



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

AGLSM SDN. BHD. (Company No. 736891-H)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of AGLSM SDN. BHD., which comprise the balance sheet as at 31 March 2011, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 19.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Accounting Standards for Private Entities and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 March 2011 and of its financial performance and cash flows for the year then ended.

33-2, Level 2, Jalan 4/93, Taman Miharja, Cheras, 55200 Kuala Lumpur, Malaysia

Tel: 03-9282 8688 (Hunting), 9282 0618, 9281 8618 Fax: 03-9282 6118 E-mail: steven@pw.com.my



STEVEN LIM & ASSOCIATES (AF: 1470)
Chartered Accountants

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

AGLSM SDN. BHD. (Company No. 736891-H) (CONT'D)
(Incorporated in Malaysia)

Emphasis of Matter

Without qualifying our opinion, we draw attention that the Company has incurred a net loss of RM233,452 during the financial year ended 31 March 2011, and of that date, the Company's current liabilities exceeded its current assets by RM96,447. The Company also has a deficit in shareholders' funds of RM49,455 as at 31 March 2011. The ability of the Company to continue as a going concern is dependent on the continuous financial support from the shareholders of the Company, the raising of additional funds and the future profitability of the Company's operations.

At the time of this report, there is no reason for the Directors to believe that there is any significant uncertainty that the shareholders will not continue their support. In the event that the going concern basis is inappropriate, adjustments may be required for the recorded amounts and classification of assets and liabilities.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

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

STEVEN LIM & ASSOCIATES

[AF: 1470]

Chartered Accountants

LIM HOO TECK C.A.(M), CPA, ACTIM

[Approval Number: 2359/10/12(J)]

Managing Partner

Dated 14 JUN 2011

33-2, Level 2, Jalan 4/93, Taman Miharja, Cheras, 55200 Kuala Lumpur, Malaysia

Tel: 03-9282 8688 (Hunting), 9282 0618, 9281 8618 Fax: 03-9282 6118 E-mail: steven@pw.com.my

AGLSM SDN. BHD.
(Incorporated in Malaysia)

BALANCE SHEET AS AT 31 MARCH 2011

	Note	<u>2011</u> RM	<u>2010</u> RM
SHARE CAPITAL	4	545,140	545,140
ACCUMULATED LOSSES		(594,595)	(361,143)
(CAPITAL DEFICIT)/SHAREHOLDERS' FUNDS	5	<u>(49,455)</u>	<u>183,997</u>
Represented by:			
CURRENT ASSETS			
Trade receivables		186,946	179,418
Other receivables, prepayments and deposits		65,036	74,511
Bank balance		602,336	210,806
		<u>854,318</u>	<u>464,735</u>
LESS: CURRENT LIABILITIES			
Other payables and accruals		406,289	404,630
Advance received from customers		544,476	1,800
		<u>950,765</u>	<u>406,430</u>
NET CURRENT (LIABILITIES)/ASSETS		(96,447)	58,305
PROPERTY, PLANT AND EQUIPMENT	1.2 & 6	<u>46,992</u>	<u>125,692</u>
		<u>(49,455)</u>	<u>183,997</u>

The Notes on pages 13 - 19 form an integral part of these financial statements.

AGLSM SDN. BHD.
(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY FOR THE
YEAR ENDED 31 MARCH 2011**

	Share Capital RM	Accumulated Losses RM	Total	
			<u>12 months to 31 March 2011 RM</u>	<u>15 months to 31 March 2010 RM</u>
At beginning of the year/period	545,140	(361,143)	183,997	269,127
Loss after taxation for the year/period	-	(233,452)	(233,452)	(85,130)
At end of the year/period	<u>545,140</u>	<u>(594,595)</u>	<u>(49,455)</u>	<u>183,997</u>

The Notes on pages 13 - 19 form an integral part of these financial statements.

AGLSM SDN. BHD.

