The average net margin applied was 5.1%.

(ii) Growth rate

The weighted average growth rates used are consistent with the long term average growth rate for the industry. The average growth rate applied was 2% per annum.

(iii) Discount rate

The discount rates used are pre-tax and reflect specific risks relating to the relevant segments. The discounts rate applied was 17.7% per annum.

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12. Goodwill (continued)

(b) Sensitivity to changes in assumptions

With regard to the assessment of value-in-use, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the unit to materially exceed their recoverable amounts.

13. Deferred tax assets

	Group		Company	
	31.03.2018 RM	**31.03.2017 RM**	**31.03.2018 RM**	**31.03.2017 RM**
At 1 April	5,041,124	1,529,360	1,144,330	1,529,360
Recognised in profit or loss	(1,757,481)	3,511,764	681,782	(385,030)
At 31 March	3,283,643	5,041,124	1,826,112	1,144,330

The deferred tax assets relating to temporary differences arising from provision made during the year that have been recognised in the financial statements as it is probable that the Group and the Company would generate taxable profits in the near foreseeable future to utilise the benefit arising from the offset of these tax losses and capital allowances.

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14. Trade and non-trade receivables

These include the following:

	Group		Company	
	31.03.2018 RM	31.03.2017 RM	31.03.2018 RM	31.03.2017 RM
Non-current				
Trade receivables	2,477,990	4,271,585	-	-
Current				
Third parties	51,350,575	30,584,990	28,330,107	18,857,746
Less: Allowance for impairment	(2,243,760)	(3,860,570)	(1,982,424)	(2,817,696)
	49,106,815	26,724,420	26,347,683	16,040,050
Unbilled receivables				
Third parties	20,595,132	13,272,792	7,324,652	4,548,643
Related companies	-	11,063,697	-	1,126,230
	20,595,132	24,336,489	7,324,652	5,674,873
Non-trade receivables				
Advance income tax paid	7,633,810	2,982,867	7,633,810	2,982,866
Deposits	567,160	668,506	567,160	668,506
Sundry receivables	7,486,888	7,402,713	241,764	1,473,228
Deferred costs	2,097,061	3,603,939	357,198	984,997
Prepayments	3,418,971	2,403,498	2,168,120	1,732,507
	21,203,890	17,061,523	10,968,052	7,842,104
Total current portion	90,905,837	68,122,432	44,640,387	29,557,027
Total trade and non-trade receivables	93,383,827	72,394,017	44,640,387	29,557,027
Add: Amount due from related parties	101,851,232	123,414,491	62,259,326	60,610,564
Amount due from a subsidiary	-	-	1,313,032	1,244,104
Amount due from ultimate holding company	310,365	1,537,568	310,365	1,537,568
Cash and bank balances	44,824,598	40,113,621	5,941,238	6,818,285
Less: Prepayments	(3,418,971)	(2,403,498)	(2,168,120)	(1,732,507)
Total loans and receivables	236,951,051	235,056,199	112,296,228	98,035,041

14. Trade and non-trade receivables (continued)

Trade receivables are non-interest bearing and generally on 30 to 90 days credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. Ageing analysis of the Group's and of the Company's trade receivables is as follows:

	Group		**Company**	
	31.03.2018 RM	**31.03.2017 RM**	**31.03.2018 RM**	**31.03.2017 RM**
Neither past due nor impaired	6,792,988	28,926,144	17,585,478	14,641,150
1 to 90 days past due not impaired	20,460,844	925,080	4,487,084	494,613
91 to 180 days past due not impaired	24,330,973	1,144,781	4,275,121	904,287
	44,791,817	2,069,861	8,762,205	1,398,900
Specific Impairment	2,243,760	3,860,570	1,982,424	2,817,696
	53,828,565	34,856,575	28,330,107	18,857,746

Receivables that are neither past due nor impaired

Trade and non-trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company. None of the Group's and of the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM44,791,817 (2017: RM2,069,861) and RM8,762,205 (2017: RM1,398,900) respectively that are past due at the reporting date but not impaired. Based on credit history, there are no indications as at reporting date that these customers will not be able to meet their obligations. These amounts are unsecured in nature.

