

安達環球集團有限公司

ATTA GLOBAL GROUP BERHAD
(formerly known as SMPC Corporation Bhd.)

Co. No. 79082-V

Towards **Global Excellence**

Annual Report 2016





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BOARD OF DIRECTORS

Ooi Chieng Sim
(Executive Chairman)

Mohd Shahril Fitri Bin Hashim
(Executive Director)

Ng Chin Nam
(Executive Director)

Chow Choon Hoong
(Executive Director)

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

Dato' Dennis Chuah
(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

ATTA Global Group Berhad (79082-V)
Formerly known as SMPC Corporation Bhd
No. 2521 Tingkat Perusahaan 6
Prai Industrial Estate
13600 Prai
Pulai 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. : 603-78490777
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
Malayan Banking Berhad
HSBC Bank Malaysia Berhad

STOCK EXCHANGE LISTING

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

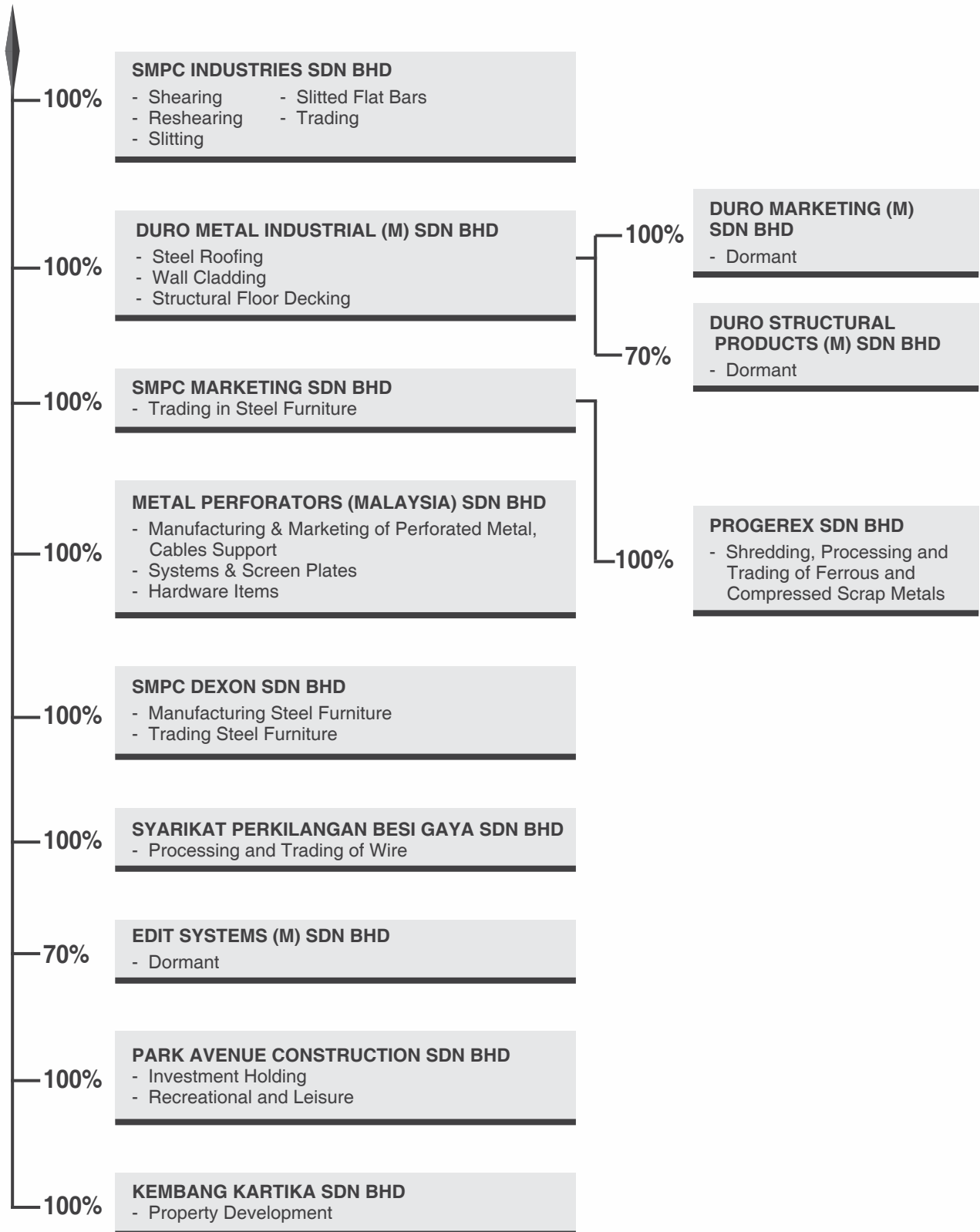


安達環球集團有限公司

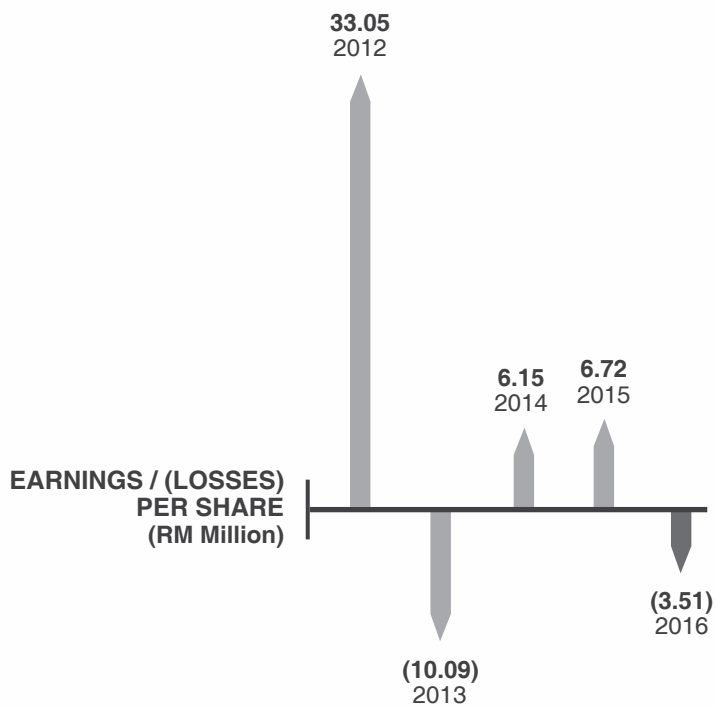
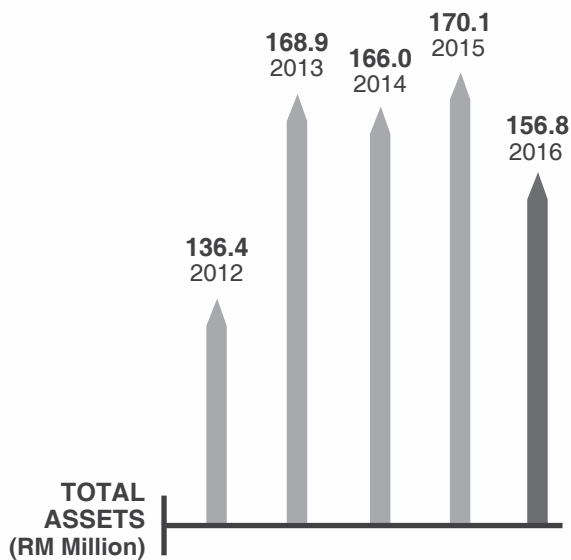
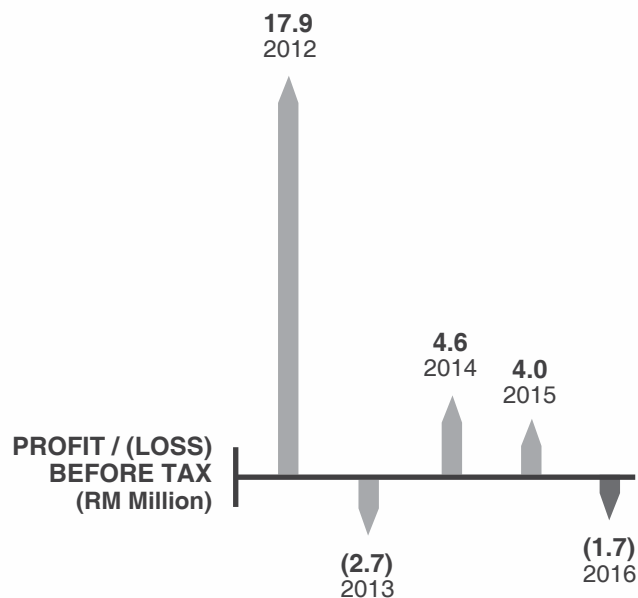
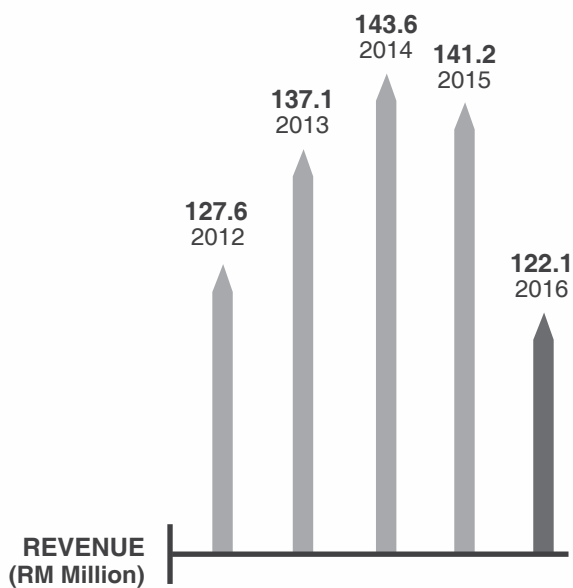
ATTA GLOBAL GROUP BERHAD

(formerly known as SMPC Corporation Bhd.)

Co. No. 79082-V



FINANCIAL HIGHLIGHTS



CHAIRMAN'S STATEMENT



DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors of ATTA Global Group Berhad ("ATTA"), I wish to present the Annual Report and Audited Financial Statements of the Group and the Company for the financial year ended 31 March 2016

BUSINESS REVIEW

In financial year 2016, the Group was in a loss position mainly due to the allowance for impairment of investment in Thai Strapping Co Ltd, a 50% Joint Venture company in Thailand. Total impairment was made based on prudent basis as the company was in a loss position since its inception. Currently, the Group is considering the best possible option as an exit plan from this investment.

GROUP FINANCIAL PERFORMANCE

For the financial year ended 31 March 2016, the Group achieved a revenue of RM122 million, a decrease of 13.5% against the previous financial year. After accounting for tax, loss for the year is recorded at RM2.4 million as compared to a profit of RM4 million in the financial year ended 31 March 2015.

DIVIDEND

No dividend had been declared or paid for the financial year ended 31 March 2016.

PROSPECT

Moving forward in 2017, we anticipate market conditions will be challenging taking into consideration of the uncertain market fundamentals, volatile steel prices and concern over rising cost of doing business. However, we anticipate that the domestic market will improve with demand coming from the on-going implementation of government infrastructure projects and private sector investments in oil and gas, power and property developments in Malaysia and overseas particularly in ASEAN region. 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 2017.

CORPORATE GOVERNANCE

The Board is committed to observing the Malaysian Code on Corporate Governance (2012) and Listing Requirements of Bursa Securities 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.

There were no sanctions and/or penalties imposed on the Company and its subsidiary companies, Directors or management by the relevant regulatory bodies in 2016.



CORPORATE SOCIAL RESPONSIBILITY

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

Internally, use of recycled paper where applicable is highly encouraged, and the company practice switching off lighting and air-conditioning in the offices when not in use to save energy.

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

The Group is always looking for any opportunity to assist charitable organisations and schools by providing products manufactured by the Group such as furniture and roofing.

The Group is also providing practical industrial training to students from the public and private institutions of higher learning.

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 2016. The year ahead 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 to the Group.

As the Executive Chairman of the Group, 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 hopeful that my job would be made much easier.

OOI CHIENG SIM
Executive Chairman

Date : 29 July 2016

PROFILE OF THE BOARD OF DIRECTORS



OOI CHIENG SIM

*Chairman/Executive Director
Male, Malaysian, aged 47*

Ooi Chieng Sim was appointed to the Board of ATTA 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 ATTA by virtue of his deemed interest held through Hock Lok Siew Realty Sdn. Bhd. and Skylitech Resources Sdn. Bhd. in the Company.

SUDESH A/L K.V. SANKARAN

*Independent Non-Executive Director
Male, Malaysian, aged 66*

Sudesh a/l K.V. Sankaran was appointed to the Board of ATTA 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 also a member of the Audit Committee, the Chairman of the Remuneration and Nominating Committees of the Company.

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.

MOHD SHAHRIL FITRI BIN HASHIM

*Executive Director
Male, Malaysian, aged 42*

Mohd Shahril Fitri Bin Hashim was appointed as an Executive Director of ATTA 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. In 2000, he joined the Investment Monitoring Department of Perbadanan Nasional Berhad (PNS).

PROFILE OF THE BOARD OF DIRECTORS (Cont'd)



NG CHIN NAM

Executive Director

Male, Malaysian, aged 46

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 ATTA 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 the 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 Niche Capital Emas Holdings Berhad and Asia File Corporation Bhd.

DATO' DENNIS CHUAH

Independent Non-Executive Director

Male, Malaysian, aged 43

Dato' Dennis Chuah is an Independent Non-Executive Director of ATTA. He was appointed to the Board of ATTA on 25 September 2013. He was also 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 discharge packaging material, and also one of the pioneer factory producing this advance packaging materials in Malaysia at that time.

Then in the year 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 RM600 million, 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.

LIM GHIM CHAI

Independent Non-Executive Director

Male, Malaysian, aged 41

Lim Ghim Chai is an Independent Non-Executive Director of ATTA. He was appointed to the Board of ATTA 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.



CHOW CHOON HOONG

Executive Director

Male, Malaysian, aged 52

Chow Choon Hoong is an Executive Director of ATTA. He was appointed to the Board of ATTA 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 ATTA.

Notes:

i. Family Relationships with any Director and/or major shareholders

Except for Ooi Chieng Sim who has interest in the major shareholder, Skylitech Resources Sdn. Bhd., 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

Except for Ooi Chieng Sim who has deemed interest in the recurrent related party transaction stated in page 23 of this annual report, all the other 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.



The Board of Directors (“the Board”) of ATTA Global Group Berhad (formerly known as 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 2016. 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 judgment 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 seven (7) Directors comprising four (4) Executive Directors 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 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.



