

SUPER ENTERPRISE HOLDINGS BERHAD

(Incorporated in Malaysia)

Company No: 240346 - X

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2013 %	2012 %	
PT Super Label Indonesia ^	Indonesia	80.00	80.00	Manufacturing and distribution of self adhesive labels and stickers.

This company is in the process of winding up by way of a Members' Voluntary Liquidation since the previous financial year.

^ These subsidiaries were audited by other firms of chartered accountants.

* These subsidiaries were audited by a member firm of Crowe Horwath International of which Crowe Horwath is a member.

⊠ On 14 August 2012, S.E. Printing (M) Sdn. Bhd. ("SEP"), a subsidiary of the Company acquired the entire equity interest of 51% in Guangzhou Super Serigraph Electronics Co. Ltd. ("GSSE"), upon which GSSE became a wholly-owned subsidiary of SEP.

∞ On 19 November 2012, the Company acquired the remaining 29.4% equity interest in S.E. Industries (Thailand) Co. Ltd. ("SEIT"), consequently SEIT became a wholly-owned subsidiary of the Company.

Quasi loans represent advances and payments made on behalf of which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, a part of the Company's net investment in the subsidiaries. The quasi loans are stated at cost less accumulated impairment losses, if any.

(a) Disposal of Shanghai Super Labels Co. Ltd. ("SSL")

On 22 November 2011, the Company entered into a conditional Share Sale Agreement with Anne (Hong Kong) Co., Limited ("ANNE") for the disposal of its entire interest in SSL for a total cash consideration of RMB28 million (RM14 million).

The disposal was completed on 6 July 2012 and as such, SSL ceased to be a subsidiary of the Company.

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6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) Disposal of Shanghai Super Labels Co. Ltd. ("SSL") (Cont'd)

The disposal had the following effects on the financial position of the Group for the financial year ended 31 March 2013:

	2013 RM'000
Property, plant and equipment	9,794
Deferred tax assets	78
Inventories	7,362
Trade and other receivables	7,524
Cash and bank balances	430
Bank borrowings	(4,291)
Trade and other payables	(8,375)
Provision for taxation	(164)
	<hr/>
Net assets disposed	12,358
Total disposal proceeds	(14,036)
	<hr/>
Gain on disposal to the Group	(1,678)
	<hr/>
Disposal proceeds settled by:	
Cash	14,036
	<hr/>
Cash consideration	14,036
Cash and cash equivalents of subsidiary disposed	(430)
	<hr/>
Net cash inflow of the Group	13,606
	<hr/>

(b) Acquisition of Guangzhou Super Serigraph Electronics Co., Ltd ("GSSE")

During the financial year, SEP, a subsidiary of the Company, increased its equity interest in an associate, GSSE, through a share transfer agreement with Brilliant Dragon Industrial Limited ("BDI"). Consequently, GSSE became a wholly-owned subsidiary of SEP.

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6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) Acquisition of Guangzhou Super Serigraph Electronics Co., Ltd ("GSSE") (Cont'd)

The fair values of the identifiable assets and liabilities of GSSE as at the date of acquisition were:-

	2013 RM'000
Property, plant and equipment	4,274
Inventories	460
Trade and other receivables	1,727
Cash and bank balances	383
Trade and other payables	(4,244)
Provision for taxation	(38)
Share of reverse of associate	(1,260)
Gain on remeasurement	(408)
	<hr/>
Fair value of net assets acquired	894
Goodwill on acquisition	831
	<hr/>
Total purchase consideration	1,725
	<hr/>
Purchase consideration settled by:	
Offset with amounts due from the seller of the shares	1,725
	<hr/>
Purchase consideration	-
Cash and cash equivalents of subsidiary acquired	383
	<hr/>
Net cash inflow of the Group	383
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The acquired subsidiary has contributed the following results to the Group:

	2013 RM'000
Revenue	8,628
Loss after taxation	(15)
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7. INVESTMENTS IN ASSOCIATES

	THE GROUP	
	2013 RM'000	2012 RM'000
Unquoted shares outside Malaysia, at cost	-	6,380
Share of post acquisition losses	-	(4,394)
Share of post acquisition other comprehensive income	-	386
Adjustment for unrealised gain on disposal of property, plant and equipment from the Group	-	(154)
	<hr/>	<hr/>
	-	2,218
Quasi loans	-	1,355
	<hr/>	<hr/>
	-	3,573
Accumulated impairment losses	-	(1,277)
	<hr/>	<hr/>
	-	2,296

(a) Share of results in associates is based on the audited financial statements of the associates.

(b) The details of the associates are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest		Principal Activities
		2013 %	2012 %	
Shanghai SEP Optoelectronics Co. Ltd. #	The People's Republic of China	-	29.40	Design, manufacture and distribution of labels, name plates and slim advertising bright lights.
Guangzhou Super Serigraph Electronics Co. Ltd.	The People's Republic of China ^	60.00	29.40	Produce printed, formed and trimmed insert for plastic injection moulding/ assembly operation focusing on IML/IMD.

- Associates of S.E. Printing (M) Sdn. Bhd.

^ - During the financial year, the Group's equity interest in the associate was increased as a result of the acquisition of the remaining equity interest, as disclosed in Note 6(b) to the financial statements. Consequently, the associate became a subsidiary of the Group.

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7. INVESTMENTS IN ASSOCIATES (CONT'D)

(c) The summarised audited financial information of the associates are as follows:-

	THE GROUP	
	2013 RM'000	2012 RM'000
Assets and liabilities		
Total assets	-	15,186
Total liabilities	-	10,599
	<hr/>	<hr/>
Results		
Revenue	-	22,704
Loss after taxation	-	(4,906)
	<hr/>	<hr/>

Quasi loans represent advances and payments made on behalf of which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, a part of the Company's net investment in the associates. The quasi loans are stated at cost less accumulated impairment losses, if any.

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8. OTHER INVESTMENTS

	THE GROUP	
	2013 RM'000	2012 RM'000
Quoted shares in Malaysia	19	15
Unquoted shares in Malaysia	126	126
	<hr/>	<hr/>
	145	141
Accumulated impairment loss	(126)	(126)
	<hr/>	<hr/>
	19	15
	<hr/>	<hr/>
Represented by:-		
At fair value	19	15
	<hr/>	<hr/>
Market value of quoted shares	19	15
	<hr/>	<hr/>

- (a) Upon adoption of FRS 139 during the previous financial year, the Group designated its investments in quoted shares that were previously measured using the cost model as available-for-sale financial assets and measured at fair value.
- (b) Investments in unquoted shares of the Group, designated as available-for-sale financial assets, are stated at cost less accumulated impairment losses, if any, as their fair values cannot be reliably measured using valuation techniques due to the lack of marketability of the shares.