(Incorporated in Malaysia)

INCOME STATEMENT FOR THE

YEAR ENDED 31 MARCH 2011

		<div> <div>12 months to</div> <div>31 March</div> <div>2011</div> <div>RM</div> </div>	<div> <div>15 months to</div> <div>31 March</div> <div>2010</div> <div>RM</div> </div>
	Note		
REVENUE	7	700,057	1,670,443
DIRECT COSTS		(429,089)	(1,062,923)
GROSS PROFIT		270,968	607,520
LESS:			
Selling and distribution costs		(17,422)	(5,449)
Administrative expenses		(360,576)	(509,068)
Other operating expenses		(126,422)	(178,133)
LOSS FROM OPERATIONS		(233,452)	(85,130)
Finance costs		-	-
LOSS BEFORE TAXATION	8	(233,452)	(85,130)
TAXATION	9	-	-
LOSS AFTER TAXATION FOR THE YEAR/PERIOD		(233,452)	(85,130)

The Notes on pages 13 - 19

form an integral part of these financial statements.

AGLSM SDN. BHD.

(Incorporated in Malaysia)

CASH FLOW STATEMENT FOR THE

YEAR ENDED 31 MARCH 2011

	<div> <div>12 months to</div> <div>31 March</div> <div>2011</div> <div>RM</div> </div>	<div> <div>15 months to</div> <div>31 March</div> <div>2010</div> <div>RM</div> </div>
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(233,452)	(85,130)
Adjustment for:		
Depreciation	78,700	109,999
Operating (loss)/profit before working capital changes	(154,752)	24,869
Trade receivables	(7,528)	40,862
Other receivables, prepayments and deposits	9,475	12,649
Other payables and accruals	1,659	38,554
Advance received from customers	542,676	1,800
Net cash generated from operating activities	391,530	118,734
CASH FLOW FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	-	(18,180)
Net cash used in investing activities	-	(18,180)
CASH FLOW FROM FINANCING ACTIVITIES	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	391,530	100,554
CASH AND CASH EQUIVALENTS AT:		
BEGINNING OF THE YEAR/PERIOD	210,806	110,252
END OF THE YEAR/PERIOD	602,336	210,806

The Notes on pages 13 - 19

form an integral part of these financial statements.

AGLSM SDN. BHD.
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 MARCH 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Accounting

The financial statements of the Company have been prepared under the historical cost convention, unless indicated otherwise in the significant accounting policies, and in accordance with Accounting Standards for Private Entities issued by the Malaysian Accounting Standards Board ('MASB') and comply with the provisions of the Companies Act, 1965 in Malaysia.

1.2 Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is calculated on a straight line method basis to write off the cost of each asset to its residual value over its expected useful life. The principal annual rates used are:

Computers	20 %
Computers software	20 %
Furniture and fittings	20 %
Office equipment	20 %
Renovation	20 %

1.3 Impairment of Assets

The carrying amount of assets, other than assets arising from properties under development, deferred tax assets and financial assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the income statement.

AGLSM SDN. BHD.
(Incorporated in Malaysia)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

1.4 Trade and Other Receivables

Trade and other receivables are carried at anticipated realisable values. Known bad debts are written off and allowances for doubtful debts are made for debts that are considered to be doubtful for collection.

1.5 Other Payables

Other payables are stated at cost.

1.6 Provisions for Liabilities

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

1.7 Cash and Cash Equivalents

The Company adopts the indirect method in the preparation of the cash flow statement.

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash with insignificant risk of changes in value.

1.8 Income Recognition

Revenue is recognised upon performance of services.

1.9 Employee Benefits

(a) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and other non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company.

AGLSM SDN. BHD.
(Incorporated in Malaysia)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

1.9 Employee Benefits (Cont'd)

(b) Defined contribution plan

A defined contribution plan is a pension plan under which the Company pays fixed contribution to the national pension scheme, the Employees Provident Fund ('EPF'). The Company's contributions to defined contribution plan are charged to the income statement in the period to which they relate. Once the contributions have been paid, the Company has no further legal or constructive obligations.

1.10 Taxation

Tax on the profit or loss for the year comprises of current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the balance sheet date.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for the initial recognition of assets or liabilities that at the time of transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

2. FINANCIAL INSTRUMENTS

Financial Risk Management Objectives and Policies

The Board of Directors recognises the importance of financial risk management in the overall management of the Company's business. A sound risk management system will not only mitigate financial risk but will be able to create opportunities if risk elements are properly managed.

