

Company No.: 807569-H

20 MICRONS SDN. BHD.
(Incorporated in Malaysia)

ANNUAL REPORT AND FINANCIAL STATEMENTS
31 MARCH 2017

K. S. HO & CO. (AF 1243)
Chartered Accountants

20 MICRONS SDN. BHD.

(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31 MARCH 2017

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20 MICRONS SDN. BHD.

(Incorporated in Malaysia)

CORPORATE INFORMATION

DIRECTORS

Atil Chandresh Parikh
Krishnaji Rao Vengoba Rao
Rajesh Chandreshbhai Parikh

SECRETARY

Ng Soo Kuan (MIA 16927)

REGISTERED OFFICE

No. 6, Jalan Chew Sin On
31650 Ipoh
Perak Darul Ridzuan

PRINCIPAL PLACE OF BUSINESS

No. 26, Persiaran Sepakat 4
Taman Indah Jaya
31350 Ipoh
Perak Darul Ridzuan

AUDITORS

K.S. Ho & Co. (AF1243)
Chartered Accountants

20 MICRONS SDN. BHD.

(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors are pleased to submit their report together with the audited financial statements of the Company for the financial year ended 31 March 2017.

PRINCIPAL ACTIVITY

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

There has been no significant change in the nature of this activity during the current financial year under review.

FINANCIAL RESULTS

RM

Profit after taxation for the financial year

561,194**DIVIDENDS**

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

SHARE OPTIONS

There were no share options granted during the financial year or unissued shares under option at the end of the financial year in respect of shares in the Company.

DIRECTORS

The Directors who have held office since the date of the last report are:

Atil Chandresh Parikh
 Krishnaji Rao Vengoba Rao
 Rajesh Chandreshbhai Parikh

DIRECTORS' INTERESTS IN SHARES

The Directors holding office at the end of the financial year and their interests in the share capitals of the Company and its immediate and ultimate holding company, 20 Microns Limited during the financial year as recorded in the register of Directors' shareholdings are as follows:

	Number of ordinary shares			
	As at 1-Apr-16	Acquired	Disposed	As at 31-Mar-17
<u>The Company</u>				
Direct interest				
Atil Chandresh Parikh	-	-	-	-
Krishnaji Rao Vengoba Rao	1	-	-	1
Rajesh Chandreshbhai Parikh	1	-	-	1
	Number of ordinary shares of IR10 each			
	As at 1-Apr-16	Acquired	Disposed	As at 31-Mar-17
<u>20 Microns Limited</u>				
Direct interest				
Atil Chandresh Parikh	279,978	-	-	279,978
Krishnaji Rao Vengoba Rao	-	-	-	-
Rajesh Chandreshbhai Parikh	279,978	-	-	279,978

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects 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.

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

OTHER STATUTORY INFORMATION

Before the statement of comprehensive income and statement of financial position of the Company were made out, the Directors took reasonable steps:

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

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

- (a) which would render it necessary to write off any debt or to make an allowance for doubtful debts in respect of the financial statements; or
- (b) which would render the values attributed to current assets in the financial statements of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the financial statements misleading.

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

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

In the opinion of the Directors:

- (a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may substantially affect the ability of the Company to meet its obligations as and when they fall due; and
- (b) the results of the operations of the Company for the financial year ended 31 March 2017 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 year and the date of this report.

ULTIMATE HOLDING COMPANY

The immediate and ultimate holding company is 20 Microns Limited, a company incorporated in India and listed on the Bombay Stock Exchange and National Stock Exchange, which holds 99.99% of the Company's issued equities.

AUDITORS

The auditors, Messrs K.S. Ho & Co., have indicated their willingness to accept re-appointment.

