

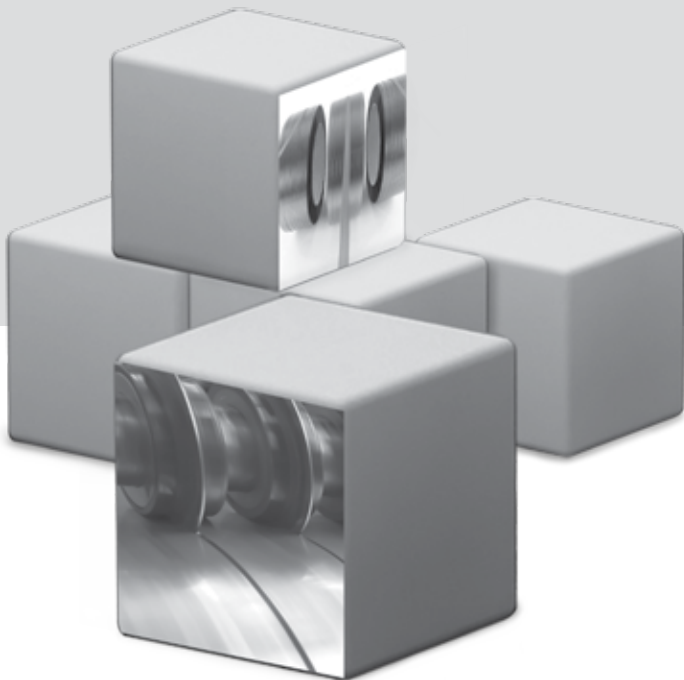
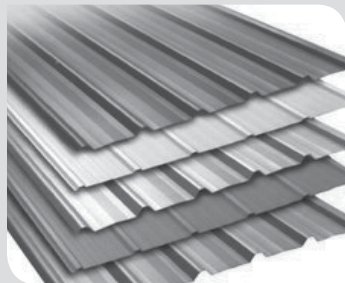
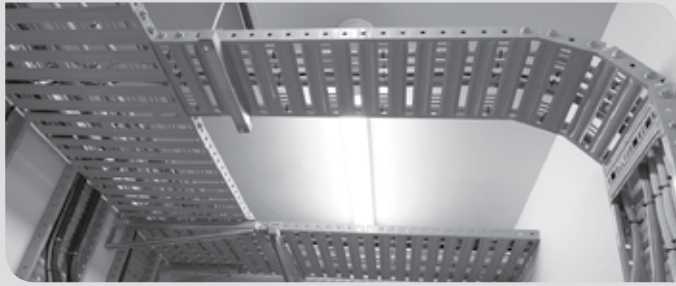
SMPC

SMPC CORPORATION BHD.
(79082-V)

Annual Report
2015



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BOARD OF DIRECTORS

Ooi Chieng Sim
(Executive Chairman)

Ng Chin Nam
(Executive Director)

Mohd Shahril Fitri Bin Hashim
(Executive Director)

Chow Choon Hoong
(Executive Director)

Dato' Lee Hean Guan
(Non-Independent
Non-Executive Director)

Dato' Dennis Chuah
(Independent Non-Executive
Director)

Sudesh a/l K. V. Sankaran
(Independent Non-Executive
Director)

Lim Ghim Chai
(Independent Non-Executive
Director)

AUDIT COMMITTEE

Dato' Dennis Chuah
(Chairman)

Sudesh a/l K. V. Sankaran

Lim Ghim Chai

NOMINATING COMMITTEE

Sudesh a/l K. V. Sankaran
(Chairman)

Dato' Dennis Chuah

Lim Ghim Chai

REMUNERATION COMMITTEE

Sudesh a/l K. V. Sankaran
(Chairman)

Dato' Dennis Chuah

Ooi Chieng Sim

ESOS COMMITTEE

Ooi Chieng Sim
(Chairman)

Ng Chin Nam

Siva Raman a/l S. Ramasamy

**Parimala Devi a/p
Mailvaganam**

CORPORATE/OPERATIONAL OFFICE

SMPC Corporation Bhd (79082-V)
No. 2521, Tingkat Perusahaan 6
Prai Industrial Estate
13600 Prai, Pulau Pinang
Tel No. : + 604-3907324
Fax No. : + 604-3997324

SHARE REGISTRARS

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel No. : + 603-78418000
Fax No. : + 603-78418151

REGISTERED OFFICE

No. 55A, Medan Ipoh 1A
Medan Ipoh Bistari
31400 Ipoh
Perak Darul Ridzuan
Tel No. : + 605-5474833
Fax No. : + 605-5474363

COMPANY SECRETARIES

Chan Yoke Yin (MAICSA 7043743)
Chan Eoi Leng (MAICSA 7030866)

AUDITORS

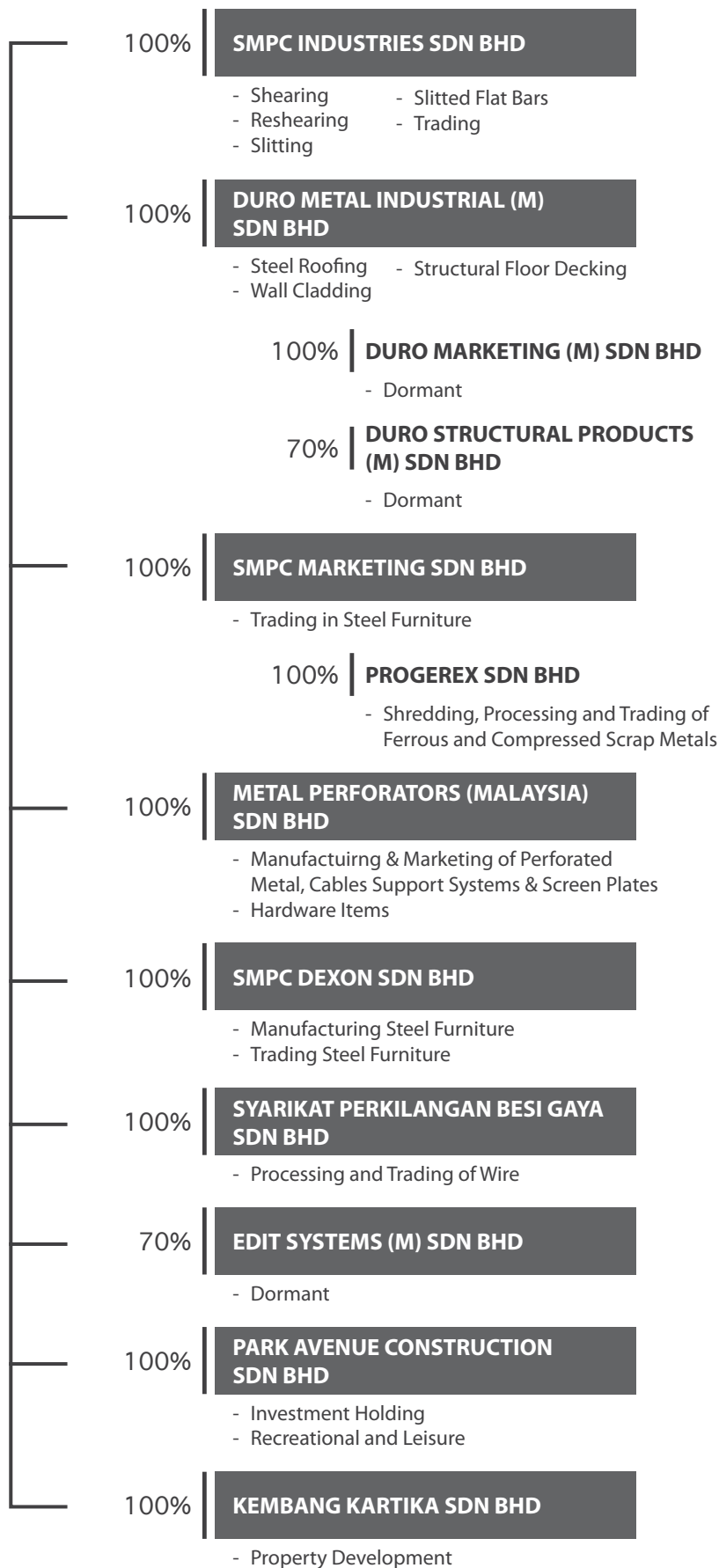
Grant Thornton
Chartered Accountants
51-8-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang
Tel No. : + 604-2287828
Fax No. : + 604-2279828

PRINCIPAL BANKERS

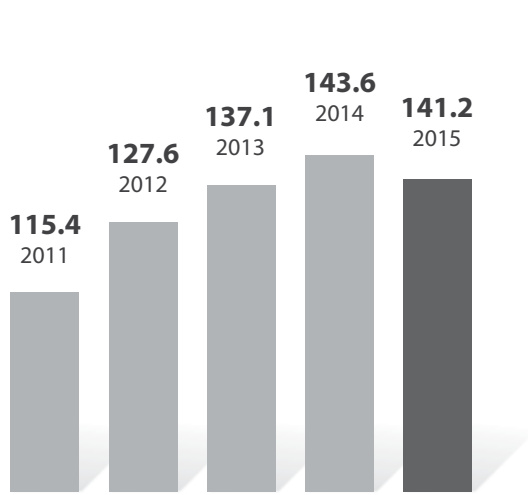
Ambank (M) Berhad
Amlslamic Bank Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad

STOCK EXCHANGE LISTING

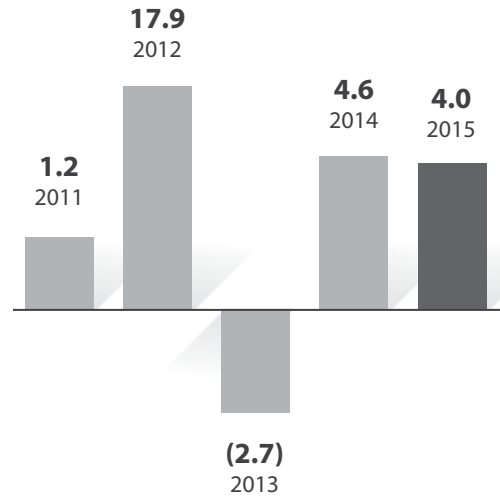
Main Market of Bursa Malaysia
Securities Berhad
Stock Name : SMPC
Stock Code : 7099



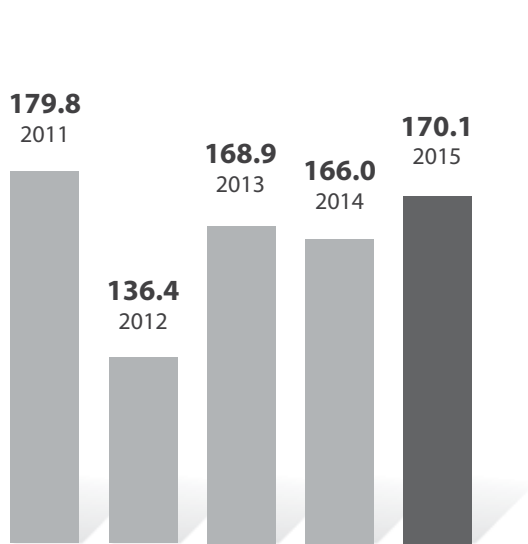
Financial Highlights



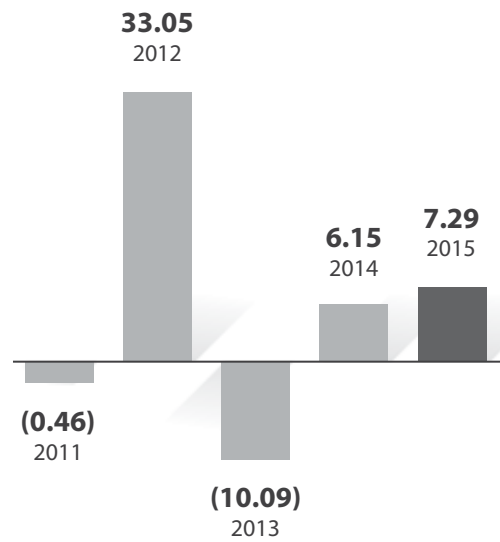
REVENUE
(RM Million)



PROFIT / (LOSS) BEFORE TAX
(RM Million)



TOTAL ASSETS
(RM Million)



EARNINGS / (LOSS) PER SHARE
(RM Million)

Chairman's Statement

DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors of SMPC Corporation Bhd, I am pleased to present the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 March 2015.

BUSINESS REVIEW

In financial year 2015, the Group managed to perform positively despite facing intense business competition and sustained market challenges. A positive performance was achieved as the Group seized opportunities arising from the implementation of various government transformation projects and other private sector investments in Malaysia and overseas market.

The Group remained focused in enhancing its competitive position through internal process improvements. These efforts have borne a fruitful result and enabled us to weather the difficult business environment and deliver another positive performance.

GROUP FINANCIAL PERFORMANCE

For the financial year ended 31 March 2015, the Group achieved a revenue of RM141 million, a small decrease of 1.7% against the previous financial year. After accounting for tax, profit for the year is recorded at RM4 million which is 34% higher compared to the previous financial year.

DIVIDEND

The Group has distributed a share dividend to the loyal shareholders on the basis of one treasury share for every twenty ordinary shares held in respect of the financial year ended 31 March 2015.

PROSPECT

We anticipate that market conditions will be challenging in 2016 taking into consideration of the depreciation of the Ringgit that will give pressure on material import and implementation of GST in April 2015. However, we anticipate that the domestic market will improve with demand coming from the implementation of new government infrastructure projects and private sector investments in oil and gas, power and property developments.

We remain optimistic that our perforated cable support, metal roofing and recycling plastic and metal scrap division will be the major contributors to the Group's profitability in 2016.

CORPORATE GOVERNANCE

The Board is committed to observing the Malaysian Code on Corporate Governance 2012 and Listing Requirements of Bursa Malaysia Securities Berhad and has ensured that a high standard of corporate governance is practiced throughout the Group to safeguard the Group's assets, operations and shareholder value. Our statement on corporate governance can be found on pages 10 to 17.



CORPORATE SOCIAL RESPONSIBILITY

The Group is committed to the spirit of Corporate Social Responsibility ("CSR") by integrating it into the business operations.

Internally, use of recycled papers where applicable is highly encouraged, and the Company practices switching off lighting and air-conditioning in the office when not in use to save energy.

The Group continues to place great importance on the need to protect our environment. The Group also maintains good manufacturing practices and adhere to the government environmental policies at all times. All manufacturing facilities are pursuing their own waste reduction programmes.

WORD OF APPRECIATION

On behalf of the Board, I would like to thank the Directors, the management and all employees of the Group for their dedicated services, commitment, loyalty and contribution during 2015. The year 2016 is expected to be very challenging but I have confidence in the Group's management capacity and ability to overcome whatever possibilities and difficulties that may present themselves.

I would also like to take this opportunity to thank the Regulatory Authorities, shareholders, customers, business associates, clients, bankers, sub-contractors and suppliers for their continuing support, trust and confidence in the Group.

I appreciate the trust and opportunity given to me to assume the position of Executive Chairman of a newly restructured Group like SMPC Corporation Bhd. I shall endeavour to give my utmost in discharging the responsibilities entrusted upon me. With the support of my co-directors, the management and staff and other stakeholders, I am sure we can expect to see better years ahead.

O O I CHIENG SIM

Executive Chairman

Date: 27 August 2015

Profile of the Board of Directors

OOI CHIENG SIM

*Chairman/Executive Director
Malaysian, aged 46*

Ooi Chieng Sim was appointed to the Board of SMPC as an Executive Director on 1 June 2012. He was subsequently appointed as the Executive Chairman of the Company on 24 November 2014.

Ooi Chieng Sim did his secondary education at Chung Ling High School and has more than twenty years of experience in plantation, trading in foodstuff, construction and engineering sector. His immense experience had led him to manage his companies successfully over the years. He was the founder of Hock Lok Siew Realty Sdn. Bhd. and Skylitech Resources Sdn. Bhd. which were set up by him in 1989.

He is a substantial shareholder of SMPC by virtue of his deemed interest held through Hock Lok Siew Realty Sdn. Bhd. and Skylitech Resources Sdn. Bhd. in the Company.

NG CHIN NAM

*Executive Director
Malaysian, aged 45*

Ng Chin Nam is an Executive Director of the Company through his re-designation effective 1 June 2012. He was appointed to the Board of SMPC on 29 January 2009 as an Independent Non-Executive Director and a member of the Company's Audit Committee till his re-designation in June 2012.

Ng Chin Nam has more than 20 years of experience in the fields of accounting, auditing, taxation and corporate finance. He started his career in 1992, in a manufacturing environment. He joined an international audit firm in 1997 after obtaining his professional qualification from Chartered Institute of Management Accountants (CIMA). He left the audit firm in 2000 and was head of the finance department of different listed companies until 2012. Presently, he also sits on the Board of Luster Industries Berhad, Niche Capital Emas Holdings Berhad and Asia File Corporation Bhd.

MOHD SHAHRIL FITRI BIN HASHIM

*Executive Director
Malaysian, aged 40*

Mohd Shahril Fitri Bin Hashim was appointed as an Executive Director of SMPC on 27 September 2007.

Mohd Shahril Fitri Bin Hashim holds a Diploma in Accountancy from Universiti Teknologi Mara and a Bachelor in Accountancy (Hons) from University of Stirling. He started his career with Messrs. Shamsir Jasani Grant Thornton in 1997 and joined the Investment Monitoring Department of Perbadanan Nasional Berhad (PNS) in 2000.

CHOW CHOON HOONG

*Executive Director
Malaysian, aged 51*

Chow Choon Hoong is an Executive Director of SMPC. He was appointed to the Board of SMPC on 29 June 2015.

He graduated with a Bachelor of Science Degree in Civil Engineering and specialized in Structural and Transportation Engineering. He served as a Civil Engineer of Tokyu Construction Sdn Bhd from year 1992 to 1993. Then, he served as an Assistant Resident Engineer of Ving Tai Development Sdn Bhd from year 1993 to 1994. After that, he worked as a Project Coordinator and Structural Detailed Design Engineer of Sepakat Setia Perunding Sdn Bhd in year 1994 until 1997. Thereafter, he worked as a Project Manager of MUI Properties Sdn Bhd from year 1997 to 1998. Presently, he is an Executive Director of Duro Metal Industrial (M) Sdn Bhd, a wholly-owned subsidiary company of SMPC.

DATO' LEE HEAN GUAN

*Non Independent Non-Executive Director
Malaysian, aged 73*

Dato' Lee Hean Guan is a Non-Independent Non-Executive Director of SMPC. He was appointed to the Board of SMPC on 3 March 2011. He joined See Hup Group in 1965 after completing his secondary education. He formed the pioneer management team of See Hup and was the person responsible for the growth of the Group through strategic business planning, executive management and operational review.

Dato' Lee Hean Guan was the former Group Managing Director of See Hup Consolidated Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad from 18 November 1997 till 29 May 2007. Presently, he is the advisor to See Hup Consolidated Berhad and sits on the Board of Directors for the subsidiaries of See Hup Group. He is also actively involved in various businesses, communities and charitable organisations and holds honorary positions in various committees.

DATO' DENNIS CHUAH

*Independent Non-Executive Director
Malaysian, aged 42*

Dato' Dennis Chuah is an Independent Non-Executive Director of SMPC. He was appointed to the Board of SMPC on 25 September 2013. He was then appointed as Chairman of the Audit Committee of the Company on 30 September 2014.

In 1992, he joined Tako Group of companies as a Sales Executive and was in charge of the sales of electrostatic discharge protective material for the semiconductor and electronics industries in Malaysia and Singapore. He founded Zapstat Sdn Bhd in 1996, a manufacturer of electronic antistatic packaging material and also one of the pioneer factory producing this advance packaging materials in Malaysia at that time.

Then in the year of 2002, he established ETI Corporation Berhad (ETICB), a holding company doing R&D of Battery Management System and energy storage. ETICB was listed on the Malaysian Exchange of Securities Dealing and Automated Quotation (MESDAQ) Market of Bursa Malaysia and has obtained MSC status in R&D and manufacturing of Battery Management System and energy storage. In 2008 when ETICB's market capital value hit RM600million, he was listed in "The Forbes Asia's 4th and 5th Annual Best Under A Billion". In year 2008 he went on to establish Eclimo Sdn Bhd, a homegrown electric vehicle company promoting green technology with the vision to provide everyone an **Eco Life Mobility** and preserve the environment with zero emission. He is the Executive Director of Eclimo Sdn Bhd.

SUDESH A/L K.V. SANKARAN

*Independent Non-Executive Director
Malaysian, aged 65*

Sudesh a/l K.V. Sankaran was appointed to the Board of SMPC as an Independent Non-Executive Director on 20 December 2004. He was subsequently appointed as Chairman of the Board on 29 July 2014 but resigned as Chairman of the Board on 24 November 2014. He is the Chairman of the Remuneration Committee and Nominating Committee and a member of the Audit Committee.

Sudesh a/l K.V. Sankaran graduated with a Bachelor of Arts (Economics) from University of Madras in 1973. He started his career as an Executive in New Zealand Insurance Ltd in 1974. He was appointed as an Assistant Manager in United Oriental Assurance Bhd in 1977. He then held a managerial position from 1982 until 1992 when he was promoted as Regional Manager. Currently, he is a consultant with Sterling Insurance Brokers Sdn. Bhd.

Profile of the Board of Directors (Cont'd)

LIM GHIM CHAI

*Independent Non-Executive Director
Malaysian, aged 40*

Lim Ghim Chai is an Independent Non-Executive Director of SMPC. He was appointed to the Board of SMPC on 29 June 2015. Concurrently, he was also appointed as a member of the Audit Committee and Nominating Committee of the Company.

He graduated with a Bachelor of Commerce (Accounting), La Trobe University at Melbourne, Australia. He is also a member of the Malaysian Institute of Accountant, Australian Chartered Accountant and Malaysian Insurance Institute.

He has more than 16 years experience in the field of Finance and Accounting which includes corporate tax planning, company business planning, accounting system set-up and etc. He served as a Financial Accountant of Acer Technologies (M) Sdn Bhd from year 2000 to 2001 and as a Financial Analyst of Agilent Technologies (M) Sdn Bhd in year 2001. Thereafter, he worked as an Accountant of Lorry Commercial Logistic Sdn Bhd in year 2002. He was a Partner in a professional firm providing services of taxation, business planning consultancy, company accounting and company secretarial from year 2003 to 2006.

Presently, he is an Executive Director of Heng Huat Resources Group Berhad and also a Managing Director and Executive Director of a few companies in the businesses of interior design, property development, investment holdings, motorbike assembly and recycling. He sits on the Board of AsiaEP Resources Berhad (formerly known as AsiaEP Bhd) since 11 April 2008 as an Independent Non-Executive Director.

Notes:

i. Family Relationships with any Director and/or Major Shareholders

Except for Ooi Chieng Sim, all the other Directors of the Company do not have any family relationships with any Director and/or major shareholders of the Company.

ii. Conflict of Interest

All Directors of the Company do not have any conflict of interest with the Company.

iii. Non-Conviction of Offences

All the Directors have not been convicted of any offences within the past 10 years.

Corporate Governance Statement

The Board of Directors ("the Board") of SMPC Corporation Bhd. ("SMPC" or "the Company") appreciates the importance of good corporate governance. The Board is committed to ensure that the Principles and Best Practices of the Malaysian Code on Corporate Governance 2012 ("the Code") are practised throughout the Company and its subsidiaries ("the Group") as a fundamental part of discharging its responsibilities to protect and enhance long term shareholders' value and the financial performance of the Group, whilst considering the interests of other stakeholders.

This statement sets out the Group's application of the principles of the Code and extent of compliance with the best practices throughout the financial year ended 31 March 2015. Furthermore, it also provides investors with an insight into the Corporate Governance practices of the Company under the leadership of the Board.

THE BOARD OF DIRECTORS

The Principal Responsibilities

The Board assumes full responsibilities to the shareholders for the Group's overall performance with its objectives, strategic planning, development and implementation, decision making, business performance, succession planning, risk management, investor relations, internal control, financial and management information systems for the purpose of achieving the goals of the Company. The day-to-day management of the Group is delegated to the management but key matters are reserved for the Board. All Board members bring an independent judgement to bear on issues of strategy, performance, resources and standards of conduct for the assurance of the corporate goals; and objectives are being made towards the Group's governance assurance framework.