The Company's overall financial risk management objective is to ensure that the Company creates value for its shareholders while minimising potential adverse effects on the performance of the Company. Financial risk management carried out through risk reviews, internal control system and adherence to the Company's financial risk management policies, are set out as follows:

AGLSM SDN. BHD.
(Incorporated in Malaysia)

2. FINANCIAL INSTRUMENTS (CONT'D)

2.1 Liquidity Risk

The Company practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

2.2 Cash Flow Risk

The Company reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

2.3 Credit Risk

The carrying amount of cash and receivables represent the Company's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

The Company has no significant concentration of credit risk and places its cash with creditworthy financial institutions.

3. PRINCIPAL ACTIVITIES

The Company is principally involved in creating, developing and providing Multimedia, Information Technology and Telecommunication based contents and solutions. There have been no significant changes in these principal activities during the financial year.

4. SHARE CAPITAL

	<u>2011</u> RM	<u>2010</u> RM
Authorised: 1,000,000 ordinary shares of RM1 each	<u>1,000,000</u>	<u>1,000,000</u>
Issued and fully paid: 545,140 ordinary shares of RM1 each	<u>545,140</u>	<u>545,140</u>

There were no issues of shares during the financial year.

5. CAPITAL DEFICIT

As at 31 March 2011, the Company's accumulated losses had exceeded its issued and paid-up capital by RM49,455.

AGLSM SDN. BHD.

(Incorporated in Malaysia)

6. PROPERTY, PLANT AND EQUIPMENT

	Total					
			<u>12 months to</u>		<u>15 months to</u>	
			<u>31 March</u>	<u>2011</u>	<u>31 March</u>	<u>2010</u>
	Computers RM	Computers Software RM	Furniture and Fittings RM	Office Equipment RM	Renovation RM	RM
At Cost						
At beginning of the year/period	181,997	76,812	20,335	8,922	151,933	421,819
Additions	-	-	-	-	-	18,180
Disposals/Written off	-	-	-	-	-	-
At end of the year/period	181,997	76,812	20,335	8,922	151,933	439,999
Accumulated Depreciation						
At beginning of the year/period	142,000	49,927	15,961	5,908	100,511	204,308
Charge for the year/period	28,974	15,362	3,293	1,528	29,543	109,999
Disposals/Written off	-	-	-	-	-	-
At end of the year/period	170,974	65,289	19,254	7,436	130,054	314,307
Net Book Value						
At 31 March 2011	11,023	11,523	1,081	1,486	21,879	-
At 31 March 2010	39,997	26,885	4,374	3,014	51,422	125,692

AGLSM SDN. BHD.
(Incorporated in Malaysia)

7. REVENUE

Revenue represents invoiced value of training fees received and receivable during the financial year.

8. LOSS BEFORE TAXATION

	<u>12 months to</u> <u>31 March</u> <u>2011</u> RM	<u>15 months to</u> <u>31 March</u> <u>2010</u> RM
Loss before taxation is arrived at after charging:		
Auditors' remuneration	7,600	6,573
Depreciation	78,700	109,999
Directors' remuneration:		
- fees	-	-
- emoluments other than fees	15,000	12,000
Rental of premises	147,385	180,734
Rental of equipment	-	2,250
	<u> </u>	<u> </u>

9. TAXATION

No taxation is provided for the financial year as the Company has no chargeable income.

The potential tax savings relating to tax losses have not been accounted for in the income statement. The Company has unutilised tax losses and unabsorbed capital allowances carried forward amounting to approximately RM300,000 (2010: RM193,000) and RM118,000 (2010: RM110,000) respectively.

Reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

	<u>12 months to</u> <u>31 March</u> <u>2011</u> RM	<u>15 months to</u> <u>31 March</u> <u>2010</u> RM
Loss before taxation	<u>(233,452)</u>	<u>(85,130)</u>
Taxation at Malaysian statutory tax rate of 20% (2010: 20%)	(46,690)	(17,026)
Tax effect of:		
- expenses not deductible for tax purposes	23,177	33,445
- utilisation of capital allowances brought forward	-	(16,419)
- deferred tax assets not recognised during the year/period	<u>23,513</u>	<u>-</u>
Tax expense for the year/period	<u>-</u>	<u>-</u>

AGLSM SDN. BHD.
(Incorporated in Malaysia)

10. OTHER CORPORATE INFORMATION

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

The financial statements are prepared in Ringgit Malaysia.