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

KRISHNAJI RAO VENGOBA RAO
DIRECTOR

RAJESH CHANDRESHBHAI PARIKH
DIRECTOR

Ipoh, Perak Darul Ridzuan

8 May 2017

20 MICRONS SDN. BHD.

(Incorporated in Malaysia)

STATEMENT BY THE DIRECTORS

We, KRISHNAJI RAO VENGOBA RAO and RAJESH CHANDRESHBHAI PARIKH, being two of the Directors of 20 MICRONS SDN. BHD., state that in the opinion of the Directors, the financial statements set out on pages 11 to 24 are drawn up in accordance with Malaysian Private Entities Reporting Standard and the requirements of Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 March 2017 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 8 May 2017.

KRISHNAJI RAO VENGOBA RAO
DIRECTOR

RAJESH CHANDRESHBHAI PARIKH
DIRECTOR

Ipoh, Perak Darul Ridzuan

STATUTORY DECLARATION

I, KRISHNAJI RAO VENGOBA RAO (Passport No. : Z1763607), being the Director primarily responsible for the financial management of 20 MICRONS SDN. BHD., do solemnly and sincerely declare that the financial statements set out on pages 11 to 24 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

KRISHNAJI RAO VENGOBA RAO
DIRECTOR

Subscribed and solemnly declared by the abovenamed KRISHNAJI RAO VENGOBA RAO at Ipoh in the State of Perak Darul Ridzuan on 8 May 2017.

Before me,

COMMISSIONER FOR OATHS

Ipoh, Perak Darul Ridzuan

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

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of 20 MICRONS SDN. BHD., which comprise the statement of financial position as at 31 March 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 11 to 24.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2017, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
20 MICRONS SDN. BHD. (Cont'd)**
(Incorporated in Malaysia)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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 Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

K.S.HO & CO

Chartered Accountants (AF 1243)

15A, Persiaran Pinggir Rapat 3,
Taman Saikat, 31350 Ipoh,
Perak Darul Ridzuan.
Tel / Fax: +605-311 1937

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 20 MICRONS SDN. BHD. (Cont'd) (Incorporated in Malaysia)

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.



K.S.HO & CO

Chartered Accountants (AF 1243)

15A, Persiaran Pinggir Rapat 3,
Taman Saikat, 31350 Ipoh,
Perak Darul Ridzuan.
Tel / Fax : +605-311 1937

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 20 MICRONS SDN. BHD. (Cont'd)

(Incorporated in Malaysia)

Other Matters

1. As stated in Note 2(a) to the financial statements, 20 Microns Sdn. Bhd. adopted Malaysian Private Entities Reporting Standard on 1 April, 2016 with a transition date of 1 April, 2015. These standards were applied retrospectively by the Directors to the comparative information in these financial statements, including the statement of financial position of the Company as at 31 March, 2016, and the statement of comprehensive income, statement of changes in equity and the statement of cash flows of the Company for the year ended 31 March, 2016 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of the audit of the financial statements of the Company for the year ended 31 March, 2017, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April, 2016 do not contain misstatements that materially affect the financial position as at 31 March, 2017 and the financial performance and cash flows for the year then ended.

2. 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.

K.S. HO & CO.
[AF: 1243]
Chartered Accountants

Ipoh, Perak Darul Ridzuan

8 May 2017

HO KAH SING
[2010/02/18(J)]
Chartered Accountant

20 MICRONS SDN. BHD.

(Incorporated in Malaysia)

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017**

	<u>Note</u>	<u>2017</u> RM	<u>2016</u> RM
NON-CURRENT ASSETS			
Property, plant and equipment	4	46,618	60,120
CURRENT ASSETS			
Trade receivables	5	946,797	450,066
Other receivables, deposits and prepayment	6	491,603	414,037
Cash and bank balances	7	815,617	316,379
TOTAL CURRENT ASSETS		2,254,017	1,180,482
TOTAL ASSETS		2,300,635	1,240,602
EQUITY			
Share capital	8	360,002	360,002
Retained earnings	9	1,108,546	547,352
TOTAL EQUITY		1,468,548	907,354
NON-CURRENT LIABILITIES			
Hire purchase payables	10	27,471	37,357
Deferred tax liabilities	11	-	575
TOTAL NON-CURRENT LIABILITIES		27,471	37,932
CURRENT LIABILITIES			
Trade payables	12	517,538	138,051
Other payables and accruals	13	258,653	135,438
Hire purchase payables	10	9,885	9,253
Current tax liabilities		18,540	12,574
TOTAL CURRENT LIABILITIES		804,616	295,316
TOTAL LIABILITIES		832,087	333,248
TOTAL EQUITY AND LIABILITIES		2,300,635	1,240,602