THE BOARD OF DIRECTORS (CONT'D)

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 2016 on 28 May 2015, 29 July 2015, 25 August 2015, 23 September 2015, 25 November 2015 and 26 February 2016. 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
Sudesh a/l K.V. Sankaran	- Independent Non-Executive Director	6 out of 6
Dato'Dennis Chuah	- Independent Non-Executive Director	6 out of 6
* Chow Choon Hoong	- Executive Director	5 out of 5
** Lim Ghim Chai	- Independent Non-Executive Director	5 out of 5
*** Dato' Lee Hean Guan	- Non-Independent Non-Executive Director	5 out of 6

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

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

*** Dato' Lee Hean Guan resigned on 14 March 2016.

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.

• 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/l K.V. Sankaran	- Independent Non-Executive Director	(Chairman)
Dato' Dennis Chuah	- Independent Non-Executive Director	(Member)
Lim Ghim Chai	- Independent Non-Executive Director	(Member)



THE BOARD OF DIRECTORS (CONT'D)

Board Committees (Cont'd)

- **Nominating Committee (Cont'd)**

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 2016.

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.

- **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	- Independent Non-Executive Director	(Chairman)
Dato' Dennis Chuah	- Independent Non-Executive Director	(Member)
Ooi Chieng Sim	- Executive Director	(Member)



THE BOARD OF DIRECTORS (CONT'D)

Board Committees (Cont'd)

- **Remuneration Committee (Cont'd)**

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 2016.

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

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

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

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 2016:

Name of Course

- Malaysian Budget 2016 Seminar
- Government Grants and Financial Assistance for Malaysian Companies and its procedures
- Analysis of Corporate Governance Disclosures in Annual Report
- The Role of The Board Chairman

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



THE BOARD OF DIRECTORS (CONT'D)

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	-	44,000
Salaries and allowances	822,127	-
Bonus	46,379	-
Other benefits	83,412	-



DIRECTORS' REMUNERATION (CONT'D)

The analysis of remuneration is as follows:

Remuneration	Number of Directors	
	Executive Directors	Non-Executive Directors
Below RM50,000	3	4
RM50,001 – RM100,000	-	-
RM100,001 – RM150,000	2	-
RM150,001 – RM200,000	-	-
RM200,001 – RM250,000	-	-
RM250,001 – RM300,000	2	-

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.attaglobalgroup.com 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 presenting the annual financial statements and quarterly financial statements to the shareholders, the Board has taken reasonable steps to ensure a clear, balanced and understandable assessment of the Group's financial position and prospects.

The Board is assisted by the Audit Committee in overseeing the Group's financial reporting processes and the quality of its financial reporting to ensure accuracy, adequacy and authenticity of the reporting. The Board also review and ensure the appropriateness of the Group's accounting policies and the changes to these policies as well as ensure these financial statements comply and are prepared in accordance to applicable Malaysian Financial Reporting Standards ("MFRS") and other regulatory/statutory requirements and to give a true and fair view of the financial position of the Group and the Company.

In addition to providing financial reports on an annual basis, the Group's financial results are also presented to shareholders on a quarterly basis through the link to Bursa Securities known as BURSA Link. Before their release to the Bursa Securities, the quarterly financial results are reviewed by the Audit Committee and approved by the Board of Directors.

A statement by the Directors of their responsibilities in preparing the financial statements is set out on Page 17 of this Annual Report.



ACCOUNTABILITY AND AUDIT (CONT'D)

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 twelve (12) 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.

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.



COMPLIANCE STATEMENT (CONT'D)

b) Recommendation 3.5 (Cont'd)

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 judgments 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.



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 2016, a total of five (5) Audit Committee Meetings were held on 28 May 2015, 29 July 2015, 25 August 2015, 25 November 2015 and 26 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	- <i>Independent Non-Executive Director</i>	(Chairman)	5 out of 5
Sudesh a/l K.V. Sankaran	- <i>Independent Non-Executive Director</i>	(Member)	5 out of 5
* Lim Ghim Chai	- <i>Independent Non-Executive Director</i>	(Member)	4 out of 4

* Lim Ghim Chai was appointed with effect from 29 June 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 2016 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 2016 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 2016;
- Reviewed the annual audited financial statements of the Group for the financial year ended 31 March 2016 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 function for the financial year ended 31 March 2016 amounted to approximately RM16,000.

During the financial year ended 31 March 2016, 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 ATTA Global Group Bhd (formerly known as SMPC Corporation Bhd.) (“ATTA” 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 controls 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.

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 Risk Management Committee, which is made up of key management staff and Executive Director, reviews the risk profiles of the Group. The key risks relating to the Group’s strategic and business plans are addressed at the Board and Senior Management Meetings on a periodical basis. In addition, the responsibility of managing the risks of each department within the Group lies with the respective Heads of Department and it is during the periodic management meetings where significant risks identified and the corresponding internal controls implemented are communicated to the 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.

The abovementioned risk management practices of the Group serve as the on-going process used to identify, evaluate and manage risks. This process has been in place for the year under review and up to the date of approval of this Statement.

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.

- 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.

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)

- 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. They report directly to the Audit Committee.

During the financial year ended 31 March 2016, an internal audit review was carried out as directed by the Audit Committee based on their assessment of risks faced by ATTA and matters of concern to them. The business process reviewed was Toll Services and the entity reviewed was SMPC Industries Sdn Bhd (Kapar Branch). The results of the review were discussed with Senior Management and subsequently, the audit findings, including the recommendations for improvement were reported to the Audit Committee at the scheduled meeting held on 25 November 2015.

Based on the internal audit review conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in the annual report.

Total professional fees paid for outsourcing of internal audit function for the year ended 31 March 2016 was RM16,000.

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 2016 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 risk management and internal control system 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.

ADDITIONAL COMPLIANCE INFORMATION



SHARE BUY BACK

The Company's Share Buy Back Authority was renewed via an Ordinary Resolution passed by the shareholders at the Thirty-Fourth Annual General Meeting of the Company held on 23 September 2015. The information on share buy back for the financial year is presented under page 25 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 25 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 2016, 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 2016 and unaudited results previously released for the financial quarter ended 31 March 2016.

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.

ADDITIONAL COMPLIANCE INFORMATION (Cont'd)



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 2015 to 27 August 2016 (RM)	Aggregate Value (RM)
See Hup Pioneer Logistics Sdn. Bhd. (“SHPioneer”) *	Dato Lee Hean Guan <i>(being Interested Director)</i>	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 <i>(being Interested Director)</i>	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 <i>(being Interested Director)</i>	Rental of its plant and equipment for transportation of goods and services, at a monthly rental of RM42,000	195,742	504,000
* Ceased to be related parties of the Company and its subsidiaries following Dato’ Lee Hean Guan’s resignation as the Company’s director on 14 March 2016				
Hock Lok Siew Realty Sdn Bhd	Mr. Ooi Chieng Sim <i>(being Interested Director)</i>	Rental and sale of fruits from orchard	45,000	60,000

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016



The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended **31 March 2016**.

CHANGE OF NAME

The Company changed its name to ATTA Global Group Berhad on 25 September 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
(Loss)/Profit after tax for the financial year	<u>(2,432,555)</u>	<u>807,910</u>
Attributable to:		
Owners of the Company	(2,430,851)	807,910
Non-controlling interests	<u>(1,704)</u>	-
	<u>(2,432,555)</u>	<u>807,910</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 2016** 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

No dividends have been declared or paid by the Company since the end of the previous financial year.

The directors do not recommend any 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 undertook the following:

- (i) Issuance of 595,000 new ordinary shares of RM1 each for cash arising from the exercise of employees' share options at an exercise price of RM1 each per ordinary share. The proceeds were used for working capital purposes; and
- (ii) Cancellation of 7,721,756 treasury shares of RM5,463,430 against share capital (nominal value) of RM7,721,756 and the excess of RM2,258,326 is credited to capital redemption reserve.

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.



TREASURY SHARES

The shareholders of the Company, by a special resolution passed in a general meeting held on 23 September 2015 approved the Company's plan to repurchase its own shares.

During the financial year ended 31 March 2016, the Company repurchased 6,933,800 of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.65 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 25 June 2015, the Company cancelled 7,721,756 treasury shares of RM5,463,430 against share capital (nominal value) of RM7,721,756 and the excess of RM2,258,326 is credited to capital redemption reserve.

As at 31 March 2016, the Company held a total of 3,590,500 treasury shares out of its 70,851,253 issued ordinary shares. The treasury shares are held at a carrying amount of RM2,236,069 and further relevant details are disclosed in Note 14.2 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 13 and 14.3 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 which were approved by the shareholders at an Extraordinary General Meeting held on 28 September 2012. The ESOS which expired on 18 October 2015 was extended for another seven years expiring on 18 October 2022.

The details of options over unissued ordinary shares of the Company granted under the ESOS during the financial year are as follows:

Grant date	Exercise price RM	Number of Share Options				Balance at 31.3.16
		Balance at 1.4.15	Granted and accepted	Exercised	Lapsed	
9.10.13	1.00	2,209,125	-	(255,000)	(79,750)	1,874,375
14.10.14	1.00	434,000	-	(5,000)	(17,500)	411,500
15.2.16	1.00	-	3,257,500	(335,000)	(917,500)	2,005,000

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

The Company has been granted exemption by the Companies Commission of Malaysia ("SSM") from having to disclose in this report the names of the option holders, other than directors, who have been granted options to subscribe for less than 87,312 shares of RM1 each. The name of option holder granted options to subscribe for 87,312 or more ordinary shares of RM1 each during the financial year is as follows:

Name	Number of Share Options				Balance at 31.3.16
	Balance at 1.4.15	Granted and accepted	Exercised	Lapsed	
Mahendra Kumar a/l S. Balakrishnan	78,853	75,000	-	-	153,853
Anthony Lourdes	47,312	40,000	-	-	87,312
Parimala Devi a/p Mailvaganam	47,312	40,000	-	-	87,312
Prakas a/l Subramaniam	47,312	40,000	-	-	87,312
Wong You Wah	47,312	40,000	-	-	87,312
Akilan a/l Maniam	47,312	40,000	-	-	87,312
Givaraja a/l Gunasakaran	47,312	40,000	-	-	87,312

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



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
Chow Choon Hoong
Dato' Dennis Chuah
Sudesh a/l K.V. Sankaran
Lim Ghim Chai
Dato' Lee Hean Guan (resigned on 14.3.2016)

DIRECTORS' INTERESTS

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

	← Number of ordinary shares of RM1 each →			
	Balance at 1.4.15	Bought	Sold	Balance at 31.3.16
The Company				
Direct Interest:				
Ooi Chieng Sim	3,082,186	325,000	-	3,407,186
Ng Chin Nam	77,349	150,000	-	227,349

	← Number of ordinary shares of RM1 each →			
	Balance at 1.4.15	Bought	Sold	Balance at 31.3.16
Deemed Interest:				
¹ Ooi Chieng Sim	14,542,500	-	-	14,542,500
Other Interest:				
² Ng Chin Nam	3,412	-	-	3,412

	← Number of 10-year 0% ICULS of RM0.10 nominal value each →			
	Balance at 1.4.15	Bought	Sold	Balance at 31.3.16
The Company				
Direct Interest:				
Ng Chin Nam	320,000	-	-	320,000
Deemed Interest:				
¹ Ooi Chieng Sim	40,000,000	-	-	40,000,000



DIRECTORS' INTERESTS (CONT'D)

	← Number of Warrants B →			Balance at 31.3.16
	Balance at 1.4.15	Bought	Sold	
The Company				
Direct Interest:				
Ng Chin Nam	26,284	-	-	26,284
Deemed Interest:				
¹ Ooi Chieng Sim	299,714	-	-	299,714

	← Number of Warrants C →			Balance at 31.3.16
	Balance at 1.4.15	Bought	Sold	
The Company				
Direct Interest:				
Ooi Chieng Sim	750,000	-	-	750,000
Ng Chin Nam	18,416	-	-	18,416
Deemed Interest:				
¹ Ooi Chieng Sim	1,725,000	654,600	(2,379,600)	-

	← Number of options over ordinary shares of RM1 each →			Balance at 31.3.16
	Balance at 1.4.15	Granted and accepted	Exercised	
Ooi Chieng Sim	-	325,000	(325,000)	-
Ng Chin Nam	147,193	150,000	(150,000)	147,193
Mohd Shahril Fitri Bin Hashim	157,707	150,000	-	307,707
Chow Choon Hoong	94,624	90,000	-	184,624
Sudesh a/l K.V. Sankaran	52,569	50,000	-	102,569

Notes:

¹ 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.

² By virtue of the spouse's interest.

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 Company or of 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 object or objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

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

- (i) 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
- (ii) 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.

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

Penang,

Date: 1 July 2016

.....
Ng Chin Nam

DIRECTORS' STATEMENT



In the opinion of the directors, the financial statements set out on pages 32 to 90 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 2016** 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 91 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: 1 July 2016

STATUTORY DECLARATION

I, **Siva Raman a/l S. Ramasamy Pattar**, the officer primarily responsible for the financial management of **ATTA Global Group Berhad (formerly known as SMPC Corporation Bhd.)**, do solemnly and sincerely declare that the financial statements set out on pages 32 to 90 and the supplementary information set out on page 91 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 **1st**)
day of **July 2016**.)

.....
Siva Raman a/l S. Ramasamy Pattar

Before me,

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ATTA GLOBAL GROUP BERHAD



REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **ATTA Global Group Berhad (formerly known as SMPC Corporation Bhd.)**, which comprise the statements of financial position as at **31 March 2016** 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 information, as set out on pages 32 to 90.