11. EMPLOYEES INFORMATION

	<u>12 months to</u> <u>31 March</u> <u>2011</u> RM	<u>15 months to</u> <u>31 March</u> <u>2010</u> RM
Staff costs	<u>153,451</u>	<u>203,046</u>

The average number of employees (including working Directors) for the year was 2 (2010: 4).

Staff costs include contributions of the Company to the Employees Provident Fund of RM14,761 (2010: RM19,925).

12. SIGNIFICANT RELATED PARTY TRANSACTIONS

Significant business transactions with holding company are as follows:

	<u>12 months to</u> <u>31 March</u> <u>2011</u> RM	<u>15 months to</u> <u>31 March</u> <u>2010</u> RM
Management fees	<u>29,674</u>	<u>63,059</u>

The above transactions are entered into in the ordinary course of business and are based on commercial terms applicable to the Company.

Included below is the amount due to holding company which is interest free, unsecured and has no fixed terms of repayment.

	<u>2011</u> RM	<u>2010</u> RM
Other payables	<u>(218,264)</u>	<u>(323,621)</u>

13. HOLDING COMPANY

The Directors regard Aptech Limited, a company incorporated in India, as its immediate and ultimate holding company.

Company No.

736891-H

AGLSM SDN. BHD.
(Incorporated in Malaysia)

**DETAILED INCOME STATEMENT FOR THE
YEAR ENDED 31 MARCH 2011**

(For Management Purposes Only)

AGLSM SDN. BHD.
(Incorporated in Malaysia)

**DETAILED INCOME STATEMENT FOR THE
YEAR ENDED 31 MARCH 2011**

	<u>12 months to</u> <u>31 March</u> <u>2011</u> RM	<u>15 months to</u> <u>31 March</u> <u>2010</u> RM
<u>REVENUE</u>	700,057	1,670,443
<u>LESS: DIRECT COSTS</u>		
Trainers' fees	429,089	1,062,923
<u>GROSS PROFIT</u>	270,968	607,520
<u>LESS:</u>		
<u>SELLING AND DISTRIBUTION COSTS</u>		
Petrol, parking and toll	17,422	5,449
<u>ADMINISTRATIVE EXPENSES</u>		
TOTAL AS PER SCHEDULE 1	360,576	509,068
<u>OTHER OPERATING EXPENSES</u>		
TOTAL AS PER SCHEDULE 2	126,422	178,133
<u>FINANCE COSTS</u>	-	-
TOTAL EXPENSES	504,420	692,650
<u>NET LOSS for the year/period</u>	(233,452)	(85,130)

AGLSM SDN. BHD.
(Incorporated in Malaysia)

**SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE
YEAR ENDED 31 MARCH 2011**

	<u>12 months to</u> <u>31 March</u> <u>2011</u> RM	<u>15 months to</u> <u>31 March</u> <u>2010</u> RM
<u>SCHEDULE 1</u>		
Advertisement	2,618	480
Bank charges	491	860
Directors' remuneration:		
- fees	-	-
- emoluments other than fees	15,000	12,000
Entertainment	-	1,456
Electricity	5,013	11,695
EPF and Socso	16,153	21,957
General expenses	-	13,710
Insurance	2,550	2,887
Management fees	29,674	63,059
Postages and courier charges	4,172	2,260
Printing and stationery	1,822	5,877
Rental of equipment	-	2,250
Rental of premises	147,385	180,734
Repair and maintenance	-	5,177
Salaries, wages and allowances	121,758	165,036
Staff welfare and refreshment	540	4,053
Subscription fees	500	1,000
Telephone and fax	12,900	14,577
TOTAL	360,576	509,068

**SCHEDULE OF OTHER OPERATING EXPENSES FOR THE
YEAR ENDED 31 MARCH 2011**

	<u>12 months to</u> <u>31 March</u> <u>2011</u> RM	<u>15 months to</u> <u>31 March</u> <u>2010</u> RM
<u>SCHEDULE 2</u>		
Attestation fee	40	40
Auditors' remuneration	7,600	6,573
Depreciation	78,700	109,999
Professional fees	26,603	56,496
Service charge	2,673	1,800
Service tax	222	225
Tax agent's fees:		
- current year	11,570	3,000
- overprovision in prior year	(986)	-
TOTAL	126,422	178,133