

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

	GROUP	
	2014 RM	2013 RM
Long leasehold land and building	2,674,712	2,722,922
Freehold land and buildings	<u>29,855,947</u>	<u>31,165,749</u>
	<u>32,530,659</u>	<u>33,888,671</u>

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Plant and machinery	2,324,238	-	-	-
Motor vehicles	<u>615,794</u>	<u>62,464</u>	<u>286,622</u>	-
	<u>2,940,032</u>	<u>62,464</u>	<u>286,622</u>	<u>-</u>

The leased assets are pledged as security for the related finance lease liabilities (Note 16).

- (iii) On 29 November 2013, the Group disposed of a warehouse erected on a leased land to a related party, Limsa Ekuiti Sdn. Bhd. (see Note 28(i)) for a total consideration of RM2,000,000 which is received/receivable in the following manner:

- RM200,000 upon acceptance of the offer; and
- RM1,800,000 in twelve monthly instalments of RM150,000 each.

The balance consideration receivable is disclosed in Note 9.2 (iii).

5. INVESTMENT PROPERTIES

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
At fair value				
Balance at beginning	28,904,102	21,278,083	20,943,516	20,943,516
Reclassified from property, plant and equipment	-	7,626,019	-	-
Additions	6,530,722	-	3,558,380	-
Change in fair value recognised in profit or loss	776,976	-	225,802	-
Balance at end	<u>36,211,800</u>	<u>28,904,102</u>	<u>24,727,698</u>	<u>20,943,516</u>

Included in the above are:

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Freehold land	2,671,800	334,567	-	-
Long leasehold land and buildings	<u>33,540,000</u>	<u>28,569,535</u>	<u>24,727,698</u>	<u>20,943,516</u>
	<u>36,211,800</u>	<u>28,904,102</u>	<u>24,727,698</u>	<u>20,943,516</u>

(i) The carrying amount of the Group's and the Company's investment properties which are pledged to licensed banks for banking facilities granted to the Company and certain subsidiaries is **RM33,000,000** (2013: RM28,569,535) and **RM24,727,698** (2013: RM20,943,516) respectively.

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Rental income from rental generating properties	2,377,646	1,645,356	2,314,178	1,585,008
Direct operating expenses arising from rental generating properties	<u>259,714</u>	<u>265,847</u>	<u>259,714</u>	<u>251,435</u>

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

	Level 1 RM	Level 2 RM	Level 3 RM
2014			
GROUP			
Freehold land	-	2,671,800	-
Long leasehold land and buildings	-	33,540,000	-
COMPANY			
Long leasehold land and buildings	-	24,727,698	-

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer.

Transfer between Level 1 and 2 fair values

There is no transfer between Level 1 and 2 fair values during the financial year.

Level 2 fair value

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

Level 2 fair values of freehold land and buildings have been generally derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

6. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2014 RM	2013 RM
Unquoted shares, at cost	81,014,543	83,014,643
Less: Allowance for impairment	<u>(56,785,688)</u>	<u>(56,785,688)</u>
	<u>24,228,855</u>	<u>26,228,955</u>

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

Name of Subsidiaries	Effective Equity Interest		Principal Activities
	2014	2013	
Direct subsidiaries			
SMPC Industries Sdn. Bhd.	100%	100%	Metal sheet and coil processing centre with main services in shearing and reshearing.
SMPC Marketing Sdn. Bhd.	100%	100%	Trading in steel furniture.
Edit Systems (M) Sdn. Bhd.	70%	70%	Dormant.
Syarikat Perkilangan Besi Gaya Sdn. Bhd.	100%	100%	Dormant.
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.
* SMPC Industries (India) Private Limited (Incorporated in India)	-	74%	Metal sheet and coil processing centre with main services in shearing and reshearing.

Name of Subsidiaries	Effective Equity Interest		Principal Activities
	2014	2013	
Park Avenue Construction Sdn. Bhd.	100%	100%	Investment holding.
SMPC Dexon Sdn. Bhd.	100%	100%	Manufacturing and trading of steel and other types of furniture and the provision of related services.
SMPC Steel Mill Sdn. Bhd.	-	100%	Dormant.
Metal Perforators (Malaysia) Sdn. Bhd.	100%	100%	Manufacturing and marketing of perforated metals, cable support systems and screen plates.
* Kembang Kartika Sdn. Bhd.	50.01%	50.01%	Property development. The subsidiary 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.