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 2016** 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 a 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 ATTA GLOBAL GROUP BERHAD (Cont'd)



OTHER REPORTING RESPONSIBILITIES

The supplementary information set out on page 91 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: 1 July 2016

Penang

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2016



	NOTE	GROUP		COMPANY	
		2016 RM	2015 RM	2016 RM	2015 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	70,728,457	70,254,040	1,420,290	1,698,975
Investment properties	5	38,940,114	37,740,114	24,727,698	24,727,698
Investment in subsidiaries	6	-	-	35,364,293	35,364,293
Other investments	7	2,361,769	7,609,902	-	-
		<u>112,030,340</u>	<u>115,604,056</u>	<u>61,512,281</u>	<u>61,790,966</u>
Current assets					
Inventories	8	12,736,537	11,495,694	-	-
Trade and other receivables	9	26,847,851	38,591,082	80,959,429	85,633,264
Current tax assets		484,007	466,735	-	-
Fixed deposits with licensed banks	10	554,912	537,656	554,912	537,656
Cash and bank balances	11	4,143,304	3,406,526	176,666	53,082
		<u>44,766,611</u>	<u>54,497,693</u>	<u>81,691,007</u>	<u>86,224,002</u>
TOTAL ASSETS		<u>156,796,951</u>	<u>170,101,749</u>	<u>143,203,288</u>	<u>148,014,968</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	12	70,851,253	77,978,009	70,851,253	77,978,009
Irredeemable Convertible Unsecured Loan Stocks	13	22,064,297	22,064,297	22,064,297	22,064,297
Other reserves	14	30,920,894	30,417,014	39,302,235	35,254,893
		<u>123,836,444</u>	<u>130,459,320</u>	<u>132,217,785</u>	<u>135,297,199</u>
Non-controlling interests		<u>(127,479)</u>	<u>(125,775)</u>	<u>-</u>	<u>-</u>
Total equity		<u>123,708,965</u>	<u>130,333,545</u>	<u>132,217,785</u>	<u>135,297,199</u>
Non-current liabilities					
Trade and other payables	15	-	467,069	-	-
Borrowings	16	9,100,617	10,815,843	7,215,457	8,735,450
Deferred tax liabilities	17	3,361,183	3,470,195	1,402,646	1,398,207
		<u>12,461,800</u>	<u>14,753,107</u>	<u>8,618,103</u>	<u>10,133,657</u>
Current liabilities					
Trade and other payables	15	15,972,673	21,357,238	840,058	952,923
Borrowings	16	4,497,350	3,177,770	1,464,466	1,364,782
Current tax liabilities		156,163	480,089	62,876	266,407
		<u>20,626,186</u>	<u>25,015,097</u>	<u>2,367,400</u>	<u>2,584,112</u>
Total liabilities		<u>33,087,986</u>	<u>39,768,204</u>	<u>10,985,503</u>	<u>12,717,769</u>
TOTAL EQUITY AND LIABILITIES		<u>156,796,951</u>	<u>170,101,749</u>	<u>143,203,288</u>	<u>148,014,968</u>

The notes set out on pages 40 to 90 form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016



	NOTE	GROUP		COMPANY	
		2016 RM	2015 RM	2016 RM	2015 RM
Revenue	18	122,060,302	141,209,278	5,148,717	5,566,780
Other income	19	1,272,329	3,225,171	17,256	37,519
Changes in inventories of work in progress, trading inventories and finished goods		268,455	(1,489,625)	-	-
Raw materials and consumables used		(56,251,766)	(47,023,673)	-	-
Trading goods purchased		(28,107,993)	(48,217,350)	-	-
Employee benefits expense	20	(9,960,740)	(9,553,418)	(793,854)	(745,357)
Depreciation		(3,998,950)	(3,423,478)	(403,604)	(181,762)
Other operating expenses		(26,007,753)	(29,190,457)	(2,454,848)	(1,782,331)
Operating (loss)/profit		(726,116)	5,536,448	1,513,667	2,894,849
Finance costs	22	(1,020,502)	(1,539,481)	(666,129)	(753,907)
(Loss)/Profit before tax	23	(1,746,618)	3,996,967	847,538	2,140,942
Tax (expense)/income	24	(685,937)	1,536	(39,628)	(577,224)
(Loss)/Profit for the financial year		(2,432,555)	3,998,503	807,910	1,563,718
Other comprehensive (loss)/income, net of tax items that will be reclassified subsequently to profit or loss:					
- Fair value adjustment on available-for-sale financial assets		(102,518)	84,582	-	-
- Transfer to profit or loss upon disposal		(202,183)	-	-	-
Other comprehensive (loss)/income for the financial year		(304,701)	84,582	-	-
Total comprehensive (loss)/income for the financial year		(2,737,256)	4,083,085	807,910	1,563,718
(Loss)/Profit attributable to:					
Owners of the Company		(2,430,851)	4,000,395	807,910	1,563,718
Non-controlling interests		(1,704)	(1,892)	-	-
		(2,432,555)	3,998,503	807,910	1,563,718
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(2,735,552)	4,085,319	807,910	1,563,718
Non-controlling interests		(1,704)	(2,234)	-	-
		(2,737,256)	4,083,085	807,910	1,563,718
(Losses)/Earnings per share attributable to owners of the Company (sen)					
- Basic	25.1	(3.51)	6.72		
- Diluted	25.2	-	-		

The notes set out on pages 40 to 90 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016



	Attributable to Owners of the Company													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	Capital Reserve RM	ESOS Reserve RM	Redemption Reserve RM	Retained Profits RM	Total RM				
2016																
Balance at beginning	77,978,009	22,064,297	11,787,494	(3,182,418)	5,779,334	(5,698,794)	663,732	(262,746)	325,383	-	21,005,029	130,459,320	(125,775)	130,333,545		
Total comprehensive loss for financial year	-	-	-	-	-	-	(304,701)	-	-	-	(2,430,851)	(2,735,552)	(1,704)	(2,737,256)		
<i>Transactions with owners:</i>																
Cancellation of treasury shares	(7,721,756)	-	-	5,463,430	-	-	-	-	-	2,258,326	-	-	-	-		
Purchase of treasury shares	-	-	-	(4,517,081)	-	-	-	-	-	-	-	(4,517,081)	-	(4,517,081)		
Share options exercised	595,000	-	33,973	-	-	-	-	-	(33,973)	-	-	595,000	-	595,000		
Share-based-payment transactions	-	-	-	-	-	-	-	-	38,371	-	(13,614)	24,757	-	24,757		
Reversal of settlement of rights issue expenses	-	-	10,000	-	-	-	-	-	-	-	-	10,000	-	10,000		
Total transactions with owners	(7,126,756)	-	43,973	946,349	-	-	-	-	4,398	2,258,326	(13,614)	(3,887,324)	-	(3,887,324)		
Balance at end	70,851,253	22,064,297	11,831,467	(2,236,069)	5,779,334	(5,698,794)	359,031	(262,746)	329,781	2,258,326	18,560,564	123,836,444	(127,479)	123,708,965		

The notes set out on pages 40 to 90 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (Cont'd)



	Attributable to Owners of the Company												Total Equity RM	
	Non-distributable						Distributable							
	Share Capital RM	ICULS RM	Share Premium RM	Treasury Shares RM	Warrants Reserve RM	Discount on Shares RM	Fair Value Reserve RM	Capital Reserve RM	ESOS Reserve RM	Redemption Reserve RM	Retained Profits RM	Non- controlling Interests 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	7,613,713	110,325,560	117,939,273
Total comprehensive income for financial year	-	-	-	-	-	-	84,924	-	-	-	4,000,395	(2,234)	4,085,319	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)
Share-based-payment transactions	-	-	-	-	-	-	-	-	23,777	-	84,294	-	108,071	108,071
Reversal of 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)	(262,746)
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	(7,737,254)	16,048,441	8,311,187
Balance at end	77,978,009	22,064,297	11,787,494	(3,182,418)	5,779,334	(5,698,794)	663,732	(262,746)	325,383	-	21,005,029	(125,775)	130,459,320	130,333,545

The notes set out on pages 40 to 90 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016



	← 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	Redemption Reserve RM	Retained Profits RM
2016											
Balance at beginning	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
Total comprehensive income for the financial year	-	-	-	-	-	-	-	-	-	807,910	807,910
<i>Transactions with owners:</i>											
Cancellation of treasury shares	(7,721,756)	-	-	5,463,430	-	-	-	-	2,258,326	-	-
Purchase of treasury shares	-	-	-	(4,517,081)	-	-	-	-	-	-	(4,517,081)
Share options exercised	595,000	-	(8,436)	-	-	-	-	8,436	-	-	595,000
Share-based-payment transactions	-	-	-	-	-	-	-	24,757	-	-	24,757
Reversal of settlement of rights issue expenses	-	-	10,000	-	-	-	-	-	-	-	10,000
Total transactions with owners	(7,126,756)	-	1,564	946,349	-	-	-	33,193	2,258,326	-	(3,887,324)
Balance at end	70,851,253	22,064,297	11,789,058	(2,236,069)	5,779,334	(5,698,794)	7,445,000	89,630	2,258,326	19,875,750	132,217,785

The notes set out on pages 40 to 90 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (Cont'd)



	← 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		Capital Redemption 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 financial year	-	-	-	-	-	-	-	-	-	1,563,718	1,563,718
<i>Transactions with owners:</i>											
Issuance of shares pursuant to:											
- 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	-	-	-	(4,045,236)	-	-	-	-	-	-	(4,045,236)
Share-based-payment transactions	-	-	-	-	-	-	-	13,467	-	-	13,467
Reversal of settlement of rights issue expenses	-	-	(697,483)	-	-	-	-	-	-	-	(697,483)
Share dividend	-	-	(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 40 to 90 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016



	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/Profit before tax	(1,746,618)	3,996,967	847,538	2,140,942
Adjustments for:				
Depreciation	3,998,950	3,423,478	403,604	181,762
Dividend income	(66,952)	(97,433)	(1,806,525)	(2,000,000)
Equity-settled share-based payment transactions	24,757	108,071	24,757	13,467
Loss/(Gain) on disposal of other investments	67,183	(1,734,223)	-	-
Loss/(Gain) on disposal of property, plant and equipment	354,047	(1,793)	-	(199)
Impairment loss on investment in a subsidiary	-	-	-	638,000
Impairment loss on other investments	2,117,776	18,960	-	-
Impairment loss on receivables	1,041,871	526,630	710,293	-
Interest expense	1,020,502	1,539,481	666,129	753,907
Interest income	(26,339)	(221,821)	(17,256)	(37,230)
Inventories written down	-	250,787	-	-
Inventories written off	-	306,659	-	-
Net fair value adjustment on available-for-sale financial assets realised upon disposal	(202,183)	-	-	-
Property, plant and equipment written off	17,539	132,208	-	-
Unrealised gain on foreign exchange	-	(157,747)	-	-
Operating profit before working capital changes	6,600,533	8,090,224	828,540	1,690,649
(Increase)/Decrease in inventories	(1,240,843)	1,391,874	-	-
Decrease/(Increase) in receivables	10,711,189	(6,354,351)	136,946	837,514
(Decrease)/Increase in payables	(5,388,177)	5,350,451	(112,865)	291,036
Decrease in retirement benefit obligations	(463,286)	(830,314)	-	(377,402)
Cash generated from operations	10,219,416	7,647,884	852,621	2,441,797
Income tax paid	(1,415,958)	(1,600,141)	(338,531)	(278,131)
Income tax refunded	279,811	-	99,811	-
Interest paid	(1,020,502)	(1,539,481)	(666,129)	(753,907)
Net cash from/(used in) operating activities	8,062,767	4,508,262	(52,228)	1,409,759
CASH FLOWS FROM INVESTING ACTIVITIES				
Dividends received	66,952	97,433	1,806,525	2,000,000
Interest received	9,083	190,348	-	5,757
Proceeds from disposal of other investments	3,215,930	3,234,233	-	-
Proceeds from disposal of property, plant and equipment	180,501	73,800	-	200
Purchase of equity investments	(255,274)	(2,361,862)	-	-
Purchase of investment properties	(1,650,000)	(1,400,000)	-	-
* Purchase of property, plant and equipment	(3,247,354)	(2,933,325)	(124,919)	(487,105)
Purchase of shares from non-controlling interests of a subsidiary	-	(4,000,000)	-	(4,000,000)
Subsequent expenditure on investment properties	-	(128,314)	-	-
Net cash (used in)/from investing activities	(1,680,162)	(7,227,687)	1,681,606	(2,481,148)
Balance carried forward	6,382,605	(2,719,425)	1,629,378	(1,071,389)

The notes set out on pages 40 to 90 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (Cont'd)



	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Balance brought forward	6,382,605	(2,719,425)	1,629,378	(1,071,389)
CASH FLOWS FROM FINANCING ACTIVITIES				
Net change in subsidiaries' balances	-	-	3,836,596	(14,948,796)
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	-	1,665,000
Proceeds from issuance of shares pursuant to ESOS	595,000	-	595,000	-
(Repayment)/Drawdown of bankers acceptance	(40,000)	161,000	-	-
Drawdown of revolving credit	1,300,000	-	-	-
Repayment of finance lease	(1,545,270)	(1,116,003)	(349,371)	(160,374)
Repayment of term loans	(1,070,938)	(13,795,346)	(1,070,938)	(975,062)
Repurchase of treasury shares	(4,517,081)	(4,045,236)	(4,517,081)	(4,045,236)
Net cash (used in)/from financing activities	(5,278,289)	2,150,250	(1,505,794)	816,367
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,104,316	(569,175)	123,584	(255,022)
CASH AND CASH EQUIVALENTS AT BEGINNING	2,992,470	3,561,645	53,082	308,104
CASH AND CASH EQUIVALENTS AT END	4,096,786	2,992,470	176,666	53,082
Represented by:				
Cash and bank balances	4,143,304	3,406,526	176,666	53,082
Bank overdrafts	(46,518)	(414,056)	-	-
	4,096,786	2,992,470	176,666	53,082
* Purchase of property, plant and equipment				
Total acquisition cost	4,575,454	6,032,883	124,919	1,403,055
Acquired under finance lease	(1,328,100)	(3,099,558)	-	(915,950)
Total cash acquisition	3,247,354	2,933,325	124,919	487,105

The notes set out on pages 40 to 90 form an integral part of these financial statements.



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 Company changed its name to ATTA Global Group Berhad on 25 September 2015.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 1 July 2016.

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.



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 July 2014

Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions

Annual improvements to MFRS 2010-2012 Cycle

Annual improvements to MFRS 2011-2013 Cycle

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 Group and the Company:

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 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

Annual Improvements to MFRS 2012-2014 Cycle

Effective for annual periods beginning on or after 1 January 2017

Amendments to MFRS 107 Disclosure Initiative

Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses

Effective for annual periods beginning on or after 1 January 2018

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

MFRS 15 Revenue from Contracts with Customers

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

Effective for annual periods beginning on or after 1 January 2019

MFRS 16 Leases

Effective date yet to be confirmed

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

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*.



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 and the Company'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 Investment Property* 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 and the Company 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.



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 2016 (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

Property, plant and equipment are initially stated 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. Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

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	Amortise 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.



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 by reference to market evidence of transaction prices for similar properties and is derived based on directors' valuation by reference to the existing market condition.

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.

3.5 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").



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Impairment of Non-Financial Assets (Cont'd)

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 become 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.

(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.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Financial Instruments (Cont'd)

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

(c) Held-to-maturity investments (Cont'd)

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.

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 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.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment of Financial Assets (Cont'd)

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.

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.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Borrowing Costs (Cont'd)

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").

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.