20 MICRONS SDN. BHD.

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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

	<u>Note</u>	<u>2017</u> RM	<u>2016</u> RM
REVENUE	14	3,165,957	2,202,111
COST OF SALES	15	<u>(2,349,099)</u>	<u>(1,526,922)</u>
GROSS PROFIT		816,858	675,189
OTHER OPERATING INCOME	16	248,061	101,031
OPERATING EXPENSES		<u>(409,767)</u>	<u>(312,313)</u>
PROFIT FROM OPERATIONS	17	655,152	463,907
FINANCE COSTS	19	<u>(2,555)</u>	<u>(1,514)</u>
PROFIT BEFORE TAXATION		652,597	462,393
TAX EXPENSE	20	<u>(91,403)</u>	<u>(86,266)</u>
PROFIT AFTER TAXATION		<u><u>561,194</u></u>	<u><u>376,127</u></u>

20 MICRONS SDN. BHD.

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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Share capital	Retained earnings	Total
	RM	RM	RM
At 1 April 2015	360,002	531,227	891,229
Net profit for the financial year	-	376,127	376,127
Dividend paid	-	(360,002)	(360,002)
At 31 March 2016	360,002	547,352	907,354
Net profit for the financial year	-	561,194	561,194
At 31 March 2017	360,002	1,108,546	1,468,548

20 MICRONS SDN. BHD.

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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017**

	<u>Note</u>	<u>2017</u> RM	<u>2016</u> RM
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		652,597	462,393
Adjustments for :			
Depreciation of plant and equipment		13,502	7,131
Gain on disposal of plant and equipment		-	(4,498)
		<u>666,099</u>	<u>465,026</u>
Net movement in working capital:			
Receivables		(574,297)	53,180
Payables		<u>502,702</u>	<u>63,517</u>
Cash generated from operating activities		594,504	581,723
Income tax refund		-	3,001
Current tax liabilities paid		<u>(86,012)</u>	<u>(76,500)</u>
Net operating cash flow		<u>508,492</u>	<u>508,224</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of plant and equipment	21	-	(14,451)
Proceeds from disposal of plant and equipment		-	4,500
Net investing cash flow		<u>-</u>	<u>(9,951)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Payment of hire purchase payables		(9,254)	(4,390)
Dividend paid		-	(360,002)
Net financing cash flow		<u>(9,254)</u>	<u>(364,392)</u>
Net movement in cash and cash equivalents		499,238	133,881
Cash and cash equivalents brought forward		<u>316,379</u>	<u>182,498</u>
Cash and cash equivalents carried forward	7	<u>815,617</u>	<u>316,379</u>

20 MICRONS SDN. BHD.

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2017**1. GENERAL INFORMATION**

The Company is a private limited company incorporated and domiciled in Malaysia. The Company is principally engaged in trading of calcium carbonate. There have been no significant changes in the nature of these activities during the current financial year under review.

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

The principal place of business of the Company is located at No. 26, Persiaran Sepakat 4, Taman Indah Jaya, 31350 Ipoh, Perak Darul Ridzuan.

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

These financial statements were authorised for issuance by the Board of Directors on 8 May 2017.