14. Trade and non-trade receivables (continued)

Receivables that are past due but not impaired (continued)

The Group's and the Company's trade receivables that impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group		Company	
	31.03.2018	**31.03.2017**	**31.03.2018**	**31.03.2017**
	RM	**RM**	**RM**	**RM**
Trade receivables – nominal amounts	2,243,760	3,860,570	1,982,424	2,817,696
Less: Allowance for Impairment	(2,243,760)	(3,860,570)	(1,982,424)	(2,817,696)
	-	-	-	-

Movement in allowance for impairment accounts:

	Group		Company	
	01.04.2017 to 31.03.2018	**01.04.2016 to 31.03.2017**	**01.04.2017 to 31.03.2018**	**01.04.2016 to 31.03.2017**
	RM	**RM**	**RM**	**RM**
At 1 April	3,860,570	4,123,871	2,817,696	4,063,637
Utilised during the year	(573,936)	(1,350,368)	(835,272)	(1,286,267)
Charge for the year (Note 7)	(1,093,843)	1,043,030	-	-
Translation difference	50,969	44,037	-	40,326
At 31 March	2,243,760	3,860,570	1,982,424	2,817,696

Trade receivables that are individually determined to be impaired at the reporting date related to debtors that have been outstanding more than 365 days. These receivables are not secured by any collateral or credit enhancements.

Unbilled receivables – Related Companies

These are unsecured, interest free and repayable under normal trade term subsequent to billings.

15. Amount due from/(to) ultimate holding company

Amount due from/(to) ultimate holding company represent trade balances which are unsecured, interest free with credit term of 30 to 90 days.

16. Amount due from a subsidiary

Amount due from a subsidiary represents trade balances which are unsecured, interest free with credit term of 30 to 90 days.

17. Amount due from/(to) related companies

	Group		Company	
	31.03.2018	**31.03.2017**	**31.03.2018**	**31.03.2017**
	RM	**RM**	**RM**	**RM**
Amount due from related Companies				
– non-interest bearing	101,851,232	66,251,376	14,154,376	8,309,489
– interest bearing	-	57,163,115	48,104,950	52,301,075
	101,851,232	123,414,491	62,259,326	60,610,564
Amount due to related Companies				
– non-interest bearing	(84,761,945)	(63,257,695)	(7,058,830)	(2,910,392)
– interest bearing	-	-	-	-
	(84,761,945)	(63,257,695)	(7,058,830)	(2,910,392)

Related companies are companies within the HCL Technologies Ltd. group of companies.

The non-trade amounts due from/(to) related companies are unsecured, effective interest rate of 2.5% per annum and repayable on demand.

18. Share capital

(a) Ordinary shares

	Group and Company			
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	Number of ordinary shares		RM	RM
Issued and fully paid at 1 April/31 March	10,000,000	10,000,000	10,000,000	10,000,000

(b) Preference shares

	Group and Company			
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	Number of ordinary shares		RM	RM
Issued and fully paid: at 1 April/31 March	12,000,000	12,000,000	12,000,000	12,000,000

(c) Total share capital

	Group and Company			
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	Number of ordinary shares		RM	RM
Total issued and fully paid: at 1 April/31 March	22,000,000	22,000,000	22,000,000	22,000,000

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18. Share capital (continued)

(c) Total share capital (continued)

The main features of the Redeemable Convertible Cumulative Preference Shares ("RCCPS") are as follows:

(i) The RCCPS may at the option of the Company be redeemed or converted;

(ii) The RCCPS are issued for a period of 10 years;

(iii) The RCCPS holders shall be entitled to a cumulative preferential dividend payment at a rate to be determined by the Directors on the nominal value of the preference shares;

(iv) The RCCPS holders shall be entitled to participate in the surplus profits remaining after the payment of the cumulative preferential dividend at a rate to be determined by the Directors;

(v) The RCCPS holders shall be entitled to one vote for each RCCPS held at any meeting; and

(vi) The RCCPS holders shall be entitled to receive all notices, reports and balance sheet of the Company.

The Board of Directors do not recommend any dividend payable for the 15,000,000 Redeemable Convertible Cumulative Preference shares of RM1.00 each issued on 29 April 2013 for the financial years ended 30 June 2013, 30 June 2014, 30 June 2015, 31 March 2017 and 31 March 2018.