2014

Disposal of subsidiaries

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

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

2013

Acquisition of a subsidiary

In the previous financial year, the Company acquired 5,001 ordinary shares of RM1 each, which represents 50.01% equity interest in Kembang Kartika Sdn. Bhd. for a total cash consideration of RM5,001,000.

The acquired subsidiary which qualified as business combination did not have a material effect on the Group’s results for the financial year ended 31 March 2013.

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

The Group's subsidiary, Kembang Kartika Sdn. Bhd., has material non-controlling interests ("NCI"), details of which are disclosed as follows:

	2014 RM	2013 RM
NCI percentage of ownership interest and voting interest	49.99%	49.99%
Carrying amount of NCI	7,736,913	7,739,757
Loss allocated to NCI	<u>(2,844)</u>	<u>(855)</u>
Summarised financial information before intragroup elimination:		
	2014 RM	2013 RM
At 31 March		
Total assets	15,509,722	15,598,156
Total liabilities	<u>(32,801)</u>	<u>(115,545)</u>
Net assets	<u>15,476,921</u>	<u>15,482,611</u>
Year ended 31 March		
Revenue	-	-
Net loss, representing total comprehensive loss for the year/period	<u>(5,690)</u>	<u>(1,710)</u> *
Cash flows from operating activities	(88,434)	-
Cash flows from financing activities	<u>-</u>	<u>98,156</u>

* From the date of acquisition and control commences.

7. OTHER INVESTMENTS

	GROUP	
	2014 RM	2013 RM
Available-for-sale financial assets		
- Shares quoted in Malaysia, at fair value	3,035,040	2,226,970
- Quoted unit trusts in Malaysia, at fair value	29,611	19,378
- Unquoted shares, at cost	2,999,838	2,999,838
Less: Allowance for impairment	<u>(882,061)</u>	<u>(882,061)</u>
	<u>2,117,777</u>	<u>2,117,777</u>
	5,182,428	4,364,125
Held-to-maturity investments		
- Loan stocks quoted in Malaysia, at cost	<u>1,500,000</u>	<u>1,500,000</u>
	<u>6,682,428</u>	<u>5,864,125</u>

	GROUP	
	2014	2013
	RM	RM
Market value of:		
- Quoted shares	3,035,040	2,226,970
- Quoted unit trusts	29,611	19,378
- Loan stocks ^	<u>2,550,017</u>	<u>900,006</u>

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

8. INVENTORIES

	GROUP	
	2014	2013
	RM	RM
Raw materials	9,943,170	7,682,968
Work-in-progress	334,813	96,623
Finished goods	1,996,641	2,104,414
Trading goods	<u>1,170,390</u>	<u>1,367,028</u>
	<u>13,445,014</u>	<u>11,251,033</u>

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

	GROUP	
	2014	2013
	RM	RM
Inventories recognised as cost of sales	107,917,323	107,753,327
Inventories written down	175,032	9,738
Inventories written off	<u>-</u>	<u>754,122</u>

9. TRADE AND OTHER RECEIVABLES

	Note	GROUP		COMPANY	
		2014 RM	2013 RM	2014 RM	2013 RM
Trade receivables					
Third parties	9.1	28,248,682	34,614,856	-	-
Less: Allowance for impairment		(4,239,397)	(4,694,766)	-	-
Trade receivables, net		<u>24,009,285</u>	<u>29,920,090</u>	<u>-</u>	<u>-</u>
Other receivables					
Third parties	9.2	9,565,537	4,495,928	2,278,560	150,183
Less: Allowance for impairment		(2,453,725)	(2,125,725)	-	-
Sundry receivables, net		7,111,812	2,370,203	2,278,560	150,183
Deposits	9.3	583,759	722,994	31,001	17,832
Prepayments	9.4	5,597,764	1,248,084	4,269,096	42,785
Amount due from subsidiaries	9.5	-	-	73,414,246	65,520,940
		<u>13,293,335</u>	<u>4,341,281</u>	<u>79,992,903</u>	<u>65,731,740</u>
Total trade and other receivables		<u>37,302,620</u>	<u>34,261,371</u>	<u>79,992,903</u>	<u>65,731,740</u>

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Ringgit Malaysia	36,213,301	32,831,679	79,992,093	65,731,740
US Dollar	963,890	719,886	-	-
Indian Rupee	-	708,120	-	-
Singapore Dollar	125,429	1,686	-	-
	<u>37,302,620</u>	<u>34,261,371</u>	<u>79,992,093</u>	<u>65,731,740</u>

9.1 Trade receivables

Included in the Group's trade receivables is retention sum of **RM560,022** (2013: RM595,210) relating to the supply of steel roofing, cable support system and its related accessories.