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9. GOODWILL

The carrying amounts of goodwill identified to the following cash-generating unit are as follows:-

	THE GROUP	
	2013 RM'000	2012 RM'000
Labels and stickers	378	378
Name plates and in-mould decorating products	831	-
	<u>1,209</u>	<u>378</u>

The recoverable amount of the cash-generating unit is determined based on value-in-use calculation using cash flow projection based on financial budgets approved by management covering a two to three-year period. The key assumptions used for cash generating unit's value-in-use calculations are as follows:

	Assumptions used		Basis of assumptions
	Labels and stickers	Name plates and backlights	
(a) Budgeted gross margin	26.85% of revenue	23% of revenue	The basis used to determine the value assigned to the budgeted gross margin is the gross margin achieved in one year immediately before the budgeted periods and expectations of market developments over the periods under review.
(b) Annual growth rate of revenue	12.00%	15%	The growth rate used is based on the industry trends and past performances of the subsidiary.
(c) Discount rate of cash flows	6.90%	6.70%	The discount rate used is the pre-tax and it reflects specific risks relating to the respective operating segment.

The management believes that no reasonable change in the above key assumptions would cause the carrying amount of the goodwill to exceed its recoverable amount.

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10. DEFERRED TAXATION

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
At 1 April	2,170	1,932	-	-
Recognised in profit or loss (Note 26)	57	81	34	-
Disposal group classified as held-for-sale	(81)	165	-	-
Exchange differences	62	(8)	-	-
At 31 March	<u>2,208</u>	<u>2,170</u>	<u>34</u>	<u>-</u>
Presented as follows:-				
Deferred tax assets	(271)	(312)	-	-
Deferred tax liabilities	<u>2,479</u>	<u>2,482</u>	<u>34</u>	<u>-</u>
	<u>2,208</u>	<u>2,170</u>	<u>34</u>	<u>-</u>

Deferred tax assets are attributable to the following:-

	THE GROUP	
	2013 RM'000	2012 RM'000
Allowance for impairment losses on receivables	(103)	(97)
Others	(168)	(215)
	<u>(271)</u>	<u>(312)</u>

Deferred tax liabilities are attributable to the following:-

	THE GROUP	
	2013 RM'000	2012 RM'000
Accelerated capital allowances over depreciation	2,379	2,482
Others	100	-
	<u>2,479</u>	<u>2,482</u>

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11. INVENTORIES

	THE GROUP	
	2013 RM'000	2012 RM'000
At Cost:-		
Raw materials	6,611	7,090
Work-in-progress	2,755	2,361
Manufactured inventories	3,783	3,344
Labelling machines	169	180
	<hr/>	<hr/>
	13,318	12,975
At net realisable value:-		
Manufactured inventories	-	16
	<hr/>	<hr/>
	13,318	12,991
	<hr/>	<hr/>

12. TRADE RECEIVABLES

	THE GROUP	
	2013 RM'000	2012 RM'000
Trade receivables	27,535	23,853
Allowance for impairment losses	(1,023)	(1,069)
	<hr/>	<hr/>
	26,512	22,784
	<hr/>	<hr/>
Allowance for impairment losses:-		
At 1 April	1,069	1,113
Addition during the financial year	234	321
Writeback during the financial year	(110)	(196)
Writeoff during the financial year	(189)	(144)
Transfer to assets held for sale	-	(35)
Exchange differences	19	10
	<hr/>	<hr/>
At 31 March	1,023	1,069
	<hr/>	<hr/>

The Group's normal trade credit terms range from 30 to 120 days. Other credit terms are assessed and approved on a case-by-case basis.

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13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Other receivables	3,244	510	14	17
Deposits	500	1,108	2	2
Prepayments	2,134	1,223	33	33
	<u>5,878</u>	<u>2,841</u>	<u>49</u>	<u>52</u>

Included in other receivables of the Group is an amount of RM1,187,683 owing from a former associate.

14. AMOUNTS OWING BY/(TO) SUBSIDIARIES

The amounts owing are non-trade in nature, unsecured, interest-free and repayable on demand except for the following amounts owing which bear interest at rate at 8.5% (2012 - 4.94% to 11.50%) per annum:-

	THE COMPANY	
	2013 RM'000	2012 RM'000
Amount owing by subsidiaries	5,155	5,546
Amount owing to a subsidiary	(50)	(2008)
	<u>5,105</u>	<u>3,538</u>

15. AMOUNTS OWING BY/(TO) ASSOCIATES

The amounts owing are trade in nature and are subject to the normal trade credit terms ranging from 30 to 60 days. Other credit terms are assessed and approved on a case-by-case basis. The amounts owing are to be settled in cash.

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16. SHORT-TERM INVESTMENTS

Short-term investments of the Group and of the Company are cash funds in Malaysia designated as available-for-sale financial assets and are measured at fair value.

17. DEPOSITS WITH LICENSED BANKS

The deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 2.13% to 3.01% (2012 - 2.13% to 3.15%) per annum. The deposits have maturity periods ranging from 1 to 365 days (2012 - 1 to 365 days).

18. SHARE CAPITAL

	THE COMPANY			
	2013	2012	2013	2012
	NUMBER OF SHARES ('000)		RM'000	RM'000
ORDINARY SHARES OF RM1 EACH:-				
Authorised	100,000	100,000	100,000	100,000
Issued and fully paid-up	41,811	41,811	41,811	41,811

19. TREASURY SHARES

During the financial year, the Company purchased 1,000 of its issued ordinary shares from the open market at a price of RM0.88 per share. The total consideration paid for the purchase was RM921 including transaction costs. The shares purchased are held as treasury shares in accordance with Section 67A of the Companies Act 1965.

Of the total 41,811,000 issued and fully paid-up ordinary shares at the end of the reporting period, 1,000 ordinary shares are held as treasury shares by the Company. None of the treasury shares were resold or cancelled during the financial year.

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20. RESERVES

(a) Foreign Exchange Translation Reserve

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiaries and is not distributable by way of dividends.

(b) Retained Profits

Subject to agreement with the tax authorities, at the end of the reporting period, the Company has sufficient tax credits under Section 108 of the Income Tax Act 1967 and tax-exempt income to frank the payment of dividends out of its entire profits without incurring additional tax liabilities.

At the end of the reporting period, the Company has not elected for the single tier tax system. When the tax credit balance is fully utilised, or by 31 December 2013 at the latest, the Company will automatically move to the single tier tax system. Under the single tier tax system, tax on the Company's profits is a final tax, and dividends distributed to the shareholders will be exempted from tax.

(c) Fair Value Reserve

The fair value reserve represents the cumulative fair value changes (net of tax, where applicable) of available-for-sale financial assets until they are disposed of or impaired.