The following are some of the key issues reserved for the approval of the Board:

- Approval of corporate and strategic directions of the Group
- Approval of annual budgets
- Material acquisitions and disposals
- Declaration of Dividends
- Changes to the management and control structure within the Company and its subsidiaries
- Changes to Board members, Board Committee members, CFO and the Company Secretary

Board Charter

The Board has established clear functions reserved for the Board and those delegated to Management in the Board Charter (the "Charter") which serves as a reference point for Board's activities. The Charter provides guidance for Directors and Management on the responsibilities of the Board, its Committees and requirements of Directors which are subject to periodical review to ensure consistency with the Board's strategic intent as well as relevant standards of corporate governance.

Code of Conduct

The Company has also formalised a set of ethical standards through a code of conduct, which is subject to periodical review, to ensure Directors practise ethical, businesslike and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

Where any conflict of interests arises, it is a mandatory practice for the director concerned to declare his interest and abstain from the decision making process.

Board Balance

The Board of the Company consist of eight (8) Directors comprising four (4) Executive Directors, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors. The current Board not only appropriately reflects the interests of substantial shareholders but also fairly represents the interests of the minority shareholders in the Company.

The composition of the Board has complied with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") of having at least one-third (1/3) of the Board members as Independent Non-Executive Directors. The current size and composition of the Board is well-balanced taking into account that the Directors come from differing backgrounds with commercial, financial and technical experience. With their wide range of functional knowledge and skills, the Board is able to bring in a broader perspective and depth to its decision-making process thereby ensuring efficiency and effectiveness in its management of the Group. In addition, the Independent Non-Executive Directors brings impartiality to Board's discussion and decisions. The Independent Non-Executive Directors ensure that all issues are properly addressed taking into account the interests of all stakeholders.

THE BOARD OF DIRECTORS (CONT'D)

Board Balance (Cont'd)

The role of the Executive Chairman has been defined in the Board Charter.

The profile of each Director is presented in the Board of Directors' Profile in this Annual Report on pages 7 to 9.

Board Meetings

The Board meets every quarter and will hold additional meetings as and when required.

At each meeting, the Board reviews the Group's financial and business performance against budgets, corporate exercises (if any), draft announcement on the quarterly results and any other matters raised for the concern of the Board. At Board meetings, the Management also presents the papers and consultants may be invited to provide further insight. All Directors are given the chance to freely express their views. All Board members bring an independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

A total of six (6) Board Meetings were held during the financial year ended 31 March 2015 on 17 April 2014, 26 May 2014, 23 July 2014, 27 August 2014, 24 November 2014 and 16 February 2015. The details of the Directors' attendance are as follows:

Name of Directors		No. of Meetings Attended
Ooi Chieng Sim	- Executive Chairman	6 out of 6
Mohd Shahril Fitri Bin Hashim	- Executive Director	6 out of 6
Ng Chin Nam	- Executive Director	6 out of 6
Dato' Lee Hean Guan	- Non-Independent Non-Executive Director	5 out of 6
Sudesh a/I K.V. Sankaran	- Independent Non-Executive Director	6 out of 6
Dato' Dennis Chuah	- Independent Non-Executive Director	5 out of 6
* Chow Choon Hoong	- Executive Director	Not Applicable
** Lim Ghim Chai	- Independent Non-Executive Director	Not Applicable
*** Maniam a/I Rajakeresnen	- Independent Non-Executive Director	2 out of 2

* Chow Choon Hoong was appointed with effect from 29 June 2015.

** Lim Ghim Chai was appointed with effect from 29 June 2015.

*** Maniam a/I Rajakeresnen was appointed on 29 August 2014 and resigned on 31 March 2015

All the Directors have complied with the minimum attendance at Board Meetings during the financial year as stipulated by Bursa Securities.

Board Committees

The Board delegates some of its authorities to Board Committees. The Board entrust the Committees with specific duties and responsibilities to oversee the Group's affairs and act on behalf of the Board in accordance with their respective Terms of Reference. Key issues and decisions arising from Board Committees are referred to the Board for deliberation and decision.

- Audit Committee

The Audit Committee provides a forum for effective communication between the Board, internal auditors and the external auditors. The Audit Committee reviews the quarterly and annual financial statements prior to Board's approval. It also reviews the system of internal controls and risk management practices. Details of the composition, terms of reference and activities of the Audit Committee are set out in the Audit Committee Report on pages 18 to 19 of this Annual Report.

THE BOARD OF DIRECTORS (CONT'D)

Board Committees (Cont'd)

- Nominating Committee

The Nominating Committee was established on 18 January 2002. The Nominating Committee comprises wholly of Independent Non-Executive Directors as follows:

Sudesh a/I K. V. Sankaran	- <i>Independent Non-Executive Director</i>	(Chairman)
Dato' Dennis Chuah	- <i>Independent Non-Executive Director</i>	(Member)
Lim Ghim Chai	- <i>Independent Non-Executive Director</i>	(Member)

The terms of reference of the Nominating Committee include the following:

- To recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board. In making its recommendations, the following would be considered by the Committee:
 - Skills, knowledge, expertise and experience;
 - Professionalism;
 - Integrity; and
 - In the case of candidates for the position of independent non-executive, the Committee evaluates the candidates' ability to discharge such responsibilities/functions.
- To consider, in making recommendations, candidates for directorships within the bounds of practicability, by any other senior executive or any director or shareholder;
- To recommend to the Board, directors to fill the seats on Board committees;
- To assist the Board to annually review its required mix of skills and experience and other qualities, including core competencies which Directors of the Company should bring to the Board;
- To assess the effectiveness of the Board as a whole, the committees of the Board and assess the contribution of each individual director, including the independent non-executive directors. All assessment and evaluations carried out by the Nominating Committee in the discharge of all its functions shall be properly documented.
- To consider and examine such other matters as the Nominating Committee considers appropriate.

The Nominating Committee meets as and when necessary. One (1) meeting was held during the financial year ended 31 March 2015.

The activities of the Nominating Committee during the financial year are as follows:

- Review the independence, experience, mix of skills and other qualities of the Board
- Annual assessment of the effectiveness of the Board, committees and individual directors based on the following criteria:

Board of Directors

Board Structure
Board Operations
Board Roles and Responsibilities

Audit Committee

Quality and Composition
Skills and Competencies

- Review and recommend to the Board the re-appointment and re-election of Directors.

THE BOARD OF DIRECTORS (CONT'D)

Board Committees (Cont'd)

- Remuneration Committee

The Remuneration Committee was established on 18 January 2002. The Remuneration Committee comprises mainly of Independent Non-Executive Directors as follows:

Sudesh a/l K. V. Sankaran	- <i>Independent Non-Executive Director</i>	(Chairman)
Dato' Dennis Chuah	- <i>Independent Non-Executive Director</i>	(Member)
Ooi Chieng Sim	- <i>Executive Director</i>	(Member)

The terms of reference of the Remuneration Committee include the following:

- To review, deliberate and recommend the annual salaries, incentive arrangements, service arrangements and other employment condition for the executive directors;
- To determine the company's remuneration policy and arrangements on executive directors;
- To review such policy on a yearly basis and make any adjustments as deemed necessary to ensure the Group can attract and retain executives of the necessary quality in a highly and increasingly competitive marketplace;
- To review, with the executive directors if necessary, their job functions and to ensure that any remuneration commensurate with performance and the executive director does not participate in decisions in his own remuneration packages;
- To review the remuneration arrangements of the executive directors to be in line with the Group's overall practice on pay and benefits in order to reward them competitively after taking into account performance, market comparisons and competitive pressures in the industry; and
- To consider and examine such other matters as the Board and Remuneration Committee considers as appropriate.

The Remuneration Committee meets as and when necessary. One (1) meeting was held during the financial year ended 31 March 2015.

- Employees' Share Option Scheme ("ESOS") Committee

The ESOS Committee was established on 18 October 2012. The ESOS Committee comprises the following:

Ooi Chieng Sim	- <i>Executive Director</i>	(Chairman)
Ng Chin Nam	- <i>Executive Director</i>	(Member)
Siva Raman a/l S. Ramasamy	- <i>Group Financial Controller</i>	(Member)
Parimala Devi a/p Mailvaganam	- <i>Group Finance Manager</i>	(Member)

The terms of reference of the ESOS Committee include the following:

- To determine the entitlement and grant options to the eligible employees;
- To allot share to the employees on exercise of the option;
- To maintain the register of options as required by law;
- To grant variations as allowed by the By-Laws;
- To recommend to the Board, correction of any defects or inconsistencies in the scheme; and
- To recommend to the Board, any amendments to the By-Laws governing the scheme.

THE BOARD OF DIRECTORS (CONT'D)

Training for Directors

The Directors recognise the need to develop and update themselves and the Company provides a dedicated training budget for Directors' continuing education. Relevant training programmes are arranged by the Company Secretary and Management. All the Directors of the Company have completed the Mandatory Accreditation Programme as prescribed by the Listing Requirements of Bursa Securities. The following courses were attended by the Directors during the financial year ended 31 March 2015:

Name of Course
a) Board Chairman Series – The Role of the Board Chairman
b) Malaysia Goods and Services Tax Briefing
c) Construction Industry Development Board (Green Card) by Syarikat Pembinaan & Pembekal IMMI Training Centre
d) Government Grants and Financial Assistance for Malaysia Companies and its Application Procedures by Malaysia Export Academy Sdn Bhd

The Board will continue to evaluate and determine the training needs of Directors on a continuous basis.

Supply of Information

The Board is supplied with information in a timely manner and appropriate quality to enable them to discharge their duties. Board papers providing financial and corporate developments, quarterly financial reports and minutes of the previous meetings are circulated prior to the Board Meetings to give the Directors time to peruse the issues to be discussed at the Board Meetings.

The Directors have individual and independent access to the advice and services of the Company Secretary in ensuring the effective functioning of the Board. The Directors may also seek advice from the senior management on issues under their respective purview. All Directors are provided with reports and other relevant information pertaining to the Group's operations and performance on a timely basis. The Directors are regularly updated by the Company Secretary on new statutory as well as regulatory requirements relating to the duties and responsibilities of Directors.

Along with good governance practices and in order to enhance transparency and accountability, the Board has established and put in place the several policies and procedures.

Appointments to the Board

The Nominating Committee reviews the composition of the Board annually and makes recommendations to the Board where considered necessary to ensure the Board comprises an appropriate mix of skills and experience. The Committee evaluates the candidate's ability to discharge his responsibilities as expected from an independent non-executive director and whether the test of independence under the Listing Requirements of Bursa Securities is satisfied, taking into account his character, integrity and professionalism.

Re-election of Directors

Pursuant to the Company's Articles of Association, an election of Directors shall take place each year at the Annual General Meeting (AGM) of the Company where one third of the Directors are subject to retirement by rotation provided always that all Directors shall retire from office once in every three (3) years and shall be eligible for re-election. The Nominating Committee annually assesses the Directors standing for re-election and recommends the re-election of Directors to the Board for decision prior to the AGM.

DIRECTORS' REMUNERATION

The remuneration of Directors is reviewed periodically giving due recognition to performance, industry norms and competitive pressures so as to ensure that the Group can attract and retain executives of the necessary quality.

The remuneration and fee structure for the Directors of the Group for the financial year is as follows:

Type of Remuneration	Executive Directors RM	Non-Executive Directors RM
Fee	43,000	46,000
Salaries and allowances	1,029,580	–
Bonus	47,400	–
Other benefits	89,808	–

The analysis of remuneration is as follows:

Remuneration	Number of Directors	
	Executive Directors	Non-Executive Directors
Below RM50,000	–	5
RM50,000 – RM100,000	1	–
RM100,001 – RM150,000	–	–
RM150,001 – RM200,000	1	–
RM200,001 – RM250,000	1	–
RM250,001 – RM300,000	–	–
RM300,001 – RM350,000	1	–
RM350,001 – RM400,000	–	–
RM400,001 – RM450,000	1	–

The breakdown of remuneration of individual Directors has not been disclosed due to confidentiality. The Board is of the opinion that categorising the remuneration into appropriate components and disclosing them under the bands set out in the Listing Requirements of Bursa Securities are sufficient to meet the transparency aspect of corporate governance.

SHAREHOLDERS

Dialogue between the Company and Investors

The Board believes that shareholders should be informed of all material business matters which influence the Group. Besides the key channels of communication through the Annual Report, general meetings and announcements to Bursa Securities, there is also continuous effort to enhance the Group's website at www.smpccorp.com.my as a channel of communication and information dissemination.

The Group welcomes dialogue with investors and financial analysts from time to time as a means of effective communication that enables the Board and Management to convey permissible information about the Group's performance, corporate strategy and major development plans.

Annual General Meeting

The Annual General Meeting serves as an ideal opportunity for dialogue and interaction with both institutional and individual shareholders. Shareholders will be given the opportunity to seek clarification on any matters pertaining to the Company's affairs and performance at the AGM and all Directors are available to provide responses.

ACCOUNTABILITY AND AUDIT

Financial Reporting

In addition to providing financial reports on an annual basis, the Board also ensures that shareholders are provided with a balanced and meaningful evaluation of the Company's performance and future prospects through the quarterly financial results and corporate announcements on significant developments affecting the Company in accordance with the Listing Requirements of Bursa Securities.

Assessment of External Auditors

The Audit Committee is responsible in assessing the competency and independence of the external auditors. The Audit Committee will assess several areas including the reputation, professionalism, capability, audit scope and independence of the external auditors as well as the non-audit services to be rendered. The Audit Committee will then recommend the re-appointment of the external auditors to the Board who in turn will seek shareholders' approval at the Annual General Meeting.

The external auditors have also declared their independence to the Audit Committee during the presentation of their audit plan.

Risk Management and Internal Control

The Company continues to maintain and review its internal control procedures to ensure, as far as possible, the protection of its assets and its shareholders' investments. The Statement on Risk Management and Internal Control is set out on pages 20 to 21 of this Annual Report.

Relationship with Auditors

The Company's relationship with its external auditors is primarily maintained through the Audit Committee and the Board where formal and transparent arrangement with them to meet their professional requirements is established.

Further details on the Audit Committee in relation to the external auditors are set out in the Audit Committee Report on pages 18 to 19 of the Annual Report.

COMPLIANCE STATEMENT

The Board is satisfied that the Company has complied with the Best Practices in Corporate Governance and relevant principles and recommendations as set out in the Code save for those exceptions set out below:

a) Recommendation 3.2

The tenure of independent director should not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, an independent director may continue to serve on the board subject to the director's re-designation as a non-independent director.

The Nominating Committee and the Board have determined at the annual assessment carried out that Sudesh a/l K. V. Sankaran, who has served on the Board for eleven (11) years, has remained objective and independent in expressing his views and in participating in the deliberations and decision making of the Board and the Board Committees. The length of his service on the Board does not in any way interfere with the exercising of his independent judgement and his ability to act in the best interests of the Group.

Sudesh a/l K. V. Sankaran has also demonstrated his independence in carrying out his roles in the Board Committees, notably in fulfilling his role as the Chairman of the Nominating Committee and the Remuneration Committee.

The Board has also decided not to seek shareholders' approval and retained Sudesh a/l K. V. Sankaran to continue to act as an Independent Non-Executive Director of the Company in that he fulfilled the criteria under the definition of an Independent Director as stated in the Listing Requirements of Bursa Securities, and thus he would be able to function as check and balance, to provide a broader view and brings an element of objectivity to the Board. He has performed his duty diligently and in the best interest of the Company as an Independent Director as required by the Code.

COMPLIANCE STATEMENT (CONT'D)

b) Recommendation 3.5

The Board must comprise a majority of Independent Directors where the Chairman of the Board is not an Independent Director.

The Nominating Committee has assessed, reviewed and determined that the Chairmanship of Ooi Chieng Sim should remain based on the following justification and aspects contributed by Ooi Chieng Sim as a Chairman of the Board:

- he has exercised due care in the interest of the Company and Shareholders during his tenure as an Executive Chairman of the Company;
- he has provided objectivity in decision making and ensured effective check and balance in the proceedings of the Board.

Although the Board does not comprise a majority of independent directors, the current composition of Independent Directors do not participate in the day-to-day management of the Group. Therefore, they can bring an independent judgement to bear and monitor the performance of management thus is sufficient to provide the necessary checks and balances in the Board.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their results and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

- selected appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- stated whether applicable accounting standards have been followed and made a statement to that effect in the financial statements, subject to any material departures being disclosed and explained in the financial statements.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and Group and to enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia. They are responsible for taking reasonable steps in safeguarding the assets of the Company and Group for the prevention and detection of fraud and other irregularities.

This Statement is made in accordance with the resolution of the Board dated 29 July 2015.

Audit Committee Report

TERMS OF REFERENCE

Compositions and Meetings

The Audit Committee comprises three members, all of whom are Independent Non-Executive Directors; and has complied with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance 2012 which require the Audit Committee to have no fewer than 3 members and all members to be Non-Executive Directors.

During the financial year ended 31 March 2015, a total of five (5) Audit Committee Meetings were held on 26 May 2014, 23 July 2014, 27 August 2014, 24 November 2014 and 16 February 2015 respectively. Representatives of the external and internal auditors were present by invitation at the meetings.

The details of the Audit Committee Members and their attendance at meetings are as follows:

Name of Member			No. of Meetings Attended
Dato' Dennis Chuah	- Independent Non-Executive Director	(Chairman)	5 out of 5
Sudesh a/l K.V. Sankaran	- Independent Non-Executive Director	(Member)	5 out of 5
* Lim Ghim Chai	- Independent Non-Executive Director	(Member)	Not Applicable
** Yap Chi Keong	- Independent Non-Executive Director	(Member)	1 out of 1
*** Maniam a/l Rajakeresnen	- Independent Non-Executive Director	(Member)	2 out of 2

* Lim Ghim Chai was appointed with effect from 29 June 2015.

** Yap Chi Keong was appointed on 20 December 2013 and resigned on 2 June 2014.

*** Maniam a/l Rajakeresnen was appointed on 29 August 2014 and resigned on 31 March 2015

The Audit Committee meets the requirement of paragraph 15.09(c)(i) of the Main Market Listing Requirements of Bursa Securities in that one of its members is a fellow member of the Malaysian Institute of Accountants and Australian Chartered Accountants.

The Audit Committee Chairman meets regularly with senior management to be kept informed of matters affecting the Group. The Group's external auditors were in attendance at three (3) meetings during the financial year. Discussions between the Audit Committee and the external auditors were held in one (1) of the said meetings without the presence of any Group executives.

Other Board members and employees may attend any particular meeting only at the Audit Committee's invitation. The Company Secretary shall be the Secretary of the Audit Committee. The Secretary shall maintain minutes of the proceedings of the meetings of the Audit Committee and circulate such minutes to all members of the Board.

The term of office of each member is subject to review every three (3) years.

Functions

The functions of the Audit Committee shall include the following:

- (a) to review the audit plan, evaluation of the system of internal controls and audit report with the external auditors and report the same to the Board;
- (b) to review the assistance given by the employees of the Company to the external auditors;
- (c) to review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
- (d) to review the internal audit programme, and the results of the internal audit processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- (e) to review the quarterly results and annual financial statements, prior to the approval by the Board, focusing particularly on:
 - (i) changes in accounting policies and practices;
 - (ii) significant adjustments from the audit; and
 - (iii) compliance with accounting standards and other legal requirements;
- (f) to monitor related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity; and
- (g) to review resignation (if any) and re-appointments of external auditors and recommend the nomination of a person/persons as external auditors.

SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE

In line with the terms of reference of the Audit Committee, the following activities were carried out by the Audit Committee during the financial year ended 31 March 2015 in the discharge of its duties and responsibilities:

- Reviewed and deliberated on the Internal Audit reports, recommendations and management responses;
- Reviewed the audit plan which cover the audit objectives, audit approach and areas of audit emphasis for the audit of the Group accounts for the financial year ended 31 March 2015 with the external auditors prior to the commencement of audit;
- Reviewed and discussed the external auditors' management letter for issues noted in the course of the audit for the financial year ended 31 March 2014;
- Reviewed the annual audited financial statements of the Group for the financial year ended 31 March 2014 prior to submission to the Board for consideration and approval;
- Reviewed the unaudited quarterly reports to Bursa Securities before recommending to the Board for approval;
- Reviewed the related party transactions of the Group;
- Reviewed the credit control of the Group; and
- Verified that the allocation of options pursuant to the Employees' Shares Option Scheme is in accordance with the criteria set out in the ESOS Bye-Laws.

Other main issues discussed by the Audit Committee were as follows:

- Statement on Risk Management and Internal Control and Audit Committee Report for inclusion in the Annual Report; and
- The disclosure requirements in accordance with the Main Market Listing Requirements of Bursa Securities.

INTERNAL AUDIT FUNCTION

The Internal Audit function of the Group was outsourced to a professional internal audit service provider firm which undertakes independent, objective and systematic reviews of the risk management, internal controls system and corporate governance. The outsourced internal auditors reports directly to the Audit Committee and assists the Board in reviewing the adequacy and integrity of the internal control systems to manage risks exposures over key processes within the Group. The functions and responsibilities of the Internal Audit function are embodied in the Internal Audit Charter. The costs incurred by the Group in relation to the Internal Audit functions for the financial year ended 31 March 2015 amounted to approximately RM20,665.

During the financial year ended 31 March 2015, the following activities were carried out by the Internal Audit function:

- Reviewed and assessed the adequacy and integrity of internal control systems of the Group;
- Reported on findings of assessment on internal control system and recommended improvements to the control weaknesses found.

Statement on Risk Management and Internal Control

INTRODUCTION

Pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and as guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines"), the Board of Directors of SMPC Corporation Berhad ("SMPC" or "the Group") is pleased to include the following Statement of Risk Management & Internal Control ("the Statement") in this annual report.

BOARD'S RESPONSIBILITIES

The Board of Directors ("the Board") recognises the importance of good risk management practices and sound internal control as a platform to good corporate governance. The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control, and for reviewing its adequacy and integrity. The Board confirms that these processes have been in place for the financial year under review and up to the date of approval of this Statement for inclusion on the Annual Report of the Company.

In addition, the Board has also received assurance from the Executive Directors and Group Financial Controller, who are primarily responsible for the management of the Group's financial affairs, that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.

Due to the inherent limitations in any risk management and internal control system, such system put into effect by Management is designed to manage rather than eliminate risks that may impede the achievement of the Group's business objectives. Therefore, such a system can only provide reasonable and not absolute assurance against material misstatement or loss.

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Key elements of the Group's risk management and internal control system that facilitates the proper conduct of the Group's businesses are described below:

1. RISK MANAGEMENT SYSTEM

The Board is dedicated to strengthening the Group's risk management practices to manage its key business risks within the Group and to implement appropriate controls to manage its key risks. The Risk Management Committee, which is made up of key management staff and Executive Directors, reviews the risk profiles of the Group. During the year, the Risk Management Committee reviews the existence of new risks and assesses the relevance of the Group's existing risk profile. **Risks** that may affect the Group's business objectives **are** continually monitored, and any new significant risk identified are subsequently evaluated and managed.

Whilst the Board maintains ultimate control over risk and control issues, it has been delegated to the executive management the implementation of the risk management and internal control within an established framework. The responsibility of managing risks at each department lies with the respective Heads of Department and it is during the monthly management meetings, implemented risk management activities that manage the significant risks identified are communicated to Executive Directors and Senior Management.

During the period under review, the process was carried out through management meetings held to discuss key risks and the appropriate mitigating controls. Significant risks affecting the Group's strategic and business plans are escalated to the Board at their scheduled meetings.

2. INTERNAL CONTROL SYSTEM

Other elements of the Group's internal control system include:

- Organisation Structure & Authorisation Procedures

The Group maintains a formal organizational structure with clear delegation of responsibilities and accountability. It sets out the roles and responsibilities, appropriate authority limits, review and approval procedures to enhance the internal control system of the Group's various business units.

- Periodical and/or Annual Budget

An annual budget is prepared by management and tabled to the Board for approval. Periodic monitoring is carried out to measure actual performances against budget so as to identify any significant variances arising, and devise remedial action plans to address them.

Statement on Risk Management and Internal Control (Cont'd)

KEY FEATURES OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

2. INTERNAL CONTROL SYSTEM (CONT'D)

- Group Policies and Procedures

Documented policies and procedures are in place and are regularly reviewed and updated so as to ensure that they maintain their effectiveness and continues to support the Group's business activities as the Group continues to grow.

Certain subsidiaries within the Group are ISO 9001 certified. With this certification, reviews are conducted by independent ISO auditors particularly to ensure compliance with terms and conditions of the respective certifications.

- Information and Communication

Information critical to the achievement of the Group's business objectives are communicated through established reporting lines across the Group. This is to ensure matters that require the Board's and Senior Management's attention are highlighted for review, deliberation and decision on a timely basis.

- Monitoring and Review

The Executive Directors are closely involved in the daily operations and are responsible for the business performances of the respective business units. Daily operations of the Group are monitored through attendance at management meetings and informal discussions. Significant issues are brought to the attention of the Board, where necessary.