2. BASIS OF PREPARATION**(a) Statement of compliance**

The financial statements of the Company have been prepared in accordance with Malaysian Private Entities Reporting Standard ("MPERS") and the requirements of Companies Act, 2016 in Malaysia. These are the Company's first financial statements prepared in accordance with MPERS.

In the previous years, the financial statements of the Company were prepared in accordance with Private Entity Reporting Standards ("PERSSs"). The Company adopted MPERS on 1 April 2016 with a transition date of 1 April 2015. These standards were applied retrospectively by the Directors to the comparative information in these financial statements, including the statement of financial position of the Company as at 31 March 2016, and the statement of comprehensive income, statement of changes in equity and the statement of cash flows of the Company as at 31 March 2016 and related disclosures. There is no financial impact on transition to MPERS.

(b) Basis of measurement

The financial statements have been prepared on the historical cost and fair value bases.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements.

(a) Property, plant and equipment

Operating tangible assets that are used for more than one accounting period for administrative purposes are recognised as property, plant and equipment and are initially measured at cost. For a purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use. All property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation on property, plant and equipment is recognised in the profit or loss on a straight-line basis over the estimated useful lives from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

Computer	5 years
Motor vehicle	5 years
Office equipment	10 years

At the end of each reporting period, the residual values, useful lives and depreciation methods for the property, plant and equipment are reviewed for reasonableness. Any change in estimate of an item is adjusted prospectively over its remaining life, commencing in the current period.

Property, plant and equipment is derecognised on disposal. The gain or loss on disposal is determined by comparing the net disposal proceeds with the carrying amount of the property, plant and equipment within other income or other expenses respectively in profit or loss.

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (i.e. property, plant and equipment) is reviewed for indications of impairment at the end of each reporting period. If any such indications exists, then the asset's recoverable amount is estimated. Impairment loss is recognised if the carrying amount of the asset exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level of which there is separately identifiable cash flows.

An impairment loss is recognised in profit or loss unless it reverses a previous revaluation in which case it is treated as a revaluation decrease. Any reversal of impairment loss for an asset carried at a cost-based model is recognised in profit or loss, subject to the limit that the revised carrying amount does not exceed the amount that would have been determined had no impairment loss been recognised previously.

(c) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently. Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity, net of any related income tax effect. Ordinary shares are classified as equity. Distributions to holders of equity instruments are recognised as equity transactions and are debited directly in equity, net of any related income tax effect. A dividend is recognised as a liability after it has been appropriately authorised.

(d) Financial instruments**(i) Initial recognition and measurement**

A financial asset or financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument. A financial instrument is recognised initially at the transaction price (including transactions costs except in the initial measurement of a financial asset or financial liability that is measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction.

(ii) Subsequent measurement

Financial instruments that are classified as current assets or current liabilities are measured at the undiscounted amount of the cash or other consideration expected to be paid or received unless the arrangement constitutes, in effect, a financing transaction. All financial assets (except for those measured at fair value through profit or loss) are assessed at each reporting date whether there are any objective evidence of impairment.

(iii) Derecognition of financial instruments

A financial asset is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or are settled, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. A financial liability is derecognised when, and only when the obligation specified in the contract is discharged, cancelled or expires.

(e) Translation of foreign currency transactions

Transactions denominated in foreign currencies are translated and recorded at the rates of exchange prevailing at the respective dates of transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the period.

All exchange differences arising on settled transactions and on unsettled monetary items are recognised in profit or loss in the period.

(f) Assets acquired under hire purchase agreements

Assets acquired under hire purchase are included in property, plant and equipment and the capital element of hire purchase instalments are shown as hire purchase payables. The hire purchase instalments are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to profit or loss over the period of the hire purchase agreements so as to give a constant periodic rate of interest on the outstanding obligations at the end of each accounting period. Assets held under hire purchase are depreciated over the estimated useful lives of equivalent owned assets.

(g) Provisions

Provisions for liabilities are recognised when the Company has a present 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 obligation, and when a reliable estimate of the amount can be made.