19. Share premium

The Companies Act, 2016 abolishes the concept of par and nominal value in shares. Effectively, this renders the share premium account of the Group and of the Company to be no longer relevant. Instead the amount standing in the share premium will be recognised as part of the Group's and the Company's share capital.

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

20. Trade and non-trade payables

These include the following:

	Group		Company	
	31.03.2018 RM	31.03.2017 RM	31.03.2018 RM	31.03.2017 RM
Trade payables - third parties	8,942,870	5,383,186	1,174,674	1,356,637
Deferred revenue	3,425,978	2,959,478	3,425,978	2,959,478
Advance from customers	17,390	59,359	17,390	-
Accruals and provision	14,466,691	24,272,819	8,897,904	9,720,493
Sundry payables	1,441,194	441,304	819,482	441,304
	15,907,885	24,714,123	9,717,386	10,161,797
Total trade and non-trade Payables	28,294,123	33,116,146	14,335,428	14,477,912
Add: Amount due to ultimate holding company	6,119,420	18,445,251	3,238,951	6,411,750
Amount due to related Companies	84,761,945	63,257,695	7,058,830	2,910,392
Total financial liabilities at amortised cost	119,175,488	114,819,092	24,633,209	23,800,054

The trade payables are non-interest bearing and generally on 30 days credit terms.

21. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and the Company and the related parties took place at terms of agreed between the parties during the financial year:-

	Group		Company	
	31.03.2018 RM	31.03.2017 RM	31.03.2018 RM	31.03.2017 RM
Sales to				
- related companies	69,960,746	95,141,381	46,424,641	48,229,062
- subsidiary	-	-	109,590	312,645
- ultimate holding company	6,537,236	3,772,063	4,247,757	3,772,063
Purchases from				
- related companies	24,635,157	28,699,050	3,830,937	7,031,069
- subsidiary	-	-	-	-
- ultimate holding company	15,995,952	8,259,801	13,898,721	8,259,801
Interest income from related companies	1,263,307	328,070	1,263,307	328,070

The Directors are of the opinion that the transactions above have been entered into in the normal course of business and have been established on terms and conditions mutually agreed between the relevant parties.

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22. Net gains and losses arising from financial instruments

	Group		Company	
	31.03.2018 RM	31.03.2017 RM	31.03.2018 RM	31.03.2017 RM
Net gains / (losses) arising on:-				
Unrealised gain on foreign exchange:-				
- Cash and bank balances	-	-	-	-
- Due from related parties	8,395,207	(1,091,642)	8,395,207	(1,091,642)
- Due to related parties	(1,655,559)	1,333,254	(1,655,559)	1,333,254
- Other payables	(24,687)	(20,617)	(24,687)	(20,617)
- Other receivables	20,724	(7,333)	20,724	(7,333)
- Trade payables	(2,134)	5,098	(2,134)	5,098
- Trade receivables	122,940	(106,066)	122,940	(106,066)
- Unbilled receivables	(1,243)	12,319	(1,243)	12,319
	6,855,248	125,013	6,855,248	125,013
Realised gain on foreign exchange:-				
- Cash and bank balances	2,245,297	(33,221)	319,991	(45,551)
- Due from related parties	(982,625)	(986,852)	(102,304)	(828,278)
- Due to related parties	926,991	(126,796)	7,580	59,395
- Other payables	(36,037)	13,175	(39,363)	13,175
- Other receivables	12,137	(13,446)	12,137	(13,446)
- Trade payables	(47,459)	559	(44,322)	559
- Trade receivables	150,334	(58,236)	81,144	(58,236)
- Unbilled receivables	(161,658)	(8,265)	(1,869)	(8,265)
	2,106,980	(1,213,082)	223,994	(880,647)
Grand Total	8,962,228	(1,088,069)	7,079,242	(755,634)

23. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, foreign currency risk and liquidity risk.

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 whilst managing its credit risk, interest rate risk, foreign currency risk and liquidity risk.