The quarterly financial statements are presented to the Board for their review, consideration and approval. The Board also plays an active role in discussing and reviewing the business plans, strategies, performance and risks faced by the Group.

3. INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to a professional services firm, to assist the Board and Audit Committee in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system.

During the financial year ended 31 March 2015, an internal audit was carried out and the findings of the internal audit, including the recommended corrective actions, were presented directly to the Audit Committee. Although a number of internal control weaknesses were identified, none of the weaknesses have resulted in any material losses or contingencies that would require separate disclosure in this Annual Report and necessary corrective actions had been implemented.

REVIEW OF THIS STATEMENT

Pursuant to paragraph 15.23 of the Main Market Listing Requirements, the external auditors have reviewed this Statement for inclusion in the 2015 Annual Report. This statement is reviewed in accordance with Recommended Practice Guide 5 (Revised) issued by the Malaysian Institute of Accountants. The external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal control.

CONCLUSION

The Board is of the view that the Group's system of internal control is adequate to safeguard shareholders' investments and the Group's assets. However, the Board is also cognizant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the system of internal control and risk management framework.

The Board has received assurance from the Chairman and Group Financial Controller on the adequacy and effectiveness of the Group's risk management and internal control system. There has been no material loss incurred during the year as a result of weaknesses in internal control.

This statement is made in accordance with the resolution of the Board of Directors dated 29 July 2015.

Additional Compliance Information

UTILISATION OF PROCEEDS

On 26 September 2014, the Company's Proposed Two-Call Rights Issue with Warrants ("RI") was approved by the shareholders at the Extraordinary General Meeting held on even date.

The status of utilisation of proceeds from the RI is as follows:

	<u>RM</u>
Proceeds raised from RI	19,280,835
Less: Amount Utilised	
Working capital	6,335,457
Repayment of Bank Borrowings	12,257,895
Estimated expenses in relation to RI	<u>687,483</u>
Total amount utilised	19,280,835
Balance yet to be utilised	<u>0</u>

SHARE BUY BACK

The Company's Share Buy Back Authority was renewed via an Ordinary Resolution passed by the shareholders at the Thirty-Third Annual General Meeting of the Company held on 26 September 2014. The information on share buy back for the financial year is presented under page 26 in the Directors' Report.

EMPLOYEES SHARE OPTION SCHEME ("ESOS")

The amount of options granted and exercised in respect of the financial year is presented under page 26 in the Directors' Report.

The Audit Committee has verified that the allocation of options pursuant to the Employees' Shares Option Scheme during the year is in accordance with the criteria set out in the ESOS bye-laws.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

Other than as disclosed in Note 12 and 13.3 respectively to the Financial Statements, there was no option, warrants or convertible securities exercised.

DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any Depository Receipt Programme during the financial year.

SANCTIONS AND/OR PENALTIES

There were no material public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

NON-AUDIT FEES

During the financial year ended 31 March 2015, the Company has paid non-audit fees amounting to RM3,000 to a company in which certain partners of the audit firm are shareholders and directors for professional fees on tax advisory.

VARIATION IN RESULTS

There was no material variance between the audited results for the financial year ended 31 March 2015 and unaudited results previously released for the financial quarter ended 31 March 2015.

PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial year.

MATERIAL CONTRACTS

Other than contracts entered into and disclosed as Related Party Transactions in Note 27 to the Financial Statements, there are no other material contracts entered into by the Company and its subsidiaries involving directors and major shareholders' interests, either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

REVALUATION POLICY ON LANDED PROPERTIES

There was no revaluation of landed properties during the financial year.

RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF A REVENUE OR TRADING NATURE

The aggregate value of the RRPT conducted between the Company and its subsidiaries with the related parties during the financial year is as follows:

Name of Related Party	Relationship with Company – Interested Director, Major Shareholder and Person Connected	Type of Recurrent Related Party Transaction	Actual value transacted from 1 April 2014 to 27 August 2015 (RM)	Aggregate Value (RM)
See Hup Pioneer Logistics Sdn. Bhd. ("SHPioneer") *	Dato Lee Hean Guan (being Interested Director)	Rental of warehouse, at a monthly rental of RM55,000 (approximately 80,000 sq ft) to SHPioneer at No. 2521 Tingkat Perusahaan 6, Kawasan Perusahaan Perai, 13600 Seberang Perai Tengah	373,404	660,000
Limsa Ekuiti Sdn. Bhd. ("Limsa") *	Dato Lee Hean Guan (being Interested Director)	Rental of warehouse and open yard, at a monthly rental of RM30,000 (approximately 217,800 sq ft) from Limsa at No. 1702 MK 14 Kampung Tok Suboh, Bukit Minyak, 14100 Simpang Ampat, Seberang Perai Selatan	487,500	500,000
See Hup Transport Company Sdn. Bhd. ("SHTcsb") *	Dato Lee Hean Guan (being Interested Director)	Rental of its plant and equipment for transportation of goods and services, at a monthly rental of RM42,000	195,742	504,000

Corporate Social Responsibility



SMPC Group believes that good management of corporate social responsibility (“CSR”) is considered a mandatory requirement to meet the evolving needs in a fast-paced business environment. The rising expectations for a sustainable business practice from our stakeholders always propel us to ensure social responsibilities are not ignored in the course of pursuing business growth. We use economic, social and environmental criterion as the basis for our action. In line with these expectations, SMPC CSR framework covers three areas namely the workplace, community and environment.

From a workplace perspective, the Group recognizes the importance of employees as its most valuable assets. CSR principles are shared with our employees to ensure their duties are performed with an awareness of social responsibilities. In addition to our ongoing CSR initiatives undertaken within the organization, we are committed to developing and supporting the initiatives, which will have a positive impact on the local communities. As part of our commitment to staff development we had conducted various learning and development programs throughout the year. Through Our Sports and Recreation club, we encourage our employees to lead healthy lifestyles.

Being a caring Corporate Organization, the Group provided assistance to charitable organization, schools and temples in Penang. Donations of Group manufactured furnitures to orphanages and the enrolment of students from polytechnic and universities for the purpose of industrial trainings are some of our initiatives that demonstrate our commitment towards the community. With reference to the industrial training, our industry experts have been more than willing to share their years of experience in various field with the young aspiring students with a hope of providing them with a better pathway to the corporate industrial world.

From an environmental point of view, we devote resource to conduct periodical environmental audit to minimize environmental impact arising from our operations, thus increasing our social leadership towards environmental responsibility.

Directors' Report

for the financial year ended 31 March 2015

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended **31 March 2015**.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding, letting of industrial and commercial assets and management consultancy. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	GROUP RM	COMPANY RM
Profit after tax for the year	3,998,503	1,563,718
Attributable to:		
Owners of the parent	4,000,395	1,563,718
Non-controlling interests	(1,892)	-
	<u>3,998,503</u>	<u>1,563,718</u>

In the opinion of the directors, except for those disclosed in the financial statements, the results of the operations of the Group and of the Company for the financial year ended **31 March 2015** 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 that financial year and the date of this report.

DIVIDENDS

Since the end of the previous financial year, the Company distributed a share dividend on the basis of one treasury share for every twenty ordinary shares held in respect of the financial year ended 31 March 2015.

The directors do not recommend any final dividend payment for the financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the notes to the financial statements.

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company had increased its issued and paid-up ordinary share capital from RM54,704,859 to RM77,978,009 by:

- (i) issuance of 1,850,000 ordinary shares of RM1 each arising from the conversion of 1,850,000 10-year 0% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at nominal value of RM0.10 each by surrendering for cancellation one ICULS of RM0.10 each and paying the difference between the nominal value of ICULS and conversion price of RM1 each; and
- (ii) issuance of 21,423,150 new ordinary shares of RM1 each pursuant to its two-call rights issue at an issue price of RM1 per share (of which the first call of RM0.90 was payable in cash on application and the second call of RM0.10 was capitalised from the Company's share premium account) with 10,711,565 free detachable Warrants C ("Rights Issue with Warrants").

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

Other than the foregoing, the Company did not issue any other share or debenture and did not grant any option to anyone to take up unissued shares of the Company.

Directors' Report

for the financial year ended 31 March 2015 (Cont'd)

TREASURY SHARES

The shareholders of the Company, by a special resolution passed in a general meeting held on 26 September 2014, approved the Company's plan to repurchase its own shares.

During the financial year ended 31 March 2015, the Company repurchased 5,455,500 of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.74 per share including transaction costs, and the repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

On 6 November 2014, the Company declared and approved a share dividend in respect of financial year ended 31 March 2015 via distribution of 3,511,712 treasury shares on the basis of one treasury share for every twenty ordinary shares held. The share dividend was distributed on 5 January 2015.

As at 31 March 2015, the Company held a total of 4,378,456 treasury shares out of its 77,978,009 issued ordinary shares. The treasury shares are held at a carrying amount of RM3,182,418 and further relevant details are disclosed in Note 13.2 to the financial statements.

10-YEAR 0% IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS") AND WARRANTS

The salient features of the ICULS and Warrants are disclosed in Notes 12 and 13.3 to the financial statements respectively.

Details of ICULS and Warrants issued to directors are disclosed in the section on directors' interest in this report.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company's ESOS is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 28 September 2012. The ESOS came into effect on 19 November 2012 and will be in force for duration of three years expiring on 18 October 2015.

The details of options over unissued ordinary shares granted to eligible employees and directors of the Group during the financial year are as follows:

Grant date	Exercise price RM	Number of Share Options					
		Balance at 1.4.14	Granted and accepted	Adjustment *	Exercised	Lapsed	Balance at 31.3.15
9.10.13	1.00	2,392,500	–	147,615	–	(330,990)	2,209,125
14.10.14	1.00	–	481,500	–	–	(47,500)	434,000

The salient features of the ESOS are disclosed in Note 33 to the financial statements.

Directors' Report

for the financial year ended 31 March 2015 (Cont'd)

EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

The Company has been granted exemption by the Companies Commission of Malaysia ("SSM") from having to disclose the names of option holders, other than directors, who have been granted options to subscribe for less than 50,000 ordinary shares of RM1 each. The additional options granted during the year have also been granted exemption by SSM for those who have been granted options to subscribe for less than 75,000 ordinary shares of RM1 each. The names of option holders granted options to subscribe for 50,000/75,000 or more ordinary shares of RM1 each during the financial year are as follows:

Name	←		Number of Share Options			Balance at 31.3.15
	Balance at 1.4.14	Granted and accepted	Adjustment *	Exercised	Lapsed	
Ramakrishnan a/l Thangasamy Chettiar	90,000	-	-	-	(90,000)	-
Siva Raman a/l S. Ramasamy Pattar	75,000	-	3,853	-	-	78,853
Mahendra Kumar a/l S. Balakrishnan	75,000	-	3,853	-	-	78,853
Mohan a/l Balakrishnan	-	75,000	3,853	-	-	78,853

Details of options granted to directors are disclosed in the section on directors' interests in this report.

* Adjustment to the number of share options pursuant to the Company's Rights Issue with Warrants.

DIRECTORS

The directors who served since the date of the last report are as follows:

Ooi Chieng Sim
Ng Chin Nam
Mohd Shahril Fitri Bin Hashim
Dato' Lee Hean Guan
Sudesh a/l K.V. Sankaran
Dato' Dennis Chuah
Chow Choon Hoong (appointed on 29.6.15)
Lim Ghim Chai (appointed on 29.6.15)
Maniam a/l Rajakeresnen (appointed on 29.8.14 and resigned on 31.3.15)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:

	← Number of ordinary shares of RM1 each →				Balance at 31.3.15
	Balance at 1.4.14	Bought	Share Dividend ¹	Sold	
The Company					
Direct Interest:					
Ooi Chieng Sim	1,435,416	1,500,000	146,770	-	3,082,186
Ng Chin Nam	36,833	36,833	3,683	-	77,349
Dato' Lee Hean Guan	584,003	584,003	58,400	-	1,226,406
Deemed Interest:					
² Ooi Chieng Sim	10,400,000	3,450,000	692,500	-	14,542,500
³ Dato' Lee Hean Guan	914,678	-	43,541	(43,853)	914,366

Directors' Report

for the financial year ended 31 March 2015 (Cont'd)

DIRECTORS' INTERESTS (CONT'D)

	Number of ordinary shares of RM1 each				Balance at 31.3.15
	Balance at 1.4.14	Bought	Share Dividend ¹	Sold	
Other Interest:					
⁴ Ng Chin Nam	3,250	-	162	-	3,412
⁴ Dato' Lee Hean Guan	870,133	-	43,506	-	913,639

	Number of 10-year 0% ICULS of RM0.10 nominal value each			Balance at 31.3.15
	Balance at 1.4.14	Bought	Sold	
The Company				
Direct Interest:				
Ng Chin Nam	320,000	-	-	320,000
Dato' Lee Hean Guan	968,100	-	-	968,100
Deemed Interest:				
² Ooi Chieng Sim	40,000,000	-	-	40,000,000
³ Dato' Lee Hean Guan	303,600	-	(303,600)	-
Other Interest:				
⁴ Dato' Lee Hean Guan	6,024,000	-	-	6,024,000

	Number of Warrants B				Balance at 31.3.15
	Balance at 1.4.14	Adjustment ⁵	Bought	Sold	
The Company					
Direct Interest:					
Ng Chin Nam	25,000	1,284	-	-	26,284
Dato' Lee Hean Guan	276,810	14,223	-	-	291,033
Deemed Interest:					
² Ooi Chieng Sim	68	299,646	-	-	299,714
³ Dato' Lee Hean Guan	30,360	-	-	(30,360)	-
Other Interest:					
⁴ Dato' Lee Hean Guan	602,400	30,953	-	-	633,353

	Number of Warrants C			Balance at 31.3.15
	Balance at 1.4.14	Bought	Exercised	
The Company				
Direct Interest:				
Ooi Chieng Sim	-	750,000	-	750,000
Ng Chin Nam	-	18,416	-	18,416
Dato' Lee Hean Guan	-	292,001	-	292,001
Deemed Interest:				
² Ooi Chieng Sim	-	1,725,000	-	1,725,000

Directors' Report

for the financial year ended 31 March 2015 (Cont'd)

DIRECTORS' INTERESTS (CONT'D)

	← Number of options over ordinary shares of RM1 each →				Balance at 31.3.15
	Balance at 1.4.14	Granted and accepted	Adjustment ⁵	Exercised	
Ng Chin Nam	140,000	–	7,193	–	147,193
Mohd Shahril Fitri Bin Hashim	150,000	–	7,707	–	157,707
Sudesh a/l K.V. Sankaran	50,000	–	2,569	–	52,569

Notes:

- ¹ Share dividend distribution on the basis of one treasury share for every twenty ordinary shares held on 5 January 2015.
- ² By virtue of his interest in Hock Lok Siew Realty Sdn. Bhd. ("HLSR") and Skylitech Resources Sdn. Bhd. ("SRSB"), he is deemed to have interest in the shares of the Company that are held by HLSR and SRSB.
- ³ By virtue of his interest in Hean Brothers Holdings Sdn. Bhd. ("HBHSB") and Lagenda Perdana Sdn. Bhd. ("LPSB"), he is deemed to have interest in the shares of the Company that are held by HBHSB and LPSB.
- ⁴ By virtue of the spouse's interest.
- ⁵ Adjustment pursuant to the Company's Rights Issue with Warrants.

By virtue of his interest in the shares of the Company, **Mr. Ooi Chieng Sim** is also deemed interested in the shares of all the subsidiaries, to the extent that the Company has interests.

Other than the above, none of the other directors have any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest, other than those related party transactions disclosed in the notes to the financial statements.

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

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts, and
- to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

Directors' Report

for the financial year ended 31 March 2015 (Cont'd)

OTHER STATUTORY INFORMATION (CONT'D)

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

- (i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, and
- (ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, and
- (iii) that would render any amount stated in the financial statements of the Group and of the Company misleading, and
- (iv) which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

- (i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person other than those disclosed in the notes to the financial statements, and
- (ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

AUDITORS

The auditors, **Grant Thornton**, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors:

.....
Ooi Chieng Sim

.....
Ng Chin Nam

Penang,

Date: 31 July 2015

Directors' Statement

In the opinion of the directors, the financial statements set out on pages 34 to 92 are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 March 2015** and of their financial performance and cash flows for the financial year then ended.

In the opinion of the directors, the supplementary information set out on page 93 has been compiled in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors:

.....
Ooi Chieng Sim

.....
Ng Chin Nam

Date: 31 July 2015

Statutory Declaration

I, **Ng Chin Nam**, the director primarily responsible for the financial management of **SMPC Corporation Bhd.** do solemnly and sincerely declare that the financial statements set out on pages 34 to 92 and the supplementary information set out on page 93 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.

Subscribed and solemnly declared by)
the abovenamed at Penang, this **31st**)
day of **July 2015**.)

.....
Ng Chin Nam

Before me,

.....
Goh Suan Bee (P 125)
Commissioner for Oaths

Independent Auditors' Report

to the members of SMPC Corporation Bhd. Company No. 79082-V (Incorporated In Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **SMPC Corporation Bhd.**, which comprise the statements of financial position as at **31 March 2015** of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 34 to 92.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of these financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is 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 gives 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 give a true and fair view of the financial position of the Group and of the Company as at **31 March 2015** and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act,
- (b) We have considered the accounts and the auditors' report of the subsidiary of which we have not acted as auditors, which are indicated in Note 6 to the financial statements,
- (c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes, and
- (d) The auditors' reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Independent Auditors' Report

to the members of SMPC Corporation Bhd. Company No. 79082-V (Incorporated In Malaysia) (Cont'd)

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out on page 93 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information 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 ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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.

Grant Thornton
No. AF: 0042
Chartered Accountants

Yap Soon Hin
No. 947/03/17 (J)
Chartered Accountant

Date: 31 July 2015

Penang

Statements of Financial Position

as at 31 March 2015

	NOTE	GROUP		COMPANY	
		2015 RM	2014 RM	2015 RM	2014 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	70,254,040	67,848,850	1,698,975	477,683
Investment properties	5	37,740,114	36,211,800	24,727,698	24,727,698
Investment in subsidiaries	6	-	-	35,364,293	24,228,855
Other investments	7	7,609,902	6,682,428	-	-
		115,604,056	110,743,078	61,790,966	49,434,236
Current assets					
Inventories	8	11,495,694	13,445,014	-	-
Trade and other receivables	9	38,591,082	37,302,620	85,633,264	79,992,903
Current tax assets		466,735	-	-	-
Fixed deposits with licensed banks	10	537,656	506,183	537,656	506,183
Cash and bank balances		3,406,526	4,038,026	53,082	308,104
		54,497,693	55,291,843	86,224,002	80,807,190
TOTAL ASSETS		170,101,749	166,034,921	148,014,968	130,241,426
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	11	77,978,009	54,704,859	77,978,009	54,704,859
Irredeemable Convertible Unsecured Loan Stocks	12	22,064,297	22,249,297	22,064,297	22,249,297
Other reserves	13	30,416,672	33,371,404	35,254,893	40,562,742
		130,458,978	110,325,560	135,297,199	117,516,898
Non-controlling interests		(125,433)	7,613,713	-	-
Total equity		130,333,545	117,939,273	135,297,199	117,516,898
Non-current liabilities					
Trade and other payables	14	467,069	1,304,211	-	377,402
Borrowings	15	10,815,843	10,373,431	8,735,450	9,304,197
Deferred tax liabilities	16	3,470,195	3,991,207	1,398,207	1,339,768
		14,753,107	15,668,849	10,133,657	11,021,367
Current liabilities					
Trade and other payables	14	21,357,238	15,999,482	952,923	661,887
Borrowings	15	3,177,770	15,333,298	1,364,782	1,015,521
Current tax liabilities		480,089	1,094,019	266,407	25,753
		25,015,097	32,426,799	2,584,112	1,703,161
Total liabilities		39,768,204	48,095,648	12,717,769	12,724,528
TOTAL EQUITY AND LIABILITIES		170,101,749	166,034,921	148,014,968	130,241,426

The notes set out on pages 42 to 92 form an integral part of these financial statements.

Statements of Comprehensive Income

for the financial year ended 31 March 2015

	NOTE	GROUP		COMPANY	
		2015 RM	2014 RM	2015 RM	2014 RM
Revenue	17	141,209,278	143,601,686	5,566,780	21,539,977
Other income	18	3,225,171	3,226,666	37,519	1,513,891
Changes in inventories of work in progress, trading inventories and finished goods		(1,489,625)	(46,794)	-	-
Raw materials and consumables used		(47,023,673)	(53,557,836)	-	-
Trading goods purchased		(48,217,350)	(54,312,693)	-	-
Employee benefits expense	19	(9,553,418)	(11,525,555)	(745,357)	(1,395,010)
Depreciation		(3,423,478)	(3,469,100)	(181,762)	(133,836)
Other operating expenses		(29,190,457)	(17,289,350)	(1,782,331)	(1,081,392)
Operating profit		5,536,448	6,627,024	2,894,849	20,443,630
Finance costs	21	(1,539,481)	(2,006,974)	(753,907)	(846,345)
Profit before tax	22	3,996,967	4,620,050	2,140,942	19,597,285
Tax income/(expense)	23	1,536	(1,632,889)	(577,224)	(227,439)
Profit for the year		3,998,503	2,987,161	1,563,718	19,369,846
Other comprehensive income, net of tax					
Items that will be reclassified					
subsequently to profit or loss:					
Foreign currency translation differences for foreign operation		-	(214,551)	-	-
Realisation of foreign translation reserve upon disposal of a foreign subsidiary		-	700,410	-	-
Fair value adjustment on available-for-sale financial assets		84,582	818,303	-	-
Other comprehensive income for the year		84,582	1,304,162	-	-
Total comprehensive income for the year		4,083,085	4,291,323	1,563,718	19,369,846
Profit/(Loss) attributable to:					
Owners of the parent		4,000,395	2,925,420	1,563,718	19,369,846
Non-controlling interests		(1,892)	61,741	-	-
		3,998,503	2,987,161	1,563,718	19,369,846
Total comprehensive income/(loss)					
attributable to:					
Owners of the parent		4,085,319	4,285,365	1,563,718	19,369,846
Non-controlling interests		(2,234)	5,958	-	-
		4,083,085	4,291,323	1,563,718	19,369,846
Earnings per share attributable to owners					
of the parent (sen)					
- Basic	24.1	7.29	6.15		
- Diluted	24.2	7.29	5.89		

The notes set out on pages 42 to 92 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the financial year ended 31 March 2015

NOTE	Attributable to Owners of the Parent													
	Non-distributable							Distributable						
	Share Capital	ICULS	Share Premium	Treasury Shares	Warrants Reserve	Discount on Shares	Fair Value Reserve	Exchange Translation Reserve	Capital Reserve	ESOS Reserve	Retained Profits	Total	Non-controlling Interests	Total Equity
RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
2015														
Balance at beginning	54,704,859	22,249,297	18,063,045	(2,572,935)	3,186,005	(3,105,465)	578,808	-	-	301,606	16,920,340	110,325,560	7,613,713	117,939,273
Other comprehensive income:														
Fair value of available-for-sale financial assets	-	-	-	-	-	-	84,582	-	-	-	-	84,582	-	84,582
Profit for the year	-	-	-	-	-	-	-	-	-	4,000,395	4,000,395	4,000,395	(1,892)	3,998,503
Total comprehensive income	-	-	-	-	-	-	84,582	-	-	4,000,395	4,000,395	4,084,977	(1,892)	4,083,085
<i>Transactions with owners:</i>														
Issuance of shares pursuant to:														
- Conversion of ICULS	1,850,000	(185,000)	-	-	-	-	-	-	-	-	-	1,665,000	-	1,665,000
- Rights issue with warrants	21,423,150	-	(2,142,315)	-	2,593,329	(2,593,329)	-	-	-	-	-	19,280,835	-	19,280,835
Purchase of treasury shares	-	-	-	(4,045,236)	-	-	-	-	-	-	-	(4,045,236)	-	(4,045,236)
Pursuant to ESOS granted:														
- Share-based-payment compensation	-	-	-	-	-	-	-	-	108,071	-	-	108,071	-	108,071
- Transfer of reserves	-	-	-	-	-	-	-	-	(84,294)	84,294	-	-	-	-
Settlement of rights issue expenses	-	-	(697,483)	-	-	-	-	-	-	-	(697,483)	-	-	(697,483)
Share dividend	-	-	(3,435,753)	3,435,753	-	-	-	-	-	-	-	-	-	-
Premium paid on acquisition of a subsidiary	-	-	-	-	-	-	-	(262,746)	-	-	-	(262,746)	(7,737,254)	(8,000,000)
Total transactions with owners	23,273,150	(185,000)	(6,275,551)	(609,483)	2,593,329	(2,593,329)	-	(262,746)	23,777	84,294	16,048,441	(7,737,254)	8,311,187	
Balance at end	77,978,009	22,064,297	11,787,494	(3,182,418)	5,779,334	(5,698,794)	663,390	-	(262,746)	325,383	21,005,029	130,458,978	(125,433)	130,333,545

The notes set out on pages 42 to 92 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the financial year ended 31 March 2015 (Cont'd)

NOTE	Attributable to Owners of the Parent													Total Equity RM
	Non-distributable						Distributable						Non- controlling Interests RM	
	Share Capital RM	ICULS RM	Share Premium RM	Treasury Shares RM	Warrants Reserve RM	Discount on Shares RM	Fair Value Reserve RM	Exchange Translation Reserve RM	Capital Reserve RM	ESOS Reserve RM	Retained Profits RM	Total RM		
2014	48,489,059	22,832,377	21,445,955	-	3,186,005	(3,105,465)	(239,495)	(541,642)	-	-	15,838,202	107,904,996	8,516,471	116,421,467
	-	-	-	-	-	-	(158,768)	-	-	-	(158,768)	-	(55,783)	(214,551)
	-	-	-	-	-	-	700,410	-	-	-	-	700,410	-	700,410
	-	-	-	-	-	818,303	-	-	-	-	-	818,303	-	818,303
	-	-	-	-	-	818,303	541,642	-	-	-	2,925,420	1,359,945	(55,783)	1,304,162
	-	-	-	-	-	-	-	-	-	2,925,420	2,925,420	2,925,420	61,741	2,987,161
	-	-	-	-	-	818,303	541,642	-	-	2,925,420	4,285,365	4,285,365	5,958	4,291,323
<i>Transactions with owners:</i>														
11	385,000	-	-	-	-	-	-	-	-	-	-	385,000	-	385,000
	5,830,800	(583,080)	-	-	-	-	-	-	-	-	-	5,247,720	-	5,247,720
13.2	-	-	-	(6,000,120)	-	-	-	-	-	-	-	(6,000,120)	-	(6,000,120)
13.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	368,076	-	-	368,076	-	368,076
25	-	-	44,275	-	-	-	-	-	(66,470)	22,195	-	-	-	-
25	-	-	(3,427,185)	3,427,185	-	-	-	-	-	(1,865,477)	(1,865,477)	-	-	(1,865,477)
	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	6,215,800	(583,080)	(3,382,910)	(2,572,935)	-	-	-	-	301,606	(1,843,282)	(1,864,801)	(908,716)	(908,716)	(908,716)
	54,704,859	22,249,297	18,063,045	(2,572,935)	3,186,005	(3,105,465)	578,808	-	301,606	16,920,340	110,325,560	7,613,713	117,939,273	

The notes set out on pages 42 to 92 form an integral part of these financial statements.