3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Employee Benefits (Cont'd)

Defined benefit plans (Cont'd)

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. This Scheme has been terminated during the financial year.

(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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Goods and Services Tax

Goods and Services Tax ("GST") is a consumption tax based on the value-added concept. GST is imposed on goods and services at every production and distribution stage in the supply chain including importation of goods and services, at the applicable tax rate of 6%. Input tax that a company pays on business purchases is offset against output tax.

Revenue, expenses and assets are recognised net of GST except:

- where the GST incurred in a purchase of asset or service is not recoverable from the authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with GST inclusive.

The net GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3.16 Foreign Currency Transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rate 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.

3.17 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.

3.18 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.

3.19 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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 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.

3.21 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.

3.22 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.

3.23 Related parties

A related party is a person or entity that is related to the Group. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) Has control or joint control over the Group;
 - (ii) Has significant influence over the Group; or
 - (iii) Is a member of the key management personnel of the Group,
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group.
 - (ii) The entity is an associate or joint venture of the other entity.
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) The entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
 - (vii) A person identified in (a)(i) above has significant influence over the Group or is a member of the key management personnel of the entity.
 - (viii) The entity, or any member of a group when it is a part, provides key management personnel services to the Group.

NOTES TO THE FINANCIAL STATEMENTS

- 31 MARCH 2016 (Cont'd)



4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Freehold land and buildings RM	Leasehold land and buildings RM	Plant and machinery RM	Fittings, equipment, motor vehicles and renovation RM	Capital expenditure in progress RM	Total RM
2016						
At cost						
Balance at beginning	53,392,213	3,200,000	55,592,995	15,839,440	455,672	128,480,320
Additions	-	-	2,286,113	1,908,448	380,893	4,575,454
Disposals	-	-	(892,006)	(375,352)	-	(1,267,358)
Written off	-	-	(928,000)	(2,007)	-	(930,007)
Reclassified from investment properties	-	-	-	-	450,000	450,000
Balance at end	53,392,213	3,200,000	56,059,102	17,370,529	1,286,565	131,308,409
Accumulated depreciation						
Balance at beginning	6,767,961	573,499	39,496,241	10,174,503	-	57,012,204
Current charge	543,293	48,211	1,904,325	1,503,121	-	3,998,950
Disposals	-	-	(416,878)	(315,932)	-	(732,810)
Written off	-	-	(540,677)	(1,003)	-	(541,680)
Balance at end	7,311,254	621,710	40,443,011	11,360,689	-	59,736,664
Accumulated impairment loss						
Balance at beginning	-	-	1,214,076	-	-	1,214,076
Written off	-	-	(370,788)	-	-	(370,788)
Balance at end	-	-	843,288	-	-	843,288
Carrying amount	46,080,959	2,578,290	14,772,803	6,009,840	1,286,565	70,728,457

NOTES TO THE FINANCIAL STATEMENTS

- 31 MARCH 2016 (Cont'd)



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

GROUP

	Freehold land and buildings RM	Leasehold land and buildings 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						
Balance at beginning	-	-	1,214,076	-	-	1,214,076
Carrying amount	46,624,252	2,626,501	14,882,678	5,664,937	455,672	70,254,040



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

COMPANY

	Fittings, equipment, and office equipment RM	Motor vehicles RM	Capital expenditure in progress RM	Total RM
2016				
At cost				
Balance at beginning	3,547,083	1,968,938	-	5,516,021
Additions	99,919	-	25,000	124,919
Balance at end	<u>3,647,002</u>	<u>1,968,938</u>	<u>25,000</u>	<u>5,640,940</u>
Accumulated depreciation				
Balance at beginning	3,378,382	438,664	-	3,817,046
Current charge	55,109	348,495	-	403,604
Balance at end	<u>3,433,491</u>	<u>787,159</u>	<u>-</u>	<u>4,220,650</u>
Carrying amount	<u>213,511</u>	<u>1,181,779</u>	<u>25,000</u>	<u>1,420,290</u>
2015				
At cost				
Balance at beginning	3,533,710	584,465	-	4,118,175
Additions	18,582	1,384,473	-	1,403,055
Disposals	(5,209)	-	-	(5,209)
Balance at end	<u>3,547,083</u>	<u>1,968,938</u>	<u>-</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
Disposals	(5,208)	-	-	(5,208)
Balance at end	<u>3,378,382</u>	<u>438,664</u>	<u>-</u>	<u>3,817,046</u>
Carrying amount	<u>168,701</u>	<u>1,530,274</u>	<u>-</u>	<u>1,698,975</u>

- (i) The carrying amount of the Group's leasehold land and buildings which are pledged as securities for banking facilities granted to a subsidiary is **RM2,578,290** (2015: RM2,626,501).
- (ii) The carrying amount of the Group's and of the Company's property, plant and equipment being acquired under finance lease are as follows:

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Plant and machinery	2,146,141	2,267,664	-	-
Motor vehicles	3,027,799	3,512,787	1,181,776	1,530,271
	<u>5,173,940</u>	<u>5,780,451</u>	<u>1,181,776</u>	<u>1,530,271</u>

The leased assets are pledged as security for the related finance lease as disclosed in Note 16.

NOTES TO THE FINANCIAL STATEMENTS

- 31 MARCH 2016 (Cont'd)



5. INVESTMENT PROPERTIES

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
At fair value				
Balance at beginning	37,740,114	36,211,800	24,727,698	24,727,698
Additions	1,650,000	1,528,314	-	-
Reclassified to property, plant and equipment	(450,000)	-	-	-
Balance at end	<u>38,940,114</u>	<u>37,740,114</u>	<u>24,727,698</u>	<u>24,727,698</u>

The breakdown of the investment properties are as follows:

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Freehold land	3,321,800	2,671,800	-	-
Leasehold land and buildings	35,618,314	35,068,314	24,727,698	24,727,698
	<u>38,940,114</u>	<u>37,740,114</u>	<u>24,727,698</u>	<u>24,727,698</u>

(i) The carrying amount of the Group's and of the Company's investment properties which are pledged as securities for banking facilities granted to the Company and certain subsidiaries are **RM33,128,314** (2015: RM33,128,314) and **RM24,727,698** (2015: RM24,727,698) respectively.

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

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Rental income from rental generating properties	2,489,040	2,395,658	2,302,192	2,231,780
Direct operating expenses arising from:				
- Rental generating properties	232,462	344,033	219,276	334,114
- Non-rental generating properties	11,420	22	-	-

(iii) For fair value measurement of the investment properties, refer Note 31.5 to the financial statements.

6. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2016 RM	2015 RM
Unquoted shares, at cost	92,787,981	92,787,981
Less: Accumulated impairment loss	(57,423,688)	(57,423,688)
	<u>35,364,293</u>	<u>35,364,293</u>



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
	2016 %	2015 %	
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	Dormant.
Edit Systems (M) Sdn. Bhd.	70	70	Dormant.
Syarikat Perkilangan Besi Gaya Sdn. Bhd.	100	100	Trading of tyre wire scraps, shredding, processing and trading of ferrous and non-ferrous scrap metals.
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 provision of recreational and leisure activity.
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	100	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.

2015

- (i) On 10 February 2014, the Company entered into an agreement with the vendor of Kembang Kartika Sdn. Bhd. ("KKSB") to acquire the remaining 49.99% equity interest of KKSB for a cash consideration of RM8,000,000. Upon execution of the agreement, the Company paid RM4,000,000 to the vendor of KKSB and the remaining consideration of RM4,000,000 was paid during the financial year ended 31 March 2015. Consequently, KKSB 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.



7. OTHER INVESTMENTS

	GROUP	
	2016 RM	2015 RM
Available-for-sale financial assets		
- Shares quoted in Malaysia, at fair value	2,333,297	3,153,654
- Unit trusts quoted in Malaysia, at fair value	28,471	28,471
- Unquoted shares, at cost	2,999,838	2,999,838
Less: Allowance for impairment	(2,999,837)	(882,061)
	1	2,117,777
	2,361,769	5,299,902
Held-to-maturity investments		
- Loan stocks quoted in Malaysia, at cost	-	2,310,000
* - Debentures quoted in Malaysia, at cost	-	-
	-	2,310,000
	2,361,769	7,609,902
Market value of:		
- Quoted shares	2,333,297	3,153,654
- Quoted unit trusts	28,471	28,471
- Loan stocks	-	2,194,500
- Debentures	67,500	-

* Debentures comprise free warrants from an investment in shares quoted in Malaysia.

The movement of accumulated impairment losses of investments is as follows:

	GROUP	
	2016 RM	2015 RM
Balance at beginning	882,061	882,061
Current year	2,117,776	-
Balance at end	2,999,837	882,061

8. INVENTORIES

	GROUP	
	2016 RM	2015 RM
Raw materials	10,455,862	9,324,053
Work-in-progress	55,758	67,088
Finished goods	1,621,388	1,294,649
Trading goods	603,529	809,904
	12,736,537	11,495,694

NOTES TO THE FINANCIAL STATEMENTS

- 31 MARCH 2016 (Cont'd)



8. INVENTORIES (CONT'D)

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

	GROUP	
	2016 RM	2015 RM
Inventories recognised as cost of sales	87,470,584	100,233,680
Inventories written down	-	250,787
Inventories written off	-	306,659

9. TRADE AND OTHER RECEIVABLES

	Note	GROUP		COMPANY	
		2016 RM	2015 RM	2016 RM	2015 RM
Trade receivables					
Third parties	9.1	27,912,790	35,218,392	-	-
Less: Allowance for impairment		(4,165,193)	(3,927,713)	-	-
Trade receivables, net		<u>23,747,597</u>	<u>31,290,679</u>	<u>-</u>	<u>-</u>
Other receivables					
Third parties	9.2	5,893,360	8,031,763	746,566	832,385
Less: Allowance for impairment		(3,775,208)	(2,970,817)	(710,293)	-
Sundry receivables, net		2,118,152	5,060,946	36,272	832,385
Deposits		396,955	1,251,779	32,801	31,001
Prepayments		468,204	987,678	137,347	180,274
GST receivable		116,943	-	-	-
Amount due from subsidiaries	9.3	-	-	80,753,008	84,589,604
		<u>3,100,254</u>	<u>7,300,403</u>	<u>80,959,429</u>	<u>85,633,264</u>
Total trade and other receivables		<u>26,847,851</u>	<u>38,591,082</u>	<u>80,959,429</u>	<u>85,633,264</u>

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

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Ringgit Malaysia	24,271,491	35,835,942	80,959,429	85,633,264
US Dollar	304,828	2,492,703	-	-
Singapore Dollar	2,271,532	262,437	-	-
	<u>26,847,851</u>	<u>38,591,082</u>	<u>80,959,429</u>	<u>85,633,264</u>

9.1 Trade receivables

GROUP

- (i) Trade receivables are non-interest bearing and are generally on **14 to 120 days** (2015: 14 to 120 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (ii) Included herein are the following:
 - (a) Retention sum of **RM3,034,397** (2015: RM2,171,316) relating to the supply of steel roofing, cable support system and its related accessories.



9. TRADE AND OTHER RECEIVABLES (CONT'D)

9.1 Trade receivables (Cont'd)

(ii) Included herein are the following (Cont'd):

(b) An amount of **RM NIL** (2015: RM75,272) which is interest bearing. Interest is charged at **NIL** (2015: 6.60%) per annum.

(iii) The movement of allowance for impairment is as follows:

	GROUP	
	2016 RM	2015 RM
Balance at beginning	3,927,713	4,239,397
Current year	237,480	9,538
Recovered	-	(321,222)
Balance at end	<u>4,165,193</u>	<u>3,927,713</u>

(iv) Offsetting of financial instruments

The following table provides information of financial assets and liabilities that have been set off for presentation purpose:

	Gross amount RM	Balance that are set off RM	Net carrying amount RM
2016			
Trade receivables	24,515,543	(767,946)	23,747,597
Trade payables	(10,054,832)	539,176	(9,515,656)
Other payables	<u>(2,767,256)</u>	<u>228,770</u>	<u>(2,538,486)</u>

Certain trade receivables, trade payables and other payables were set off for presentation purpose because they have enforceable right to set off and they intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

There were no offsetting of financial assets and liabilities as at 31 March 2015.

9.2 Other receivables

GROUP AND COMPANY

(i) Included herein are the following:

(a) An amount of **RM697,143** (2015: RM697,143) receivable from Select Galva India Private Limited arising from the terms attached to the disposal of SMPC Industries (India) Private Limited on 26 March 2014. This amount has been fully impaired during the financial year.

(b) An amount of **RM NIL** (2015: RM222,594) and **RM NIL** (2015: RM30,495) of the Group's and Company's receivables respectively, which are due from companies in which a director of the Company has deemed interest.



9. TRADE AND OTHER RECEIVABLES (CONT'D)

9.2 Other receivables (Cont'd)

GROUP AND COMPANY (CONT'D)

(ii) The movement of allowance for impairment is as follows:

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Balance at beginning	2,970,817	2,453,725	-	-
Current year	804,391	517,092	710,293	-
Balance at end	3,775,208	2,970,817	710,293	-

9.3 Amount due from subsidiaries

The amount due from subsidiaries is non-trade related, 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%** (2015: 3.00% to 3.30%) per annum and **1 to 12 months** (2015: 1 to 12 months) respectively.

11. CASH AND BANK BALANCES

The currency profile of cash and bank balances is as follows:

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Ringgit Malaysia	3,475,800	3,406,526	176,666	53,082
US Dollar	667,504	-	-	-
	4,143,304	3,406,526	176,666	53,082

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12. SHARE CAPITAL

	Number of ordinary shares of RM1 each		Amount	
	2016	2015	2016 RM	2015 RM
Authorised	800,000,000	800,000,000	800,000,000	800,000,000
Issued and fully paid				
Balance at beginning	77,978,009	54,704,859	77,978,009	54,704,859
Issuance pursuant to:				
Conversion of ICULS	-	1,850,000	-	1,850,000
Rights issue	-	21,423,150	-	21,423,150
Exercise of ESOS	595,000	-	595,000	-
Cancellation of treasury shares	(7,721,756)	-	(7,721,756)	-
Balance at end	70,851,253	77,978,009	70,851,253	77,978,009

2016

During the financial year, the Company undertook the following:

- (i) Issuance of 595,000 new ordinary shares of RM1 each for cash arising from the exercise of employees' share options at an exercise price of RM1 each per ordinary share. The proceeds were used for working capital purposes; and
- (ii) Cancellation of 7,721,756 treasury shares of RM5,463,430 against share capital (nominal value) of RM7,721,756 and the excess of RM2,258,326 is credited to capital redemption reserve.