The following sections provide details regarding the Group's and the Company's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit Risk

The Group's and the Company's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and non-trade receivables. The Group and the Company manage its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group and the Company establish an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for the Group's and the Company's of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

<u>Credit risk concentration profile</u>

The Group and the Company do not have significant concentration of credit risk as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

23. Financial risk management objectives and policies (continued)

(a) Credit Risk (continued)

Exposure to credit risk

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement. The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

(b) Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period).

23. Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

The table below summaries the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligation.

	Group		Company	
	31.03.2018 RM	31.03.2017 RM	31.03.2018 RM	31.03.2017 RM
Financial liabilities:				
Trade payables	8,942,870	5,383,186	1,174,674	1,356,637
Deferred revenue	3,425,978	2,959,478	3,425,978	2,959,478
Advance from customers	17,390	59,359	17,390	-
Non-trade payables and accruals	15,907,885	24,714,123	9,717,386	10,161,797
Amount due to ultimate holding company	6,119,420	18,445,251	3,238,951	6,411,750
Amount due to related companies	84,761,945	63,257,695	7,058,830	2,910,392
Total undiscounted financial liabilities	119,175,488	114,819,092	24,633,209	23,800,054

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arise mainly from interest-bearing financial assets and liabilities. The Group's and the Company's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group and the Company will be placed with licensed financial institutions to generate interest income.

As of 31 March 2018, the Group and the Company have minimal interest-bearing financial assets and liabilities.

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23. Financial risk management objectives and policies (Continued)

(d) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily Great British Dollar, United States Dollar, Singapore Dollar, Chinses Yuan, Euro Dollar, India Rupee and Australian Dollar. Foreign currency risk is monitored closely on an on-going basis to ensure that the net exposure is at an acceptable level. On occasion, the Company enters into forward foreign currency contracts to hedge against its foreign currency risk.

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:

	Group		Company	
	31.03.2018	**31.03.2017**	**31.03.2018**	**31.03.2017**
	RM	**RM**	**RM**	**RM**
USD/RM				
– strengthened 3%	1,009,272	1,174,956	1,466,412	1,204,859
– weakened 3%	(1,009,272)	(1,174,956)	(1,466,412)	(1,204,859)
SGD/RM				
– strengthened 3%	12,008	16,424	12,561	16,844
– weakened 3%	(12,008)	(16,424)	(12,561)	(16,844)
EURO/RM				
– strengthened 3%	7,289	11,889	7,289	11,889
– weakened 3%	(7,289)	(11,889)	(7,289)	(11,889)
GBP/RM				
– strengthened 3%	482,522	380,848	490,967	387,266
– weakened 3%	(482,522)	(380,848)	(490,967)	(387,266)
INR/RM				
– strengthened 3%	163	4,958	163	4,958
– weakened 3%	(163)	(4,958)	(163)	(4,958)
AUD/RM				
– strengthened 3%	6,723	9,022	6,723	9,022
– weakened 3%	(6,723)	(9,022)	(6,723)	(9,022)
CNY/RM				
– strengthened 3%	1,308,033	1,105,373	4,175	16,048
– weakened 3%	(1,308,033)	(1,105,373)	(4,175)	(16,048)

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

23. Financial instruments (continued)

(d) Foreign currency risk (continued)

The Group's and Company's exposure to foreign currency is as follows (continued)

2018 Group	**United States Dollar RM**	**Singapore Dollar RM**	**Ringgit Malaysia RM**	**Euro RM**	**British Pound RM**	**Indian Rupee RM**	**Australian Dollar RM**	**Chinese Yuan Reminbi RM**	**Others RM**	**Total RM**
Financial assets										
Trade receivables	461,954	-	25,744,749	141,443	-	-	-	22,759,132	(463)	49,106,815
Non trade receivables and deposits	4,140,067	148	4,441,704	-	641	7,329	2,965	8,984,987	207,078	17,784,919
Unbilled receivables	(1,419,883)	-	8,744,535	-	-	-	-	13,270,480	-	20,595,132
Amount due from related companies	94,025,049	(152,994)	23,394,080	722,591	(16,076,578)	(5,833)	221,144	-	(276,227)	101,851,232
Amount due from ultimate holding company	(3,975)	-	314,255	-	-	85	-	-	-	310,365
Cash and bank balances	25,720,709	-	5,941,238	-	-	-	-	13,162,651	-	44,824,598
	122,923,921	(152,846)	68,580,561	864,034	(16,075,937)	1,581	224,109	58,177,250	(69,612)	234,473,061