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21. BANK BORROWINGS

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current:				
Secured term loans	1,921	1,506	-	-
Unsecured term loans	1,160	1,505	-	-
Unsecured revolving credits	-	374	-	-
Secured bankers' acceptances	957	-	-	-
Hire purchase payables	729	706	-	116
	4,767	4,091	-	116
Non-current:				
Secured term loans	5,198	4,328	-	-
Hire purchase payables	1,976	381	-	-
	7,174	4,709	-	-
	11,941	8,800	-	116
Current portion:				
- not later than one year	4,767	4,091	-	116
Non-current portion:				
- later than one year and not later than five years	6,987	4,205	-	-
- later than five years	187	504	-	-
	7,174	4,709	-	-
	11,941	8,800	-	116

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21. BANK BORROWINGS (CONT'D)

(a) Term Loans

The secured term loans are secured by a legal charge over the Group's land and buildings, deposits with a licensed bank of the Company, standby letters of credit from local licensed banks and a corporate guarantee provided by the Company.

The unsecured term loans of the Group are supported by corporate guarantees from the Company.

The repayment terms of the term loans are as follows:-

Secured term loan 1 at a floating rate of 11.50% per annum	Repayable in 60 monthly instalments of IDR74,074,233 effective from December 2010.
Secured term loan 2 at a floating rate of 11.25% per annum	Repayable on demand.
Secured term loan 3 at a floating rate of 11.00% per annum	Repayable in 60 monthly instalment of IDR50,400,000 effective from October 2013.
Secured term loan 4 at a floating rate of MLR-1.45% per annum	Repayable in 72 monthly instalments of THB166,000, effective June 2012.
Secured term loan 5 at a floating rate of MLR-1.45% per annum	Repayable in 72 monthly instalments of THB529,000, effective from November 2012.
Secured term loan 6 at fixed 6.25% per annum	Repayable in 168 monthly instalments of RM17,534, effective from April 2005.

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21. BANK BORROWINGS (CONT'D)

(b) Unsecured Revolving Credits

The unsecured revolving credits of the Group bore an effective interest rate of 8.75% per annum in the previous financial year. The unsecured revolving credits had a maturity period of 120 days.

The unsecured revolving credits were secured by a corporate guarantee from the Company.

(c) Hire Purchase Payables

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Minimum hire purchase payments:				
- not later than one year	812	747	-	119
- later than one year and not later than five years	2,231	403	-	-
	<u>3,043</u>	<u>1,150</u>	<u>-</u>	<u>119</u>
Less:				
Future finance charges	(338)	(63)	-	(3)
	<u>2,705</u>	<u>1,087</u>	<u>-</u>	<u>116</u>
Present value of hire purchase payables				
	<u>2,705</u>	<u>1,087</u>	<u>-</u>	<u>116</u>
Current portion:				
- not later than one year	729	706	-	116
Non-current portion:				
- later than one year and not later than five years	1,976	381	-	-
	<u>2,705</u>	<u>1,087</u>	<u>-</u>	<u>116</u>

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22. TRADE PAYABLES

Included in the trade payables of the Group at the end of the reporting period were the following:-

	THE GROUP	
	2013 RM'000	2012 RM'000
Amount owing to a company in which certain directors have interests:		
- Sakata Inx (Malaysia) Sdn. Bhd.	3	5
Amount owing to a company aligned with a person related to the directors:		
- Supersho Sdn. Bhd.	12	4
	<u>15</u>	<u>16</u>

The normal trade credit terms granted to the Group range from 30 to 120 days. Other credit terms are assessed and approved on a case-by-case basis.

23. OTHER PAYABLES AND ACCRUALS

Included in the other payables and accruals of the Group and of the Company at the end of the reporting period was:-

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Amount owing to directors	<u>72</u>	<u>72</u>	<u>72</u>	<u>71</u>

The other payables and accruals of the Group are interest-free except for amounts owing to two payables of RM1,164,198 (2012 – RM1,223,000) which bore an effective interest rate of 10.50% (2012 - 10.50%) per annum.

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24. BANK OVERDRAFT

The unsecured bank overdraft of the Group was secured by a corporate guarantee from the Company in the previous financial year.

25. REVENUE

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Continuing operations				
Sales of labels and stickers	90,038	85,556	-	-
Sales of name plates and in-mould decorating product	26,368	18,344	-	-
Dividend income	-	-	2,500	2,045
Management fee	-	-	1,536	1,263
	<hr/>	<hr/>	<hr/>	<hr/>
	116,406	103,900	4,036	3,308
Discontinued operations				
Sales of labels and stickers (Note 27)	7,130	34,340	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	123,536	138,240	4,036	3,308

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26. INCOME TAX EXPENSE

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Continuing operations				
Income tax:				
- Malaysian tax	1,344	828	374	141
- overseas tax	1,832	1,261	462	-
- withholding tax	319	175	123	(73)
	<u>3,495</u>	<u>2,264</u>	<u>959</u>	<u>68</u>
- (over)/underprovision in the previous financial year	(201)	85	12	100
	<u>3,294</u>	<u>2,349</u>	<u>971</u>	<u>168</u>
Deferred taxation (Note 10):				
- relating to originating and reversal of temporary differences	(108)	(85)	(53)	-
- underprovision in the previous financial year	84	328	87	-
	<u>(24)</u>	<u>243</u>	<u>34</u>	<u>-</u>
	<u>3,270</u>	<u>2,592</u>	<u>1,005</u>	<u>168</u>

Income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in their respective jurisdictions.

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26. INCOME TAX EXPENSE (CONT'D)

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

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Continuing operations				
Profit before taxation	14,069	4,375	3,550	669
Tax at the statutory tax rate of 25%	3,517	1,094	888	167
Tax effects of:-				
Non-taxable income	(1,299)	(107)	(688)	(83)
Non-deductible expenses	601	1,590	121	57
Deferred tax assets not recognised during the financial year	45	75	-	-
Utilisation of deferred tax assets not recognised previously	(69)	(90)	-	-
Differential in tax rates	(27)	94	-	-
Overseas tax	462	-	462	-
Withholding tax	319	175	123	(73)
(Over)/Underprovision of current tax in the previous financial year	(201)	85	12	100
Underprovision of deferred tax in the previous financial year	84	328	87	-
Tax incentives	(162)	(652)	-	-
Income tax expense for the financial year	3,270	2,592	1,005	168

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26. INCOME TAX EXPENSE (CONT'D)

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Discontinued operations				
Income tax:				
- overseas tax	95	260	-	-
Deferred taxation (Note 10):				
- relating to originating and recognition of temporary differences	(81)	(162)	-	-
	<u>14</u>	<u>98</u>	<u>-</u>	<u>-</u>

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

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Profit before taxation	<u>328</u>	<u>895</u>	<u>-</u>	<u>-</u>
Tax at the statutory tax rate of 25%	82	224	-	-
Tax effect of:-				
Non-taxable income	<u>(68)</u>	<u>(126)</u>	<u>-</u>	<u>-</u>
Income tax expense for the financial year	<u>14</u>	<u>98</u>	<u>-</u>	<u>-</u>

No deferred tax assets are recognised for the following items:-

	THE GROUP	
	2013 RM'000	2012 RM'000
Continuing operations		
Unutilised reinvestment allowances	10,902	10,902
Unutilised tax losses	6,952	6,745
Unabsorbed capital allowances	99	78
Others	130	12
	<u>18,083</u>	<u>17,737</u>

SUPER ENTERPRISE HOLDINGS BERHAD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

27. ASSETS CLASSIFIED AS HELD-FOR-SALE AND DISCONTINUED OPERATIONS

On 22 November 2011, the Company entered into a conditional Share Sale Agreement with Anne (Hong Kong) Co., Limited ("ANNE") for the disposal of its entire interest in Shanghai Super Labels Co., Ltd ("SSL") to ANNE for a total cash consideration of RMB28,000,000 in USD equivalent.