Trade receivables are non-interest bearing and are generally on 14 to 90 days (2013: 14 to 90 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The movement of allowance for impairment is as follows:

	GROUP	
	2014	2013
	RM	RM
Balance at beginning	4,694,766	4,528,253
Current year	68,945	208,372
Written off	(198,118)	-
Recovered	(326,196)	(41,859)
Balance at end	<u>4,239,397</u>	<u>4,694,766</u>

9.2 Other receivables

Included herein are the following:

- (i) An amount of **RM2,610,057** (2013: RM2,610,057) due from a buyer of a subsidiary's plant and machinery. The subsidiary has cumulatively provided an allowance for impairment of **RM2,283,028** (2013: RM1,955,028).
- (ii) An amount of **RM1,412,978** (2013: RM29,111) which is interest bearing at **2%** (2013: 2%) per month. Interest is computed on the month end outstanding balance.
- (iii) Disposal consideration amounting to **RM1,500,000** (2013: RM Nil) due from a related party, Limsa Ekuiti Sdn. Bhd. from the disposal of a warehouse as disclosed in Note 4(iii).
- (iv) An amount of **RM2,000,000** (2013: RM Nil) receivable from Select Galva arising from disposal of SMPC India, as disclosed in Note 6(ii).

The movement of allowance for impairment is as follows:

	GROUP	
	2014 RM	2013 RM
Balance at beginning	2,125,725	1,390,962
Current year	<u>328,000</u>	<u>734,763</u>
Balance at end	<u>2,453,725</u>	<u>2,125,725</u>

9.3 Deposits

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Refundable	493,759	722,994	31,001	17,832
Non-refundable *	<u>90,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>583,759</u>	<u>722,994</u>	<u>31,001</u>	<u>17,832</u>

- * This deposit is paid for the acquisition of an investment property. The balance purchase consideration is disclosed as capital commitment in Note 30(i).

9.4 Prepayments

Included herein are the following:

- (i) Prepaid settlement interest to a bank amounting to **RM107,265** (2013: RM750,873). See Note 16.
- (ii) 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. The acquisition is deemed complete upon full payment of the consideration.

At the execution of the agreement, the Company paid RM4,000,000 (out of RM8,000,000) to the vendor of KKSB as part of the consideration and has recorded it as prepayment. The balance consideration is disclosed as a commitment in Note 30(i). In the event that the Company fails to pay the balance consideration within 6 months from the date of the said agreement, 10% of the total consideration (equivalent to RM800,000) will be forfeited and the balance will be refunded to the Company.

9.5 Amount due from subsidiaries

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

10. FIXED DEPOSITS WITH LICENSED BANKS

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Unencumbered	-	9,000,000	-	-
Pledged for term loan and bank guarantee facilities granted to the Company and a subsidiary	<u>506,183</u>	<u>506,183</u>	<u>506,183</u>	<u>506,183</u>
	<u>506,183</u>	<u>9,506,183</u>	<u>506,183</u>	<u>506,183</u>

The effective interest rates per annum and maturities of the fixed deposits as at the end of the reporting period are as follows:

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Interest rate	3.00% - 3.15%	3.00% - 3.31%	3.00% - 3.15%	3.00% - 3.15%
Maturity	1 - 12 months	1 - 12 months	1 - 12 months	1 - 12 months

11. CASH AND BANK BALANCES

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2013 RM	2013 RM
Ringgit Malaysia	4,038,026	3,899,873	308,104	177,751
Indian Rupee	-	20,262	-	-
	<u>4,038,026</u>	<u>3,920,135</u>	<u>308,104</u>	<u>177,751</u>

12. SHARE CAPITAL

	Number of ordinary shares of RM1 each		Amount	
	2014	2013	2014 RM	2013 RM
Authorised	<u>800,000,000</u>	<u>800,000,000</u>	<u>800,000,000</u>	<u>800,000,000</u>
Issued and fully paid				
Balance at beginning	48,489,059	6,464,496	48,489,059	6,464,496
Issuance pursuant to:				
Rights issue	-	13,228,877	-	13,228,877
Creditor settlement	-	7,500,000	-	7,500,000
Debt restructuring	-	19,134,575	-	19,134,575
Exercise of ESOS	385,000	-	385,000	-
Conversion of ICULS	<u>5,830,800</u>	<u>2,161,111</u>	<u>5,830,800</u>	<u>2,161,111</u>
Balance at end	<u>54,704,859</u>	<u>48,489,059</u>	<u>54,704,859</u>	<u>48,489,059</u>

During the financial year, the Company had increased its issued and paid-up ordinary share capital from RM48,489,059 to RM54,704,859 by:

- (i) allotment of 385,000 new ordinary shares of RM1 each at an exercise price of RM1 per share for cash pursuant to the employees share option scheme; and
- (ii) issuance of 5,830,800 ordinary shares of RM1 each arising from the conversion of 5,830,800 10-year 0% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") of RM0.10 nominal value 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.

13. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS

	Number of ICULS of RM0.10 each		Amount	
	2014	2013	2014 RM	2013 RM
Balance at beginning	228,323,769	-	22,832,377	-
Issuance pursuant to:				
Rights issue with warrants	-	193,934,880	-	19,393,448
Creditor settlement	-	37,000,000	-	3,700,000
Converted to ordinary shares	<u>(5,830,800)</u>	<u>(2,611,111)</u>	<u>(583,080)</u>	<u>(261,111)</u>
Balance at end	<u>222,492,969</u>	<u>228,323,769</u>	<u>22,249,297</u>	<u>22,832,377</u>

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

The salient features of the ICULS are as follows:

- (i) The ICULS shall be convertible into fully paid-up ordinary shares at any time during the tenure of the ICULS from the date of issue of the ICULS up to and including the maturity date of 15 April 2022 by surrendering ten ICULS of RM0.10 each for one new ordinary share or by surrendering for cancellation one ICULS of RM0.10 each and paying the difference between the nominal value of ICULS and conversion price of RM1.00 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 RM1.00 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	
		2014 RM	2013 RM	2014 RM	2013 RM
Distributable					
Retained profits/ (Accumulated losses)	14.1	16,920,340	15,838,202	17,504,122	(22,442)
Non-distributable					
Share premium		18,063,045	21,445,955	18,063,045	21,445,955
Treasury shares	14.2	(2,572,935)	-	(2,572,935)	-
Warrants reserve	14.3	3,186,005	3,186,005	3,186,005	3,186,005
Discount on shares	14.3	(3,105,465)	(3,105,465)	(3,105,465)	(3,105,465)
Fair value reserve	14.4	578,808	(239,495)	-	-
Foreign exchange translation reserve	14.5	-	(541,642)	-	-
Capital reserve	14.6	-	-	7,445,000	7,445,000
ESOS reserve	14.7	301,606	-	42,970	-
		<u>16,451,064</u>	<u>20,745,358</u>	<u>23,058,620</u>	<u>28,971,495</u>
		<u>33,371,404</u>	<u>36,583,560</u>	<u>40,562,742</u>	<u>28,949,053</u>

14.1 Retained profits

The Company is able to pay out all the retained profits as dividends to its shareholders under the single tier system.

14.2 Treasury shares

The movement of treasury shares is as follows:

	Number of shares	Amount RM
Shares repurchased during the year	6,407,900	6,000,120
Distributed as share dividend (Note 26)	(3,973,232)	(3,427,185)
	<u>2,434,668</u>	<u>2,572,935</u>

The shareholders of the Company, by a special resolution passed in a general meeting held on 28 September 2012, 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.

During the financial year ended 31 March 2014, the Company repurchased 6,407,900 shares from the open market.

Number of shares	Purchase price RM	Consideration RM	Transaction cost RM	Total consideration RM
100	0.79	79	41	120
295,000	0.80	235,897	1,722	237,619
2,402,100	0.81	1,996,640	7,876	2,004,516
550,000	0.81	442,750	1,904	444,654
290,000	0.74	213,788	93	213,881
954,800	1.20	1,147,370	4,186	1,151,556
600,900	1.03	620,910	2,257	623,167
<u>1,315,000</u>	1.00	<u>1,320,050</u>	<u>4,557</u>	<u>1,324,607</u>
<u>6,407,900</u>		<u>5,977,484</u>	<u>22,636</u>	<u>6,000,120</u>

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 19 November 2013, the Company declared and approved a share dividend in respect of financial year ended 31 March 2014 via distribution of 3,973,232 treasury shares on the basis of one treasury share for every twelve ordinary shares held. The share dividend was distributed on 3 January 2014.