(h) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in the profit or loss.

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

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the end of the reporting period.

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

(i) Revenue recognition and measurement

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

4. PROPERTY, PLANT AND EQUIPMENT

	Balance <u>1-Apr-16</u> RM	Additions RM	(Disposal) RM	Balance <u>31-Mar-17</u> RM
<u>2017</u>				
<i>Cost:</i>				
Computer	1,399	-	-	1,399
Motor vehicle	64,331	-	-	64,331
Office equipment	3,555	-	-	3,555
	<u>69,285</u>	<u>-</u>	<u>-</u>	<u>69,285</u>
	Balance <u>1-Apr-16</u> RM	Additions RM	(Disposal) RM	Balance <u>31-Mar-17</u> RM
<u>2017</u>				
<i>Accumulated depreciation and impairment loss:</i>				
Computer	840	280	-	1,120
Motor vehicle	6,521	12,866	-	19,387
Office equipment	1,804	356	-	2,160
	<u>9,165</u>	<u>13,502</u>	<u>-</u>	<u>22,667</u>

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	<u>2017</u>	<u>2016</u>
	RM	RM
<i>Net book value:</i>		
Computer	279	559
Motor vehicle	44,944	57,810
Office equipment	1,395	1,751
	<u>46,618</u>	<u>60,120</u>

At the end of the reporting period, the net book value of motor vehicle acquired under hire purchase instalment plans amounted to RM 44,944 (2016 : RM 57,810).

5. TRADE RECEIVABLES

The normal trade credit terms ranged from 30 to 90 days. Other credit terms are assessed and approved on a case by case basis.

The Company had no significant concentration of credit risk that may arise from exposures to a single receivable or to groups of receivables.

The Currency exposure profile of trade receivables is as follows:

	<u>2017</u>	<u>2016</u>
	RM	RM
Ringgit Malaysia	12,417	4,139
US Dollar	934,380	445,927
	<u>946,797</u>	<u>450,066</u>

6. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

	<u>2017</u>	<u>2016</u>
	RM	RM
Other receivables	450,667	394,817
Deposits	2,250	2,250
Prepayment	38,686	16,970
	<u>491,603</u>	<u>414,037</u>

	<u>2017</u>	<u>2016</u>
	RM	RM
The Currency exposure profile of other receivables is as follows:		
Ringgit Malaysia	42,936	21,220
US Dollar	448,667	392,817
	<u>491,603</u>	<u>414,037</u>

The amount of RM448,667, which is denominated in US Dollar, has been encumbered by the supplier to which this amount was paid pending the outcome of the court case between the said supplier and the holding company, 20 Microns Limited in India. The holding company has undertaken to refund this amount to the Company in the eventual settlement of this legal action.

7. CASH AND CASH EQUIVALENTS

	<u>2017</u>	<u>2016</u>
	RM	RM
Cash in hand	257	2,120
Cash at banks	815,360	314,259
	<u>815,617</u>	<u>316,379</u>

The cash at bank balance of the Company are deposits placed in the current accounts of licensed banks in Malaysia.

The Currency exposure profile of cash and cash equivalents is as follows:

	<u>2017</u>	<u>2016</u>
	RM	RM
Ringgit Malaysia	233,832	40,783
US Dollar	581,785	275,596
	<u>815,617</u>	<u>316,379</u>

8. SHARE CAPITAL

	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	No. of shares	No. of shares	RM	RM
<u>Authorised</u>				
Ordinary shares	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,000,000</u>
<u>Issued and fully paid</u>				
Ordinary shares	<u>360,002</u>	<u>360,002</u>	<u>360,002</u>	<u>360,002</u>

The ordinary shares of the Company have no par value. All issued ordinary shares are fully paid. The holders of ordinary shares are entitled to dividends as and when declared by the Company.