Statement of Changes in Equity

for the financial year ended 31 March 2015

	NOTE	Non-distributable					Distributable			Total Equity RM	
		Share Capital RM	ICULS RM	Share Premium RM	Treasury Shares RM	Warrants Reserve RM	Discount on Shares RM	Capital Reserve RM	ESOS Reserve RM		Retained Profits RM
2015											
Balance at beginning		54,704,859	22,249,297	18,063,045	(2,572,935)	3,186,005	(3,105,465)	7,445,000	42,970	17,504,122	117,516,898
Total comprehensive income for the year		-	-	-	-	-	-	-	-	1,563,718	1,563,718
<i>Transactions with owners:</i>											
Issuance of shares pursuant to:	11										
- Conversion of ICULS		1,850,000	(185,000)	-	-	-	-	-	-	-	1,665,000
- Rights issue with warrants		21,423,150	-	(2,142,315)	-	2,593,329	(2,593,329)	-	-	-	19,280,835
Purchase of treasury shares	13.2	-	-	-	(4,045,236)	-	-	-	-	-	(4,045,236)
Pursuant to ESOS granted:	13.6										
- Share-based-payment compensation		-	-	-	-	-	-	-	13,467	-	13,467
Settlement of rights issue expenses		-	-	(697,483)	-	-	-	-	-	-	(697,483)
Share dividend	25	-	-	(3,435,753)	3,435,753	-	-	-	-	-	-
Total transactions with owners		23,273,150	(185,000)	(6,275,551)	(609,483)	2,593,329	(2,593,329)	-	13,467	-	16,216,583
Balance at end		77,978,009	22,064,297	11,787,494	(3,182,418)	5,779,334	(5,698,794)	7,445,000	56,437	19,067,840	135,297,199

The notes set out on pages 42 to 92 form an integral part of these financial statements.

Statement of Changes in Equity

for the financial year ended 31 March 2015 (Cont'd)

	NOTE	Non-distributable					Distributable			Total Equity RM	
		Share Capital RM	ICULS RM	Share Premium RM	Treasury Shares RM	Warrants Reserve RM	Discount on Shares RM	Capital Reserve RM	ESOS Reserve RM		Retained Profits RM
2014											
Balance at beginning		48,489,059	22,832,377	21,445,955	-	3,186,005	(3,105,465)	7,445,000	-	(22,442)	100,270,489
Total comprehensive income for the year		-	-	-	-	-	-	-	-	19,369,846	19,369,846
<i>Transactions with owners:</i>											
Issuance of shares pursuant to:	11	385,000	-	-	-	-	-	-	-	-	385,000
- ESOS		5,830,800	(583,080)	-	-	-	-	-	-	-	5,247,720
- Conversion of ICULS	13.2	-	-	-	(6,000,120)	-	-	-	-	-	(6,000,120)
Purchase of treasury shares		-	-	-	-	-	-	-	-	-	-
Pursuant to ESOS granted:	13.6	-	-	-	-	-	-	-	109,440	-	109,440
- Share-based-payment compensation		-	-	44,275	-	-	-	-	(66,470)	22,195	-
- Transfer of reserves	25	-	-	-	-	-	-	-	-	(1,865,477)	(1,865,477)
Dividends		-	-	(3,427,185)	3,427,185	-	-	-	-	-	-
Share dividend	25	-	-	-	-	-	-	-	-	-	-
Total transactions with owners		6,215,800	(583,080)	(3,382,910)	(2,572,935)	-	-	-	42,970	(1,843,282)	(2,123,437)
Balance at end		54,704,859	22,249,297	18,063,045	(2,572,935)	3,186,005	(3,105,465)	7,445,000	42,970	17,504,122	117,516,898

The notes set out on pages 42 to 92 form an integral part of these financial statements.

Statements of Cash Flows

for the financial year ended 31 March 2015

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	3,996,967	4,620,050	2,140,942	19,597,285
Adjustments for:				
Bad debts	–	2,023,938	–	56,565
Change in fair value of investment properties	–	(776,976)	–	(225,802)
Depreciation	3,423,478	3,469,100	181,762	133,836
Dividend income	(97,433)	(97,433)	(2,000,000)	(18,000,000)
Equity-settled share-based payment transactions	108,071	368,076	13,467	109,440
Gain on disposal of investment in a subsidiary	–	(55,630)	–	(1,000,000)
Gain on disposal of investment in quoted debenture	(1,734,223)	–	–	–
Gain on disposal of property, plant and equipment	(1,793)	(1,297,540)	(199)	(232,879)
Impairment loss on investment in a subsidiary	–	–	638,000	–
Impairment loss on other investments	18,960	–	–	–
Impairment loss on receivables	526,630	396,945	–	–
Interest expense	1,539,481	2,006,974	753,907	846,345
Interest income	(221,821)	(320,609)	(37,230)	–
Inventories written down	250,787	175,032	–	–
Inventories written off	306,659	–	–	–
Property, plant and equipment written off	132,208	106,904	–	–
Unrealised gain on foreign exchange	(157,747)	(9,695)	–	–
Operating profit before working capital changes	8,090,224	10,609,136	1,690,649	1,284,790
Decrease/(Increase) in inventories	1,391,874	(2,201,747)	–	–
(Increase)/Decrease in receivables	(6,354,351)	(5,586,648)	837,514	(6,367,857)
Increase/(Decrease) in payables	5,350,451	(1,091,119)	291,036	(148,380)
(Decrease)/Increase in retirement benefit obligations	(830,314)	6,912	(377,402)	(30,870)
Cash generated from/(used in) operations	7,647,884	1,736,534	2,441,797	(5,262,317)
Income tax paid	(1,600,141)	(537,243)	(278,131)	(12,500)
Income tax refunded	–	158,937	–	23,203
Interest paid	(1,539,481)	(1,363,368)	(753,907)	(846,345)
Net cash from/(used in) operating activities	4,508,262	(5,140)	1,409,759	(6,097,959)
CASH FLOWS FROM INVESTING ACTIVITIES				
(i) Cash flows on disposal of subsidiaries	–	2,929,636	–	–
Dividends received	97,433	97,433	2,000,000	18,000,000
Interest received	190,348	320,609	5,757	–
Proceeds from disposal of investment in subsidiaries	–	–	–	3,000,100
Proceeds from disposal of other investments	3,234,233	–	–	–
Proceeds from disposal of property, plant and equipment	73,800	1,559,469	200	303,200
Purchase of equity investments	(2,361,862)	–	–	–
Purchase of investment properties	(1,400,000)	(1,011,800)	–	–
(ii) Purchase of property, plant and equipment	(2,933,325)	(3,095,043)	(487,105)	(70,148)
Purchase of shares from non-controlling interests of a subsidiary	(4,000,000)	–	(4,000,000)	–
Subsequent expenditure on investment properties	(128,314)	(5,518,922)	–	(3,558,380)
Net cash (used in)/from investing activities	(7,227,687)	(4,718,618)	(2,481,148)	17,674,772
Carried forward	(2,719,425)	(4,723,758)	(1,071,389)	11,576,813

The notes set out on pages 42 to 92 form an integral part of these financial statements.

Statements of Cash Flows

for the financial year ended 31 March 2015 (Cont'd)

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Brought forward	(2,719,425)	(4,723,758)	(1,071,389)	11,576,813
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	–	(1,865,477)	–	(1,865,477)
Net change in subsidiaries' balances	–	–	(14,948,796)	(8,329,331)
Proceeds from rights issue with warrants	19,280,835	–	19,280,835	–
Proceeds from issuance of shares pursuant to conversion of ICULS, net of transaction costs	1,665,000	5,247,720	1,665,000	5,247,720
Proceeds from issuance of shares pursuant to ESOS	–	385,000	–	385,000
Drawdown/(Repayment) of bankers acceptance	161,000	(327,000)	–	–
Repayment of finance lease	(1,116,003)	(224,801)	(160,374)	(32,060)
Repayment of term loans	(13,795,346)	(1,363,964)	(975,062)	(852,192)
Repurchase of treasury shares	(4,045,236)	(6,000,120)	(4,045,236)	(6,000,120)
Net cash from/(used in) financing activities	2,150,250	(4,148,642)	816,367	(11,446,460)
NET (DECREASE)/INCREASE INCASH AND CASH EQUIVALENTS	(569,175)	(8,872,400)	(255,022)	130,353
CASH AND CASH EQUIVALENTS AT BEGINNING	3,561,645	12,434,045	308,104	177,751
CASH AND CASH EQUIVALENTS AT END	2,992,470	3,561,645	53,082	308,104
Represented by:				
Cash and bank balances	3,406,526	4,038,026	53,082	308,104
Bank overdrafts	(414,056)	(476,381)	–	–
	2,992,470	3,561,645	53,082	308,104
(i) Cash flows on disposal of subsidiaries				
Property, plant and equipment	–	6,309,651	–	–
Inventories	–	7,766	–	–
Receivables	–	1,059,644	–	–
Cash and bank balances	–	70,464	–	–
Borrowings	–	(692,460)	–	–
Deferred tax liabilities	–	(560,358)	–	–
Retirement benefit obligations	–	(22,522)	–	–
Payables	–	(3,019,409)	–	–
Non-controlling interests	–	(908,716)	–	–
Share of net assets disposed	–	2,244,060	–	–
Realisation of foreign exchange reserve	–	700,410	–	–
Gain on disposal	–	55,630	–	–
Total disposal consideration	–	3,000,100	–	–
Less: Cash and bank balances	–	(70,464)	–	–
Cash flows from disposal of subsidiaries	–	2,929,636	–	–
(ii) Purchase of property, plant and equipment				
Total acquisition cost	6,032,883	5,194,193	1,403,055	375,148
Acquired under finance lease	(3,099,558)	(2,099,150)	(915,950)	(305,000)
Total cash acquisition	2,933,325	3,095,043	487,105	70,148

The notes set out on pages 42 to 92 form an integral part of these financial statements.

Notes to the Financial Statements

- 31 March 2015

1. CORPORATE INFORMATION

General

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 55A Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak.

The principal place of business of the Company is located at 2521, Tingkat Perusahaan 6, Prai Industrial Estate, 13600 Prai.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 31 July 2015.

Principal Activities

The principal activities of the Company consist of investment holding, letting of industrial and commercial assets and management consultancy.

The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in the summary of accounting policies as set out in Note 3.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Input that are based on observable market data, either directly or indirectly.
- Level 3 - Input that are not based on observable market data.

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.3 Functional and Presentation Currency

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

2.4 Adoption of Amendments/Improvements to MFRS and IC Interpretations ("IC Int")

The accounting policies adopted by the Group and by the Company are consistent with those of the previous financial year except for the adoption of the following Standards that are mandatory for the current financial year:

Effective for annual periods beginning on or after 1 January 2014

Amendments to MFRS 10, 12 and 127 *Investment Entities*

Amendments to MFRS 132 *Offsetting Financial Assets and Financial Liabilities*

Amendments to MFRS 136 *Recoverable Amount Disclosures for Non-Financial Assets*

Amendments to MFRS 139 *Novation of Derivatives and Continuation of Hedge Accounting*

IC Int 21 *Levies*

Initial application of the above standards did not have any material impact to the financial statements of the Group and of the Company.

2.5 Standards Issued But Not Yet Effective

The Group and the Company have not applied the following Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Company:

Effective for annual periods beginning on or after 1 July 2014

Amendments to MFRS 119 *Defined Benefit Plans: Employee Contributions*

Amendments to MFRS *Annual improvements to MFRS 2010-2012 Cycle*

Amendments to MFRS *Annual improvements to MFRS 2011-2013 Cycle*

Effective for annual periods beginning on or after 1 January 2016

MFRS 14 *Regulatory Deferral Accounts*

Amendments to MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*

Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*

Amendments to MFRS 101 *Disclosure Initiative*

Amendments to MFRS 116 and MFRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*

Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*

Amendments to MFRS 127 *Equity Method in Separate Financial Statements*

Amendments to MFRS *Annual Improvements to MFRS 2012-2014 Cycle*

Effective for annual periods beginning on or after 1 January 2017

MFRS 15 *Revenue from Contracts with Customers*

Effective for annual periods beginning on or after 1 January 2018

MFRS 9 *Financial Instruments (IFRS 9 issued by IASB in July 2014)*

Amendments to MFRS 7 *Mandatory Date of MFRS 9 and Transition Disclosures*

The initial application of the above standards is not expected to have any material impacts to the financial statements of the Group and of the Company upon adoption except as mentioned below:

MFRS 15 Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111 *Construction Contracts*, MFRS 118 *Revenue*, IC Int 13 *Customer Loyalty Programmes*, IC Int 15 *Agreements for Construction of Real Estate*, IC Int 18 *Transfers of Assets from Customers* and IC Int 131 *Revenue – Barter Transactions Involving Advertising Services*. Upon adoption of MFRS 15, it is expected that the timing of revenue recognition might be different as compared with the current practices.

The adoption of MFRS 15 will result in a change in accounting policy. The Group is currently assessing the financial impact of adopting MFRS 15.

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant Accounting Estimates and Judgements

The preparation of financial statements 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 estimate is revised and in any future periods affected.

2.6.1 Judgements made in applying accounting policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have significant effect on the amounts recognised in the financial statements.

Classification between investment properties and property, plant and equipment

The Group and the Company have developed certain criteria based on MFRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation or for administrative purposes. If these portions could be sold separately (or lease out separately under finance lease), the Group would account for the portion separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

2.6.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Useful lives of depreciable assets

The cost of plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of the plant and equipment to be within 3 to 50 years. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation charges could be revised.

(ii) Impairment of non-financial assets

The Group and the Company perform an impairment review as and when there are impairment indicators to ensure that the carrying value of the non-financial assets does not exceed its recoverable amount. The recoverable amount represents the present value of the estimated future cash flows expected to arise from operations. Therefore, in arriving at the recoverable amount, management exercise judgement in estimating the future cash flows, growth rate and discount rate.

(iii) Impairment of investment in subsidiaries

The Company carries out impairment test based on the estimate of the higher of value-in-use or the fair value less cost to sell of the cash-generating unit ("CGU") to which the investment in the subsidiaries belong to. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the CGU and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

(iv) Inventories

The management reviews for damaged, obsolete and slow-moving inventories. This review requires judgement and estimates. Possible changes in these estimates could result in revision to the valuation of inventories.

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.6 Significant Accounting Estimates and Judgements (Cont'd)

2.6.2 Key sources of estimation uncertainty (Cont'd)

(v) Impairment of loans and receivables

The Group and the Company assess at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience of assets with similar credit risk characteristics.

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous financial years unless otherwise indicated below.

3.1 Basis of Consolidation

(i) Subsidiaries

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

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiaries is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

Upon disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

(ii) Business combination

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred, plus
- the recognised amount of any non-controlling interest in the acquiree, plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree, less
- the net recognised amount at fair value of the identifiable assets acquired and liabilities assumed.

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

For each business combination, the Group elects whether to recognise non-controlling interest in the acquiree at fair value, or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of Consolidation (Cont'd)

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserve.

(iv) Loss of control

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

(v) Non-controlling interests

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

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

(vi) Transactions eliminated on consolidation

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

3.2 Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses during the financial year in which they are incurred.

Property, plant and equipment are depreciated on the straight line method to write off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

Leasehold land	Amortised over lease period of 99 years
Buildings	2%
Plant and machinery	5% to 15%
Fittings, equipment, motor vehicles and renovation	2% to 33%

Freehold land is not depreciated as it has an infinite life.

Depreciation on capital expenditure in progress commences when the assets are ready for their intended use.

The residual value, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value.

Fair value is arrived at using market-based approach undertaken by external independent qualified valuers.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group and the Company hold it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

3.4 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

Finance lease

Leases in terms of which the Group or the Company assume substantially all the risks and rewards of ownership, which include hire purchase arrangement, are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

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

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

Operating leases

Leases, where the Group and the Company do not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid land lease payments.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Impairment of Non-Financial Assets

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU").

The recoverable amount of an asset of CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the 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 or CGU.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss 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. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

3.6 Financial Instruments

3.6.1 Initial recognition and measurement

A financial asset or a financial liability is recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition or issue of the financial instrument.

3.6.2 Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

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

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (Cont'd)

3.6.2 Financial instrument categories and subsequent measurement (Cont'd)

Financial assets (Cont'd)

(b) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

(c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity. The Group's investment in loan stocks is designated into this category with a maturity period of five years.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using effective interest method, except for short-term receivables when the recognition of interest would be immaterial. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the end of the reporting period which are classified as current.

All financial assets are subject to review for impairment.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

Financial liabilities are classified as current liabilities, except for those having maturity dates later than 12 months after the end of the reporting period which are classified as non-current.

3.6.3 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in statement of comprehensive income over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

3.6.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (Cont'd)

3.6.5 Derecognition

A financial asset or part of it is derecognised, when and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.7 Impairment of Financial Assets

All financial assets (except for financial assets categorised as fair value through profit or loss and investment in subsidiaries) are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

3.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Trading materials: purchase costs on a weighted average basis for building materials, hardware items and scrap materials.
- Raw materials: purchase costs on a first-in, first-out and weighted average basis.
- Finished goods and work-in-progress: cost of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short-term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

3.10 Provisions

Provisions are recognised when the Group 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 a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

3.11 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

3.12 Income Recognition

Sale of goods

Revenue is recognised net of discounts and upon transfer of significant risks and rewards of ownership to the buyer.

Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Interest income

Interest income is recognised on time proportion basis using the applicable effective interest rate.

Management consultancy fees

Management consultancy fees are recognised on an accrual basis when services are rendered.

3.13 Employee Benefits

Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Employee Benefits (Cont'd)

Employee share options schemes

Employees of the Group received remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the subsidiaries' best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon market or non-vesting condition, which are tested as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained profits/accumulated losses upon expiry of the share options.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Defined benefit plans

The Company and certain subsidiaries have an unfunded non-contributory defined contribution plan for eligible employees. Benefits are determined based on the length of service and last drawn wages and are payable to employees upon retirement.

The Schemes are described as follows:

(i) Scheme I

The Company's and certain subsidiaries' obligation under Scheme 1, calculated using the Projected Unit Credit Method, is determined internally based on certain actuarial assumptions where the amount of benefits that employees have earned in return for their service in the current and prior years is estimated. Based on this assumption, the directors are of the opinion that the present value of the benefits will not be materially different from the amount of provision made in the financial statements.

(ii) Scheme II

Provision for retirement benefits is computed at half a month's salary for each year of service for the first seven years of service. On the seventh year of service, the subsidiary makes a contribution of the provision to EPF and thereafter provides for retirement benefits annually based on a certain percentage of annual salaries of the employees.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and the Company recognise termination benefits as a liability and an expense when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal of providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of the reporting period are discounted to present value.

3.14 Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

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

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Income Tax (Cont'd)

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 not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. 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 substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available to set off against the unutilised tax incentive.

3.15 Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities measured at historical cost in a foreign currency at the end of the reporting period are translated to the functional currency at the exchange rate at the date of the transaction except for those measured at fair value shall be translated at the exchange rate at the date when the fair value was determined.

Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains or losses are recognised directly in other comprehensive income.

Foreign Operations

The assets and liabilities of foreign operations are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at approximate average exchange rates at the dates of the transactions.

Exchange differences are recognised in other comprehensive income and accumulated in the foreign translation reserve ("FTR") in equity. However, if the operations is a non-wholly owned subsidiary, then the relevant proportionate share of the exchange difference is allocated to the non-controlling interest. When a foreign operation is disposed of such that control, the significant influence or joint control is lost, the cumulative amount in the FTR related to the foreign operation is reclassified to profit or loss as part of the profit or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests, When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the FTR in equity.

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

ICULS which were issued after the effective date of MFRS 132: Financial Instruments: Disclosure and Presentation are regarded as compound instruments, consisting of an equity component and a liability component.

ICULS which have a 0% coupon rate are considered to have only the equity component, as there is no obligation for payment of interest, principal or for re-purchase.

3.17 Warrants

Warrants are classified as equity instruments and its value is allocated based on the Black-Scholes model upon issuance. The issuance of the ordinary shares upon exercise of warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

Upon exercise of warrants, the proceeds are credited to share capital and share premium. The warrants reserve in relation to the unexercised warrants at the expiry of the warrants will be reversed.

3.18 Share Capital, Share Issuance Expenses and Dividends

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

Share capital represents the nominal value of shares that have been issued.

Dividends on ordinary shares are accounted for in shareholder's equity as an appropriation of unappropriated profits and recognised as a liability in the period in which they are declared.

Costs directly attributable to the issuance of instruments classified as equity are recognised as a deduction from equity.