Of the total 54,704,859 issued and paid-up ordinary shares of RM1 each as at 31 March 2014, 2,434,668 ordinary shares are held as treasury shares by the Company. The number of outstanding ordinary shares in issue is therefore 52,270,191 ordinary shares of RM1 each.

14.3 Warrants reserve and Discount on shares

Each warrant entitles the registered holder of warrant to subscribe for one new ordinary share in the Company at any time on or after 16 May 2012 up to the date of expiry on 15 May 2022, at an exercise price of RM1 per share or such adjusted price in accordance with the provisions in the Deed Poll dated 28 March 2012.

During the financial year ended 31 March 2014, no warrants were exercised. As at end of reporting period, 20,338,186 warrants remain unexercised.

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	
	2014	2013
	RM	RM
Balance at beginning	(239,495)	(1,562)
Gain/(Loss) on fair value through comprehensive income	<u>818,303</u>	<u>(237,933)</u>
Balance at end	<u>578,808</u>	<u>(239,495)</u>

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 Foreign exchange translation reserve

	GROUP	
	2014	2013
	RM	RM
Balance at beginning	(541,642)	(422,533)
Currency translation through comprehensive income	(158,768)	(119,109)
Transfer to profit or loss upon disposal	<u>700,410</u>	<u>-</u>
Balance at end	<u>-</u>	<u>(541,642)</u>

The foreign exchange translation reserve was in respect of foreign exchange differences on translation of the financial statements of the Group's foreign subsidiary.

14.6 Capital reserve

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

14.7 ESOS reserve

	GROUP	COMPANY
	2014	2014
	RM	RM
Share based compensation pursuant to ESOS granted	368,076	109,440
Transfer to share premium upon exercise of ESOS	(44,275)	(44,275)
Transfer to retained profits upon resignation	<u>(22,195)</u>	<u>(22,195)</u>
	<u>301,606</u>	<u>42,970</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.

15. TRADE AND OTHER PAYABLES

	Note	GROUP		COMPANY	
		2014 RM	2013 RM	2014 RM	2013 RM
Non-current					
Retirement benefit obligations	15.1	<u>1,304,211</u>	<u>1,197,268</u>	<u>377,402</u>	<u>358,272</u>
Current					
Trade					
Trade payables	15.2	11,537,679	14,774,303	-	-
Non-trade					
Retirement benefit obligations	15.1	12,301	134,854	-	50,000
Other payables	15.3	1,680,419	2,253,543	6,000	20,111
Accruals		1,703,528	1,564,940	292,515	541,648
Prepayment and deposits received for letting of properties		1,037,364	1,258,615	363,372	248,508
Advances from customers		28,191	246,308	-	-
Amount due to subsidiaries	15.4	-	-	-	379,460
		<u>4,461,803</u>	<u>5,458,260</u>	<u>661,887</u>	<u>1,239,727</u>
		<u>15,999,482</u>	<u>20,232,563</u>	<u>661,887</u>	<u>1,239,727</u>
Total trade and other payables		<u>17,303,693</u>	<u>21,429,831</u>	<u>1,039,289</u>	<u>1,597,999</u>

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Ringgit Malaysia	17,275,502	20,115,563	1,039,289	1,597,999
US Dollar	28,191	260,223	-	-
Indian Rupee	-	1,054,045	-	-
	<u>17,303,693</u>	<u>21,429,831</u>	<u>1,039,289</u>	<u>1,597,999</u>

15.1 Retirement benefit obligations

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Balance at beginning	1,332,122	1,510,885	408,272	387,084
Foreign currency translation	-	(1,373)	-	-
Additional provision during the year	230,639	398,684	30,267	212,885
Lapse due to resignation	(142,165)	(355,083)	(8,544)	(24,909)
Utilised during the year	(79,878)	(220,991)	(52,593)	(166,788)
Disposal of a subsidiary	(24,206)	-	-	-
Balance at end	<u>1,316,512</u>	<u>1,332,122</u>	<u>377,402</u>	<u>408,272</u>

The payment of the retirement benefits are as follows:

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Current				
Within one year	<u>12,301</u>	<u>134,854</u>	<u>-</u>	<u>50,000</u>
Non-current				
Later than one year but not later than two years	-	104,964	-	-
Later than two years but not later than five years	80,867	185,158	15,300	147,762
Later than five years	<u>1,223,344</u>	<u>907,146</u>	<u>362,102</u>	<u>210,510</u>
	<u>1,304,211</u>	<u>1,197,268</u>	<u>377,402</u>	<u>358,272</u>
Total retirement benefit obligations	<u>1,316,512</u>	<u>1,332,122</u>	<u>377,402</u>	<u>408,272</u>

15.2 Trade payables

The trade payables are non-interest bearing and are normally settled within 14 to 60 days (2013: 14 to 90 days) credit terms.