9. RETAINED EARNINGS

The retained earnings of the Company are available for distributions by way of cash dividends or dividends in specie. Under the single-tier system of taxation, dividends payable to shareholders are deemed net of income taxes. There are no potential income tax consequences that would result from the payment of dividends to shareholders.

10. HIRE PURCHASE PAYABLES

	<u>2017</u>	<u>2016</u>
	RM	RM
Minimum hire purchase payments		
-payable within 1 year	11,808	11,808
-payable between 1 and 5 years	29,512	41,321
	<u>41,320</u>	<u>53,129</u>
Less: Future finance charges	<u>(3,964)</u>	<u>(6,519)</u>
	<u>37,356</u>	<u>46,610</u>

10. HIRE PURCHASE PAYABLES (Cont'd)

	<u>2017</u>	<u>2016</u>
	RM	RM
Present value of hire purchase liabilities:		
<u>Current:</u>		
-payable within 1 year	9,885	9,253
<u>Non-current:</u>		
-payable between 1 and 5 years	27,471	37,357
	<u>37,356</u>	<u>46,610</u>

Interest rate on the hire purchase for the year was charged at 3.15% (2016 : 3.15%) per annum.

11. DEFERRED TAX LIABILITIES

	<u>2017</u>	<u>2016</u>
	RM	RM
At 1 April	575	321
(Reversal from) / recognised in income statement	(575)	254
At 31 March	<u>-</u>	<u>575</u>
Represented by:		
Plant and equipment-capital allowances	<u>-</u>	<u>575</u>

12. TRADE PAYABLES

The normal trade credit terms granted to the Company ranges from 30 to 90 days.

The Currency exposure profile of trade payables is as follows:

	<u>2017</u>	<u>2016</u>
	RM	RM
Ringgit Malaysia	455,894	133,615
US Dollar	61,644	4,436
	<u>517,538</u>	<u>138,051</u>

13. OTHER PAYABLES AND ACCRUALS

	<u>2017</u>	<u>2016</u>
	RM	RM
Other payables	212,997	115,100
Accruals	45,656	20,338
	<u>258,653</u>	<u>135,438</u>
The Currency exposure profile of other payables is as follows:		
Ringgit Malaysia	205,321	96,902
US Dollar	7,676	18,198
	<u>212,997</u>	<u>115,100</u>

14. REVENUE

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

15. COST OF SALES

	<u>2017</u>	<u>2016</u>
	RM	RM
Export charges	96,717	-
Freight charges	963,913	756,983
Purchases	1,288,469	769,939
	<u>2,349,099</u>	<u>1,526,922</u>

16. OTHER OPERATING INCOME

	<u>2017</u>	<u>2016</u>
	RM	RM
Bank interest income	869	107
Gain on disposal of plant and equipment	-	4,498
Gain on foreign exchange		
- Realised	105,873	56,955
- Unrealised	141,319	38,049
Refund of insurance	-	1,112
Waiver of debts	-	310
	<u>248,061</u>	<u>101,031</u>

17. PROFIT FROM OPERATIONS

	<u>2017</u>	<u>2016</u>
	RM	RM
This is stated after charging:		
Auditors' remuneration	8,500	7,000
Depreciation of plant and equipment	13,502	7,131
Rental of guest house	9,000	9,000
Staff costs (Note 18)	173,146	151,974

18. STAFF COSTS

	<u>2017</u>	<u>2016</u>
	RM	RM
Directors' fees	-	-
Directors' salaries and other benefits	173,146	151,974
	<u>173,146</u>	<u>151,974</u>

19. FINANCE COSTS

	<u>2017</u>	<u>2016</u>
	RM	RM
Hire purchase interest	2,555	1,514

20. TAX EXPENSE

	<u>2017</u>	<u>2016</u>
	RM	RM
Malaysia income tax:		
Provision for the year	91,978	86,012
Deferred taxation:		
Originating and reversal of temporary differences (Note 11)	(575)	254
	<u>91,403</u>	<u>86,266</u>