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

23. Financial instruments (continued)

(d) Foreign currency risk (continued)

The Group's and Company's exposure to foreign currency is as follows (continued)

2018 Group	**United States Dollar RM**	**Singapore Dollar RM**	**Ringgit Malaysia RM**	**Euro RM**	**British Pound RM**	**Indian Rupee RM**	**Australian Dollar RM**	**Chinese Yuan Reminbi RM**	**Others RM**	**Total RM**
Financial liabilities										
Trade payables	(112,300)	-	(1,062,374)	-	-	-	-	(7,768,196)	-	(8,942,870)
Deferred revenue	-	-	(3,425,978)	-	-	-	-	-	-	(3,425,978)
Non-trade payables and accruals	(709,020)	(107,123)	(8,890,136)	(2,335)	(8,145)	(627)	-	(6,190,499)	-	(15,907,885)
Amount due to ultimate holding company	(63,980)	-	(6,049,039)	-	-	(6,401)	-	-	-	(6,119,420)
Amount due to related companies	(88,396,225)	(140,301)	3,695,918	(1,104,658)	-	-	-	(617,454)	1,800,775	(84,761,945)
	(89,281,525)	(247,424)	(15,731,609)	(1,106,993)	(8,145)	(7,028)	-	(14,576,149)	1,800,775	(119,158,098)
Net financial assets / (liabilities)	33,642,396	(400,270)	52,848,952	(242,959)	(16,084,082)	(5,447)	224,109	43,601,102	1,731,163	115,314,963

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

23. Financial instruments (continued)

(d) Foreign currency risk (continued)

The Group's and Company's exposure to foreign currency is as follows (continued)

2017 Group	United States Dollar	Singapore Dollar	Ringgit Malaysia	Euro	British Pound	Indian Rupee	Australian Dollar	Chinese Yuan Reminbi	Others	Total
Financial assets	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
Trade receivables	963,685	-	15,074,916	-	-	-	-	14,955,955	1,449	30,996,005
Non trade receivables and deposits	4,329,534	(104)	1,760,645	-	641	11,868	-	8,548,427	6,814	14,658,825
Unbilled receivables	(90,084)	-	5,764,957	-	-	-	-	18,661,616	-	24,338,489
Amount due from related companies	113,117,460	(152,994)	26,320,465	(34,311)	(15,977,059)	(5,833)	395,890	-	(249,127)	123,414,491
Amount due from ultimate holding company	475,877	-	1,061,954	-	-	(263)	-	-	-	1,537,568
Cash and bank balances	8,288,505	-	6,818,285	-	-	-	-	25,006,831	-	40,113,621
	127,084,977	(153,098)	56,801,222	(34,311)	(15,976,418)	5,772	395,890	67,172,829	(240,864)	235,056,199

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

23. Financial instruments (continued)

(a) Foreign currency risk (continued)

The Group's and Company's exposure to foreign currency is as follows (continued)

2017 Group	**United States Dollar**	**Singapore Dollar**	**Ringgit Malaysia**	**Euro**	**British Pound**	**Indian Rupee**	**Australian Dollar**	**Chinese Yuan Reminbi**	**Others**	**Total**
Financial liabilities	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
Trade payables	383	(44,029)	(1,302,794)	-	-	-	-	(4,026,549)	(10,197)	(5,383,186)
Deferred revenue	-	-	(2,959,478)	-	-	-	-	-	-	(2,959,478)
Advance from customers	-	-	-	-	-	-	-	(59,359)	-	(59,359)
Non-trade payables and accruals	(1,522,975)	(114,495)	(8,225,614)	(296,958)	-	(1,755)	-	(14,552,326)	-	(24,714,123)
Amount due to ultimate holding company	(15,998,651)	-	(2,361,069)	-	-	(221,488)	-	-	135,957	(18,445,251)
Amount due to related companies	(58,030,571)	(408,732)	(38,932)	(190,184)	(727,425)	-	(191)	(53,335)	(3,808,325)	(63,257,695)
	(75,551,814)	(567,256)	(14,887,887)	(487,142)	(727,425)	(223,243)	(191)	(18,691,569)	(3,682,565)	(114,819,092)
Net financial assets/(liabilities)	51,533,163	(720,354)	41,913,535	(521,453)	(16,703,843)	(217,471)	395,699	48,481,260	(3,923,429)	120,237,107