The disposal was not subject to the approval of the Company's shareholders or any relevant government authority in Malaysia. The transaction was completed on 6 July 2012. Consequently SSL ceased to be a subsidiary of the Company as of 6 July 2012.

The assets and liabilities of the disposal group in the previous financial year are as follows:-

	NOTE	THE GROUP 2012 RM'000
Assets classified as held-for-sale:-		
Property, plant and equipment	i	9,683
Deferred tax assets		165
Inventories	ii	6,777
Trade receivables	iii	6,083
Other receivables, deposits and prepayments		918
Cash and bank balances		956
		<hr/>
		24,582
		<hr/>
Liabilities classified as held-for-sale:-		
Bank borrowings		(4,279)
Trade payables		(6,627)
Other payables and accruals		(365)
Provision for taxation		(361)
		<hr/>
		(11,632)
		<hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

27. ASSETS CLASSIFIED AS HELD-FOR-SALE AND DISCONTINUED OPERATIONS (CONT'D)

- (i) Property, plant and equipment held-for-sale comprise the following:-

	THE GROUP 2012 RM'000
Cost	19,097
Accumulated depreciation	(9,414)
	<hr/>
	9,683
	<hr/>

- (ii) The inventories held-for-sale were carried at cost and comprise the following:-

	THE GROUP 2012 RM'000
Raw Materials	2,152
Work-in-progress	992
Manufactured inventories	3,633
	<hr/>
	6,777
	<hr/>

- (iii) Trade receivables are carried at cost less an impairment loss of RM35,000.

The non-current asset classified as held-for-sale in the Company's statement of financial position in the previous financial year is as follows:-

	THE COMPANY 2012 RM'000
Asset	
Investment in subsidiary	11,404
	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

27. ASSETS CLASSIFIED AS HELD-FOR-SALE AND DISCONTINUED OPERATIONS (CONT'D)

Profits attributable to the discontinued operations were as follows:-

	Note	THE GROUP	
		2013 RM'000	2012 RM'000
Revenue	25	7,130	34,340
Expenses		(6,750)	(33,077)
Operating profits		380	1,263
Finance costs		(52)	(368)
Profit before taxation	28	328	895
Income tax expense	26	(14)	(98)
Profit after tax from discontinued operations		314	797

The net cash flows from the discontinued operations are as follows:-

	THE GROUP	
	2013 RM'000	2012 RM'000
Operating	(1,307)	2,405
Investing	869	(1,116)
Financing	(117)	(1,346)
Net cash outflow	(555)	(57)

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28. PROFIT FOR THE YEAR

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Continuing operations				
Profit for the year is arrived at after charging/ (crediting):-				
Audit fee:				
- for the financial year	172	127	25	25
- underprovision in the previous financial year	37	-	-	-
Depreciation of property, plant and equipment	7,182	5,745	171	161
Directors' fee	70	69	70	69
Directors' non-fee emoluments:				
- salaries, bonuses and allowances	1,607	1,550	1,167	1,096
- defined contribution plan	303	292	213	206
- benefits-in-kind	95	79	82	62
Interest expense:				
- advances from subsidiaries	-	-	10	10
- bank overdraft	1	-	-	-
- hire purchase	63	90	2	11
- term loans	488	472	-	-
- revolving credits	17	88	-	-
Gain on disposal of an associate	(1,602)	-	-	-
Gain on disposal of a subsidiary	(1,678)	-	(2,631)	-
Gain recognised on the remeasurement of assets of a subsidiary acquired	(408)	-	-	-
Impairment loss on amount owing by associates	-	634	-	-
Impairment losses on trade receivables	234	321	-	-
Impairment losses on unquoted investments	-	28	-	-
Impairment losses on investment in associates	-	1,277	-	-
(Gain)/Loss on foreign exchange:				
- realised	(72)	(24)	119	15
- unrealised	(405)	148	170	(352)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

28. PROFIT FOR THE YEAR (CONT'D)

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Continuing operations				
Profit for the year is arrived at after charging/ (crediting) (cont'd):-				
Property, plant and equipment written off	183	32	-	-
Rental of accommodation	184	184	-	-
Rental of factory premises	536	434	-	-
Rental of office	105	78	-	-
Staff costs:				
- salaries, wages, bonuses and allowances	24,429	21,858	763	811
- defined contribution plan	2,205	1,768	92	97
- other benefits	218	211	7	(5)
Share of results in associates	134	2,356	-	-
Dividend income				
- subsidiaries	-	-	(2,500)	(2,045)
- other investment	(2)	(2)	-	-
Gain on disposal of property, plant and equipment	(136)	(139)	-	(54)
Interest income:				
- loans and receivables financial assets	-	-	(319)	(382)
- others	(479)	(159)	(233)	(29)
Writeback of impairment loss on receivables	(110)	(196)	-	-
Discontinued operations				
Audit fee	22	14	-	-
Depreciation of property, plant and equipment	308	1,830	-	-
Interest expense:				
- bank overdraft	44	228	-	-
- hire purchase	-	26	-	-
- term loans	34	114	-	-
Property, plant and equipment written off	-	15	-	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

28. PROFIT FOR THE YEAR (CONT'D)

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Discontinued operations				
Profit/(Loss) for the year is arrived at after charging/ (crediting) (cont'd):-				
Staff costs:				
- salaries, wages, bonuses and allowances	1,273	3,773	-	-
- defined contribution plan	235	720	-	-
(Gain)/Loss on foreign exchange:				
- realised	24	(52)	-	-
- unrealised	(11)	(41)	-	-
Loss on disposal of property, plant and equipment	-	20	-	-

29. EARNINGS PER SHARE

	THE GROUP	
	2013	2012
Profit from continuing operations (RM'000)	9,580	3,221
Profit from discontinued operations (RM'000)	314	797
Profit attributable to owners of the Company (RM'000)	<u>9,894</u>	<u>4,018</u>
Weighted average number of ordinary shares at 31 March ('000)	<u>41,811</u>	<u>41,811</u>
Basic earnings per ordinary share (Sen)		
- from continuing operations	22.91	7.70
- from discontinued operations	0.75	1.91
	<u>23.66</u>	<u>9.61</u>

The diluted earnings per share was not presented as there were no dilutive potential of the ordinary shares at the end of the reporting period.