3.19 Treasury Shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

3.20 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case are the Executive Directors of the Company, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3.21 Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position but is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Freehold land and buildings RM	Leasehold land and building RM	Plant and machinery RM	Fittings, equipment, motor vehicles and renovation RM	Capital expenditure in progress RM	Total RM
2015						
At cost						
Balance at beginning	53,392,213	3,200,000	53,443,520	13,072,909	80,985	123,189,627
Additions	-	-	2,149,475	3,427,736	455,672	6,032,883
Disposals	-	-	-	(606,454)	-	(606,454)
Written off	-	-	-	(54,751)	(80,985)	(135,736)
Balance at end	53,392,213	3,200,000	55,592,995	15,839,440	455,672	128,480,320
Accumulated depreciation						
Balance at beginning	6,224,680	525,288	37,579,219	9,797,514	-	54,126,701
Current charge	543,281	48,211	1,917,022	914,964	-	3,423,478
Disposals	-	-	-	(534,447)	-	(534,447)
Written off	-	-	-	(3,528)	-	(3,528)
Balance at end	6,767,961	573,499	39,496,241	10,174,503	-	57,012,204
Accumulated impairment loss						
Carrying amount	46,624,252	2,626,501	16,096,754	4,450,861	455,672	70,254,040
				1,214,076	-	1,214,076

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

GROUP

	Freehold land and buildings RM	Leasehold land and building RM	Plant and machinery RM	Fittings, equipment, motor vehicles and renovation RM	Capital expenditure in progress RM	Total RM
2014						
At cost						
Balance at beginning	57,364,055	3,200,000	60,528,357	14,555,619	449,302	136,097,333
Additions	156,630	-	4,068,716	968,847	-	5,194,193
Disposals	(1,123,090)	-	(4,837,908)	(1,696,609)	-	(7,657,607)
Disposal of a subsidiary	(2,796,730)	-	(5,120,776)	(194,750)	(256,132)	(8,368,388)
Written off	-	-	(885,246)	(487,349)	(81,004)	(1,453,599)
Reclassification	-	-	4,500	-	(4,500)	-
Exchange differences	(208,652)	-	(314,123)	(72,849)	(26,681)	(622,305)
Balance at end	53,392,213	3,200,000	53,443,520	13,072,909	80,985	123,189,627
Accumulated depreciation						
Balance at beginning	6,114,023	477,078	42,228,079	11,262,358	-	60,081,538
Current charge	631,878	48,210	2,080,746	708,266	-	3,469,100
Disposals	(51,856)	-	(4,252,516)	(1,591,306)	-	(5,895,678)
Disposal of a subsidiary	(442,076)	-	(1,521,224)	(95,437)	-	(2,058,737)
Written off	-	-	(885,210)	(461,485)	-	(1,346,695)
Exchange differences	(27,289)	-	(70,656)	(24,882)	-	(122,827)
Balance at end	6,224,680	525,288	37,579,219	9,797,514	-	54,126,701
Accumulated impairment loss						
Carrying amount	47,167,533	2,674,712	15,864,301	2,061,319	80,985	67,848,850

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

COMPANY

	Fittings, equipment, and office equipment RM	Motor vehicles RM	Total RM
2015			
At cost			
Balance at beginning	3,533,710	584,465	4,118,175
Additions	18,582	1,384,473	1,403,055
Disposal	(5,209)	-	(5,209)
Balance at end	<u>3,547,083</u>	<u>1,968,938</u>	<u>5,516,021</u>
Accumulated depreciation			
Balance at beginning	3,342,652	297,840	3,640,492
Current charge	40,938	140,824	181,762
Disposal	(5,208)	-	(5,208)
Balance at end	<u>3,378,382</u>	<u>438,664</u>	<u>3,817,046</u>
Carrying amount	<u>168,701</u>	<u>1,530,274</u>	<u>1,698,975</u>
2014			
At cost			
Balance at beginning	3,516,562	1,561,443	5,078,005
Additions	17,148	358,000	375,148
Disposals	-	(1,334,978)	(1,334,978)
Balance at end	<u>3,533,710</u>	<u>584,465</u>	<u>4,118,175</u>
Accumulated depreciation			
Balance at beginning	3,286,299	1,485,014	4,771,313
Current charge	56,353	77,483	133,836
Disposals	-	(1,264,657)	(1,264,657)
Balance at end	<u>3,342,652</u>	<u>297,840</u>	<u>3,640,492</u>
Carrying amount	<u>191,058</u>	<u>286,625</u>	<u>477,683</u>

- (i) The carrying amount of land and buildings which are pledged to licensed banks as security for banking facilities granted to the Company and certain subsidiaries are as follows:

	GROUP	
	2015 RM	2014 RM
Leasehold land and building	2,626,501	2,674,712
Freehold land and buildings	-	29,855,947
	<u>2,626,501</u>	<u>32,530,659</u>

The freehold land and buildings have been discharged upon full settlement of the term loan as disclosed in Note 15.

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(ii) Included in the carrying amount are the following property, plant and equipment being acquired under finance lease liabilities:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Plant and machinery	2,267,664	2,324,238	-	-
Motor vehicles	3,512,787	615,794	1,530,271	286,622
	5,780,451	2,940,032	1,530,271	286,622

The leased assets are pledged as security for the related finance lease liabilities as disclosed in Note 15.

5. INVESTMENT PROPERTIES

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
At fair value				
Balance at beginning	36,211,800	28,904,102	24,727,698	20,943,516
Additions	1,528,314	6,530,722	-	3,558,380
Change in fair value recognised in profit or loss	-	776,976	-	225,802
Balance at end	37,740,114	36,211,800	24,727,698	24,727,698

The breakdown of the investment properties are as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Freehold land	2,671,800	2,671,800	-	-
Leasehold land and buildings	35,068,314	33,540,000	24,727,698	24,727,698
	37,740,114	36,211,800	24,727,698	24,727,698

(i) The carrying amount of the Group's and the Company's investment properties which are pledged to licensed banks for banking facilities granted to the Company and certain subsidiaries are **RM33,128,314** (2014: RM33,000,000) and **RM24,727,698** (2014: RM24,727,698) respectively.

(ii) The amount recognised in profit or loss are as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Rental income from rental generating properties	2,395,658	2,377,646	2,231,780	2,314,178
Direct operating expenses arising from rental generating properties	344,033	259,714	334,114	259,714

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

5. INVESTMENT PROPERTIES (CONT'D)

(iii) Fair values of investment properties for disclosure purpose are recognised as follows:

	Level 1 RM	Level 2 RM	Level 3 RM
2015			
GROUP			
Freehold land	-	2,671,800	-
Leasehold land and buildings	-	35,068,314	-
COMPANY			
Leasehold land and buildings	-	24,727,698	-
2014			
GROUP			
Freehold land	-	2,671,800	-
Leasehold land and buildings	-	33,540,000	-
COMPANY			
Leasehold land and buildings	-	24,727,698	-

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1 and 2 during the financial year.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the investment property, either directly or indirectly.

Level 2 fair values of investment properties have been generally derived based on the following:

- Sales comparison approach whereby sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties; and
- The purchase consideration which represents the current market value of the newly acquired investment properties.

6. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2015 RM	2014 RM
Unquoted shares, at cost	92,787,981	81,014,543
Less: Accumulated impairment loss	(57,423,688)	(56,785,688)
	35,364,293	24,228,855

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:

Name of Entity	Effective Equity Interest		Principal Activities
	2015 %	2014 %	
Direct subsidiaries			
SMPC Industries Sdn. Bhd.	100	100	Metal sheet and coil processing centre with main services in shearing and reshearing.
SMPC Marketing Sdn. Bhd.	100	100	Trading in steel furniture.
Edit Systems (M) Sdn. Bhd.	70	70	Dormant.
Syarikat Perkilangan Besi Gaya Sdn. Bhd.	100	100	The company commenced its business of processing and trading of wire during the financial year.
Duro Metal Industrial (M) Sdn. Bhd.	100	100	Manufacturing of steel roofing, wall cladding sheets and other steel related products and provision of related services.
Park Avenue Construction Sdn. Bhd.	100	100	Investment holding and the company commenced its provision of recreational and leisure activity during the year with the construction of chalets which is in progress.
SMPC Dexon Sdn. Bhd.	100	100	Manufacturing and trading of steel and other types of furniture and the provision of related services.
Metal Perforators (Malaysia) Sdn. Bhd.	100	100	Manufacturing and marketing of perforated metals, cable support systems and screen plates.
* Kembang Kartika Sdn. Bhd.	100	50.01	Property development. The company has not commenced operations.
Indirect - held through SMPC Marketing Sdn. Bhd.			
Progerex Sdn. Bhd.	100	100	Shredding, processing and trading of ferrous and non-ferrous scrap metals.
Indirect - held through Duro Metal Industrial (M) Sdn. Bhd.			
Duro Marketing (M) Sdn. Bhd.	100	100	Dormant.
Duro Structural Products (M) Sdn. Bhd.	70	70	Dormant.

* Not audited by Grant Thornton.

6.1 2015

- (i) On 10 February 2014, the Company entered into an agreement with the vendor of Kembang Kartika Sdn. Bhd. ("KKSBB") to acquire the remaining 49.99% equity interest of KKSBB for a cash consideration of RM8,000,000.

Upon execution of the agreement, the Company paid RM4,000,000 (out of RM8,000,000) to the vendor of KKSBB as disclosed in Note 9.4(ii). The Company has paid the remaining consideration of RM4,000,000 during the financial year and consequently, KKSBB became a wholly-owned subsidiary of the Company.

- (ii) On 30 May 2014, the Company subscribed for 3,773,438 ordinary shares of RM1 each in Syarikat Perkilangan Besi Gaya Sdn. Bhd. by way of capitalisation of debts owing to the Company.

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

6.2 2014

- (i) On 27 September 2013, the Company disposed of its entire equity interest in SMPC Steel Mill Sdn. Bhd. for a cash consideration of RM100.
- (ii) On 26 March 2014, the Company entered into a Share Purchase Agreement ("the Agreement") with Select Galva India Private Limited ("Select Galva") to sell its entire 74% equity interest in SMPC Industries (India) Private Limited ("SMPC India") according to the terms below:
 - (a) RM3,000,000 as full purchase consideration. Select Galva has already paid the sum to the Company upon acceptance of the Agreement; and
 - (b) Select Galva shall settle RM2,000,000 owing by SMPC India to the Company in two equal payments of RM1,000,000 each. The first payment will be due on or before 15 April 2014 and the balance is to be settled on or before 18 March 2015.

The effects of the disposals on the financial position of the Group as at the end of the previous financial year are disclosed in Note (i) in the consolidated statement of cash flows.

In the previous financial year, the Group's subsidiary, KKS B, has material non-controlling interests ("NCI"), details of which are disclosed as follows:

	2014 RM
NCI percentage of ownership interest and voting interest	49.99%
Carrying amount of NCI	7,736,913
Loss allocated to NCI	<u>(2,844)</u>

Summarised financial information before intragroup elimination:

	2014 RM
At 31 March	
Total assets	15,509,722
Total liabilities	<u>(32,801)</u>
Net assets	<u>15,476,921</u>
Year ended 31 March	
Revenue	-
Net loss, representing total comprehensive loss for the year	<u>(5,690)</u>
Cash flows from operating activities	<u>(88,434)</u>

During the financial year, KKS B has become a wholly-owned subsidiary of the Company therefore such information is no longer presented.

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

7. OTHER INVESTMENTS

	GROUP	
	2015 RM	2014 RM
Available-for-sale financial assets		
- Shares quoted in Malaysia, at fair value	3,153,654	3,035,040
- Unit trusts quoted in Malaysia, at fair value	28,471	29,611
- Unquoted shares, at cost	2,999,838	2,999,838
Less: Allowance for impairment	(882,061)	(882,061)
	<u>2,117,777</u>	<u>2,117,777</u>
	<u>5,299,902</u>	<u>5,182,428</u>
Held-to-maturity investments		
- Loan stocks quoted in Malaysia, at cost	2,310,000	1,500,000
	<u>7,609,902</u>	<u>6,682,428</u>
Market value of:		
- Quoted shares	3,153,654	3,035,040
- Quoted unit trusts	28,471	29,611
- Loan stocks [^]	2,194,500	2,550,017

[^] There was no impairment to the loan stocks quoted in Malaysia during the financial year as the market value has appreciated prior to the signing of this report.

8. INVENTORIES

	GROUP	
	2015 RM	2014 RM
Raw materials	9,324,053	9,943,170
Work-in-progress	67,088	334,813
Finished goods	1,294,649	1,996,641
Trading goods	809,904	1,170,390
	<u>11,495,694</u>	<u>13,445,014</u>

The cost of inventories recognised in profit or loss during the financial year is as follows:

	GROUP	
	2015 RM	2014 RM
Inventories recognised as cost of sales	100,233,680	107,917,323
Inventories written down	250,787	175,032
Inventories written off	306,659	-

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

9. TRADE AND OTHER RECEIVABLES

	Note	GROUP		COMPANY	
		2015 RM	2014 RM	2015 RM	2014 RM
Trade receivables					
Third parties	9.1	35,218,392	28,248,682	-	-
Less: Allowance for impairment		(3,927,713)	(4,239,397)	-	-
Trade receivables, net		31,290,679	24,009,285	-	-
Other receivables					
Third parties	9.2	8,031,763	9,565,537	832,385	2,278,560
Less: Allowance for impairment		(2,970,817)	(2,453,725)	-	-
Sundry receivables, net		5,060,946	7,111,812	832,385	2,278,560
Deposits	9.3	1,251,779	583,759	31,001	31,001
Prepayments	9.4	987,678	5,597,764	180,274	4,269,096
Amount due from subsidiaries	9.5	-	-	84,589,604	73,414,246
		7,300,403	13,293,335	85,633,264	79,992,903
Total trade and other receivables		38,591,082	37,302,620	85,633,264	79,992,903

The currency profile of trade and other receivables is as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Ringgit Malaysia	35,835,942	36,213,301	85,633,264	79,992,903
US Dollar	2,492,703	963,890	-	-
Singapore Dollar	262,437	125,429	-	-
	38,591,082	37,302,620	85,633,264	79,992,903

9.1 Trade receivables

Included herein are the following:

- (i) Retention sum of **RM2,171,316** (2014: RM560,022) relating to the supply of steel roofing, cable support system and its related accessories.
- (ii) An amount of **RM75,272** (2014: RM Nil) which is interest bearing. Interest is charged at **6.60%** (2014: RM Nil) per annum.

Trade receivables are non-interest bearing and are generally on **14 to 120 days** (2014: 14 to 90 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The movement of allowance for impairment is as follows:

	GROUP	
	2015 RM	2014 RM
Balance at beginning	4,239,397	4,694,766
Current year	9,538	68,945
Written off	-	(198,118)
Recovered	(321,222)	(326,196)
Balance at end	3,927,713	4,239,397

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

9. TRADE AND OTHER RECEIVABLES (CONT'D)

9.2 Other receivables

Included herein are the following:

GROUP

- (i) An amount of **RM2,610,057** (2014: RM2,610,057) due from a buyer of a subsidiary's plant and machinery. The subsidiary has cumulatively provided an allowance for impairment of **RM2,610,057** (2014: RM2,283,028) as at the end of the reporting period.
- (ii) Disposal consideration of **RM NIL** (2014: RM1,500,000) which was due from a related party, Limsa Ekuiti Sdn. Bhd., arising from the disposal of a subsidiary's warehouse in the previous financial year. The consideration has been received during the financial year.
- (iii) An amount of **RM NIL** (2014: RM1,412,978) which was interest bearing at 2% per month. Interest was computed on the month end outstanding balance.

GROUP AND COMPANY

- (i) An amount of **RM697,143** (2014: RM2,000,000) receivable from Select Galva arising from the terms attached to the disposal of SMPC India, as disclosed in Note 6.2(ii)(b). There is a delay in the repayment by Select Galva due to an ongoing internal restructuring in SMPC India. The amount outstanding will be received in the next financial year end.
- (ii) Amounts of **RM222,594** (2014: RM96,882) and **RM30,495** (2014: RM96,882) of the Group's and Company's receivables balances respectively, which are due from companies in which a director of the Company has deemed interest.

The movement of allowance for impairment is as follows:

	GROUP	
	2015 RM	2014 RM
Balance at beginning	2,453,725	2,125,725
Current year	517,092	328,000
Balance at end	<u>2,970,817</u>	<u>2,453,725</u>

9.3 Deposits

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Refundable	508,679	493,759	31,001	31,001
Non-refundable *	743,100	90,000	-	-
	<u>1,251,779</u>	<u>583,759</u>	<u>31,001</u>	<u>31,001</u>

- * The deposits paid during the financial year are for the acquisition of machineries, whilst the deposit paid in the previous financial year was for the acquisition of an investment property. The balance purchase consideration is disclosed as capital commitment in Note 29(i).

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

9. TRADE AND OTHER RECEIVABLES (CONT'D)

9.4 Prepayments

Included in the previous financial year were the following:

GROUP

- (i) Prepaid settlement interest to a bank amounting to RM107,265. The amount has been fully charged to profit or loss during the financial year ended 31 March 2015, pursuant to the full settlement of the term loan.

GROUP AND COMPANY

- (ii) Prepayment of RM4,000,000 to the vendor of KKSB to acquire the remaining 49.99% equity interest of KKSB for a consideration of RM8,000,000 upon execution of the agreement on 10 February 2014 as disclosed in Note 6.1(i). The acquisition was completed upon full payment of the balance consideration to the vendor during the financial year.

9.5 Amount due from subsidiaries

The amount due from subsidiaries is unsecured, non-interest bearing and is repayable on demand.

10. FIXED DEPOSITS WITH LICENSED BANKS

GROUP AND COMPANY

The fixed deposits are pledged for term loan and bank guarantee facilities granted to the Company and a subsidiary.

The effective interest rates and maturities of fixed deposits as at the end of the reporting period range from **3.00% to 3.30%** (2014: 3.00% to 3.15%) per annum and **1 to 12 months** (2014: 1 to 12 months) respectively.

11. SHARE CAPITAL

	Number of ordinary shares of RM1 each		Amount	
	2015	2014	2015 RM	2014 RM
Authorised	800,000,000	800,000,000	800,000,000	800,000,000
Issued and fully paid				
Balance at beginning	54,704,859	48,489,059	54,704,859	48,489,059
Issuance pursuant to:				
Conversion of ICULS	1,850,000	5,830,800	1,850,000	5,830,800
Rights issue	21,423,150	–	21,423,150	–
Exercise of ESOS	–	385,000	–	385,000
Balance at end	77,978,009	54,704,859	77,978,009	54,704,859

During the financial year, the Company had increased its issued and paid-up ordinary share capital from RM54,704,859 to RM77,978,009 by:

- (i) issuance of 1,850,000 ordinary shares of RM1 each arising from the conversion of 1,850,000 10-year 0% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at nominal value of RM0.10 each by surrendering for cancellation one ICULS of RM0.10 each and paying the difference between the nominal value of ICULS and conversion price of RM1 each; and
- (ii) issuance of 21,423,150 new ordinary shares of RM1 each pursuant to its two-call rights issue at an issue price of RM1 per share (of which the first call of RM0.90 was payable in cash on application and the second call of RM0.10 was capitalised from the Company's share premium account) with 10,711,565 free detachable Warrants C ("Rights Issue with Warrants").

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

12. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS

	Number of ICULS of RM0.10 each		Amount	
	2015	2014	2015 RM	2014 RM
Balance at beginning	222,492,969	228,323,769	22,249,297	22,832,377
Converted to ordinary shares	(1,850,000)	(5,830,800)	(185,000)	(583,080)
Balance at end	220,642,969	222,492,969	22,064,297	22,249,297

The 10-year 0% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at nominal value of RM0.10 each were constituted by a Trust Deed dated 28 March 2012 made between the Company and the Trustee for the holders of the ICULS.

The salient features of the ICULS are as follows:

- (i) The ICULS shall be convertible into fully paid-up ordinary shares at any time during the tenure of the ICULS from the date of issue of the ICULS up to and including the maturity date of 15 April 2022 by surrendering ten ICULS of RM0.10 each for one new ordinary share or by surrendering for cancellation one ICULS of RM0.10 each and paying the difference between the nominal value of ICULS and conversion price of RM1 each.
- (ii) The ICULS have a tenure period of 10 years from the date of issue and will not be redeemable in cash. All outstanding ICULS will be mandatorily converted by the Company into new ordinary shares at the conversion price of RM1 each on the maturity date, with any fractional new shares arising from the mandatory conversion of the ICULS and the maturity date shall be disregarded.
- (iii) Upon conversion of the ICULS into new ordinary shares, such shares would rank pari passu in all respects with the existing ordinary shares of the Company in issue except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date is before the new shares allotment.

13. OTHER RESERVES

	Note	GROUP		COMPANY	
		2015 RM	2014 RM	2015 RM	2014 RM
Distributable					
Retained profits	13.1	21,005,029	16,920,340	19,067,840	17,504,122
Non-distributable					
Share premium		11,787,494	18,063,045	11,787,494	18,063,045
Treasury shares	13.2	(3,182,418)	(2,572,935)	(3,182,418)	(2,572,935)
Warrants reserve	13.3	5,779,334	3,186,005	5,779,334	3,186,005
Discount on shares	13.3	(5,698,794)	(3,105,465)	(5,698,794)	(3,105,465)
Fair value reserve	13.4	663,390	578,808	-	-
Capital reserve	13.5	(262,746)	-	7,445,000	7,445,000
ESOS reserve	13.6	325,383	301,606	56,437	42,970
		9,411,643	16,451,064	16,187,053	23,058,620
		30,416,672	33,371,404	35,254,893	40,562,742

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

13. OTHER RESERVES (CONT'D)

13.1 Retained profits

The franking of dividends of the Company is under the single tier system and therefore there is no restriction on the Company to distribute dividends subject to the availability of retained profits.

13.2 Treasury shares

The shareholders of the Company by a special resolution passed in a general meeting held on 26 September 2014, approved the Company's plan to repurchase its own shares up to 10% of its issued and paid-up share capital with par value of RM1 each.

The details of the shares repurchased from the open market during the year are as follows:

Month	Price per share			Number of shares	Total consideration RM
	Lowest	Highest	Average		
September 2014	0.89	0.89	0.89	10,000	8,965
October 2014	0.76	0.80	0.79	2,408,400	1,891,770
November 2014	0.77	0.77	0.77	697,000	538,661
December 2014	0.69	0.69	0.69	2,180,000	1,504,333
February 2015	0.63	0.64	0.63	160,100	101,507
				<u>5,455,500</u>	<u>4,045,236</u>

For the financial year ended 31 March 2014, the Company repurchased 6,407,900 of its issued and paid-up ordinary shares from the open market. The average price paid for the shares repurchased was RM0.93 per share.

The shares repurchased were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Of the total **77,978,009** (2014: 54,704,859) issued and paid-up ordinary shares of RM1 each as at 31 March 2015, **4,378,456** (2014: 2,434,668) ordinary shares are held as treasury shares by the Company. The number of outstanding ordinary shares in issue is therefore **73,599,553** (2014: 52,270,191) ordinary shares of RM1 each.

During the financial year, the Company declared and approved a share dividend via distribution of **3,511,712** (2014: 3,973,232) treasury shares on the basis of 1 treasury share for every **20** (2014: 12) ordinary shares held.

13.3 Warrants reserve and Discount on shares

The warrants reserve comprises the fair values of the following Warrants:

	2015 RM	2014 RM
Warrants B expiring 9 May 2022 (Note 13.3(i))	3,186,005	3,186,005
Warrants C expiring 24 November 2024 (Note 13.3(ii))	2,593,329	–
	<u>5,779,334</u>	<u>3,186,005</u>

(i) Warrants B

On 7 May 2012, the Company issued 20,338,186 10-year free detachable warrants 2012/2022 ("Warrants B") pursuant to the Company's restructuring exercise. The Warrants B are constituted by a deed poll dated 28 March 2012 and are listed on Bursa Malaysia on 16 May 2012.

During the financial year, 1,044,807 additional Warrants B are issued pursuant to the adjustment made to the outstanding Warrants B consequent to its rights issue exercise. The number of outstanding Warrants B following the adjustment is 21,382,993 out of which none were exercised during the financial year. As at 31 March 2015, there was a total of 21,382,993 unexercised Warrants B.

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

13. OTHER RESERVES (CONT'D)

13.3 Warrants reserve and Discount on shares (Cont'd)

(ii) Warrants C

On 18 November 2014, the Company issued 10,711,565 10-year free detachable warrants 2014/2024 ("Warrants C") pursuant to the Company's Rights Issue with Warrants. The Warrants C are constituted by a deed poll dated 9 October 2014 and are listed on Bursa Malaysia on 25 November 2014. During the financial year, no Warrants C were exercised. As at 31 March 2015, there was a total of 10,711,565 unexercised Warrants C.

The main features of the Warrants are as follows:

- Each Warrant entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share of RM1 each in the Company at an exercise price of RM1 per ordinary share.
- The exercise price and the number of Warrants are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions set out in the deed poll.
- The Warrants shall be exercisable at any time within the period commencing on and including the date of issue of the Warrants until the last market day prior to the tenth anniversary of the date of issue of the Warrants.
- Upon exercise of the Warrants into new ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of the Company in issue at the time of exercise except that they shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares arising from the exercise of the Warrants.
- The Warrants holders are not entitled to any voting right or to participate in any distribution and/or offer of further securities in the Company until and unless such Warrants holders exercise their Warrants for new ordinary shares.
- At the expiry of the exercise period, any Warrants which have not been exercised will lapse and cease to be valid for any purpose.

The discount on shares is a reserve account that is created to preserve the par value of the ordinary shares.