2015

During the previous financial year, the Company undertook the following:

- (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.

13. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS

	Number of ICULS of RM0.10 each		Amount	
	2016	2015	2016 RM	2015 RM
Balance at beginning	220,642,969	222,492,969	22,064,297	22,249,297
Converted to ordinary shares	-	(1,850,000)	-	(185,000)
Balance at end	220,642,969	220,642,969	22,064,297	22,064,297

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.

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13. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (CONT'D)

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.

14. OTHER RESERVES

	Note	GROUP		COMPANY	
		2016 RM	2015 RM	2016 RM	2015 RM
Distributable					
Retained profits	14.1	18,560,564	21,005,029	19,875,750	19,067,840
Non-distributable					
Share premium		11,831,467	11,787,494	11,789,058	11,787,494
Treasury shares	14.2	(2,236,069)	(3,182,418)	(2,236,069)	(3,182,418)
Warrants reserve	14.3	5,779,334	5,779,334	5,779,334	5,779,334
Discount on shares	14.3	(5,698,794)	(5,698,794)	(5,698,794)	(5,698,794)
Fair value reserve	14.4	359,031	663,732	-	-
Capital reserve	14.5	(262,746)	(262,746)	7,445,000	7,445,000
ESOS reserve	14.6	329,781	325,383	89,630	56,437
Capital redemption reserve	14.7	2,258,326	-	2,258,326	-
		<u>12,360,330</u>	<u>9,411,985</u>	<u>19,426,485</u>	<u>16,187,053</u>
		<u>30,920,894</u>	<u>30,417,014</u>	<u>39,302,235</u>	<u>35,254,893</u>

14.1 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.

14.2 Treasury shares

The shareholders of the Company by a special resolution passed in a general meeting held on 23 September 2015, 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.



14. OTHER RESERVES (CONT'D)

14.2 Treasury shares (Cont'd)

The details of the treasury shares during the financial year are as follows:

	2016		2015	
	No. of shares	RM	No. of shares	RM
Balance at beginning	4,378,456	3,182,418	2,434,668	2,572,935
Shares repurchased	6,933,800	4,517,081	5,455,500	4,045,236
Shares cancelled	(7,721,756)	(5,463,430)	-	-
Share dividend distribution	-	-	(3,511,712)	(3,435,753)
Balance at end	3,590,500	2,236,069	4,378,456	3,182,418

Of the total **70,851,253** (2015: 77,978,009) issued and paid-up ordinary shares of RM1 each as at 31 March 2016, **3,590,500** (2015: 4,378,456) ordinary shares are held as treasury shares by the Company. The number of outstanding ordinary shares in issue is therefore **67,260,753** (2015: 73,599,553) ordinary shares of RM1 each.

2016

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

Month	Price per share			Number of shares	Total consideration RM
	Lowest	Highest	Average		
May 2015	0.64	0.65	0.65	144,000	93,373
June 2015	0.64	0.71	0.68	3,199,300	2,187,639
September 2015	0.54	0.58	0.56	851,000	476,719
October 2015	0.63	0.66	0.64	2,739,400	1,759,250
March 2016	0.57	0.57	0.57	100	100
				6,933,800	4,517,081

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.

On 25 June 2015, the Company cancelled 7,721,756 treasury shares of RM5,463,430 against share capital (nominal value) of RM7,721,756 and the excess of RM2,258,326 is credited to capital redemption reserve.

2015

The Company repurchased 5,455,500 of its issued and paid-up ordinary shares from the open market. The average price paid for the shares repurchased was RM0.74 per share.

The Company declared and approved a share dividend via distribution of 3,511,712 treasury shares on the basis of 1 treasury share for every 20 ordinary shares held.

14.3 Warrants reserve and Discount on shares

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

	2016	2015
	RM	RM
Warrants B expiring 9 May 2022 (Note 14.3(i))	3,186,005	3,186,005
Warrants C expiring 24 November 2024 (Note 14.3(ii))	2,593,329	2,593,329
	5,779,334	5,779,334



14. OTHER RESERVES (CONT'D)

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

(i) Warrants B

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

On 24 November 2014, 1,044,807 additional Warrants B are issued pursuant to the adjustment made to the outstanding Warrants B consequent to its rights issue exercise. During the financial year, no Warrants B were exercised. As at 31 March 2016, there was a total of 21,382,993 unexercised Warrants B.

(ii) Warrants C

On 18 November 2014, the Company issued 10,711,565 10-year free detachable warrants 2014/2024 ("Warrants C"). 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 2016, 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.

14.4 Fair value reserve

	GROUP	
	2016 RM	2015 RM
Balance at beginning	663,732	578,808
Other comprehensive (loss)/income:		
Fair value changes in available-for-sale financial assets	(102,518)	84,924
Net loss on available-for-sale financial assets transfer to profit or loss upon disposal	(202,183)	-
	<u>(304,701)</u>	<u>84,924</u>
Balance at end	<u>359,031</u>	<u>663,732</u>

NOTES TO THE FINANCIAL STATEMENTS

- 31 MARCH 2016 (Cont'd)



14. OTHER RESERVES (CONT'D)

14.4 Fair value reserve (Cont'd)

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

14.5 Capital reserve

GROUP

Capital reserve represents the premium paid for the acquisition from its non-controlling interest of a subsidiary 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.

14.6 ESOS reserve

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Balance at beginning	325,383	301,606	56,437	42,970
Share options exercised	(33,973)	-	8,436	-
Share based payment transactions	38,371	23,777	24,757	13,467
Balance at end	<u>329,781</u>	<u>325,383</u>	<u>89,630</u>	<u>56,437</u>

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.

14.7 Capital redemption reserve

Capital redemption reserve represents the excess of the nominal value of share capital over the carrying amount of the treasury shares cancelled.

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15. TRADE AND OTHER PAYABLES

	Note	GROUP		COMPANY	
		2016 RM	2015 RM	2016 RM	2015 RM
Non-current					
Retirement benefit obligations	15.1	-	467,069	-	-
Current					
Trade					
Third parties	15.2	9,515,656	15,890,034	-	-
Non-trade					
Retirement benefit obligations	15.1	22,912	19,129	-	-
Other payables	15.3	2,538,486	2,530,049	220,037	157,424
Accruals		2,469,134	1,719,914	271,674	432,127
Prepayment and deposits received for letting of properties		936,108	977,016	344,592	363,372
GST payable		318,733	-	3,755	-
Advances from customers		171,644	221,096	-	-
		6,457,017	5,467,204	840,058	952,923
		15,972,673	21,357,238	840,058	952,923
Total trade and other payables		15,972,673	21,824,307	840,058	952,923

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

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Ringgit Malaysia	15,832,397	19,873,221	840,058	952,923
US Dollar	140,276	295,360	-	-
Singapore Dollar	-	1,655,726	-	-
	15,972,673	21,824,307	840,058	952,923

15.1 Retirement benefit obligations

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

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Balance at beginning	486,198	1,316,512	-	377,402
* Reversal due to termination	(472,619)	(579,803)	-	(377,402)
Additional provision	11,134	33,719	-	-
Lapsed due to resignation	(1,801)	(81,922)	-	-
Utilised	-	(202,308)	-	-
Balance at end	22,912	486,198	-	-

* Upon approval by the Company's Board of Directors in the previous financial year, the Retirement Benefits Scheme 1 (refer Note 3.13 for details) of the Company and certain subsidiaries have been terminated. Employees were given an option for early retirement pursuant to the termination of Scheme 1. 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.

NOTES TO THE FINANCIAL STATEMENTS

- 31 MARCH 2016 (Cont'd)



15. TRADE AND OTHER PAYABLES (CONT'D)

15.1 Retirement benefit obligations (Cont'd)

The payment of the retirement benefits is as follows:

	GROUP	
	2016 RM	2015 RM
Current:		
Within one year	22,912	19,129
Non-current:		
Later than five years	-	467,069
	<u>22,912</u>	<u>486,198</u>

15.2 Trade payables

The trade payables are non-interest bearing and are normally settled within **14 to 60 days** (2015: 14 to 60 days) credit terms.

15.3 Other payables

Included herein is an amount of **RM NIL** (2015: RM7,776) due to a company in which a director of the Company has deemed interest.

16. BORROWINGS

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Non-current liabilities				
Finance lease liabilities				
Minimum payment:				
Within 1 year	1,661,134	1,370,878	373,296	373,296
Later than 1 year but not later than 2 years	1,339,181	1,303,777	296,891	373,296
Later than 2 years but not later than 5 years	989,813	1,639,030	28,305	325,196
Later than 5 years	-	9,650	-	-
	<u>3,990,128</u>	<u>4,323,335</u>	<u>698,492</u>	<u>1,071,788</u>
Future finance charges	(286,457)	(402,494)	(19,347)	(43,272)
	<u>3,703,671</u>	<u>3,920,841</u>	<u>679,145</u>	<u>1,028,516</u>
Amount due within 1 year included under current liabilities	(1,498,381)	(1,161,303)	(359,015)	(349,371)
	<u>2,205,290</u>	<u>2,759,538</u>	<u>320,130</u>	<u>679,145</u>
Term loans				
Total amount repayable	8,000,778	9,071,716	8,000,778	9,071,716
Amount due within 1 year included under current liabilities	(1,105,451)	(1,015,411)	(1,105,451)	(1,015,411)
	<u>6,895,327</u>	<u>8,056,305</u>	<u>6,895,327</u>	<u>8,056,305</u>
	<u>9,100,617</u>	<u>10,815,843</u>	<u>7,215,457</u>	<u>8,735,450</u>

NOTES TO THE FINANCIAL STATEMENTS

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16. BORROWINGS (CONT'D)

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Current liabilities				
Bank overdrafts	46,518	414,056	-	-
Bankers acceptance	547,000	587,000	-	-
Finance lease liabilities	1,498,381	1,161,303	359,015	349,371
Revolving credit	1,300,000	-	-	-
Term loan	1,105,451	1,015,411	1,105,451	1,015,411
	4,497,350	3,177,770	1,464,466	1,364,782
Total borrowings	13,597,967	13,993,613	8,679,923	10,100,232

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 former director of the Company, and
- (v) Leased assets as disclosed in Note 4(ii).

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 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM	More than 5 years RM
GROUP						
2016						
Bank overdrafts	8.85	46,518	46,518	-	-	-
Bankers acceptance	5.78 to 5.82	547,000	547,000	-	-	-
Finance lease liabilities	2.00 to 4.00	3,703,671	1,498,381	1,252,872	952,418	-
Revolving credit	5.27 to 5.29	1,300,000	1,300,000	-	-	-
Term loan	8.10	8,000,778	1,105,451	1,198,392	4,234,309	1,462,626
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

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- 31 MARCH 2016 (Cont'd)



16. BORROWINGS (CONT'D)

	Average effective interest rate per annum (%)	Total RM	Within 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM	More than 5 years RM
COMPANY						
2016						
Finance lease liabilities	2.13 to 2.28	679,145	359,015	292,110	28,020	-
Term loan	8.10	8,000,778	1,105,451	1,198,392	4,234,309	1,462,626
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

17. DEFERRED TAX LIABILITIES

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Revaluation surplus				
Balance at beginning	2,216,195	2,309,207	1,054,207	1,102,768
Recognised in profit or loss	(93,012)	(93,012)	(48,561)	(48,561)
Balance at end	2,123,183	2,216,195	1,005,646	1,054,207
Other temporary differences				
Balance at beginning	1,254,000	1,682,000	344,000	237,000
Recognised in profit or loss	97,000	131,000	84,000	182,000
	1,351,000	1,813,000	428,000	419,000
Over provision in prior year	(113,000)	(559,000)	(31,000)	(75,000)
Balance at end	1,238,000	1,254,000	397,000	344,000
Total deferred tax liabilities	3,361,183	3,470,195	1,402,646	1,398,207

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

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Revaluation surplus	2,123,183	2,216,195	1,005,646	1,054,207
Property, plant and equipment	2,422,000	2,296,000	1,581,000	1,354,000
Unabsorbed tax losses	(176,000)	(176,000)	(176,000)	(176,000)
Unabsorbed capital allowances	(1,008,000)	(834,000)	(1,008,000)	(834,000)
Retirement benefit	-	(32,000)	-	-
	3,361,183	3,470,195	1,402,646	1,398,207

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18. REVENUE

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Sale of goods	119,661,518	138,846,500	-	-
Rental of industrial and commercial assets	2,332,192	2,231,780	2,302,192	2,231,780
Gross dividend income from investment in quoted shares	66,592	96,593	-	-
Interest from investment in quoted debenture	-	34,405	-	-
Gross dividend from subsidiaries	-	-	1,806,525	2,000,000
Management fee from subsidiaries	-	-	1,040,000	1,335,000
	122,060,302	141,209,278	5,148,717	5,566,780

19. OTHER INCOME

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Dividend income	360	840	-	-
Gain on disposal of other investments	26,130	1,734,223	-	-
Gain on disposal of property, plant and equipment	48,081	1,793	-	199
Impairment loss on trade receivables recovered	-	321,222	-	-
Interest income	26,339	187,416	17,256	37,230
Net fair value adjustment on available-for-sale financial assets realised upon disposal	202,183	-	-	-
Realised gain on foreign exchange	445,681	111,649	-	-
Rental income	265,698	163,878	-	-
Scrap sales	159,856	381,563	-	-
Unrealised gain on foreign exchange	-	157,747	-	-
Others	98,001	164,840	-	90
	1,272,329	3,225,171	17,256	37,519

20. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Wages and salaries	9,162,538	8,812,077	626,529	932,693
Contributions to defined contribution plan	702,053	683,373	78,347	112,103
Equity-settled share-based payment	24,757	108,071	24,757	13,467
Social security contributions	71,948	70,714	4,942	7,583
Decrease in liability for defined benefit plan (Note 15.1)	(435,018)	(628,006)	-	(377,402)
Other benefits	434,462	507,189	59,279	56,913
	9,960,740	9,553,418	793,854	745,357

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to **RM1,039,918** (2015: RM1,166,788) and **RM383,680** (2015: RM295,680) respectively, as further disclosed in Note 21.