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30. DIVIDEND

	THE COMPANY	
	2013 RM'000	2012 RM'000
Paid:-		
Final dividend of 3.0 sen per ordinary share less 25% tax in respect of the financial year ended 31 March 2012	941	-
Final dividend of 5.0 sen per ordinary share less 25% tax in respect of the financial year ended 31 March 2011	-	1,568
	<u>941</u>	<u>1,568</u>

At the forthcoming Annual General Meeting, a final dividend of 5.0 sen per ordinary share less 25% tax amounting of RM1,567,875 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by shareholders, will be accounted for as a liability in the financial year ending 31 March 2014.

31. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Cost of property, plant and equipment purchased	13,951	8,474	-	513
Amount financed through:				
- hire purchase	(2,738)	(629)	-	-
- term loan	(2,106)	(2,741)	-	-
Cash disbursed for purchase of property, plant and equipment	<u>9,107</u>	<u>5,104</u>	<u>-</u>	<u>513</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

32. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Continuing operations				
Short-term investments	9,915	-	7,582	-
Deposits with licensed banks	8,624	5,647	2,250	113
	18,539	5,647	9,832	113
Cash and bank balances	10,474	7,153	325	151
	29,013	12,800	10,157	264
Discontinued operations				
Cash and bank balances	-	956	-	-
	29,013	13,756	10,157	264

33. DIRECTORS' REMUNERATION

(a) The aggregate amounts of emoluments received and receivable by directors of the Group and of the Company during the financial year are as follows:-

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Executive directors: emoluments	1,896	1,829	1,336	1,289
Non-executive directors:				
- fee	70	69	70	69
- allowance	13	13	13	13
	1,979	1,911	1,419	1,371
Benefits-in-kind	95	79	82	62

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33. DIRECTORS' REMUNERATION (CONT'D)

- (b) Details of directors' emoluments of the Group and the Company received/receivable for the financial year in bands of RM50,000 are as follows:-

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
Executive directors:-				
RM550,001 - RM600,000	1	1	-	-
RM650,001 - RM700,000	2	2	2	2
Non-executive directors:-				
Below RM50,000	3	3	3	3
	<u>6</u>	<u>6</u>	<u>5</u>	<u>5</u>

34. SIGNIFICANT RELATED PARTY DISCLOSURES

- (a) Identities of related parties:-
- the Company's subsidiaries and associates as disclosed in Note 6 and Note 7 to the financial statements;
 - companies in which certain directors have substantial financial interests; and
 - key management personnel.
- (b) In addition to the information detailed elsewhere in the financial statements, the Group and the Company carried out the following significant transactions with the related parties during the financial year:-

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Subsidiaries				
Dividend income	-	-	2,500	2,045
Interest income	-	-	319	382
Interest expense	-	-	(10)	(10)
Management fee income	-	-	1,536	1,263
Management fee expense	-	-	(340)	(420)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

34. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(b)	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Associates				
Management fee income	-	1,471	-	-
Sales	-	185	-	-
Purchases	-	(90)	-	-
Parties connected to Directors				
Sales	6	12	-	-
Purchases	(39)	(27)	-	-
Rental of accommodation	(5)	(5)	-	-
Salaries and other short-term employee benefits	(1,114)	(1,034)	-	-
Company in which certain Directors have interests				
Purchases	(10)	(15)	-	-
Key management personnel compensation:				
- short-term employee benefits	9,035	9,757	2,292	2,426

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

35. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Board of Directors in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into 3 main business segments as follows:-

- (i) Labels and stickers segment - manufacturing and distributing labels and stickers, sales of labelling machines, hand labellers, bar code printers and related consumables.
- (ii) Name plates and in-mould decorating products segment - manufacturing of name plates and LCD backlights for display screens and fabricated products.
- (iii) Other segments - property letting and investment holding.

Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly investments and related income, loans and borrowings, income taxes and related expenses.

Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

35. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS

	LABELS AND STICKERS RM'000	NAME PLATES AND IN-MOULD DECORATING PRODUCTS RM'000	LABELS AND STICKERS (DISCONTINUED) RM'000	OTHERS RM'000	THE GROUP RM'000
2013					
Revenue					
External revenue	90,038	26,368	7,130	-	123,536
Inter-segment revenue	2,570	1,009	-	78	3,657
	92,608	27,377	7,130	78	127,193
Adjustments and eliminations					(3,657)
Consolidated revenue					123,536
Results					
Segment results	18,366	4,700	611	(2,839)	20,838
Interest income	243	3	-	233	479
Depreciation of property, plant and equipment	(4,765)	(2,192)	(308)	(225)	(7,490)
Other material items	20	98	11	1,794	1,923
	13,864	2,609	314	(1,037)	15,750
Finance costs					(569)
Share of results in associates					(134)
Adjustments and eliminations					(319)
Unallocated expenses					(345)
Income tax expense					(3,270)
Consolidated profit after taxation					11,113

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

35. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	LABELS AND STICKERS RM'000	NAME PLATES AND IN-MOULD DECORATING PRODUCTS RM'000	LABELS AND STICKERS (DISCONTINUED) RM'000	OTHERS RM'000	THE GROUP RM'000
2013					
Assets					
Segment assets	91,483	27,584	-	12,678	131,745
Investments in associates					-
Unallocated assets					2,993
Deferred tax assets					271
Consolidated total assets					135,009
Liabilities					
Segment liabilities	15,186	6,394	-	286	21,866
Deferred tax liabilities					2,479
Provision for taxation					2,021
Unallocated liabilities					11,941
Consolidated total liabilities					38,307
Other segment item					
Addition to non-current assets other than financial instruments:-					
- property, plant and equipment	13,037	914	-	-	13,951

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35. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	LABELS AND STICKERS RM'000	NAME PLATES AND IN-MOULD DECORATING PRODUCTS RM'000	LABELS AND STICKERS (DISCONTINUED) RM'000	OTHERS RM'000	THE GROUP RM'000
2012					
Revenue					
External revenue	85,556	18,344	34,340	-	138,240
Inter-segment revenue	53	920	-	78	1,051
	85,609	19,264	34,340	78	139,291
Adjustments and eliminations					(1,051)
Consolidated revenue					138,240
Results					
Segment results	16,650	1,640	3,087	(218)	21,159
Interest income	130	-	-	29	159
Depreciation of property, plant and equipment	(4,385)	(1,144)	(1,830)	(216)	(7,575)
Other material items	(687)	(1,824)	6	406	(2,099)
	11,708	(1,328)	1,263	1	11,644
Finance costs					(1,018)
Share of results in associates					(2,356)
Adjustments and eliminations					(382)
Unallocated expenses					(2,618)
Income tax expense					(2,690)
Consolidated profit after taxation					2,580