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

23. Financial instruments (continued)

(d) Foreign currency risk (continued)

The Group's and Company's exposure to foreign currency is as follows (continued)

2018 **Company**	**United States Dollar RM**	**Singapore Dollar RM**	**Ringgit Malaysia RM**	**Euro RM**	**British Pound RM**	**Indian Rupee RM**	**Australian Dollar RM**	**Chinese Yuan Renminbi RM**	**Others RM**	**Total RM**
Financial assets										
Trade receivables	461,954	-	25,744,749	141,443	-	-	-	-	(463)	26,347,683
Non trade receivables and deposit	4,140,067	148	4,441,704	-	641	7,329	2,965	-	207,078	8,799,932
Unbilled receivables	(1,419,883)	-	8,744,535	-	-	-	-	-	-	7,324,652
Amount due from related companies	54,433,143	(152,994)	23,394,080	722,591	(16,076,578)	(5,833)	221,144	-	(276,227)	62,259,326
Amount due from a Subsidiary	(32,966)	(18,415)	893,316	-	(281,492)	-	-	756,618	(4,029)	1,313,032
Amount due from ultimate holding company	(3,975)	-	314,255	-	-	85	-	-	-	310,365
Cash and bank balances	-	-	5,941,238	-	-	-	-	-	-	5,941,238
	57,578,340	(171,261)	69,473,877	864,034	(16,357,429)	1,581	224,109	756,618	(73,641)	112,296,228

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

23. Financial instruments (continued)

(d) Foreign currency risk (continued)

The Group's and Company's exposure to foreign currency is as follows (continued)

2018 Company	United States Dollar RM	Singapore Dollar RM	Ringgit Malaysia RM	Euro RM	British Pound RM	Indian Rupee RM	Australian Dollar RM	Chinese Yuan Renminbi RM	Others RM	Total RM
Financial liabilities										
Trade payables	(112,300)	-	(1,062,374)	-	-	-	-	-	-	(1,174,674)
Deferred revenue	-	-	(3,425,978)	-	-	-	-	-	-	(3,425,978)
Non-trade payables and accruals	(709,020)	(107,123)	(8,890,136)	(2,335)	(8,145)	(627)	-	-	-	(9,717,386)
Amount due to ultimate holding company	2,816,489	-	(6,049,039)	-	-	(6,401)	-	-	-	(3,238,951)
Amount due to related companies	(10,693,110)	(140,301)	3,695,918	(1,104,658)	-	-	-	(617,454)	1,800,775	(7,058,830)
	(8,697,941)	(247,424)	(15,731,609)	(1,106,993)	(8,145)	(7,028)	-	(617,454)	1,800,775	(24,615,819)
Net financial assets / (liabilities)	48,880,399	(418,685)	53,742,268	(242,959)	(16,365,574)	(5,447)	224,109	139,164	1,727,134	87,680,409

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

23. Financial instruments (continued)

(d) Foreign currency risk (continued)

The Group's and Company's exposure to foreign currency is as follows (continued)

2017 **Company**	**United States Dollar RM**	**Singapore Dollar RM**	**Ringgit Malaysia RM**	**Euro RM**	**British Pound RM**	**Indian Rupee RM**	**Australian Dollar RM**	**Chinese Yuan Renminbi RM**	**Others RM**	**Total RM**
Financial assets										
Trade receivables	963,685	-	15,074,916	-	-	-	-	-	1,449	16,040,050
Non trade receivables and deposit	4,329,534	(104)	1,760,845	-	641	11,868	-	-	6,813	6,109,597
Unbilled receivables	(90,084)	-	5,764,957	-	-	-	-	-	-	5,674,873
Amount due from related companies	50,313,533	(152,994)	26,320,465	(34,311)	(15,977,059)	(5,833)	395,890	-	(249,127)	60,610,564
Amount due from a Subsidiary	23,169	(18,415)	767,664	-	(281,492)	-	-	757,208	(4,030)	1,244,104
Amount due from ultimate holding company	475,877	-	1,061,954	-	-	(263)	-	-	-	1,537,568
Cash and bank balances	-	-	6,818,285	-	-	-	-	-	-	6,818,285
	56,015,714	(171,513)	57,569,086	(34,311)	(16,257,910)	5,772	395,890	757,208	(244,895)	98,035,041