NOTES TO THE FINANCIAL STATEMENTS

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21. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Directors of the Company				
Executive:				
Salaries and other emoluments	759,799	833,090	264,000	264,000
Defined contribution plans	81,072	66,672	31,680	31,680
Fee - under provision in prior year	88,000	-	88,000	-
	<u>928,871</u>	<u>899,762</u>	<u>383,680</u>	<u>295,680</u>
Non-executive:				
Fee				
- current year	44,000	89,000	44,000	89,000
- over provision in prior years	(111,000)	-	(111,000)	-
	<u>(67,000)</u>	<u>89,000</u>	<u>(67,000)</u>	<u>89,000</u>
Directors of subsidiaries:				
Executive:				
Salaries and other emoluments	108,707	243,890	-	-
Defined contribution plans	2,340	23,136	-	-
	<u>111,047</u>	<u>267,026</u>	<u>-</u>	<u>-</u>
Total directors' remuneration	<u>972,918</u>	<u>1,255,788</u>	<u>316,680</u>	<u>384,680</u>
Analysed as:				
Total executive directors' remuneration (Note 21)				
- Current year	951,918	1,166,788	295,680	295,680
- Under provision in prior years	88,000	-	88,000	-
	<u>1,039,918</u>	<u>1,166,788</u>	<u>383,680</u>	<u>295,680</u>
Total non-executive directors' remuneration (Note 23)				
- Current year	44,000	89,000	44,000	89,000
- Over provision in prior years	(111,000)	-	(111,000)	-
	<u>(67,000)</u>	<u>89,000</u>	<u>(67,000)</u>	<u>89,000</u>
	<u>972,918</u>	<u>1,255,788</u>	<u>316,680</u>	<u>384,680</u>
Represented by:				
Present directors	1,036,918	1,157,252	380,680	367,680
Past directors	(64,000)	98,536	(64,000)	17,000
	<u>972,918</u>	<u>1,255,788</u>	<u>316,680</u>	<u>384,680</u>

22. FINANCE COSTS

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Interest expense on:				
Borrowings	734,704	1,398,688	642,204	738,040
Finance lease	285,798	150,793	23,925	15,867
Loan from a related party	-	(10,000)	-	-
	<u>1,020,502</u>	<u>1,539,481</u>	<u>666,129</u>	<u>753,907</u>

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23. (LOSS)/PROFIT BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
After charging:				
Auditors' remuneration				
- Company's auditors				
- statutory audit				
- current year	118,000	116,600	28,000	28,000
- under/(over) provision in prior years	3,000	(3,000)	-	-
- Other auditors				
- statutory audit	1,500	1,500	-	-
Allowance for impairment on:				
- Investment in a subsidiary	-	-	-	638,000
- Other investments	2,117,776	18,960	-	-
- Trade receivables	237,480	9,538	-	-
- Other receivables	804,391	517,092	710,293	-
Non-executive directors' remuneration (Note 21)				
- Current year	44,000	89,000	44,000	89,000
- Over provision in prior years	(111,000)	-	(111,000)	-
Loss on disposal of other investments	93,313	-	-	-
Property, plant and equipment:				
- Written off	17,539	132,208	-	-
- Loss on disposal	402,128	-	-	-
Realised loss on foreign exchange	521	275	-	-
Rental expenses:				
- Premises	318,150	775,960	-	-
- Plant and machinery	14,745	22,491	-	-

24. TAX (EXPENSE)/INCOME

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Based on results for the year:				
Current tax	(923,000)	(888,000)	(198,000)	(283,000)
Deferred tax relating to the origination and reversal of temporary differences	(3,988)	(37,988)	(35,439)	(133,439)
	(926,988)	(925,988)	(233,439)	(416,439)
Over/(Under) provision in prior years				
- Current tax	128,051	368,524	162,811	(235,785)
- Deferred tax	113,000	559,000	31,000	75,000
	241,051	927,524	193,811	(160,785)
	(685,937)	1,536	(39,628)	(577,224)

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

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

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
(Loss)/Profit before tax	(1,746,618)	3,996,967	847,538	2,140,942
Income tax at Malaysian statutory tax rate of 24% (2015: 25%)	419,189	(999,242)	(203,409)	(535,236)
Income not subject to tax	229,050	497,594	433,566	500,050
Double deduction for promotion of exports	17,497	8,875	-	-
Expenses not deductible for tax purposes	(1,707,350)	(782,253)	(512,157)	(437,388)
Deferred tax movements not recognised	(313,545)	(425,741)	-	-
Utilisation of unabsorbed tax losses and capital allowances	335,159	665,643	-	-
Annual crystallisation of deferred tax on revaluation	93,012	93,012	48,561	48,561
Changes in tax rate	-	16,124	-	7,574
	(926,988)	(925,988)	(233,439)	(416,439)
Over/(Under) provision in prior years	241,051	927,524	193,811	(160,785)
	(685,937)	1,536	(39,628)	(577,224)

As at the end of the reporting period, the Group has not recognised the following deferred tax (assets)/liabilities:

	GROUP	
	2016 RM	2015 RM
Property, plant and equipment	3,770,000	3,147,000
Unabsorbed tax losses	(14,973,000)	(14,874,000)
Unabsorbed capital allowances	(2,217,000)	(1,636,000)
Unabsorbed reinvestment allowance	(2,121,000)	(2,121,000)
Retirement benefit obligations	-	(80,000)
	(15,541,000)	(15,564,000)

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 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	
	2016 RM	2015 RM	2016 RM	2015 RM
Unabsorbed tax losses	63,567,000	63,154,000	735,000	735,000
Unabsorbed capital allowances	13,464,000	11,796,000	4,199,000	4,053,000
Unabsorbed reinvestment allowance	8,838,000	8,838,000	-	-
Unabsorbed allowance for increase in export	1,979,000	1,979,000	-	-



25. LOSSES/EARNINGS PER SHARE

25.1 Basic

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

	GROUP	
	2016	2015
(Losses)/Profit for the financial year (RM)	<u>(2,430,851)</u>	<u>4,000,395</u>
Weighted average number of shares	<u>69,174,630</u>	<u>59,545,900</u>
Basic (losses)/earnings per share (sen)	<u>(3.51)</u>	<u>6.72</u>

25.2 Diluted

There is no diluted losses/earnings per share as the Company does not have any dilutive potential ordinary shares as at the end of the reporting period.

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.

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26. SEGMENTAL INFORMATION (CONT'D)

By business segments

	Manufacturing		Trading		Others		Elimination		Total	
	2016 RM	2015 RM	2016 RM	2015 RM	2016 RM	2015 RM	2016 RM	2015 RM	2016 RM	2015 RM
Revenue										
External sales	80,157,577	73,378,594	39,503,941	65,467,906	2,398,784	2,362,778	-	-	122,060,302	141,209,278
Inter-segment sales	536,073	638,592	2,543,038	8,101,907	2,846,525	3,335,000	(5,925,636)	(12,075,499)	-	-
Total revenue	80,693,650	74,017,186	42,046,979	73,569,813	5,245,309	5,697,778	(5,925,636)	(12,075,499)	122,060,302	141,209,278
Results										
Segment results	1,536,364	1,512,192	(2,110,174)	713,209	1,627,879	4,566,616	(1,806,524)	(1,442,985)	(752,455)	5,349,032
Interest income	3,363	1,993	5,517	147,132	17,459	38,291	-	-	26,339	187,416
Interest expense	(186,356)	(684,582)	(168,017)	(100,992)	(666,129)	(753,907)	-	-	(1,020,502)	(1,539,481)
Tax (expense)/income	(589,335)	252,431	(49,462)	345,654	(47,140)	(596,549)	-	-	(685,937)	1,536
Profit/(Loss) for the financial year	764,036	1,082,034	(2,322,136)	1,105,003	932,069	3,254,451	(1,806,524)	(1,442,985)	(2,432,555)	3,998,503
Assets										
Segment assets	90,301,987	96,776,402	40,235,992	52,856,986	147,962,434	163,973,370	(126,885,685)	(147,915,926)	151,614,728	165,690,832
Current tax assets	344,284	304,059	139,723	162,676	-	-	-	-	484,007	466,735
Fixed deposits with licensed banks	-	-	-	-	554,912	537,656	-	-	554,912	537,656
Cash and bank balances	2,758,895	2,260,915	851,142	908,370	233,267	237,241	300,000	-	4,143,304	3,406,526
Total assets	93,405,166	99,341,376	41,226,857	53,928,032	148,750,613	164,748,267	(126,585,685)	(147,915,926)	156,796,951	170,101,749
Liabilities										
Segment liabilities	48,440,570	53,196,980	63,666,090	74,775,819	3,314,219	14,629,953	(99,448,206)	(120,778,445)	15,972,673	21,824,307
Deferred tax liabilities	1,958,537	2,071,988	-	-	1,402,646	1,398,207	-	-	3,361,183	3,470,195
Current tax liabilities	86,287	196,682	-	-	69,876	283,407	-	-	156,163	480,089
Borrowings	1,906,043	2,370,524	3,012,001	1,522,857	8,679,923	10,100,232	-	-	13,597,967	13,993,613
Total liabilities	52,391,437	57,836,174	66,678,091	76,298,676	13,466,664	26,411,799	(99,448,206)	(120,778,445)	33,087,986	39,768,204
Other information										
Additions to non-current assets	11,249,124	1,937,845	3,217,563	4,067,225	1,893,403	11,690,763	(10,134,636)	(10,134,636)	6,225,454	7,561,197
Depreciation	2,373,573	2,389,932	1,221,773	851,784	403,604	181,762	-	-	3,998,950	3,423,478
Non-cash expenses/(income) other than depreciation	616,178	299,537	2,178,632	870,970	626,180	(1,082,955)	-	(638,000)	3,420,990	(550,448)



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	
	2016 RM	2015 RM
Equity-settled share-based payment transactions	24,757	108,071
Loss/(Gain) on disposal of other investments	67,183	(1,734,223)
Loss/(Gain) on disposal of property, plant and equipment	354,047	(1,793)
Impairment loss on other investments	2,117,776	18,960
Impairment loss on receivables	1,041,871	526,630
Inventories written down	-	250,787
Inventories written off	-	306,659
Net fair value adjustment on available-for-sale financial assets realised upon disposal	(202,183)	-
Property, plant and equipment written off	17,539	132,208
Unrealised gain on foreign exchange	-	(157,747)
	3,420,990	(550,448)

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	
	2016 RM	2015 RM	2016 RM	2015 RM
Malaysia	114,388,239	137,278,961	109,668,571	107,994,154
Others	7,672,063	3,930,317	-	-
	122,060,302	141,209,278	109,668,571	107,994,154

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:

	2016 RM	2015 RM
Property, plant and equipment	70,728,457	70,254,040
Investment properties	38,940,114	37,740,114
	109,668,571	107,994,154

Information about major customers

Total revenue from 2 (2015: 1) major customers which contributed more than 10% of the Group's revenue amounted to **RM57,804,996** (2015: RM57,446,162).

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27. RELATED PARTY DISCLOSURES

(i) Identity of related parties

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

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.
Hock Lok Siew Realty Sdn. Bhd.	: A company in which a director of the Company, Mr. Ooi Chieng Sim, has financial interest.

* Ceased to be related parties of the Group and the Company following Dato' Lee Hean Guan's resignation as the Company's director on 14 March 2016.

(ii) Related party transactions

	GROUP		COMPANY	
	2016	2015	2016	2015
	RM	RM	RM	RM
Management fee received from subsidiaries	-	-	1,040,000	1,335,000
Rental of warehouse received from See Hup Pioneer Logistics Sdn. Bhd.	43,200	164,228	43,200	164,228
Rental of warehouse and open yard paid to Limsa Ekuiti Sdn. Bhd.	-	462,560	-	-
Rental of plant and equipment and transportation of goods and services paid to See Hup Transport Company Sdn. Bhd.	-	8,210	-	-
Logistics services and supply of scrap metal and other steel related products received from See Hup Pioneer Logistics Sdn. Bhd.	-	10,000	-	-
Investments in shares and loan stocks of See Hup Consolidated Berhad	-	10,192	-	-
Sale of motor vehicle to a key management personnel	-	73,000	-	-

(iii) Understanding Agreement

On 15 May 2015, Park Avenue Construction Sdn. Bhd. ("PASB"), a wholly-owned subsidiary of the Company entered into an Understanding Agreement with a related party, Hock Lok Siew Realty Sdn. Bhd. ("HLSR") whereby HLSR has consented to PASB occupying HLSR's orchard without rental charged. PASB will use HLSR's brand name and in return manage the orchard, collect rental and earn profit from the sale of fruits harvested from the orchard.

During the financial year, income earned from this arrangement amounted to **RM30,000** (2015: RM NIL).

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27. RELATED PARTY DISCLOSURES (CONT'D)

(iv) Compensation of key management personnel

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly.

Key management personnel comprise the Board of Directors of the Company and of its subsidiaries of which their remuneration is disclosed in Note 21.

28. CONTINGENT LIABILITIES

28.1 Unsecured:

	COMPANY	
	2016	2015
	RM	RM
(i) Corporate guarantee extended to banks and financial institutions for credit facilities granted to subsidiaries		
- Limit	10,466,240	6,048,540
- Utilised	3,499,181	3,505,966
(ii) Corporate guarantee extended to suppliers of subsidiaries		
- Limit	11,815,000	11,815,000
- Utilised	4,215,709	5,550,994

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.

(iii) Certain subsidiaries were subjected to an income tax examination by the Inland Revenue Board ("IRB") for the years of assessment 2009 to 2014. There is no indication of any additional tax liabilities to be raised by the IRB and as at the end of the reporting period, the examination has yet to be finalised.

28.2 Secured:

	COMPANY	
	2016	2015
	RM	RM
Banking facilities granted to a subsidiary secured by way of legal charge over the Company's leasehold land and building		
- Limit	4,000,000	-
- Utilised	1,300,000	-



29. COMMITMENTS

(i) Capital commitments

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Authorised and contracted for:				
- Property, plant and equipment	618,885	2,203,173	25,000	25,000
Authorised but not contracted for:				
- Property, plant and equipment	6,713,257	6,902,910	-	-

(ii) 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	
	2016 RM	2015 RM
Within 1 year	2,297,280	452,592
More than 1 year and less than 2 years	382,880	-
	2,680,160	452,592

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").