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35. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	LABELS AND STICKERS RM'000	NAME PLATES AND IN-MOULD DECORATING PRODUCTS RM'000	LABELS AND STICKERS (DISCONTINUED) RM'000	OTHERS RM'000	THE GROUP RM'000
2012					
Assets					
Segment assets	78,010	18,794	24,340	2,136	123,280
Investments in associates					2,296
Unallocated assets					2,331
Deferred tax assets					477
Consolidated total assets					128,384
Liabilities					
Segment liabilities	15,106	3,033	7,104	180	25,423
Deferred tax liabilities					2,482
Provision for taxation					1,087
Unallocated liabilities					13,079
Consolidated total liabilities					42,071
Other segment item					
Addition to non-current assets other than financial instruments:- - property, plant and equipment	6,446	747	768	513	8,474

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35. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

(a) Other material items consist of the following:-

	THE GROUP	
	2013 RM'000	2012 RM'000
Impairment loss on amount owing by associate	-	(634)
Impairment loss on trade receivables	(234)	(321)
Impairment loss on investments in associates	-	(1,277)
Gain on disposal of property, plant and equipment	136	119
Gain on disposal of a subsidiary	1,678	-
Unrealised gain/(loss) on foreign exchange	416	(107)
Property, plant and equipment written off	(183)	(47)
Impairment loss on other investment	-	(28)
Writeback of impairment loss on receivables	110	196
	<u>1,923</u>	<u>(2,099)</u>

GEOGRAPHICAL INFORMATION

	REVENUE		NON-CURRENT ASSETS	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Malaysia	78,141	69,767	33,228	28,065
China (Discontinued)	7,130	34,340	-	9,606
Others	38,265	34,133	23,520	17,972
	<u>123,536</u>	<u>138,240</u>	<u>56,748</u>	<u>55,643</u>

MAJOR CUSTOMERS

There is no major customer with revenue equal to or more than 10% of the Group's revenue.

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36. CAPITAL COMMITMENTS

	THE GROUP	
	2013 RM'000	2012 RM'000
Approved and contracted for:-		
Purchase of property, plant and equipment	3,056	4,193

37. CONTINGENT LIABILITY

	THE COMPANY	
	2013 RM'000	2012 RM'000
Unsecured:		
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	4,914	4,651

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38. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(i) Foreign Currency Risk

The Group is 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 United States Dollar, Chinese Renminbi, Indonesian Rupiah, Philippine Peso and Thai Baht. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is maintained at an acceptable level.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

38. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency is as follows:-

THE GROUP	UNITED STATES DOLLAR RM'000	CHINESE RENMINBI RM'000	JAPANESE YEN RM'000	INDONESIAN RUPIAH RM'000	PHILIPPINE PESO RM'000	THAI BAHT RM'000	OTHERS RM'000	RINGGIT MALAYSIA RM'000	TOTAL RM'000
2013									
Assets									
Other investments	-	-	-	-	-	-	-	19	19
Trade receivables	1,968	3,366	423	3,140	2,570	1,742	97	13,206	26,512
Other receivables and deposits	63	106	-	445	240	468	-	2,422	3,744
Short-term investments	-	-	-	-	-	-	-	9,915	9,915
Deposits with licensed banks	-	-	-	-	-	-	-	8,624	8,624
Cash and bank balances	493	1,014	162	319	1,577	2,089	32	4,788	10,474
	2,524	4,486	585	3,904	4,387	4,299	129	38,974	59,288

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

38. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

THE GROUP	UNITED STATES DOLLAR RM'000	CHINESE RENMINBI RM'000	JAPANESE YEN RM'000	INDONESIAN RUPIAH RM'000	PHILIPPINE PESO RM'000	THAI BAHT RM'000	OTHERS RM'000	RINGGIT MALAYSIA RM'000	TOTAL RM'000
2013									
Liabilities									
Bank borrowings	-	-	-	2,392	-	7,116	-	2,433	11,941
Trade payables	557	1,943	776	3,145	1,109	976	147	6,286	14,939
Other payables and accruals	-	1,329	-	467	728	1,143	-	3,260	6,927
	557	3,272	776	6,004	1,837	9,235	147	11,979	33,807

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

38. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

THE GROUP	UNITED STATES DOLLAR RM'000	CHINESE RENMINBI RM'000	JAPANESE YEN RM'000	INDONESIAN RUPIAH RM'000	PHILIPPINE PESO RM'000	THAI BAHT RM'000	OTHERS RM'000	RINGGIT MALAYSIA RM'000	TOTAL RM'000
2013									
Net assets/(liabilities)	1,967	1,214	(191)	(2,100)	2,550	(4,936)	(18)	26,995	25,481
Less: Net liabilities/ (assets) denominated in the respective entities' functional currencies	-	(1,214)	-	2,100	(2,550)	4,936	-	(26,995)	(23,723)
Currency exposure	1,967	-	(191)	-	-	-	(18)	-	1,758

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38. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency is as follows:-

THE GROUP	UNITED STATES DOLLAR RM'000	JAPANESE YEN RM'000	INDONESIAN RUPIAH RM'000	PHILIPPINE PESO RM'000	THAI BAHT RM'000	OTHERS RM'000	RINGGIT MALAYSIA RM'000	TOTAL RM'000
2012								
Assets								
Other investments	-	-	-	-	-	-	15	15
Trade receivables	2,111	73	2,588	2,723	2,134	17	13,138	22,784
Other receivables and deposits	-	-	279	128	204	-	1,007	1,618
Amount owing by associates	1,650	-	-	-	-	-	-	1,650
Short-term investment Deposits with licensed banks	-	-	-	-	-	-	5,647	5,647
Cash and bank balances	487	25	246	641	1,924	40	3,790	7,153
	4,248	98	3,113	3,492	4,262	57	23,597	38,867

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38. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

THE GROUP	UNITED STATES DOLLAR RM'000	JAPANESE YEN RM'000	INDONESIAN RUPIAH RM'000	PHILIPPINE PESO RM'000	THAI BAHT RM'000	OTHERS RM'000	RINGGIT MALAYSIA RM'000	TOTAL RM'000
2012								
Liabilities								
Bank borrowings	-	-	1,636	374	4,262	-	2,528	8,800
Trade payables	720	755	2,333	1,102	1,533	222	7,403	14,068
Other payables and accruals	-	-	513	655	751	-	2,378	4,297
Amount owing to an associate	66	-	-	-	-	-	-	66
	786	755	4,482	2,131	6,546	222	12,309	27,231

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38. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