The significant differences between the tax expense and accounting profit multiplied by the statutory tax rate are due to the tax effects arising from the following items:

	<u>2017</u>	<u>2016</u>
	RM	RM
Profit before taxation	652,597	462,393
Taxation at applicable tax rate:		
- at 18% (2016 : 19%)	90,000	87,855
- at 24% (2016 : 24%)	36,623	-
	<u>126,623</u>	<u>87,855</u>
Tax effect in respect of:-		
Expenses not deductible for tax purpose	1,118	5,627
Unrealised gain on foreign exchange	(33,917)	(7,229)
Double deduction expenses	(3,168)	-
Exemption on increase in chargeable income	(180)	-
Change in tax rate	115	-
Others	812	13
Tax expense for the year	<u>91,403</u>	<u>86,266</u>

21. NOTES ON CASH FLOW STATEMENT**Purchase of plant and equipment**

Plant and equipment were acquired by the following means:-

	<u>2017</u>	<u>2016</u>
	RM	RM
Cash	-	14,451
Hire purchase financing	-	51,000
Total cost	<u>-</u>	<u>65,451</u>

22. RELATED PARTY DISCLOSURES

Identity of related party:

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

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

23. COMPARATIVE FIGURES

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

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20 MICRONS SDN. BHD.

(Incorporated in Malaysia)

**STATEMENT OF DETAILED COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

	<u>2017</u>	<u>2016</u>
	RM	RM
REVENUE	<u>3,165,957</u>	<u>2,202,111</u>
Less:		
COST OF SALES		
Export charges	96,717	-
Freight charges	963,913	756,983
Purchases	1,288,469	769,939
	<u>2,349,099</u>	<u>1,526,922</u>
GROSS PROFIT	<u>816,858</u>	<u>675,189</u>
Add:		
OTHER OPERATING INCOME		
Bank interest income	869	107
Gain on disposal of plant and equipment	-	4,498
Gain on foreign exchange		
- Realised	105,873	56,955
- Unrealised	141,319	38,049
Refund of insurance	-	1,112
Waiver of debts	-	310
	<u>248,061</u>	<u>101,031</u>
	<u>1,064,919</u>	<u>776,220</u>
Less:		
OPERATING EXPENSES	<u>(409,767)</u>	<u>(312,313)</u>
	655,152	463,907
Less:		
FINANCE COSTS		
Hire purchase interests	(2,555)	(1,514)
PROFIT BEFORE TAXATION	<u>652,597</u>	<u>462,393</u>

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20 MICRONS SDN. BHD.

(Incorporated in Malaysia)

**DETAILED OPERATING EXPENSES
FOR THE YEAR ENDED 31 MARCH 2017**

	<u>2017</u>	<u>2016</u>
	RM	RM
STAFF COSTS		
Directors' remuneration and other benefits	173,146	151,974
DEPRECIATION	13,502	7,131
OTHER OPERATING EXPENSES		
Auditors' remuneration	8,500	7,000
Bank charges	37,356	24,444
Bookkeeping fees	6,000	6,240
Electricity and water charges	843	1,574
Filing and attestation fees	300	150
Fine and penalty	200	-
GST input tax non claimable	-	21
Guest house expenses	2,967	5,330
Insurance and road tax	106	132
Petrol and diesel	4,304	3,586
Postage, printing and stationery	10,542	11,751
Loss on foreign exchange		
- Realised	117,914	36,334
- Unrealised	-	24,398
Rental of guest house	9,000	9,000
Secretarial fees	1,250	579
Sundry expenses	-	1,496
Taxation services	1,800	1,600
Telephone and internet charges	9,074	9,832
Travelling and accomodation	8,927	6,297
Upkeep of motor vehicle	3,415	2,337
Upkeep of office equipment	621	1,107
	223,119	153,208
TOTAL OPERATING EXPENSES	<u>409,767</u>	<u>312,313</u>