	Carrying amount RM	AFS RM	HTM RM	L&R RM	FL RM
GROUP					
2016					
Financial assets					
Other investments	2,361,769	2,361,769	-	-	-
Trade and other receivables	26,376,054	-	-	26,376,054	-
Fixed deposits with licensed banks	554,912	-	-	554,912	-
Cash and bank balances	4,143,304	-	-	4,143,304	-
	33,436,039	2,361,769	-	31,074,270	-
Financial liabilities					
Trade and other payables	14,877,432	-	-	-	14,877,432
Borrowings	13,597,967	-	-	-	13,597,967
	28,475,399	-	-	-	28,475,399



30. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D)

	Carrying amount RM	AFS RM	HTM RM	L&R RM	FL RM
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	-
	<u>48,414,388</u>	<u>5,299,902</u>	<u>2,310,000</u>	<u>40,804,486</u>	<u>-</u>
Financial liabilities					
Trade and other payables	20,139,997	-	-	-	20,139,997
Borrowings	13,993,613	-	-	-	13,993,613
	<u>34,133,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,133,610</u>
COMPANY					
2016					
Financial assets					
Other receivables	80,822,082	-	-	80,822,082	-
Fixed deposits with licensed banks	554,912	-	-	554,912	-
Cash and bank balances	176,666	-	-	176,666	-
	<u>81,553,660</u>	<u>-</u>	<u>-</u>	<u>81,553,660</u>	<u>-</u>
Financial liabilities					
Other payables	495,466	-	-	-	495,466
Borrowings	8,679,923	-	-	-	8,679,923
	<u>9,175,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,175,389</u>
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	-
	<u>86,043,728</u>	<u>-</u>	<u>-</u>	<u>86,043,728</u>	<u>-</u>
Financial liabilities					
Other payables	589,551	-	-	-	589,551
Borrowings	10,100,232	-	-	-	10,100,232
	<u>10,689,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,689,783</u>

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.

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31. FINANCIAL RISK MANAGEMENT (CONT'D)

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** (2015: 14 to 120 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
2016			
Not past due	17,652,559	-	17,652,559
Past due 1 - 30 days	2,714,256	-	2,714,256
Past due 31 - 60 days	1,110,724	-	1,110,724
Past due 61 - 90 days	743,134	-	743,134
Past due more than 90 days	5,692,117	(4,165,193)	1,526,924
	<u>10,260,231</u>	<u>(4,165,193)</u>	<u>6,095,038</u>
	<u>27,912,790</u>	<u>(4,165,193)</u>	<u>23,747,597</u>
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>

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 **RM6,095,038** (2015: RM10,938,766) 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** (2015: 1 customer) representing **12%** (2015: 22%) of the total trade receivables.



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 28.1, 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						
2016						
Interest bearing borrowings	13,597,967	15,967,682	5,267,724	3,052,253	6,129,029	1,518,676
Trade and other payables	14,877,432	14,877,432	14,877,432	-	-	-
	28,475,399	30,845,114	20,145,156	3,052,253	6,129,029	1,518,676
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

NOTES TO THE FINANCIAL STATEMENTS

- 31 MARCH 2016 (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						
2016						
Interest bearing borrowings	8,679,923	10,782,528	2,086,368	2,009,963	5,167,521	1,518,676
Other payables	495,466	495,466	495,466	-	-	-
	9,175,389	11,277,994	2,581,834	2,009,963	5,167,521	1,518,676
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

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 their carrying amounts as at the end of the reporting period is as follows:

	GROUP		COMPANY	
	2016 RM	2015 RM	2016 RM	2015 RM
Fixed rate instruments				
Financial assets	554,912	612,928	554,912	537,656
Financial liabilities	3,703,671	3,920,841	679,145	1,028,516
Floating rate instruments				
Financial liabilities	9,894,296	10,072,772	8,000,778	9,071,716

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 2016 (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	
	2016 RM	2015 RM	2016 RM	2015 RM
Decrease in profit before tax	<u>23,553</u>	<u>25,241</u>	<u>19,821</u>	<u>22,779</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:

	2016		2015	
	USD RM	SGD RM	USD RM	SGD RM
Cash and bank balances	667,504	-	-	-
Trade and other receivables	304,828	2,271,532	2,492,703	262,437
Trade and other payables	(140,276)	-	(295,630)	(1,655,726)
Net exposure	<u>832,056</u>	<u>2,271,532</u>	<u>2,197,073</u>	<u>(1,393,289)</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 loss before tax. A 10% strengthening of the RM against the following currencies at the end of the reporting period would have decreased profit before tax by the amount shown below and a corresponding weakening would have an equal but opposite effect.

	2016 RM	2015 RM
USD	83,206	219,734
SGD	227,153	(139,329)
Decrease in profit before tax	<u>310,359</u>	<u>80,405</u>

31.5 Fair value information

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



31. FINANCIAL RISK MANAGEMENT (CONT'D)

31.5 Fair value information (Cont'd)

31.5.1 Fair value measurement of financial instruments

Financial assets measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as disclosed in Note 2.2.

The table below analyses financial instruments carried at fair value which fair value is disclosed, together with the fair value and carrying amount shown in the statement of financial position.

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
GROUP					
2016					
Financial assets					
Quoted shares and unit trusts	2,361,768	-	-	2,361,768	2,361,768
2015					
Financial assets					
Quoted shares and unit trusts	3,182,125	-	-	3,182,125	3,182,125

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.

31.5.2 Fair value measurement of non-financial assets

The following table shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis as at the end of the reporting period:

	Level 1 RM	Level 2 RM	Level 3 RM	Carrying amount RM
GROUP				
2016				
Investment properties				
- Freehold land	-	3,321,800	-	3,321,800
- Leasehold land and buildings	-	35,618,314	-	35,618,314
2015				
Investment properties				
- Freehold land	-	2,671,800	-	2,671,800
- Leasehold land and buildings	-	35,068,314	-	35,068,314



31. FINANCIAL RISK MANAGEMENT (CONT'D)

31.5 Fair value information (Cont'd)

31.5.2 Fair value measurement of non-financial assets(Cont'd)

	Level 1 RM	Level 2 RM	Level 3 RM	Carrying amount RM
COMPANY				
2016				
Investment properties				
- Leasehold land and buildings	-	24,727,698	-	24,727,698
2015				
Investment properties				
- Leasehold land and buildings	-	24,727,698	-	24,727,698

Level 2 fair value is derived based on the following:

- (i) Sales comparison approach where sales price 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
- (ii) The purchase consideration which represents the current market value of the newly acquired investment properties.

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	
	2016 RM	2015 RM	2016 RM	2015 RM
Total equity	123,708,965	130,333,545	132,217,785	135,297,199
Borrowings	13,597,967	13,993,613	8,679,923	10,100,232
Debt-to-equity ratio	0.11	0.11	0.07	0.07

There were no gearing covenants imposed on the Group and the Company as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

- 31 MARCH 2016 (Cont'd)



33. EMPLOYEES SHARE OPTIONS SCHEME (“ESOS”)

The Company’s ESOS is governed by the By-Laws which were approved by the shareholders at an Extraordinary General Meeting held on 28 September 2012. The ESOS which expired on 18 October 2015 was extended for another seven years expiring on 18 October 2022.

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.

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 31.3.16
		Balance at 1.4.15	Granted and accepted	Exercised	Lapsed	
9.10.13	1.00	2,209,125	-	(255,000)	(79,750)	1,874,375
14.10.14	1.00	434,000	-	(5,000)	(17,500)	411,500
15.2.16	1.00	-	3,257,500	(335,000)	(917,500)	2,005,000

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	9-Oct-13	14-Oct-14	15-Feb-16
Fair value (RM)	0.12	0.12	0.01
Expected volatility (%)	10.00	50.90	10.00
Risk-free interest rate (% p.a)	3.37	3.76	3.87
Expected life of option (years)	9	8	6.6
Weighted average share price (RM)	1.00	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 Plaintiff thereafter has closed his case.

On 17 and 27 August 2015, Mr. Ng Chin Nam was called as witness for the First and Second Defendant. The matter went on and Mr. Ng Chin Nam was released as the First and Second Defendant witness on 27 August 2015. Meanwhile, Dato' Lee Hean Guan was called up as the second witness for the First and Second Defendant on 10 January 2016 and subsequently Mr. Ooi Chieng Sim was also called as the first witness by his solicitor.

On 23 June 2016, the Third Defendant's solicitor has concluded his case and therefore, the Judge has fixed on 4 August 2016 for parties to file in their written submission simultaneously and 18 August 2016 for parties to reply.

The Judge has finally fixed Decision on 27 September 2016.

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.

Parties have filed in their Bundles of Documents respectively and the Court has fixed 15 and 16 March 2016 for trial.



34. MATERIAL LITIGATIONS (CONT'D)

34.2 Penang Sessions Court, Summons No.A52NCC-156-07/2014 (Cont'd)

The Company and PAC have called Mr. Ng Chin Nam as the sole witness and whereas Defendant himself together with Mr. Sia Seow Cheng from Messrs Cheong Wai Meng & Van Buerle came as Defendant's witnesses.

After the full trial, the Court has fixed for parties to file written submission on 27 May 2016.

Initially the Judge has fixed the matter for decision on 27 June 2016. However, the Judge has further adjourned the matter to 22 July 2016 for Decision.



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	
	2016 RM	2015 RM	2016 RM	2015 RM
Total (accumulated losses)/retained profits of the Company and its subsidiaries				
- Realised	(22,511,572)	(19,934,276)	21,278,396	20,466,047
- Unrealised	(3,361,183)	(3,312,448)	(1,402,646)	(1,398,207)
	(25,872,755)	(23,246,724)	19,875,750	19,067,840
Less: Consolidation adjustments	44,433,319	44,251,753	-	-
	18,560,564	21,005,029	19,875,750	19,067,840

PROPERTIES OWNED BY THE GROUP AS AT 31 MARCH 2016



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, Penang	Factory	60 years lease to 2044	6.22247 acres	33	30	16,476,880	1999
P.T. Nos. 1460 & 1444 H.S. (D) Nos. 2719 & 2706 Mukim 1, Province Wellesley Central, Penang	Factory Office	60 years lease to 2045	4.01338 acres	20	25	16,651,434	2011
Lot 717, 5 1/2 Miles Jalan Kapar, Klang Selangor Darul Ehsan	Factory Office	Freehold	8.16875 acres	20	19	28,753,770	2009
Lot 1501, 1502, Mukim 14, Kampung To' Suboh, Bukit Minyak Simpang Ampat Seberang Perai Selatan, Penang	Land / Rented	Freehold	2.259 acres	22	20	2,321,258	1994
Lot 176, Tempat Macang Kudung Mukim Jabi, Daerah Pokok Sena, Kedah	Vacant Land	Freehold	2.257 acres	15	-	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	16	16	152,661	
Zone 5A, Parcel 2, Lot 5418, Mukim Senai-Kulai, Johor Darul Takzim	Apartment	Freehold	885sf	16	16	55,385	
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	44 & 46	34	2,298,175	2005
Lot Nos.228 and 1697 Mukim of Pekula, District of Kuala Muda, State of Kedah.	Vacant Land	Freehold	10.4444 4.444 hectares	3yrs		15,500,000	2012
Lot No.410, Mukim 2, Daerah Barat Daya, Penang.	Vacant Land	Freehold	23,725sf	3yrs		1,650,000	2010
No.Lot 3793, Mukim 6, Daerah Seberang Perai Tengah, Penang	6 units of Apartment	Freehold		2yrs		240,000	

PROPERTIES OWNED BY THE GROUP

AS AT 31 MARCH 2016 (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, Penang	House	Freehold	267sf	2yrs		300,000	
Lot No.4661, Mukim 07, Daerah Seberang Perai Utara, Penang	Vacant Land	Freehold	0.5708 hectares	2yrs		233,400	
Lot No.4707, Mukim 03, Daerah Seberang Perai Utara, Penang	Vacant Land	Freehold	0.5837 hectares	2yrs		238,400	
No.18 Tingkat Beduk 3, Taman Sri Aman, 14200 Sungai Bakap (Lot 1164 & 1165, Mukim 12, Daerah Seberang Perai Selatan, Penang)	House	Freehold	179 & 571 sm	1yr		950,000	
No.3,Solok Betik 1, Taman Sri Jaya, 14000 Bukit Mertajam (Lot 1435, Seksyen 5, Bandar Bukit Mertajam, Daerah Seberang Perai Tengah, Penang)	Shop Lot	Freehold	130sm	2yrs		450,000	
No.Lot 10084, Bandar Gurun, Daerah Kuala Mudah, Negeri Kedah	Factory Office	Freehold	7,041sm	6 mths		1,650,000	2013

ANALYSIS OF SHAREHOLDINGS AS AT 30 JUNE 2016



Authorised Capital	: RM800,000,000.00
Issued and Fully Paid-up Capital	: RM67,260,753.00 (Excluding 3,590,500 Treasury Shares)
Class of Securities	: Ordinary shares of RM1.00 each fully paid
Voting Rights	: One vote per RM1.00 share

ANALYSIS OF SHAREHOLDINGS as at 30 June 2016

Range of Shareholdings	No. of Holders	% of Holders	No. of RM1.00 Shares	% of Issued Capital
Less than 100	199	10.59	5,810	0.01
100 – 1,000	1,037	55.19	288,758	0.43
1,001 – 10,000	358	19.05	1,214,535	1.81
10,001 – 100,000	241	12.83	7,005,466	10.41
100,001 – 3,363,036 (*)	40	2.13	28,330,406	42.12
3,363,037 and above (**)	4	0.21	30,415,778	45.22
Total	1,879	100.00	67,260,753	100.00

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

30 LARGEST SHAREHOLDERS as at 30 June 2016

No.	Name	Holdings	%
1	Skylitech Resources Sdn Bhd	13,857,860	20.60
2	HLS Properties Sdn Bhd	8,232,603	12.24
3	A1 Capital Sdn Bhd	4,918,129	7.31
4	Ooi Chieng Sim	3,407,186	5.07
5	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sun Ping	2,767,248	4.11
6	Lim Kean Wah	2,588,624	3.85
7	Norani Binti Hassim	2,410,603	3.58
8	Hock Lok Siew Realty Sdn Bhd	2,388,750	3.55
9	Mathavan Pillay A/L Kanasi	2,160,399	3.21
10	Siti Mariam Binti Hasan	2,062,620	3.07
11	Atta Worldwide Group Sdn Bhd	1,643,100	2.44
12	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sun Ping	1,610,550	2.39
13	Lee Hean Guan	1,226,406	1.82
14	Lagenda Perdana Sdn Bhd	914,366	1.36
15	Chan Kooi Cheng	913,639	1.36
16	Citigroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Leong Chin Chye	706,843	1.05
17	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Mooi Choo	560,070	0.83
18	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Li Cheng Thong @ Lee Chen Thung	537,600	0.80

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2016 (Cont'd)



30 LARGEST SHAREHOLDERS as at 30 June 2016 (CONT'D)

No.	Name	Holdings	%
19	Oon Peng Keng	482,500	0.72
20	Ooi Hung Hock	413,280	0.61
21	Tan Fook Chin	383,986	0.57
22	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chai Kok Kheang	325,923	0.48
23	M & A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Liew Chung Peng	319,600	0.48
24	Dhanalechumi A/P Pitchai Chetty	310,065	0.46
25	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Meow Giak	294,000	0.44
26	Ng Siew Fong	258,260	0.38
27	Goh Lee Hian	257,775	0.38
28	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Cheng Sook Fun	235,500	0.35
29	Ng Chin Nam	227,349	0.34
30	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Ang Poh Eng	225,800	0.34
TOTAL		56,640,634	84.19