13.4 Fair value reserve

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

13.5 Capital reserve

GROUP

Capital reserve represents the premium paid for the acquisition from its non-controlling interest (see Note 6.1(ii)) and the Group's share of net assets before and after the change in its ownership interest.

COMPANY

Capital reserve represents the excess of sales consideration over the carrying amount of the net assets transferred to a subsidiary.

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

13. OTHER RESERVES (CONT'D)

13.6 ESOS reserve

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Balance at beginning	301,606	-	42,970	-
Share based compensation pursuant to ESOS granted	108,071	368,076	13,467	109,440
Transfer to share premium upon exercise of ESOS	-	(44,275)	-	(44,275)
Transfer to retained profits upon resignation	(84,294)	(22,195)	-	(22,195)
Balance at end	325,383	301,606	56,437	42,970

The ESOS reserve represents the equity-settled share options granted to employees of certain subsidiaries and the Company's directors. The share option reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of the share options and is reduced by the expiry or exercise of the share options.

14. TRADE AND OTHER PAYABLES

	Note	GROUP		COMPANY	
		2015 RM	2014 RM	2015 RM	2014 RM
Non-current					
Retirement benefit obligations	14.1	467,069	1,304,211	-	377,402
Current					
Trade					
Trade payables	14.2	15,890,034	11,537,679	-	-
Non-trade					
Retirement benefit obligations	14.1	19,129	12,301	-	-
Other payables	14.3	2,530,049	1,680,419	157,424	6,000
Accruals		1,719,914	1,703,528	432,127	292,515
Prepayment and deposits received for letting of properties		977,016	1,037,364	363,372	363,372
Advances from customers		221,096	28,191	-	-
		5,467,204	4,461,803	952,923	661,887
		21,357,238	15,999,482	952,923	661,887
Total trade and other payables		21,824,307	17,303,693	952,923	1,039,289

The currency profile of trade and other payables is as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Ringgit Malaysia	19,873,221	17,275,502	952,923	1,039,289
US Dollar	295,360	28,191	-	-
Singapore Dollar	1,655,726	-	-	-
	21,824,307	17,303,693	952,923	1,039,289

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

14. TRADE AND OTHER PAYABLES (CONT'D)

14.1 Retirement benefit obligations

The unfunded defined Retirement Benefits Scheme for its eligible employees is as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Balance at beginning	1,316,512	1,332,122	377,402	408,272
* Reversal due to termination	(579,803)	-	(377,402)	-
Additional provision	33,719	230,639	-	30,267
Lapsed due to resignation	(81,922)	(142,165)	-	(8,544)
Utilised	(202,308)	(79,878)	-	(52,593)
Disposal of a subsidiary	-	(24,206)	-	-
Balance at end	486,198	1,316,512	-	377,402

* Upon approval by the Company's Board of Directors, the Retirement Benefits Scheme 1 (refer Note 3.13 for details) of the Company and certain subsidiaries have been terminated during the financial year. Employees were given an option for early retirement prior to Scheme 1 being terminated. Benefits were paid out to those employees who opted for early retirement, whilst for employees who did not accept the option, their benefits have been fully reversed.

The payment of the retirement benefits is as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Current				
Within one year	19,129	12,301	-	-
Non-current				
Later than two years but not later than five years	-	80,867	-	15,300
Later than five years	467,069	1,223,344	-	362,102
	467,069	1,304,211	-	377,402
Total retirement benefit obligations	486,198	1,316,512	-	377,402

14.2 Trade payables

The trade payables are non-interest bearing and are normally settled within **14 to 60 days** (2014: 14 to 60 days) credit terms.

14.3 Other payables

Included herein is an amount of **RM7,776** (2014: RM97,500) due to a company in which a director of the Company has deemed interest.

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

15. BORROWINGS

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Non-current liabilities				
Finance lease liabilities				
Minimum payment:				
Within one year	1,370,878	881,172	373,296	67,956
Later than one year but not later than two years	1,303,777	496,229	373,296	67,956
Later than two years but not later than five years	1,639,030	757,745	325,196	164,217
Later than five years	9,650	37,641	-	-
	4,323,335	2,172,787	1,071,788	300,129
Future finance charges	(402,494)	(235,501)	(43,272)	(27,189)
	3,920,841	1,937,286	1,028,516	272,940
Amount due within one year included under current liabilities	(1,161,303)	(759,387)	(349,371)	(57,126)
	2,759,538	1,177,899	679,145	215,814
Term loans				
Total amount repayable	9,071,716	22,867,062	9,071,716	10,046,778
Amount due within one year included under current liabilities	(1,015,411)	(13,671,530)	(1,015,411)	(958,395)
	8,056,305	9,195,532	8,056,305	9,088,383
	10,815,843	10,373,431	8,735,450	9,304,197
Current liabilities				
Bank overdrafts	414,056	476,381	-	-
Bankers acceptance	587,000	426,000	-	-
Finance lease liabilities	1,161,303	759,387	349,371	57,126
Term loans	1,015,411	13,671,530	1,015,411	958,395
	3,177,770	15,333,298	1,364,782	1,015,521
Total borrowings	13,993,613	25,706,729	10,100,232	10,319,718

A subsidiary's term loan amounting to RM12,209,976 has been fully settled with the proceeds from the Company's Rights Issue with Warrants which was completed on 25 November 2014.

The borrowings of the Group and of the Company are secured by way of:

- (i) Legal charges and deed of assignment over certain land and buildings of the Company and subsidiaries,
- (ii) Corporate guarantee of the Company,
- (iii) Pledge of fixed deposits,
- (iv) Joint and several guarantee by a director and a former director* of the Company, and
- (v) Leased assets as disclosed in Note 4(ii).

* Discharged on 17 September 2014. See Note 34.1.

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

15. BORROWINGS (CONT'D)

A summary of the effective interest rates and the maturities of the borrowings at the end of the reporting period are as follows:

	Average effective interest rate per annum (%)	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
GROUP						
2015						
Bank overdrafts	8.85	414,056	414,056	-	-	-
Bankers acceptance	5.80 to 5.86	587,000	587,000	-	-	-
Finance lease liabilities	2.13 to 4.00	3,920,841	1,161,303	1,191,143	1,558,887	9,508
Term loan	8.10	9,071,716	1,015,411	1,100,782	3,889,420	3,066,103
2014						
Bank overdrafts	8.60	476,381	476,381	-	-	-
Bankers acceptance	5.44 to 5.49	426,000	426,000	-	-	-
Finance lease liabilities	2.28 to 4.00	1,937,286	759,387	433,821	706,836	37,242
Term loans	6.50 to 8.60	22,867,062	13,671,530	1,143,545	3,643,300	4,408,687
COMPANY						
2015						
Finance lease liabilities	2.13 to 2.28	1,028,516	349,371	359,015	320,130	-
Term loan	8.10	9,071,716	1,015,411	1,100,782	3,889,420	3,066,103
2014						
Finance lease liabilities	2.28	272,940	57,126	59,862	155,952	-
Term loan	7.85	10,046,778	958,395	1,036,396	3,643,300	4,408,687

16. DEFERRED TAX LIABILITIES

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Revaluation surplus				
Balance at beginning	2,309,207	2,402,219	1,102,768	1,151,329
Transfer to profit or loss	(93,012)	(93,012)	(48,561)	(48,561)
Balance at end	2,216,195	2,309,207	1,054,207	1,102,768
Other temporary differences				
Balance at beginning	1,682,000	1,761,250	237,000	-
Exchange translation difference	-	(41,892)	-	-
Disposal of a subsidiary	-	(560,358)	-	-
Transfer from profit or loss	131,000	516,000	182,000	237,000
	1,812,000	1,675,000	419,000	237,000
(Over)/Under provision in prior year	(559,000)	7,000	(75,000)	-
Balance at end	1,254,000	1,682,000	344,000	237,000
Total deferred tax liabilities	3,470,195	3,991,207	1,398,207	1,339,768

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

16. DEFERRED TAX LIABILITIES (CONT'D)

The net deferred tax liabilities are represented by temporary differences arising from:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Revaluation surplus	2,216,195	2,309,207	1,054,207	1,102,768
Property, plant and equipment	2,296,000	2,833,000	1,354,000	1,282,000
Unabsorbed capital allowances	(1,010,000)	(954,000)	(1,010,000)	(954,000)
Retirement benefit allowances	(32,000)	(197,000)	-	(91,000)
	3,470,195	3,991,207	1,398,207	1,339,768

17. REVENUE

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Sale of goods	138,846,500	141,121,915	-	-
Rental of industrial and commercial assets	2,231,780	2,314,178	2,231,780	2,314,178
Gross dividend income from investment in quoted shares	96,593	96,593	-	-
Interest from investment in quoted debenture	34,405	69,000	-	-
Gross dividend from subsidiaries	-	-	2,000,000	18,000,000
Management fee from subsidiaries	-	-	-	-
- current year	-	-	1,335,000	1,380,000
- over provision in prior years	-	-	-	(154,201)
	141,209,278	143,601,686	5,566,780	21,539,977

18. OTHER INCOME

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Bad debt recovered	-	30,000	-	-
Dividend income	840	840	-	-
Fair value adjustment on investment properties	-	776,976	-	225,802
Gain on disposal of investment in a subsidiary	-	55,630	-	1,000,000
Gain on disposal of investment in quoted debenture	1,734,223	-	-	-
Gain on disposal of property, plant and equipment	1,793	1,297,540	199	232,879
Impairment loss on trade receivables recovered	321,222	326,196	-	-
Interest income	187,416	251,609	37,230	-
Realised gain on foreign exchange	111,649	151,252	-	-
Rental income	163,878	64,518	-	-
Scrap sales	381,563	204,620	-	-
Unrealised gain on foreign exchange	157,747	9,695	-	-
Others	164,840	57,790	90	55,210
	3,225,171	3,226,666	37,519	1,513,891

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

19. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Wages and salaries	8,812,077	9,784,449	932,693	1,093,829
Contributions to defined contribution plan	683,373	702,506	112,103	128,567
Equity-settled share-based payment	108,071	368,076	13,467	109,440
Social security contributions	70,714	74,107	7,583	7,667
(Decrease)/Increase in liability for defined benefit plan (Note 14.1)	(628,006)	88,474	(377,402)	21,723
Other benefits	507,189	507,943	56,913	33,784
	9,553,418	11,525,555	745,357	1,395,010

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to **RM1,166,788** (2014: RM1,238,459) and **RM295,680** (2014: RM543,172) respectively, as further disclosed in Note 20.

20. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Directors of the Company				
Executive:				
Salaries and other emoluments	833,090	775,600	264,000	428,000
Equity-settled share-based payment	-	80,753	-	63,812
Defined contribution plans	66,672	93,072	31,680	51,360
	899,762	949,425	295,680	543,172
Non-executive:				
Other emoluments				
- over provision in prior year	-	(4,500)	-	(4,500)
Equity-settled share-based payment	-	11,294	-	11,294
Fee				
- current year	89,000	78,000	89,000	78,000
- over provision in prior year	-	(59,000)	-	(59,000)
	89,000	25,794	89,000	25,794
Directors of subsidiaries:				
Executive:				
Salaries and other emoluments	243,890	241,200	-	-
Equity-settled share-based payment	-	20,330	-	-
Defined contribution plans	23,136	27,504	-	-
	267,026	289,034	-	-
Non-executive:				
Fee	-	30,000	-	-
	1,255,788	1,294,253	384,680	568,966

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

20. DIRECTORS' REMUNERATION (CONT'D)

Analysed as:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Total executive directors' remuneration (Note 20)	1,166,788	1,238,459	295,680	543,172
Total non-executive directors' remuneration (Note 22)	89,000	55,794	89,000	25,794
	1,255,788	1,294,253	384,680	568,966
Represented by:				
Present directors	1,157,252	1,019,688	367,680	463,766
Past directors	98,536	274,565	17,000	105,200
	1,255,788	1,294,253	384,680	568,966

21. FINANCE COSTS

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Interest expense on:				
Borrowings	1,398,688	1,914,202	738,040	838,764
Finance lease	150,793	72,772	15,867	7,581
Loan from a related party	(10,000)	20,000	-	-
	1,539,481	2,006,974	753,907	846,345

22. PROFIT BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
After charging:				
Auditors' remuneration				
- Company's auditors				
- statutory audit				
- current year	116,600	111,400	28,000	28,000
- over provision in prior year	(3,000)	(3,900)	-	-
Other auditors				
- statutory audit	1,500	3,000	-	-
Bad debts	-	2,023,938	-	56,565
Allowance for impairment on:				
- Investment in a subsidiary	-	-	638,000	-
- Other investments	18,960	-	-	-
- Trade receivables	9,538	68,945	-	-
- Other receivables	517,092	328,000	-	-
Inventories written off	306,659	-	-	-
Inventories written down	250,787	175,032	-	-

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

22. PROFIT BEFORE TAX (CONT'D)

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Non-executive directors' remuneration (Note 20)	89,000	55,794	89,000	25,794
Property, plant and equipment written off	132,208	106,904	-	-
Realised loss on foreign exchange	275	42	-	-
Rental expenses:				
- Premises	775,960	809,620	-	-
- Plant and machinery	22,491	23,158	-	-
- Others	-	5,053	-	-

23. TAX INCOME/(EXPENSE)

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Current tax:				
Based on results for the year	(888,000)	(1,239,000)	(283,000)	(39,000)
Deferred tax:				
- Relating to the origination and reversal of temporary differences	(37,988)	(487,988)	(133,439)	(197,439)
- Changes in tax rate	-	65,000	-	9,000
	(37,988)	(422,988)	(133,439)	(188,439)
	(925,988)	(1,661,988)	(416,439)	(227,439)
Over/(Under) provision in prior year				
- Current tax	368,524	36,099	(235,785)	-
- Deferred tax	559,000	(7,000)	75,000	-
	927,524	29,099	(160,785)	-
	1,536	(1,632,889)	(577,224)	(227,439)

The reconciliation of tax income/(expense) of the Group and of the Company is as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit before tax	3,996,967	4,620,050	2,140,942	19,597,285
Income tax at Malaysian statutory tax rate of 25%	(999,242)	(1,155,013)	(535,236)	(4,899,321)
Income not subject to tax	497,594	329,875	500,050	4,851,781
Double deduction for promotion of exports	8,875	8,251	-	-
Expenses not deductible for tax purposes	(782,253)	(893,626)	(437,388)	(330,731)
Deferred tax movements not recognised	(425,741)	(657,888)	-	(79,423)
Utilisation of unabsorbed tax losses and capital allowances	665,643	652,401	-	183,694
Fair value adjustment on investment properties	-	(104,000)	-	(11,000)
Carried forward	(1,035,124)	(1,820,000)	(472,574)	(285,000)

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

23. TAX INCOME/(EXPENSE) (CONT'D)

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Brought forward	(1,035,124)	(1,820,000)	(472,574)	(285,000)
Annual crystallisation of deferred tax on revaluation	93,012	93,012	48,561	48,561
Changes in tax rate	16,124	65,000	7,574	9,000
	(925,988)	(1,661,988)	(416,439)	(227,439)
Over/(Under) provision in prior years	927,524	29,099	(160,785)	-
	1,536	(1,632,889)	(577,224)	(227,439)

The following (deductible)/taxable temporary differences have not been recognised in the financial statements:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Property, plant and equipment	7,711,000	6,750,000	-	-
Unabsorbed tax losses	(64,629,000)	(65,618,000)	-	-
Unabsorbed capital allowances	(8,249,000)	(7,145,000)	-	-
Unabsorbed reinvestment allowance	(10,817,000)	(10,817,000)	-	-
Retirement benefit obligations	(338,000)	(490,000)	-	-
	(76,322,000)	(77,320,000)	-	-

Deferred tax assets have not been recognised on the above temporary differences as the management is unable to determine whether the Group will have chargeable income in the foreseeable future to the extent that the above deductible temporary differences can be utilised in view of the uncertain business environment.

The corporate tax rate will be reduced to 24% for the year of assessment 2016 as announced in the Malaysian Budget 2014. Consequently, deferred tax is measured using this tax rate.

The amount and future availability of unabsorbed tax losses and allowances of the Group and of the Company which are available to be carried forward for set-off against future taxable income are as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Unabsorbed tax losses	64,629,000	65,618,000	-	-
Unabsorbed capital allowances	12,289,000	10,832,000	4,040,000	3,958,000
Unabsorbed reinvestment allowance	10,817,000	10,817,000	-	-

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

24. EARNINGS PER SHARE

24.1 Basic

The calculation of basic earnings per share was based on the profit attributable to owners of the parent and on the weighted average number of shares in issue during the year as follows:

	2015	GROUP 2014
Profit for the year (RM)	<u>4,000,395</u>	2,925,420
Weighted average number of shares	<u>54,837,403</u>	47,581,628
Basic earnings per share (sen)	<u>7.29</u>	6.15

24.2 Diluted

The calculation of diluted earnings per share was based on profit attributable to owners of the parent and on the weighted average number of shares outstanding after adjustment for the effects of all dilutive potential ordinary shares as follows:

	2015	GROUP 2014
Profit for the year (RM)	<u>4,000,395</u>	2,925,420
Weighted average number of shares as above	<u>54,837,403</u>	47,581,628
Adjustment for dilutive effect of:		
- ICULS	-	1,019,054
- Warrants	-	931,522
- ESOS	-	152,142
Weighted average number of shares assumed to be in issue (diluted)	<u>54,837,403</u>	49,684,346
Diluted earnings per share (sen)	<u>7.29</u>	5.89

During the current financial year, diluted earnings per share equals basic earnings per share as there is no dilutive effect arising from the convertible securities.

25. DIVIDENDS

	2015 RM	2014 RM
In respect of the financial year ended 31 March 2014:		
First interim single tier dividend of 2 sen per share	-	911,737
Second interim single tier dividend of 2 sen per share	-	953,740
	-	1,865,477
Share dividend *	-	-
	-	1,865,477

* The Company distributed share dividend via distribution of **3,511,712** (2014: 3,973,232) treasury shares on the basis of 1 treasury share for every **20** (2014: 12) ordinary shares held. The share dividend is equivalent to **RM3,435,753** (2014: RM3,427,185) based on the treasury shares book cost.

Notes to the Financial Statements

- 31 March 2015 (Cont'd)



26. SEGMENTAL INFORMATION

Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Business segments

The Group comprises the following main business segments:

- (i) Manufacturing Manufacturing of metal related products,
- (ii) Trading Trading, shredding and processing of metal related products; and
- (iii) Others Letting of industrial and commercial assets, provision of management consultancy and provision of recreational and leisure activities.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

26. SEGMENTAL INFORMATION (CONT'D)

By business segments

	Manufacturing		Trading		Others		Elimination		Total	
	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM
Revenue										
External sales	73,378,594	72,228,512	58,279,558	69,274,937	9,551,126	2,325,570	-	-	141,209,278	143,601,686
Inter-segment sales	638,592	1,872,565	8,101,907	323,585	3,335,000	19,380,000	(12,075,499)	(21,803,483)	-	-
Total revenue	74,017,186	74,101,077	66,381,465	69,598,522	12,886,126	21,705,570	(12,075,499)	(21,803,483)	141,209,278	143,601,686
Results										
Segment results	1,512,192	3,010,499	727,058	1,687,802	4,552,767	20,565,123	(1,442,985)	(18,888,009)	5,349,032	6,375,415
Interest income	1,993	1,812	133,283	249,160	52,140	637	-	-	187,416	251,609
Interest expense	(684,582)	(1,107,577)	(100,992)	(53,052)	(753,907)	(846,345)	-	-	(1,539,481)	(2,006,974)
Tax income/(expense)	252,431	(708,966)	345,654	(687,000)	(596,549)	(236,923)	-	-	1,536	(1,632,889)
Profit for the year	1,082,034	1,195,768	1,105,003	1,196,910	3,254,451	19,482,492	(1,442,985)	(18,888,009)	3,998,503	2,987,161
Assets										
Segment assets	96,776,402	89,878,608	52,856,986	40,152,219	163,973,370	162,388,378	(147,915,926)	(130,928,493)	165,690,832	161,490,712
Current tax assets	304,059	-	162,676	-	-	-	-	-	466,735	-
Fixed deposits with licensed banks	-	-	-	-	537,656	506,183	-	-	537,656	506,183
Cash and bank balances	2,260,915	3,184,514	908,370	360,978	237,241	492,534	-	-	3,406,526	4,038,026
Total assets	99,341,376	93,063,122	53,928,032	40,513,197	164,748,267	163,387,095	(147,915,926)	(130,928,493)	170,101,749	166,034,921
Liabilities										
Segment liabilities	53,196,980	58,058,180	74,775,819	49,681,294	14,629,953	24,571,654	(120,778,445)	(115,007,435)	21,824,307	17,303,693
Deferred tax liabilities	2,071,988	2,307,439	-	344,000	1,398,207	1,339,768	-	-	3,470,195	3,991,207
Current tax liabilities	196,682	844,372	-	208,894	283,407	40,753	-	-	480,089	1,094,019
Borrowings	2,370,524	2,086,139	1,522,857	13,300,872	10,100,232	10,319,718	-	-	13,993,613	25,706,729
Total liabilities	57,836,174	63,296,130	76,298,676	63,535,060	26,411,799	36,271,893	(120,778,445)	(115,007,435)	39,768,204	48,095,648
Other information										
Addition to non-current assets	1,937,845	1,614,429	4,067,225	3,204,616	11,690,763	6,905,870	(10,134,636)	-	7,561,197	11,724,915
Depreciation	2,389,932	2,724,754	851,784	595,852	181,762	148,494	-	-	3,423,478	3,469,100
Non-cash expenses/(income) other than depreciation	299,537	447,161	870,970	1,439,937	(1,082,955)	(1,914,708)	(638,000)	958,664	(550,448)	931,054

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

26. SEGMENTAL INFORMATION (CONT'D)

Notes to segment information:

- A Inter-segment revenues are eliminated on consolidation.
- B Additions to non-current assets consist of property, plant and equipment and investment properties.
- C Other non-cash expenses/(income) consist of the following items:

	GROUP	
	2015 RM	2014 RM
Bad debts	-	2,023,938
Change in fair value of investment properties	-	(776,976)
Equity-settled share-based payment transactions	108,071	368,076
Gain on disposal of investment in a subsidiary	-	(55,630)
Gain on disposal of investment in quoted debenture	(1,734,223)	-
Gain on disposal of property, plant and equipment	(1,793)	(1,297,540)
Impairment loss on other investments	18,960	-
Impairment loss on receivables	526,630	396,945
Inventories written down	250,787	175,032
Inventories written off	306,659	-
Property, plant and equipment written off	132,208	106,904
Unrealised gain on foreign exchange	(157,747)	(9,695)
	(550,448)	931,054

Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on geographical location of its customers. In Malaysia, its home country, the Group's areas of operation are principally manufacturing and trading of metal related products.

	Revenue		Non-current assets	
	2015 RM	2014 RM	2015 RM	2014 RM
Malaysia	137,278,961	137,361,070	107,994,154	104,060,650
India	-	2,542,828	-	-
Others	3,930,317	3,697,788	-	-
	141,209,278	143,601,686	107,994,154	104,060,650

Non-current assets information presented above which excludes financial assets, consist of the following items as presented in the Group's statement of financial position.

	2015 RM	2014 RM
Property, plant and equipment	70,254,040	67,848,850
Investment properties	37,740,114	36,211,800
	107,994,154	104,060,650

Information about major customer

Total revenue from a major customer which contributed more than 10% of the Group's revenue amounted to **RM57,446,162** (2014: RM61,110,181).

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

27. RELATED PARTY DISCLOSURES

(i) Identity of related parties

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 any financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. Key management personnel includes all the Directors of the Company and certain members of senior management of the Company.

The Group and the Company have related party relationship with its subsidiaries, key management personnel and the following companies:

Related party relationship:

Related party	Relationship
See Hup Consolidated Berhad	: A company in which a director of the Company, Dato' Lee Hean Guan, is a major shareholder.
Limsa Ekuiti Sdn. Bhd., See Hup Transport Company Sdn. Bhd. and See Hup Pioneer Logistics Sdn. Bhd.	: Companies in which a director of the Company, Dato' Lee Hean Guan, has deemed interest.
A1 Capital Sdn. Bhd.	: A company in which a director of the Company, Mr. Ng Chin Nam has interest. He ceased to be a shareholder of the company with effect from 16 March 2015.