THE GROUP	UNITED STATES DOLLAR RM'000	JAPANESE YEN RM'000	INDONESIAN RUPIAH RM'000	PHILIPPINE PESO RM'000	THAI BAHT RM'000	OTHERS RM'000	RINGGIT MALAYSIA RM'000	TOTAL RM'000
2012								
Net assets/(liabilities)	3,462	(657)	(1,369)	1,361	(2,284)	(165)	11,288	11,636
Less: Net liabilities/ (assets) denominated in the respective entities' functional currencies	-	-	1,369	(1,361)	2,284	-	(11,288)	(8,996)
Currency exposure	3,462	(657)	-	-	-	(165)	-	2,640

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38. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

THE COMPANY	UNITED STATES DOLLAR RM'000	THAI BAHT RM'000	RINGGIT MALAYSIA RM'000	TOTAL RM'000
2013				
Assets				
Other receivables and deposits	-	-	16	16
Amount owing by subsidiaries	639	282	4,234	5,155
Short-term investments	-	-	7,582	7,582
Deposits with licensed banks	-	-	2,250	2,250
Cash and bank balances	-	-	325	325
	639	282	14,407	15,328

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38. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

THE COMPANY	UNITED STATES DOLLAR RM'000	THAI BAHT RM'000	RINGGIT MALAYSIA RM'000	TOTAL RM'000
2013				
Liabilities				
Other payables and accruals	-	-	276	276
Amount owing to a subsidiary	-	-	50	50
	-	-	326	326
Net assets				
Less: Net assets denominated in the entity's functional currency	639	282	14,081	15,002
	-	-	(14,081)	(14,081)
Currency exposure	639	282	-	921

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38. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

THE COMPANY	UNITED STATES DOLLAR RM'000	INDONESIAN RUPIAH RM'000	THAI BAHT RM'000	RINGGIT MALAYSIA RM'000	TOTAL RM'000
2012					
Assets					
Other receivables and deposits	-	-	-	19	19
Amount owing by subsidiaries	1,788	36	330	3,392	5,546
Deposits with licensed banks	-	-	-	113	113
Cash and bank balances	-	-	-	151	151
	<u>1,788</u>	<u>36</u>	<u>330</u>	<u>3,675</u>	<u>5,829</u>

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38. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

THE COMPANY	UNITED STATES DOLLAR RM'000	INDONESIAN RUPIAH RM'000	THAI BAHT RM'000	RINGGIT MALAYSIA RM'000	TOTAL RM'000
2012					
Liabilities					
Other payables and accruals	-	-	-	200	200
Amount owing to a subsidiary	-	-	-	2,008	2,008
Hire purchase payables	-	-	-	116	116
	-	-	-	2,324	2,324
Net assets	1,788	36	330	1,351	3,505
Less: Net assets denominated in the entity's functional currency	-	-	-	(1,351)	(1,351)
Currency exposure	1,788	36	330	-	2,154

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38. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency risk sensitivity analysis

A 5% strengthening of the RM against the following currencies at the end of the reporting period would have increased/(decreased) equity and profit/(loss) after taxation by the amounts shown below. This assumes that all other variables remain constant.

	THE GROUP		THE COMPANY	
	Equity RM'000	Profit after taxation RM'000	Equity RM'000	Profit after taxation RM'000
2013				
United States Dollar	98	98	32	32
Japanese Yen	(10)	(10)	-	-
Thai Baht	-	-	14	14
Others	(1)	(1)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
2012				
United States Dollar	173	173	89	89
Japanese Yen	(33)	(33)	-	-
Indonesian Rupiah	-	-	2	2
Thai Baht	-	-	17	17
Others	(8)	(8)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

A 5% weakening of the RM against the above currencies at the end of the reporting period would have had an equal but opposite effect on the above currencies to the amounts shown above. This assumes that all other variables remain constant.

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38. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risk (Cont'd)

(ii) *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 exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 38(a)(iii) to the financial statements.

Interest rate risk sensitivity analysis

The interest rate risk sensitivity analysis on the fixed rate instrument is not presented as this financial instrument is measured at amortised cost.

The sensitivity analysis on the floating rate instrument is not presented as a 100 basis points strengthening or weakening would have had immaterial effect on the profit after taxation and equity of the Group. This assumes that all other variables remain constant.

(iii) *Equity Price Risk*

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to equity price risks by maintaining a portfolio of equities with different risk profiles.

Equity price sensitivity analysis

A 5% strengthening or weakening would have had immaterial effect on the profit after taxation and equity of the Group. This assumes that all other variables remain constant.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

38. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages 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 quoted investments, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes 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 groups 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.

Credit risk concentration profile

The Company does not have any major concentration of credit risk related to any individual customer or counterparty.

Exposure to credit risk

As the Group does 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

38. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Ageing analysis

The ageing analysis of the Group's trade receivables as at 31 March 2013 is as follows:-

THE GROUP	GROSS AMOUNT RM'000	INDIVIDUAL IMPAIRMENT RM'000	COLLECTIVE IMPAIRMENT RM'000	CARRYING VALUE RM'000
2013				
Not past due	21,670	(85)	(162)	21,423
Past due:-				
- less than 3 months	2,742	(57)	-	2,685
- 3 to 6 months	413	(75)	-	338
- over 6 months	2,710	(644)	-	2,066
	<u>27,535</u>	<u>(861)</u>	<u>(162)</u>	<u>26,512</u>
2012				
Not past due	20,546	(2)	-	20,544
Past due:-				
- less than 3 months	1,969	(43)	(87)	1,839
- 3 to 6 months	462	(63)	(37)	362
- over 6 months	876	(782)	(55)	39
	<u>23,853</u>	<u>(890)</u>	<u>(179)</u>	<u>22,784</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

38. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Ageing analysis (Cont'd)

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.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 180 days, which are deemed to have higher credit risk, are monitored individually.

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38. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises 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):-

THE GROUP	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 – 5 YEARS RM'000	OVER 5 YEARS RM'000
2013						
Hire purchase payables	3.67	2,705	3,043	812	2,231	-
Secured term loans						
- fixed rate	6.71	7,119	8,323	2,213	5,917	193
Unsecured term loans						
- floating rate	4.01	1,160	1,208	1,208	-	-
Bankers' acceptances	4.51	957	957	957	-	-
Trade payables	-	14,939	14,939	14,939	-	-
Other payables and accruals	10.50	6,927	6,927	6,927	-	-
		33,807	35,397	27,056	8,148	193

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38. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

THE COMPANY	WEIGHTED AVERAGE EFFECTIVE RATE %	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 – 5 YEARS RM'000
2013					
Other payables and accruals	-	276	276	276	-
Amount owing to a subsidiary	-	50	50	50	-
		326	326	326	-
2012					
Hire purchase payables	5.58	116	119	119	-
Other payables and accruals	-	200	200	200	-
Amount owing to subsidiaries	4.94	2,008	2,008	2,008	-
		2,324	2,327	2,327	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

38. FINANCIAL INSTRUMENTS (CONT'D)

(b) Capital Risk Management (Cont'd)

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group 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 manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings less cash and cash equivalents.