SUBSTANTIAL SHAREHOLDERS as at 30 June 2016

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)	%
Ooi Chieng Sim	3,407,186	5.07	16,246,610 ¹	24.15	19,653,796	29.22
Skylitech Resources Sdn Bhd	13,857,860	20.60	-	-	13,857,860	20.60
HLS Properties Sdn Bhd	8,232,603	12.24	-	-	8,232,603	12.24
A1 Capital Sdn Bhd	4,918,129	7.31	-	-	4,918,129	7.31
Tan Sun Ping	4,471,015	6.65	-	-	4,471,015	6.65

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

AS AT 30 JUNE 2016 (Cont'd)



DIRECTORS' INTEREST IN SHARES as at 30 June 2016

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	3,407,186	5.07	16,246,610 ²	24.15	19,653,796	29.22
Ng Chin Nam	227,349	0.34	3,412 ³	0.01	230,761	0.35
Mohd Shahril Fitri Bin Hashim	-	-	-	-	-	-
Chow Choon Hoong	-	-	-	-	-	-
Dato' Dennis Chuah	-	-	-	-	-	-
Sudesh a/l 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:

- 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.*
- Deemed interested by virtue of his spouse's interest pursuant to Section 134(12)(c) of the Companies Act, 1965.*

ANALYSIS OF WARRANTS B HOLDINGS AS AT 30 JUNE 2016



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 in respect of a meeting of warrant B holders

ANALYSIS OF WARRANTS B HOLDINGS as at 30 June 2016

Size of Warrant Holdings	No. of Warrant B Holders	% of Warrant B Holders	No. of Warrants B	% of Warrant B Issued
Less than 100	54	10.47	2,065	0.01
100 to 1,000	124	24.03	61,928	0.29
1,001 to 10,000	148	28.68	575,195	2.69
10,001 to 100,000	145	28.10	4,965,461	23.22
100,001 to 1,069,148 (*)	43	8.33	11,075,852	51.80
1,069,149 and above (**)	2	0.39	4,702,492	21.99
Total	516	100.00	21,382,993	100.00

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

DIRECTORS' INTERESTS as at 30 June 2016

Name of Directors	Direct		Deemed	
	No. of Warrants B	%	No. of Warrants B	%
Ooi Chieng Sim	-	-	299,714 ¹	1.40
Ng Chin Nam	26,284	0.12	-	-
Mohd Shahril Fitri Bin Hashim	-	-	-	-
Chow Choon Hoong	-	-	-	-
Dato' Dennis Chuah	-	-	-	-
Sudesh a/l 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.

30 LARGEST WARRANT B HOLDERS as at 30 June 2016

No.	Name	Holdings	%
1	Lim Seow Chin	2,950,992	13.80
2	Lim Seow Chin	1,751,500	8.19
3	A1 Capital Sdn Bhd	900,365	4.21
4	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Phuah Gaik Sim	774,449	3.62
5	Tan Fook Chin	744,064	3.48

ANALYSIS OF WARRANTS B HOLDINGS

AS AT 30 JUNE 2016 (Cont'd)



30 LARGEST WARRANT B HOLDERS as at 30 June 2016 (CONT'D)

No.	Name	Holdings	%
6	Chan Kooi Cheng	633,353	2.96
7	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sun Ping	612,868	2.87
8	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Fook Chin	546,719	2.56
9	Leong Hon Wah	480,031	2.24
10	HLIB Nominees (Tempatan) Sdn Bhd Hong Leong Bank Bhd for Tan Fook Chin	442,211	2.07
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	Hock Lok Siew Realty Sdn Bhd	299,643	1.40
14	Lee Hean Guan	291,033	1.36
15	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Diong Gew Koong	280,000	1.31
16	Lee Mee Kuen	262,800	1.23
17	See Teng Hock	236,561	1.11
18	Kok Kim Tee	201,707	0.94
19	Chen Team Kim	200,000	0.94
20	Lim Kam Yoke	194,110	0.91
21	Kwong Yok Chin	189,249	0.89
22	Kor Seng Chai	176,166	0.82
23	Cho Yaw Koon	165,000	0.77
24	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chong Chian Yee	160,000	0.75
25	Siva Raman A/L S. Ramasamy Pattar	157,707	0.74
26	Quek Phaik Im	150,000	0.70
27	Kang Yong Cheng	148,770	0.70
28	Pang Choon Hua	139,098	0.65
29	Yap Teck Siong	138,015	0.65
30	Kumpulan Pitchai Sdn Bhd	136,795	0.64
TOTAL		14,075,847	65.84

ANALYSIS OF WARRANTS C HOLDINGS AS AT 30 JUNE 2016



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 in respect of a meeting of warrant C holders

ANALYSIS OF WARRANTS C HOLDINGS as at 30 June 2016

Size of Warrant Holdings	No. of Warrant C Holders	% of Warrant C Holders	No. of Warrants C	% of Warrant C Issued
Less than 100	10	8.55	432	0.00
100 to 1,000	30	25.64	13,845	0.13
1,001 to 10,000	53	45.30	221,638	2.07
10,001 to 100,000	16	13.67	452,449	4.22
100,001 to 535,577 (*)	2	1.71	592,001	5.53
535,578 and above (**)	6	5.13	9,431,200	88.05
Total	117	100.00	10,711,565	100.00

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

DIRECTORS' INTERESTS as at 30 June 2016

Name of Directors	Direct		Deemed	
	No. of Warrants C	%	No. of Warrants C	%
Ooi Chieng Sim	750,000	7.00	-	-
Ng Chin Nam	18,416	0.17	-	-
Mohd Shahril Fitri Bin Hashim	-	-	-	-
Chow Choon Hoong	-	-	-	-
Dato' Dennis Chuah	-	-	-	-
Sudesh a/l K. V. Sankaran	-	-	-	-
Lim Ghim Chai	-	-	-	-

30 LARGEST WARRANT C HOLDERS as at 30 June 2016

No.	Name	Holdings	%
1	HLS Properties Sdn Bhd	3,829,500	35.75
2	Lim Seow Chin	1,751,700	16.35
3	Mathavan Pillay A/L Kanasi	1,100,000	10.27
4	A1 Capital Sdn Bhd	1,000,000	9.34
5	Siva Raman A/L S. Ramasamy Pattar	1,000,000	9.34
6	Ooi Chieng Sim	750,000	7.00
7	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sun Ping	300,000	2.80

ANALYSIS OF WARRANTS C HOLDINGS AS AT 30 JUNE 2016 (Cont'd)



30 LARGEST WARRANT C HOLDERS as at 30 June 2016

No.	Name	Holdings	%
8	Lee Hean Guan	292,001	2.73
9	Ooi Hung Hock	100,000	0.93
10	Lim Seow Chin	54,500	0.51
11	Lim Mooi Tean	40,000	0.37
12	Cho Yaw Koon	30,400	0.28
13	Eu Mui @ Ee Soo Mei	30,000	0.28
14	AllianceGroup Nominees (Tempatan) Sdn Bhd Cheong Chung Wai	29,000	0.27
15	Pang Choon Hua	23,400	0.22
16	Wong Ming Fei	22,000	0.21
17	Lim Moi Seng	20,000	0.19
18	Ng Chin Nam	18,416	0.17
19	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kho Jan Ping	16,900	0.16
20	Low Chong Hoe	16,250	0.15
21	SJ Sec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chan Boon Yok	13,500	0.13
22	Cimsec Nominees (Tempatan) Sdn Bhd CIMB for Ooi Saw Han	13,083	0.12
23	Yap Keat Seong	13,000	0.12
24	Citigroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Loh Chye Teik	12,000	0.11
25	Chan Choon Chye	10,000	0.09
26	Chong Siaw Hian	10,000	0.09
27	Kuay Chew Hong	10,000	0.09
28	Lim Che Chai	10,000	0.09
29	RHB Nominees (Tempatan) Sdn Bhd Amara Investment Management Sdn Bhd for Chong Sook Leng	10,000	0.09
30	Sia Poh Choo @ Sia Swee Choo	10,000	0.09
TOTAL		10,535,650	98.34

ANALYSIS OF ICULS HOLDINGS AS AT 30 JUNE 2016



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 in respect of a meeting of ICULS holders

ANALYSIS OF ICULS HOLDINGS as at 30 June 2016

Size of ICULS Holdings	No. of ICULS Holders	% of ICULS Holders	No. of ICULS	% of ICULS Issued
Less than 100	1	0.25	11	0.00
100 to 1,000	16	4.01	6,090	0.00
1,001 to 10,000	93	23.31	546,600	0.24
10,001 to 100,000	180	45.11	8,132,509	3.69
100,001 to 11,032,147 (*)	105	26.32	100,581,020	45.59
11,032,148 and above (**)	4	1.00	111,376,739	50.48
Total	399	100.00	220,642,969	100.00

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

DIRECTORS' INTERESTS as at 30 June 2016

Name of Directors	Direct		Deemed	
	No. of ICULS	%	No. of ICULS	%
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' Dennis Chuah	-	-	-	-
Sudesh A/L 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 ICULS HOLDERS as at 30 June 2016

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

AS AT 30 JUNE 2016 (Cont'd)



30 LARGEST ICULS HOLDERS as at 30 June 2016 (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	Lim Seow Chin	6,788,300	3.08
9	Chan Kooi Cheng	6,024,000	2.73
10	Mathavan Pillay A/L Kanasi	3,699,900	1.68
11	Ang Bon Huan	3,400,000	1.54
12	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Dato' Ng Aik Kee	3,350,000	1.52
13	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sun Ping	3,286,800	1.49
14	Quek Phaik Im	3,150,000	1.43
15	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Ing Kiong	2,985,000	1.35
16	Lim Poh Fong	1,654,500	0.75
17	Tan Yu Yeh	1,643,900	0.75
18	Ang Soh Mui	1,600,000	0.73
19	Toh Ean Hai	1,451,900	0.66
20	Teh Bee Gaik	1,409,000	0.64
21	Yeap Yi Fong	1,200,000	0.54
22	Yeap Yi Fong	1,150,000	0.52
23	Ku Li Ping	1,005,000	0.46
24	Ganesan A/L Shanmugam	1,000,000	0.45
25	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Quek Phaik Im	1,000,000	0.45
26	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Thinagaran A/L Govindasamy	975,000	0.44
27	Lee Hean Guan	968,100	0.44
28	Ang Soo Tin	900,000	0.41
29	Goo Meng Seng	850,000	0.39
30	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Pong Ching Keong	799,800	0.36
TOTAL		190,044,139	86.15

NOTICE OF ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN that the Thirty-Fifth (35th) Annual General Meeting of the Company will be held at Sunway Hotel Seberang Jaya, Terrace, Level 2, 11, Lebuhr Tenggiri Dua, Pusat Bandar Seberang Jaya, 13700 Prai on Tuesday, 30 August 2016 at 12.00 noon.

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the year ended 31 March 2016, together with the Directors' and Auditors' Reports thereon. **(Please refer to Note 1)**
2. To approve payment of the Directors' fee of RM44,000. **(Ordinary Resolution 1)**
3. To re-elect the following Directors retiring in accordance with the Company's Articles of Association:
Sudesh A/L K. V. Sankaran **(Ordinary Resolution 2)**
Lim Ghim Chai **(Ordinary Resolution 3)**
4. To re-appoint Messrs Grant Thornton as Auditors and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 4)**

As SPECIAL BUSINESS, to consider and, if thought fit, pass the following ordinary resolutions:

5. **Authority to Allot and Issue Shares in General Pursuant to Section 132D of the Companies Act, 1965** **(Ordinary Resolution 5)**

"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."

6. **Proposed Renewal of Share Buy Back Authority** **(Ordinary Resolution 6)**

"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 authorized, 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;
- 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 2016 are as follows:

	As at 31 March 2016
Retained Profits	RM19,875,750
Share Premium	RM11,789,058



(Ordinary
Resolution 6)

6. Proposed Renewal of Share Buy Back Authority (Cont'd)

- 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 Bursa Securities and all other relevant governmental and/or regulatory authorities."

- 7. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

By Order of the Board

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

Ipoh, Perak Darul Ridzuan, Malaysia
29 July 2016



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 22 August 2016 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) Authority to Allot and Issue Shares in General Pursuant to Section 132D of the Companies Act, 1965

The Ordinary Resolution proposed under item 5 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 23 September 2015. The Company did not utilise the mandate obtained at the last AGM and thus no proceeds were raised from the previous mandate.

2) Proposed Renewal of Share Buy Back Authority

The Ordinary Resolution proposed under item 6, if passed, will give authority to Directors to buy back the Company's own shares. This authority will expire at the next Annual General Meeting of the Company unless earlier revoked or varied by ordinary resolution of the Company at a general meeting.

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 2016 Annual Report.

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FORM OF PROXY



No. of shares held	
CDS A/C No.	
Telephone No.	

I/We _____ (FULL NAME IN BLOCK CAPITALS)

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

being a member of ATTA GLOBAL GROUP BERHAD (FORMERLY KNOWN AS 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-Fifth Annual General Meeting of the Company to be held on 30 August 2016 and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

Resolution No.	Ordinary Business	For	Against
Ordinary Resolution 1	The payment of Directors' Fee		
	The re-election of Directors:		
Ordinary Resolution 2	Sudesh A/L K. V. Sankaran		
Ordinary Resolution 3	Lim Ghim Chai		
Ordinary Resolution 4	The appointment of Auditors and their remuneration		
	Special Business		
Ordinary Resolution 5	Authority to Allot and Issue Shares in General Pursuant to Section 132D of the Companies Act, 1965		
Ordinary Resolution 6	Proposed Share Buy Back Authority		

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

NOTES:

1. Only members whose names appear on the Record of Depositors as at 22 August 2016 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.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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.

Please fold across the line and close

80 sen
stamp
(Within Malaysia)

The Company Secretary
ATTA GLOBAL GROUP BERHAD (79082-V)
(Formerly known as SMPC CORPORATION BHD)

No. 55A Medan Ipoh 1A
Medan Ipoh Bistari
31400 Ipoh
Perak Darul Ridzuan

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ATTA GLOBAL GROUP BERHAD
(formerly known as SMPC Corporation Bhd.) (79082-V)

2521, Tingkat Perusahaan 6
Prai Industrial Estate, 13600 Prai, Pulau Pinang

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