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

23. Financial instruments (continued)

(d) Foreign currency risk (continued)

The Group's and Company's exposure to foreign currency is as follows (continued)

2017 Company	United States Dollar RM	Singapore Dollar RM	Ringgit Malaysia RM	Euro RM	British Pound RM	Indian Rupee RM	Australian Dollar RM	Chinese Yuan Renminbi RM	Others RM	Total RM
Financial liabilities										
Trade payables	383	(44,029)	(1,302,794)	-	-	-	-	-	(10,197)	(1,356,637)
Deferred revenue	-	-	(2,959,478)	-	-	-	-	-	-	(2,959,478)
Non-trade payables and accruals	(1,522,975)	(114,495)	(8,225,614)	(296,958)	-	(1,755)	-	-	-	(10,161,797)
Amount due to ultimate holding company	(463,792)	-	(2,361,069)	-	-	(221,488)	-	-	135,957	(2,910,392)
Amount due to related companies	(1,184,626)	(408,732)	(38,932)	(190,184)	(727,425)	-	(191)	(53,335)	(3,808,325)	(6,411,750)
	(3,171,010)	(567,256)	(14,887,887)	(487,142)	(727,425)	(223,243)	(191)	(53,335)	(3,682,565)	(23,800,054)
Net financial assets / (liabilities)	52,844,704	(738,769)	42,681,199	(521,453)	(16,985,335)	(217,471)	395,699	703,873	(3,927,460)	74,234,987

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

24. Fair values

In respect of financial instruments classified under current assets and current liabilities, the carrying amounts approximate the fair values due to relatively short term nature of these financial instruments.

25. Significant Event During the year

On 31 January 2017, the Companies Act, 2016 ("the Act") in Malaysia became effective and rendered the par value regime no longer applicable. This has resulted in the Company's share capital no longer having par values and the authorised share capital no longer relevant at the date of the report.

The Act abolishes the concept of par and nominal value in shares. Effectively, this render the share premium account of the Company to be no longer relevant. Instead the amount in the share premium account will be recogised as part of the Company's share capital.

26. Capital management

The Group and the Company manage its capital to ensure the Group and the Company will maintain an optimal capital structure so as to support the businesses and maximise shareholder value. To achieve this objective, the Group and the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares. The Group's and the Company's strategies were unchanged from the previous financial year.

There is no external capital requirement imposed on the Group and the Company.

27. Holding companies

The immediate holding company is Axon Group Ltd, a company incorporated in the United Kingdom with its registered office at Axon Centre, Church Road, Egham, Surrey, TW20 9QB, United Kingdom.

The ultimate holding company is HCL Technologies Limited, a company incorporated in India with its registered office at 806, Siddharth, 96 Nehru Place, New Delhi 110019, India and listed on the NSE (National Stock Exchange, Bombay) and BSE (Bombay Stock Exchange).

NOTES TO THE FINANCIAL STATEMENTS AT 31 MARCH 2018

28. Corporate Information

The Company is a private limited company, incorporated and domicile in Malaysia.

The principal activity of the Company is the provision of information technology management consultancy.

The principal activities of the subsidiaries are as disclosed in Note 11 to the financial statements. There has been no significant change in the nature of the principal activities during the financial year.

The registered office and the principal place of business of the Company are located at L5-E-1B, Level 5, Enterprise 4, Technology Park Malaysia, Lebuhraya Puchong-Sg. Besi, Bukit Jalil, 57000 Kuala Lumpur.

The financial statements were authorised for issue by the Board of the Directors in accordance with a resolution of the directors on