The management are of the opinion that the Group has insignificant external borrowings, the debt-to-equity ratio may not provide a meaningful indicator of the risk of borrowings.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholder's equity is not less than RM10 million. The Company has complied with this requirement.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

38. FINANCIAL INSTRUMENTS (CONT'D)

(d) Classification Of Financial Instruments

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Financial assets				
<u>Available-for-sale financial assets</u>				
Quoted investments	19	15	-	-
Short-term investments	9,915	-	7,582	-
	<u>9,934</u>	<u>15</u>	<u>7,582</u>	<u>-</u>
<u>Loans and receivables financial assets</u>				
Trade receivables	26,512	22,784	-	-
Other receivables and deposits	3,744	1,618	16	19
Amount owing by subsidiaries	-	-	5,155	5,546
Amount owing by associates	-	1,650	-	-
Fixed deposits with licensed banks	8,624	5,647	2,250	113
Cash and bank balances	10,474	7,153	325	151
	<u>49,354</u>	<u>38,852</u>	<u>7,746</u>	<u>5,829</u>
Financial liabilities				
<u>Other financial liabilities</u>				
Hire purchase payables	2,705	1,087	-	116
Term loans	8,279	7,339	-	-
Revolving credits	-	374	-	-
Bankers' acceptances	957	-	-	-
Trade payables	14,939	14,068	-	-
Other payables and accruals	6,927	4,297	276	200
Amount owing to subsidiaries	-	-	50	2,008
Amount owing to an associate	-	66	-	-
	<u>33,807</u>	<u>27,231</u>	<u>326</u>	<u>2,324</u>

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38. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Values Of Financial Instruments

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values.

The following summarises the methods used to determine the fair values of the financial instruments:-

- (i) The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short-term maturity of the financial instruments.
- (ii) The fair value of quoted investments is estimated based on their quoted market prices as at the end of the reporting period.
- (iii) The fair value of hire purchase payables is determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.
- (iv) The fair value of term loans is determined by discounting the relevant cash flows using current interest rates for similar instruments as at the end of the reporting period.
- (v) The fair values of long-term receivables are determined by discounting all future cash receipts using the prevailing market rate of interest for a similar instrument with a similar credit rating as at the end of the reporting period.

The interest rates used to discount estimated cash flows, where applicable, are as follows:-

The interest rates used to discount estimated cash flows, where applicable, are as follows:-

	THE GROUP		THE COMPANY	
	2013 %	2012 %	2013 %	2012 %
Amount owing by associates	-	7.00	-	-
Hire purchase payables	3.67	5.73	-	5.58
Term loans	5.52	5.78	-	-
	<hr/>	<hr/>	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

38. FINANCIAL INSTRUMENTS (CONT'D)

(e) Fair Value Hierarchy

The fair values of the financial assets and liabilities are analysed into level 1 to 3 as follows:-

Level 1: Fair value measurements derive from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements derive from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Fair value measurements derive from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at 31 March 2013, the Group's financial instruments carried at fair values are analysed as below:-

THE GROUP	LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000	TOTAL RM'000
2013				
Financial assets				
Other investments:				
- quoted shares in Malaysia	19	-	-	-
Short-term investments	9,915	-	-	-

Transfer between level 1 and level 2

There were no transfers between level 1 and level 2 fair value measurements during the current financial year.

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39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

There were no other changes in the composition of the Group for the period to date including business combination, acquisition or disposal of subsidiary, restructuring and discontinuation of operations except for the following:-

- (i) The Company had on 22 November 2011 announced the proposed disposal of its entire interest in Shanghai Super Labels Co., Ltd. ("SSL") to Anne (Hong Kong) Co., Ltd ("Anne"). The proposed disposal of SSL was completed on 6 July 2012.
- (ii) On 15 April 2012, S.E. Printing (M) Sdn. Bhd. ("SEP"), a subsidiary of the Company, had entered into a Share Transfer Agreement with Brilliant Dragon Industrial Limited ("BDI") for the transfer of its entire equity interest of 49% in Shanghai SEP Optoelectronics Co., Ltd. ("SSEP") to BDI. SSEP will cease to be an associate of the Company upon the completion of the Proposed Disposal. The share transfer was not subject to approval of the Company's shareholders or any relevant government authority in Malaysia. The share transfer was completed on 26 June 2012.
- (iii) On 15 April 2012, SEP, a subsidiary of the Company, had entered into a Share Transfer Agreement with Brilliant Dragon Industrial Limited ("BDI") for the acquisition of BDI's entire equity interest of 51% in Guangzhou Super Serigraph Electronics Co., Ltd ("GSSE"). The share transfer was not subject to the approval of the Company's shareholders or any relevant government authority in Malaysia. Consequently GSSE became a wholly-owned subsidiary of SEP upon the completion of the share transfer on 14 August 2012.
- (iv) On 15 October 2012, the Company entered into two (2) Share Sale Agreements ("SSA") with Nakornrat Pumnyan and Paisri Kladsumniang (collectively referred to as the "Vendors") to acquire 10,200 ordinary shares of THB100 each in S.E. Industries (Thailand) Co., Ltd. ("SEIT"), a subsidiary of the Company, representing the remaining 29.4% equity interest in SEIT from the Vendors.

Subsequent to the said acquisition, the Company subscribed for 240,000 new ordinary shares of THB 100 each in SEIT. The exercise was completed on 19 November 2012 upon the receipt of the new share certificates from the Corporate Registry of Thailand.

- (v) On 21 March 2013, SEP, a subsidiary of the Company, had incorporated a 66.67% owned subsidiary known as S.E. Slimbright Sdn. Bhd. ("S.E. Slimbright") under the Companies Act, 1965. S.E. Slimbright has an authorised share capital of RM1,000,000.00 comprising 1,000,000 ordinary shares of RM1.00 each and an issued and paid-up capital of RM3.00 comprising 3 ordinary shares of RM1.00 each. Its intended principal activities include carrying on the business of advertising signboards, marketing, trading or distributing goods or merchandise and fabricator of components for products, appliances and accessories for various industries.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

40. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS/(LOSSES)

The breakdown of the retained profits of the Group and of the Company as at the end of the reporting period into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	THE GROUP		THE COMPANY	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Total retained profits:				
- realised	57,165	50,780	4,396	2,707
- unrealised	(1,752)	(1,787)	351	436
	<hr/>	<hr/>	<hr/>	<hr/>
	55,413	48,993	4,747	3,143
Total share of accumulated losses of associates:				
- realised	-	(4,548)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	55,413	44,445	4,747	3,143
Less: Consolidation adjustments	(10,530)	(8,653)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March	44,883	35,792	4,747	3,143
	<hr/>	<hr/>	<hr/>	<hr/>