(ii) Related party transactions

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Management fee received from subsidiaries	-	-	1,335,000	1,380,000
Rental of warehouse received from See Hup Pioneer Logistics Sdn. Bhd.	164,228	393,990	164,228	393,990
Rental of warehouse and open yard paid to Limsa Ekuiti Sdn. Bhd.	462,560	510,000	-	-
Rental of plant and equipment and transportation of goods and services paid to See Hup Transport Company Sdn. Bhd.	8,210	233,985	-	-
Logistics services and supply of scrap metal and other steel related products received from See Hup Pioneer Logistics Sdn. Bhd.	10,000	17,346	-	-
Investments in shares and loan stocks of See Hup Consolidated Bhd.	10,192	3,016,472	-	-
Sale of warehouse to Limsa Ekuiti Sdn. Bhd.	-	2,000,000	-	-
Sale of a motor vehicle to a key management personnel	73,000	-	-	-

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

27. RELATED PARTY DISCLOSURES (CONT'D)

(ii) Related party transactions (Cont'd)

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Purchase of investment properties from A1 Capital Sdn. Bhd.	-	240,000	-	-
* Interest charged by a former substantial shareholder	-	10,000	-	-

* Mr. Lim Kean Wah ceased to be a substantial shareholder on 3 January 2014.

(iii) Compensation of key management personnel

Key management personnel comprise the Board of Directors of the Company and of its subsidiaries of which their remuneration is disclosed in Note 20.

28. CONTINGENT LIABILITIES

	COMPANY	
	2015 RM	2014 RM
Unsecured:		
(i) Corporate guarantee extended to banks and financial institutions for credit facilities granted to subsidiaries		
- Limit	6,048,540	22,609,750
- Utilised	3,505,966	14,627,330
(ii) Corporate guarantee extended to suppliers of subsidiaries		
- Limit	11,815,000	11,815,000
- Utilised	5,550,994	6,875,438
Secured:		
(i) Banking facilities granted to a subsidiary secured by way of legal charges over the Company's leasehold land and building		
- Limit	-	1,500,000
- Utilised	-	-

The corporate guarantee does not have a determinable effect on the terms of the credit facilities due to the banks' financial institutions' and suppliers' requirement for parent guarantee as a pre-condition for approving the credit facilities granted to the subsidiaries. The actual terms of the credit facilities are likely to be the best indicator of "at market" terms and hence the fair value of the credit facilities are equal to the credit facilities amount received by the subsidiaries. As such, there is no value on the corporate guarantee to be recognised in the financial statements.

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

29. COMMITMENTS

(i) Capital commitments

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Authorised and contracted for:				
- Property, plant and equipment	2,203,173	207,243	25,000	-
- Investment properties	-	360,000	-	-
- Acquisition of Kembang Kartika Sdn. Bhd. (Note 9.4(ii))	-	4,000,000	-	4,000,000
	2,303,173	4,567,243	25,000	4,000,000
Authorised but not contracted for:				
- Property, plant and equipment	6,902,910	-	-	-

(ii) Operating lease commitments - as lessee

GROUP

Operating lease commitments represent rentals payable for the use of open yard and warehouse. Leases are negotiated for terms of 1 to 3 years. The lease agreements have expired during the financial year and the Group did not extend the lease period.

Future minimum rentals payable within the next financial year under non-cancellable operating leases as at the end of the reporting period is **RM NIL** (2014: RM600,000).

(iii) Operating lease commitments - as lessor

The Company has entered into non-cancellable operating lease agreements on its investment properties portfolio. Leases are negotiated for terms of 1 to 2 years.

Future minimum rentals receivable under non-cancellable operating leases as at the end of the reporting period is as follows:

	GROUP AND COMPANY	
	2015 RM	2014 RM
Not later than 1 year	452,592	2,174,472
Later than 1 year and not later than 5 years	-	344,592
	452,592	2,519,064

30. CATEGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as:

- (i) Available-for-sale financial assets ("AFS");
- (ii) Held-to-maturity investments ("HTM");
- (iii) Loans and receivables ("L&R"); and
- (iv) Other liabilities measured at amortised cost ("FL").

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

30. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D)

	Carrying amount RM	AFS RM	HTM RM	L&R RM	FL RM
GROUP					
2015					
Financial assets					
Other investments	7,609,902	5,299,902	2,310,000	-	-
Trade and other receivables	36,860,304	-	-	36,860,304	-
Fixed deposits with licensed banks	537,656	-	-	537,656	-
Cash and bank balances	3,406,526	-	-	3,406,526	-
	48,414,388	5,299,902	2,310,000	40,804,486	-
Financial liabilities					
Trade and other payables	20,139,997	-	-	-	20,139,997
Borrowings	13,993,613	-	-	-	13,993,613
	34,133,610	-	-	-	34,133,610
2014					
Financial assets					
Other investments	6,682,428	5,182,428	1,500,000	-	-
Trade and other receivables	31,614,856	-	-	31,614,856	-
Fixed deposits with licensed banks	506,183	-	-	506,183	-
Cash and bank balances	4,038,026	-	-	4,038,026	-
	42,841,493	5,182,428	1,500,000	36,159,065	-
Financial liabilities					
Trade and other payables	14,921,626	-	-	-	14,921,626
Borrowings	25,706,729	-	-	-	25,706,729
	40,628,355	-	-	-	40,628,355
COMPANY					
2015					
Financial assets					
Other receivables	85,452,990	-	-	85,452,990	-
Fixed deposits with licensed banks	537,656	-	-	537,656	-
Cash and bank balances	53,082	-	-	53,082	-
	86,043,728	-	-	86,043,728	-
Financial liabilities					
Other payables	589,551	-	-	-	589,551
Borrowings	10,100,232	-	-	-	10,100,232
	10,689,783	-	-	-	10,689,783
2014					
Financial assets					
Other receivables	75,723,807	-	-	75,723,807	-
Fixed deposits with licensed banks	506,183	-	-	506,183	-
Cash and bank balances	308,104	-	-	308,104	-
	76,538,094	-	-	76,538,094	-
Financial liabilities					
Other payables	298,515	-	-	-	298,515
Borrowings	10,319,718	-	-	-	10,319,718
	10,618,233	-	-	-	10,618,233

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

31. FINANCIAL RISK MANAGEMENT

The Group and the Company are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative activities.

31.1 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade receivables whilst the Company's exposure to credit risk arises principally from advances to its subsidiaries and financial guarantees given.

31.1.1 Trade receivables

The Group extends to existing customers credit terms that range between **14 to 120** days (2014: 14 to 90 days). In deciding whether credit shall be extended, the Group will take into consideration factors such as the relationship with the customer, its payment history and credit worthiness. The Group subjects new customers to credit verification procedures. In addition, debt monitoring procedures are performed on an on-going basis with the result that the Group's exposure to bad debts is not significant.

The ageing of trade receivables and allowance for impairment of the Group is as follows:

	Gross RM	Individual impairment RM	Net RM
2015			
Not past due	20,351,913	-	20,351,913
Past due 1 - 30 days	5,593,078	-	5,593,078
Past due 31 - 60 days	3,111,927	-	3,111,927
Past due 61 - 90 days	1,761,360	-	1,761,360
Past due more than 90 days	4,400,114	(3,927,713)	472,401
	<u>14,866,479</u>	<u>(3,927,713)</u>	<u>10,938,766</u>
	<u>35,218,392</u>	<u>(3,927,713)</u>	<u>31,290,679</u>
2014			
Not past due	12,002,811	-	12,002,811
Past due 1 - 30 days	5,054,576	-	5,054,576
Past due 31 - 60 days	3,755,083	-	3,755,083
Past due 61 - 90 days	2,885,338	-	2,885,338
Past due more than 90 days	4,550,874	(4,239,397)	311,477
	<u>16,245,871</u>	<u>(4,239,397)</u>	<u>12,006,474</u>
	<u>28,248,682</u>	<u>(4,239,397)</u>	<u>24,009,285</u>

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired has been renegotiated during the financial year.

The maximum exposure to credit risk arising from trade receivables is represented by their carrying amounts in the Group's statement of financial position.

The Group has trade receivables amounting to **RM10,938,766** (2014: RM12,006,474) that are past due but not impaired as these customers have no recent history of default and the management is of the view that these debts will be recovered in due course.

As at the end of the reporting period, the Group has significant concentration of credit risk in the form of outstanding balance due from **1 customer** (2014: 1 customer) representing **22%** (2014: 10%) of the total trade receivables.

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

31. FINANCIAL RISK MANAGEMENT (CONT'D)

31.1 Credit risk (Cont'd)

31.1.2 Intercompany balances

The Company provides advances to its subsidiaries and monitors the results of the subsidiaries regularly.

The maximum exposure to credit risk is represented by their carrying amounts in the Company's statement of financial position.

As at the end of the reporting period, there was no indication that the advances to its subsidiaries are not recoverable. The Company does not specifically monitor the ageing of these advances.

31.1.3 Financial guarantees

The Company provides unsecured corporate guarantee to banks, financial institutions and creditors in respect of credit facilities granted to certain subsidiaries.

The maximum exposure to credit risk is as disclosed in Note 28, representing the outstanding facilities of the said subsidiaries as at the end of the reporting period.

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that any of the subsidiaries would default on repayment.

31.2 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient level of cash and cash equivalents to meet their working capital requirements.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
GROUP						
2015						
Interest bearing borrowings	13,993,613	17,213,511	4,085,006	3,016,849	6,778,246	3,333,410
Trade and other payables	20,139,997	20,139,997	20,139,997	-	-	-
	34,133,610	37,353,508	24,225,003	3,016,849	6,778,246	3,333,410
2014						
Interest bearing borrowings	25,706,729	29,552,141	16,355,709	2,320,776	5,896,961	4,978,695
Trade and other payables	14,921,626	14,921,626	14,921,626	-	-	-
	40,628,355	44,473,767	31,277,335	2,320,776	5,896,961	4,978,695

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

31. FINANCIAL RISK MANAGEMENT (CONT'D)

31.2 Liquidity risk (Cont'd)

	Carrying amount RM	Contractual cash flows RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
COMPANY						
2015						
Interest bearing borrowings	10,100,232	12,960,908	2,086,368	2,086,368	5,464,412	3,323,760
Other payables	589,551	589,551	589,551	-	-	-
	10,689,783	13,550,459	2,675,919	2,086,368	5,464,412	3,323,760
2014						
Interest bearing borrowings	10,319,718	13,806,543	1,781,028	1,781,028	5,303,433	4,941,054
Other payables	298,515	298,515	298,515	-	-	-
	10,618,233	14,105,058	2,079,543	1,781,028	5,303,433	4,941,054

31.3 Interest rate risk

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's floating rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's and the Company's interest-bearing financial instruments based on the carrying amount as at the end of the reporting period is as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Fixed rate instruments				
Financial assets	612,928	1,919,161	537,656	506,183
Financial liabilities	3,920,841	14,147,262	1,028,516	272,940
Floating rate instruments				
Financial liabilities	10,072,772	11,559,467	9,071,716	10,046,778

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

31. FINANCIAL RISK MANAGEMENT (CONT'D)

31.3 Interest rate risk (Cont'd)

Cash flow sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have decreased profit before tax by the amount shown below and a corresponding decrease would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Decrease in profit before tax	<u>25,241</u>	<u>32,774</u>	<u>22,779</u>	<u>26,712</u>

31.4 Foreign currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in currencies other than the respective functional currencies of the Group entities. The currencies giving rise to this risk is US Dollar ("USD") and Singapore Dollar ("SGD").

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period is as follows:

	2015		2014	
	USD RM	SGD RM	USD RM	SGD RM
Trade and other receivables	2,492,703	262,437	963,890	125,429
Trade and other payables	<u>(295,360)</u>	<u>(1,655,726)</u>	<u>(28,191)</u>	<u>-</u>
Net exposure	<u>2,197,343</u>	<u>(1,393,289)</u>	<u>935,699</u>	<u>125,429</u>

Sensitivity analysis for foreign currency risk

Below demonstrates the sensitivity to a reasonably possible change in the foreign currencies exchange rates against Ringgit Malaysia, with all other variables held constant, of the Group's profit before tax. A 10% strengthening of the RM against the following currencies at the end of the reporting period would have reduced profit before tax by the amount shown below and a corresponding weakening would have an equal but opposite effect.

	2015 RM	2014 RM
USD	(219,734)	(93,570)
SGD	<u>139,329</u>	<u>(12,543)</u>
Reduce in profit before tax	<u>(80,405)</u>	<u>(106,113)</u>

31.5 Fair value information

The carrying amounts of cash at bank, short term borrowings, receivables and payables approximate their fair values due to the short-term nature of these financial instruments. The carrying amount of the non-current portion of the finance lease liabilities and term loan are reasonable approximation of fair values due to the insignificant impact of discounting.

The fair values of financial assets that are quoted in an active market are determined by reference to the quoted closing price at the end of the reporting period.

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

31. FINANCIAL RISK MANAGEMENT (CONT'D)

31.5 Fair value information (Cont'd)

Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable (refer to Note 2.2 to the financial statements for definition of Level 1 to Level 3 fair value hierarchy).

GROUP

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
2015					
Financial assets					
Quoted shares and unit trusts	3,182,125	–	–	3,182,125	3,182,125
2014					
Financial assets					
Quoted shares and unit trusts	3,064,651	–	–	3,064,651	3,064,651

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1 and Level 2 during the financial year.

32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its businesses and to maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial year under review as compared to the previous financial year.

The Group manages its capital by regularly monitoring its liquidity requirements and modifies the combination of equity and borrowings from time to time to meet the needs. Shareholders' equity and gearing ratio of the Group and of the Company are as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Total equity	130,333,545	117,939,273	135,297,199	117,516,898
Borrowings	13,993,613	25,706,729	10,100,232	10,319,718
Debt-to-equity ratio	0.11	0.22	0.07	0.09

There were no external capital requirements and/or covenants imposed on the Group as at the end of the reporting period.

Notes to the Financial Statements

- 31 March 2015 (Cont'd)

33. EMPLOYEES SHARE OPTIONS SCHEME ("ESOS")

The Company's ESOS is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 28 September 2012, and the ESOS will be in force for duration of three years expiring on 18 October 2015.

The salient features of the ESOS are as follows:

- (a) The total number of new ordinary shares which are available to be issued under the ESOS shall not exceed fifteen percent (15%) of the total issued and fully paid-up share capital of the Company at any time throughout the duration of the ESOS.
- (b) Any employee or director of any company comprised in the Group shall be eligible to participate in the ESOS if, as at the date of offer, the employee is at least eighteen (18) years of age or above; and is employed on a continuous full-time basis for a period of not less than six (6) months and must be a confirmed employee.
- (c) The allocation of the options will be staggered over the duration of the ESOS and no further options shall be allocated after the first two (2) years of the ESOS. The maximum allocation available for each of the first two (2) years of the Scheme is 50% of the shares available under the ESOS.
- (d) The option price shall be determined at a discount of not more than 10% from the weighted average market quotation of the Company's shares as quoted on Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of the offer or at par, whichever is higher.
- (e) The shares under option shall remain unissued until the options are exercised and shall, on allotment, rank pari passu in all respects with the existing shares of the Company at the time of allotment save that they will not entitle the holders thereof to receive any rights and bonus issues announced or to any dividend or other distribution declared to the shareholders of the Company as at a date which precedes the date of the exercise of the options.
- (f) The Board of Directors has the absolute discretion, without the approval of the Company's shareholders in the general meeting to extend the duration of the ESOS for up to further seven (7) years.

The details of the outstanding share options for ordinary shares of RM1 each granted to the Group's employees and directors and its related exercise price are as follows:

Grant date	Exercise price RM	Number of Share Options					Balance at 31.3.15
		Balance at 1.4.14	Granted and accepted	Adjustment *	Exercised	Lapsed	
9.10.13	1.00	2,392,500	-	147,615	-	(330,990)	2,209,125
14.10.14	1.00	-	481,500	-	-	(47,500)	434,000

* Adjustment to the number of share options pursuant to the Company's Rights Issue with Warrants.

The fair value of the share options granted was estimated at the grant date using Black-Scholes model, taking into account the terms and conditions upon which the instruments were granted.

The following table lists the inputs to the option pricing model for the ESOS granted on:

Grant date	14-Oct-14	9-Oct-13
Fair value (RM)	0.12	0.12
Expected volatility (%)	50.90	10.00
Risk-free interest rate (% p.a)	3.76	3.37
Expected life of option (years)	1.10	2.02
Weighted average share price (RM)	1.00	1.00

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

34. MATERIAL LITIGATIONS

34.1 Kuala Lumpur High Court, Civil Suit No.22NCC-177-05/2014

On 13 June 2014, the Company together with SMPC Industries Sdn. Bhd. ("SISB"), Mr. Ooi Chieng Sim ("OCS") and Affin Bank Berhad ("Affin") ("the Defendants") were served with a Writ of Summons and Statement of Claim dated 22 May 2014 by a former director of the Company, Machendran a/l Pitchai Chetty ("the Plaintiff").

The Writ of Summons arose from the Plaintiff's claims on the following:

- (a) The Company and SISB be ordered to make good/otherwise indemnify the Plaintiff to the full extent of the term loan outstanding to Affin,
- (b) Unspecified sum of general damages to be ascertained from the date the Plaintiff relinquished his position as Managing Director of the Company in August 2013 until the Plaintiff is relieved of the personal guarantee, and
- (c) General damages against the Defendants with interest of 5% per annum from the date of judgement to the date of realisation and costs.

The Company, SISB and OCS have filed Memorandum of Appearance on 26 June 2014 and thereafter Defence was filed on 7 July 2014. The Company, SISB and OCS have also filed an application for transfer of proceedings to Penang Court on 8 August 2014 which was eventually dismissed with costs in the cause. Subsequently a Consent Judgement has been entered between the Plaintiff and Affin on 17 September 2014, whereby Affin has agreed to discharge Plaintiff as the guarantor.

Thereafter, the Plaintiff has filed an application to amend his Statement of Claim on 4 November 2014 and the said application was granted on 5 December 2014.

Upon receiving Plaintiff's amended Statement of Claim dated 5 December 2014 and filing our amended Defence on 19 December 2014, Plaintiff has then filed in an application for discovery of documents against the Company and SISB. However, Plaintiff's application for discovery of documents was dismissed with costs of RM3,000 payable to the Company and SISB on 9 February 2015.

In the meantime, the Company has also filed application to add in a counter claim against the Plaintiff for the sum of RM450,349.80 pursuant to the terms in the Cooperation Agreement dated 7 June 2011, whereupon the Plaintiff has agreed to the application.

Full trial has commenced and the Plaintiff has been called as the witness on 23 and 24 March 2015. Subsequently, the full trial continued on 9 and 10 July and 24 July 2015.

The continued full trial is fixed on 17 and 27 August 2015.

34.2 Penang Sessions Court, Summons No.A52NCC-156-07/2014

On 9 July 2014, the Company together with a subsidiary of the Company, Park Avenue Construction Sdn. Bhd. ("PAC") ("Plaintiff") have filed a civil suit against Machendran a/l Pitchai Chetty ("Defendant") to recover the sum of RM279,696.00 including interest at 5% per annum on the said amount calculated from 17 June 2014 until date of realisation and cost for breach of fiduciary duties as a director of the Company and of the subsidiary.

Subsequently the matter has been transferred to Butterworth Sessions' Court and thereafter the Defendant has filed his Defence and Counter Claim on 29 September 2014. Amongst his Counter Claim was for the outstanding salary of RM156,455.65 together with EPF which were due and owed by the Company and PAC. The Company and PAC then filed their Reply and Defence towards Defendant's Counter Claim on 17 October 2014.

In the midst of preparing bundle of documents, Defendant has filed an application to amend his Defence and Counter Claim on 15 January 2015, whereby the Company has no objection against the application.

As the claim and Counter Claim are above RM250,000.00, the Sessions Court Judge has transferred the matter to Sessions Court 1.

The matter is fixed on 7 August 2015 for mention.

Supplementary Information

- breakdown of retained profits into realised and unrealised profit or loss

35. DISCLOSURE OF REALISED AND UNREALISED (LOSSES)/PROFITS

The breakdown of retained profits and accumulated losses of the Group and of the Company as at the end of the reporting period has been prepared by the Directors in accordance with the directives from Bursa Malaysia Securities Berhad stated above and the 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 are as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Total (accumulated losses)/retained profits of the Company and its subsidiaries				
- Realised	(19,934,276)	(25,182,070)	20,466,047	18,618,088
- Unrealised	(3,312,448)	(3,204,536)	(1,398,207)	(1,113,966)
	(23,246,724)	(28,386,606)	19,067,840	17,504,122
Less: Consolidation adjustments	44,251,753	45,306,946	-	-
	21,005,029	16,920,340	19,067,840	17,504,122

Properties Owned by the Group

at at 31 March 2015

Location	Description	Tenure	Area	No. of Years Held	Age of Building	Net Book Value RM	Year of Valuation
P.T. No. 1451 H.S. (D) No. 4696 Mukim 1, Province Wellesley Central, Pulau Pinang	Factory	60 years lease to 2044	6.22247 acres	32	29	16,476,880	1999
P.T. Nos. 1460 & 1444 H.S. (D) Nos. 2719 & 2706 Mukim 1, Province Wellesley Central, Pulau Pinang	Factory Office	60 years lease to 2045	4.01338 acres	19	24	16,651,434	2011
Lot 717, 5 1/2 Miles Jalan Kapar, Klang, Selangor Darul Ehsan	Factory Office	Freehold	8.16875 acres	19	18	29,288,514	2009
Lot 1501, 1502, Mukim 14, Kampung To' Suboh, Bukit Minyak, Simpang Ampat, Seberang Perai Selatan, Pulau Pinang	Land / Rented	Freehold	2.259 acres	21	19	2,323,807	1994
Lot 176, Tempat Macang Kudung, Mukim Jabi, Daerah Pokok Sena, Kedah	Vacant Land	Freehold	2.257 acres	14	-	128,000	
2nd Floor Unit of 4 Storey Shop Office in Taman Kinrara, Puchong, HS (M) 22709, PT 19499 Mukim Petaling, Selangor	Office	99 years lease to 2098	1,114sf	15	15	157,073	
Zone 5A, Parcel 2, Lot 5418, Mukim Senai-Kulai, Johor Darul Takzim	Apartment	Freehold	885sf	15	15	56,975	
Lot 5 & 7, Jalan Tukang 16/4, P. O Box 7045, 40700 Shah Alam, Selangor	Leasehold Land Factory Office	99 years lease to 2071 & 2069	32,000sf 24,500sf	43 & 45	33	2,346,385	2005
Lot Nos. 228 and 1697 Mukim of Pekula, District of Kuala Muda, State of Kedah	Vacant Land	Freehold	10.4444 4.444 hectares	2yrs		15,500,000	2012
Lot No. 410, Mukim 2, Daerah Barat Daya, Pulau Pinang	Vacant Land	Freehold	23,725sf	2 yrs		1,650,000	2010
No. Lot 3793, Mukim 6, Daerah Seberang Perai Tengah, Pulau Pinang	6 units of Apartment	Freehold		1 yr		240,000	

Properties Owned by the Group

at at 31 March 2015 (Cont'd)

Location	Description	Tenure	Area	No. of Years Held	Age of Building	Net Book Value RM	Year of Valuation
HS(M) 6931 PT 1163 Mukim 14 - No. 12A, Lorong Bukit Minyak Utama 6, Taman Bukit Minyak Utama, 14000 Bukit Mertajam, Pulau Pinang	House	Freehold	267sf	1 yr		300,000	
Lot No. 4661, Mukim 07, Daerah Seberang Perai Utara, Pulau Pinang	Vacant Land	Freehold	0.5708 hectares	1 yr		233,400	
Lot No. 4707, Mukim 03, Daerah Seberang Perai Utara, Pulau Pinang	Vacant Land	Freehold	0.5837 hectares	1 yr		238,400	
No. 18, Tingkat Beduk 3, Taman Sri Aman, 14200 Sungai Bakap (Lot 1164 & 1165, Mukim 12, Daerah Seberang Perai Selatan, Pulau Pinang)	House	Freehold	179 & 571 sm	8 mths		950,000	
No. 3, Solok Betik 1, Taman Sri Jaya, 14000 Bukit Mertajam (Lot 1435, Seksyen 5, Bandar Bukit Mertajam, Daerah Seberang Perai Tengah, Pulau Pinang)	Shop Lot	Freehold	130 sm	1 yr		450,000	

Analysis of Shareholdings

at at 31 July 2015

Authorised Capital	:	RM800,000,000.00
Issued and Fully Paid-up Capital	:	RM70,256,253.00
Class of Securities	:	Ordinary shares of RM1.00 each fully paid
Voting Rights	:	One vote per RM1.00 share

ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	No. of Holders	% of Holders	No. of RM1.00 Shares	% of Issued Capital
Less than 100	185	9.77	5,187	0.01
100 – 1,000	1,048	55.33	292,347	0.42
1,001 – 10,000	366	19.32	1,205,863	1.72
10,001 – 100,000	246	12.99	6,976,900	9.93
100,001 – 3,512,811 (*)	46	2.43	36,492,274	51.93
3,512,812 and above (**)	3	0.16	25,283,682	35.99
Total	1,894	100.00	70,256,253	100.00

Note: * - Less than 5% of issued holdings

** - 5% and above of issued holdings

30 LARGEST SHAREHOLDERS AS AT 31 JULY 2015

No.	Name	Holdings	%
1	Skylitech Resources Sdn Bhd	12,153,750	17.30
2	HLS Properties Sdn Bhd	8,211,803	11.69
3	A1 Capital Sdn Bhd	4,918,129	7.00
4	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ooi Chieng Sim	3,082,186	4.39
5	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sun Ping	2,767,248	3.94
6	Lim Kean Wah	2,609,424	3.71
7	Norani Binti Hassim	2,410,603	3.43
8	Hock Lok Siew Realty Sdn Bhd	2,388,750	3.40
9	Siti Mariam Binti Hasan	2,062,620	2.94
10	Mathavan Pillay a/l Kanasi	1,885,999	2.68
11	Siva Raman a/l S. Ramasamy Pattar	1,847,711	2.63
12	Carmen Quah	1,669,110	2.38
13	Atta Worldwide Group Sdn Bhd (formerly known as SMPC Steel Mill Sdn Bhd)	1,643,100	2.34
14	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sun Ping	1,610,550	2.29
15	Lee Hean Guan	1,226,406	1.75

Analysis of Shareholdings

at at 31 July 2015 (Cont'd)

30 LARGEST SHAREHOLDERS AS AT 31 JULY 2015 (CONT'D)

No.	Name	Holdings	%
16	Lagenda Perdana Sdn Bhd	914,366	1.30
17	Chan Kooi Cheng	913,639	1.30
18	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Siva Raman a/I S. Ramasamy Pattar	851,059	1.21
19	Citigroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Leong Chin Chye	706,843	1.01
20	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Sie Ling	585,625	0.83
21	Rajandran a/I Visvalingam	561,085	0.80
22	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Mooi Choo	560,070	0.80
23	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Li Cheng Thong @ Lee Chen Thung	537,600	0.77
24	Oon Peng Keng	482,500	0.69
25	Ooi Hung Hock	413,280	0.59
26	Tan Fook Chin	383,986	0.55
27	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chai Kok Kheang	325,923	0.46
28	M & A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Liew Chung Peng	315,000	0.45
29	Dhanabalan a/I M Pitchai Chetty	310,065	0.44
30	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Meow Giak	294,000	0.42
TOTAL		58,642,430	83.49

SUBSTANTIAL SHAREHOLDERS AS AT 31 JULY 2015

According to the Register of Substantial Shareholders required to be kept under Section 69L of the Companies Act, 1965, the following are the substantial shareholders of the Company:

Name of Substantial Shareholder	Direct Interest (A)		Deemed Interest (B)		Total Interest (A+B)	
	Interest (A)	%	Interest (B)	%	Interest (A+B)	%
Ooi Chieng Sim	3,082,186	4.39	14,542,500 ¹	20.70	17,624,686	25.09
Skylitech Resources Sdn Bhd	12,153,750	17.30	–	–	12,153,750	17.30
HLS Properties Sdn Bhd	8,211,803	11.69	–	–	8,211,803	11.69
A1 Capital Sdn Bhd	4,918,129	7.00	–	–	4,918,129	7.00
Tan Sun Ping	4,471,015	6.36	–	–	4,471,015	6.36

Note:

1. Deemed interested by virtue of his interest in Hock Lok Siew Realty Sdn Bhd and Skylitech Resources Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

Analysis of Shareholdings

at at 31 July 2015 (Cont'd)

DIRECTORS' INTEREST IN SHARES AS AT 31 JULY 2015

According to the Register of Directors' Shareholdings required to be kept under Section 134 of the Companies Act, 1965, the Directors' interests in the ordinary share capital of RM1/- each of the Company and its related companies are as follows:

Name of Director	Direct Interest (A)	%	Deemed Interest (B)	%	Total Interest (A+B)	%
Ooi Chieng Sim	3,082,186	4.39	14,542,500 ²	20.70	17,624,686	25.09
Ng Chin Nam	77,349	0.11	3,412 ³	0.00	80,761	0.11
Mohd Shahril Fitri Bin Hashim	-	-	-	-	-	-
Chow Choon Hoong	-	-	-	-	-	-
Dato' Lee Hean Guan	1,226,406	1.75	1,828,005 ⁴	2.60	3,054,411	4.35
Dato' Dennis Chuah	-	-	-	-	-	-
Sudesh a/I K. V. Sankaran	-	-	-	-	-	-
Lim Ghim Chai	-	-	-	-	-	-

By virtue of his interest in the shares of the Company, **Mr. Ooi Chieng Sim** is also deemed interested in the shares of all the subsidiaries, to the extent that the Company has interests.

Other than the above, none of the other Directors have any interest in shares of the related corporations.

Notes:

2. Deemed interested by virtue of his interest in Hock Lok Siew Realty Sdn Bhd and Skylitech Resources Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
3. Deemed interested by virtue of his spouse's interest pursuant to Section 134(12)(c) of the Companies Act, 1965.
4. Deemed interested by virtue of his interest in Lagenda Perdana Sdn Bhd pursuant to Section 6A of the Companies Act, 1965 and through his spouse's interest pursuant to Section 134(12)(c) of the Companies Act, 1965.

Analysis of Warrants B Holdings

at at 31 July 2015

Class of Securities	:	Warrants B 2012/2022
No. of Warrants Issued	:	21,382,993
Issued Price of Warrants	:	RM0.02 each/Free
Conversion of Warrants	:	One (1) unit of Warrant B for one (1) ordinary share of RM1.00 each
Voting Rights	:	1 vote per warrant B (on a poll) and 1 vote per warrant B holder (on show of hands) in respect of a meeting of warrant B holders

ANALYSIS OF WARRANTS B HOLDINGS AS AT 31 JULY 2015

Size of Warrant Holdings	No. of Warrant Holders	% of Warrant Holders	No. of Warrants	% of Warrant Issued
Less than 100	40	7.66	1,587	0.01
100 to 1,000	122	23.37	60,935	0.28
1,001 to 10,000	154	29.50	577,774	2.70
10,001 to 100,000	156	29.89	5,188,073	24.26
100,001 to 1,069,148 (*)	49	9.39	12,603,632	58.94
1,069,149 and above (**)	1	0.19	2,950,992	13.81
Total	522	100.00	21,382,993	100.00

Note: * - Less than 5% of issued holdings
 ** - 5% and above of issued holdings

DIRECTORS' INTERESTS AS AT 31 JULY 2015

Name of Directors	Direct		Deemed	
	No. of Warrants	%	No. of Warrants	%
Ooi Chieng Sim	-	-	299,714 ¹	1.40
Ng Chin Nam	26,284	0.12	-	-
Mohd Shahril Fitri Bin Hashim	-	-	-	-
Chow Choon Hoong	-	-	-	-
Dato' Lee Hean Guan	291,033	1.36	633,353 ²	2.96
Dato' Dennis Chuah	-	-	-	-
Sudesh a/I K. V. Sankaran	-	-	-	-
Lim Ghim Chai	-	-	-	-

Notes:

1. Deemed interested by virtue of his interest in Hock Lok Siew Realty Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
2. Deemed interested by virtue of his spouse's interest pursuant to Section 134(12)(c) of the Companies Act, 1965.

30 LARGEST WARRANT B HOLDERS AS AT 31 JULY 2015

No.	Name	Holdings	%
1	Lim Seow Chin	2,950,992	13.80
2	A1 Capital Sdn Bhd	900,365	4.21
3	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Phuah Gaik Sim	774,449	3.62

Analysis of Warrants B Holdings

at at 31 July 2015 (Cont'd)

30 LARGEST WARRANT B HOLDERS AS AT 31 JULY 2015 (CONT'D)

No.	Name	Holdings	%
4	Tan Fook Chin	744,064	3.48
5	Maybank Nominees (Tempatan) Sdn Bhd Yeoh Boon Chuan	646,600	3.02
6	Chan Kooi Cheng	633,353	2.96
7	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Fook Chin	546,719	2.56
8	Leong Hon Wah	480,031	2.24
9	HLIB Nominees (Tempatan) Sdn Bhd Hong Leong Bank Bhd for Tan Fook Chin	442,211	2.07
10	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sun Ping	387,468	1.81
11	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Thinakaran a/l Govindasamy	365,523	1.71
12	Saw Guat Ngoh	347,118	1.62
13	Low Chon	300,009	1.40
14	Hock Lok Siew Realty Sdn Bhd	299,643	1.40
15	Lee Hean Guan	291,033	1.36
16	Lud Lee Hock Seng	262,845	1.23
17	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Swee Hang	255,100	1.19
18	Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yong Swee Koon	239,715	1.12
19	See Teng Hock	236,561	1.11
20	Kek Tek Huat Sendirian Berhad	217,600	1.02
21	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chong Chee Chung	210,276	0.98
22	Au Shiun Chour	207,198	0.97
23	Chen Team Kim	200,000	0.94
24	Lim Kam Yoke	194,110	0.91
25	Kwong Yok Chin	189,249	0.89
26	Yau How Kaw	189,249	0.89
27	Kok Kim Tee	162,707	0.76
28	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chong Chian Yee	160,000	0.75
29	Siva Raman a/l S. Ramasamy Pattar	157,707	0.74
30	Kang Yong Cheng	148,770	0.70
TOTAL		13,140,665	61.46

Analysis of Warrants C Holdings

at at 31 July 2015

Class of Securities	:	Warrants C 2014/2024
No. of Warrants Issued	:	10,711,565
Issued Price of Warrants	:	Free
Conversion of Warrants	:	One (1) unit of Warrant C for one (1) ordinary share of RM1.00 each
Voting Rights	:	1 vote per warrant C (on a poll) and 1 vote per warrant C holder (on show of hands) in respect of a meeting of warrant C holders

ANALYSIS OF WARRANTS C HOLDINGS AS AT 31 JULY 2015

Size of Warrant Holdings	No. of Warrant Holders	% of Warrant Holders	No. of Warrants	% of Warrant Issued
Less than 100	6	4.55	279	0.00
100 to 1,000	30	22.73	14,474	0.13
1,001 to 10,000	63	47.73	277,079	2.59
10,001 to 100,000	22	16.66	331,231	3.09
100,001 to 535,577 (*)	3	2.27	884,002	8.26
535,578 and above (**)	8	6.06	9,204,500	85.93
Total	132	100.00	10,711,565	100.00

Note: * - Less than 5% of issued holdings
 ** - 5% and above of issued holdings

DIRECTORS' INTERESTS AS AT 31 JULY 2015

Name of Directors	Direct		Deemed	
	No. of Warrants	%	No. of Warrants	%
Ooi Chieng Sim	750,000	7.00	2,379,600 ¹	22.22
Ng Chin Nam	18,416	0.17	-	-
Mohd Shahril Fitri Bin Hashim	-	-	-	-
Chow Choon Hoong	-	-	-	-
Dato' Lee Hean Guan	292,001	2.73	-	-
Dato' Dennis Chuah	-	-	-	-
Sudesh a/I K. V. Sankaran	-	-	-	-
Lim Ghim Chai	-	-	-	-

Notes:

1. Deemed interested by virtue of his interest in Skylitech Resources Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

30 LARGEST WARRANT C HOLDERS AS AT 31 JULY 2015

No.	Name	Holdings	%
1	Skylitech Resources Sdn Bhd	1,725,000	16.10
2	Atta Worldwide Group Sdn Bhd (formerly known as SMPC Steel Mill Sdn Bhd)	1,525,000	14.24
3	HLS Properties Sdn Bhd	1,449,900	13.54
4	Mathavan Pillay a/I Kanasi	1,100,000	10.27
5	A1 Capital Sdn Bhd	1,000,000	9.34

Analysis of Warrants C Holdings

at at 31 July 2015 (Cont'd)

30 LARGEST WARRANT C HOLDERS AS AT 31 JULY 2015 (CONT'D)

No.	Name	Holdings	%
6	Siva Raman a/I S. Ramasamy Pattar	1,000,000	9.34
7	Ooi Chieng Sim	750,000	7.00
8	Skylitech Resources Sdn Bhd	654,600	6.11
9	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sun Ping	300,000	2.80
10	Lee Hean Guan	292,001	2.73
11	Ooi Hung Hock	100,000	0.93
12	Yap Kang Thai @ Yap Lean	62,000	0.58
13	Lim Mooi Tean	40,000	0.37
14	Cho Yaw Koon	30,400	0.28
15	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Ong Siew Ling	30,000	0.28
16	Eu Mui @ Ee Soo Mei	30,000	0.28
17	Maybank Nominees (Tempatan) Sdn Bhd Yeoh Boon Chuan	30,000	0.28
18	AllianceGroup Nominees (Tempatan) Sdn Bhd Cheong Chung Wai	29,000	0.27
19	Pang Choon Hua	23,400	0.22
20	HLIB Nominees (Tempatan) Sdn Bhd Hong Leong Bank Bhd for Ewe Hong Khoon	23,000	0.21
21	Wong Sin Chong	22,000	0.21
22	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tai Shyun Lii	21,683	0.20
23	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Boon Kim Yu	21,500	0.20
24	Lee Eng Min	20,000	0.19
25	Lim Moi Seng	20,000	0.19
26	Chong Siaw Hian	19,000	0.18
27	Ng Chin Nam	18,416	0.17
28	Low Chong Hoe	16,250	0.15
29	JF Apex Nominees (Tempatan) Sdn Bhd AISB for Yeoh Boon Chuan	15,000	0.14
30	SJ Sec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chan Boon Yok	13,500	0.13
TOTAL		10,381,650	96.93

Analysis of ICULS Holdings

at at 31 July 2015

Class of Securities	:	Zero Coupon, 10-Year, Irredeemable Convertible Unsecured Loan Stock ("ICULS")
No. of ICULS Issued	:	230,934,880
No. of Outstanding ICULS	:	220,642,969
Issued Price of ICULS	:	RM0.10 each
Conversion of ICULS	:	One (1) unit of ICULS for one (1) ordinary share of RM1.00 each
Voting Rights	:	1 vote per ICULS holder (on a poll) and 1 vote per ICULS holder (on show of hands) in respect of a meeting of ICULS holders

ANALYSIS OF ICULS HOLDINGS AS AT 31 JULY 2015

Size of ICULS Holdings	No. of ICULS Holders	% of ICULS Holders	No. of ICULS	% of ICULS Issued
Less than 100	1	0.23	11	0.00
100 to 1,000	17	3.85	6,290	0.00
1,001 to 10,000	99	22.46	579,600	0.26
10,001 to 100,000	202	45.80	9,573,209	4.34
100,001 to 11,032,147 (*)	118	26.75	99,107,120	44.92
11,032,148 and above (**)	4	0.91	111,376,739	50.48
Total	441	100.00	220,642,969	100.00

Note: * - Less than 5% of issued holdings
 ** - 5% and above of issued holdings

DIRECTORS' INTERESTS AS AT 31 JULY 2015

Name of Directors	Direct		Deemed	
	No. of Warrants	%	No. of Warrants	%
Ooi Chieng Sim	-	-	40,000,000 ¹	18.13
Ng Chin Nam	320,000	0.15	-	-
Mohd Shahril Fitri Bin Hashim	-	-	-	-
Chow Choon Hoong	-	-	-	-
Dato' Lee Hean Guan	968,100	0.44	6,024,000 ²	2.73
Dato' Dennis Chuah	-	-	-	-
Sudesh a/I K. V. Sankaran	-	-	-	-
Lim Ghim Chai	-	-	-	-

Notes:

1. Deemed interested by virtue of his interest in Skylitech Resources Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.
2. Deemed interested by virtue of his spouse's interest pursuant to Section 134(12)(c) of the Companies Act, 1965.

30 LARGEST ICULS HOLDERS AS AT 31 JULY 2015

No.	Name	Holdings	%
1	Skylitech Resources Sdn Bhd	40,000,000	18.13
2	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sun Ping	34,467,000	15.62
3	A1 Capital Sdn Bhd	19,407,389	8.80
4	HLS Properties Sdn Bhd	17,502,350	7.93
5	A1 Capital Sdn Bhd	10,717,000	4.86

Analysis of ICULS Holdings

at at 31 July 2015 (Cont'd)

30 LARGEST ICULS HOLDERS AS AT 31 JULY 2015 (CONT'D)

No.	Name	Holdings	%
6	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chai Kok Kheang	9,341,200	4.23
7	Tan Yu Wei	8,318,000	3.77
8	Chan Kooi Cheng	6,024,000	2.73
9	Wong Lee Peng	4,541,000	2.06
10	Ang Bon Huan	3,400,000	1.54
11	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Dato' Ng Aik Kee	3,350,000	1.52
12	Quek Phaik Im	3,150,000	1.43
13	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Ing Kiong	2,985,000	1.35
14	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sun Ping	2,381,900	1.08
15	Tan Yu Yeh	1,643,900	0.75
16	Toh Ean Hai	1,624,800	0.74
17	Ang Soh Mui	1,600,000	0.73
18	Lim Seow Chin	1,440,100	0.65
19	Teh Bee Gaik	1,400,000	0.63
20	Yeap Yi Fong	1,200,000	0.54
21	Yeap Yi Fong	1,150,000	0.52
22	Liew Yoke Jing	1,092,900	0.50
23	Ku Li Ping	1,005,000	0.46
24	Ganesan a/l Shanmugam	1,000,000	0.45
25	Lee Kian Kah	1,000,000	0.45
26	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Quek Phaik Im	1,000,000	0.45
27	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Thinagaran a/l Govindasamy	975,000	0.44
28	Lee Hean Guan	968,100	0.44
29	Ang Soo Tin	900,000	0.41
30	Goo Meng Seng	850,000	0.39
TOTAL		184,434,639	83.60

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirty-Fourth (34th) Annual General Meeting of the Company will be held at Cardamom Meeting Room, Level 2, The Light Hotel, Lebuh Tenggiri 2, Bandar Seberang Jaya, 13700 Penang on Wednesday, 23 September 2015 at 11.00 a.m.

AGENDA

1. To receive the Audited Financial Statements for the year ended 31 March 2015, together with the Directors' and Auditors' Reports thereon.
2. To approve payment of the Directors' fee of RM89,000. **(Resolution 1)**
3. To re-elect the following Directors retiring in accordance with the Company's Articles of Association:

Ooi Chieng Sim **(Resolution 2)**
Ng Chin Nam **(Resolution 3)**
Lim Ghim Chai **(Resolution 4)**
Chow Choon Hoong **(Resolution 5)**
4. To consider and, if thought fit, pass a resolution pursuant to Section 129 (6) of the Companies Act, 1965 to re-appoint the following person as Director of the Company to hold office until the next Annual General Meeting of the Company:

Dato' Lee Hean Guan **(Resolution 6)**
5. To re-appoint Messrs Grant Thornton as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 7)**
6. To transact any other business appropriate to an Annual General Meeting.
7. As SPECIAL BUSINESS, to consider and, if thought fit, pass the following resolutions:-

Ordinary Resolution 1 – Authority to Allot and Issue Shares in General Pursuant to Section 132D of the Companies Act, 1965 **(Resolution 8)**

"That, subject to the Companies Act, 1965 and the Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad and other relevant governmental or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the capital of the Company from time to time upon such terms and conditions and for such purposes as the Directors may in their discretion deemed fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

Ordinary Resolution 2 – Proposed Renewal of Share Buy Back Authority **(Resolution 9)**

"That, subject to the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association, the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares of RM1.00 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("the Proposed Share Buy Back") provided that:-

i) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;

Ordinary Resolution 2 – Proposed Renewal of Share Buy Back Authority (Cont'd)

(Resolution 9)

- ii) the maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy Back shall not exceed the sum of the Retained Profits and/or the Share Premium Accounts of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy Back. The Retained Profits and Share Premium Account of the Company based on its audited financial statements as at 31 March 2015 are as follows:

	As at 31 March 2015
Retained Profits	RM19,067,840
Share Premium	RM11,787,494

- iii) the shares purchased by the Company pursuant to the Proposed Share Buy Back may be dealt with in all or any of the following manner (as selected by the Company):-
- a) the shares so purchased may be cancelled; and/or
 - b) the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or
 - c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.

And that any authority conferred by this resolution may only continue to be in force until:

- i) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting, whichever occurs first.

And that authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares) in accordance with the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company and the Main LR and/or guidelines of the Bursa Securities and all other relevant governmental and/or regulatory authorities."

By Order of the Board

CHAN YOKE YIN (MAICSA 7043743)
CHAN EOI LENG (MAICSA 7030866)
 Chartered Secretaries

Ipoh, Perak Darul Ridzuan, Malaysia
 27 August 2015

NOTES:

1. Agenda 1 is meant for discussion only as Section 169(1) of the Companies Act, 1965 only requires the Audited Financial Statements to be laid before the Company at the Annual General Meeting and not shareholders' approval. Hence, Agenda 1 will not be put forward for voting.
2. Only members whose names appear on the Record of Depositors as at 14 September 2015 shall be entitled to attend the Annual General Meeting or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.
3. A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a member of the Company.
4. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
5. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
7. The instrument appointing a proxy must be deposited at the Registered Office of the Company, 55A Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan, Malaysia not less than 48 hours before the time appointed for holding the Meeting. Faxed or emailed copies are not acceptable.

EXPLANATORY NOTES TO SPECIAL BUSINESS

1) Ordinary Resolution 1 – Authority to Allot and Issue Shares in General Pursuant to Section 132D of the Companies Act, 1965

The Ordinary Resolution 1 proposed under item 7 if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting ("AGM") until the next AGM to allot and issue shares in the Company up to and not exceeding in total ten per centum (10%) of the issued share capital of the Company ("Share Mandate"). This Share Mandate will expire at the conclusion of the next AGM of the Company, unless revoked or varied at a general meeting. With this Share Mandate, the Company will be able to raise capital from the equity market in a shorter period of time compared to a situation without the Share Mandate. The Share Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment projects, working capital and/or acquisitions, or strategic opportunities involving equity deals, which may require the allotment and issuance of new shares. In addition, any delay arising from and cost involved in convening an extraordinary general meeting ("EGM") to approve such issuance of shares should be eliminated. However, the Company will have to seek shareholders' approval at an EGM to be convened in the event that the proposed issuance of shares exceeds the 10% threshold contained in the Share Mandate.

This Share Mandate is a renewal of the mandate obtained from the shareholders of the Company at the AGM held on 26 September 2014. The Company did not utilise the mandate obtained at the last AGM and thus no proceeds were raised from the previous mandate.

2) Ordinary Resolution 2 – Proposed Renewal of Share Buy Back Authority

Further information on the above Ordinary Resolution is set out in the Circular to Shareholders of the Company, which is sent out together with the Company's 2015 Annual Report.

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Form of Proxy

No. of shares held	
CDS A/C No.	

I/We _____ (FULL NAME IN BLOCK CAPITALS)

NRIC No./Company No. _____ of _____
 _____ (FULL ADDRESS)

being a member of SMPC Corporation Bhd. hereby appoint the following person(s):

Name of proxy & NRIC No.	No. of shares	%
1. _____	_____	_____
2. _____	_____	_____
or failing him/her		
1. _____	_____	_____
2. _____	_____	_____

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us and on my/our behalf at the Thirty-Fourth Annual General Meeting of the Company to be held on 23 September 2015 and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

Ordinary Business		For	Against
The payment of Directors' Fee	Resolution 1		
The re-election of Directors: Ooi Chieng Sim Ng Chin Nam Lim Ghim Chai Chow Choon Hoong	Resolution 2		
	Resolution 3		
	Resolution 4		
	Resolution 5		
	The re-appointment of the following Director in accordance with Section 129 (6) of the Companies Act, 1965 Dato' Lee Hean Guan	Resolution 6	
The appointment of Auditors and their remuneration	Resolution 7		
Special Business			
Ordinary Resolution 1 – Authority to Allot and Issue Shares in General Pursuant to Section 132D of the Companies Act, 1965	Resolution 8		
Ordinary Resolution 2 – Proposed Share Buy Back Authority	Resolution 9		

Please indicate with (✓) how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting.

Date:

 Signature of Shareholder

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80 sen
STAMP
(Within Malaysia)

The Company Secretary
SMPC CORPORATION BHD.
55A Medan Ipoh 1A
Medan Ipoh Bistari
31400 Ipoh, Perak

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SMPC CORPORATION BHD. (79082-V)

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13600 Pulau Pinang

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