15.3 Other payables

Included herein is an amount of **RM97,500** (2013: RM Nil) due to a related party, Limsa Ekuiti Sdn. Bhd. (see Note 28(i)).

15.4 Amount due to subsidiaries

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

16. **BORROWINGS**

	GROUP		COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
Non-current liabilities				
Finance lease liabilities				
Minimum payment:				
Within one year	881,172	42,945	67,956	-
Later than one year but not later than two years	496,229	42,945	67,956	-
Later than two years but not later than five years	757,745	41,425	164,217	-
Later than five years	37,641	-	-	-
	<u>2,172,787</u>	<u>127,315</u>	<u>300,129</u>	<u>-</u>
Future finance charges	(235,501)	(4,326)	(27,189)	-
	<u>1,937,286</u>	<u>122,989</u>	<u>272,940</u>	<u>-</u>
Amount due within one year included under current liabilities	(759,387)	(39,897)	(57,126)	-
	<u>1,177,899</u>	<u>83,092</u>	<u>215,814</u>	<u>-</u>
Term loans				
Total amount repayable	22,867,062	24,876,956	10,046,778	10,898,971
Amount due within one year included under current liabilities	(13,671,530)	(1,640,566)	(958,395)	(898,038)
	<u>9,195,532</u>	<u>23,236,390</u>	<u>9,088,383</u>	<u>10,009,933</u>
	<u>10,373,431</u>	<u>23,319,482</u>	<u>9,304,197</u>	<u>10,009,933</u>
Current liabilities				
Bank overdrafts	476,381	486,090	-	-
Bankers acceptance	426,000	753,000	-	-
Finance lease liabilities	759,387	39,897	57,126	-
Term loans	13,671,530	1,640,566	958,395	889,038
	<u>15,333,298</u>	<u>2,919,553</u>	<u>1,015,521</u>	<u>889,038</u>
Total borrowings	<u>25,706,729</u>	<u>26,239,035</u>	<u>10,319,718</u>	<u>10,898,971</u>

The currency profile of the borrowings is as follows:

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Ringgit Malaysia	25,706,729	25,994,243	10,319,718	10,898,971
Indian Rupee	-	244,792	-	-
	<u>25,706,729</u>	<u>26,239,035</u>	<u>10,319,718</u>	<u>10,898,971</u>

A subsidiary has defaulted on the repayment of a term loan amounting to **RM12,209,976** (2013: RM12,209,976) (principal and interest) in prior years. The affected bank had vide a letter dated 29 June 2010 agreed for the subsidiary to pay in the following manner:

- (i) Issuance of 1,287,213 of the Company's shares of RM1 each to the bank as settlement of interests calculated at 5% per annum for two years upon implementation of the Company's revised Proposed Restructuring Scheme ("PRS") on 16 May 2012.
- (ii) Payment of 1.5% differential interest for two years, estimated to be RM299,966 payable by 24 monthly instalments of RM12,499 each commencing 16 May 2012.
- (iii) The outstanding term loan is to be settled at the end of the second year after the implementation of the Company's revised PRS in one lump sum. The settlement date has been extended to 15 August 2014 and will due in the next financial year. Therefore, the term loan of RM12,209,976 has been reclassified to current liabilities during the financial year.

The outstanding term loan will be settled with the proceeds from the Company's Proposed Rights Issue with Warrants (see Note 35). As at the date of this report the Proposed Rights Issue with Warrants is pending approval from the relevant authorities, failing which the outstanding term loan will be settled using internally generated funds.

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) Negative pledge on assets of the Company and certain subsidiaries,
- (iii) Corporate guarantee of the Company and its subsidiaries,
- (iv) Pledge of fixed deposits,
- (v) Joint and several guarantee by a director and a former director of the Company, and
- (vi) 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 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						
2014						
Bank overdrafts	8.60	476,381	476,381	-	-	-
Bankers acceptance	5.44 to 5.49	426,000	426,000	-	-	-
Finance lease liabilities	2.28 to 4.00	1,937,286	759,387	433,821	706,836	37,242
Term loans	6.50 to 8.60	22,867,062	13,671,530	1,143,545	3,643,300	4,408,687
2013						
Bank overdrafts	8.60	486,090	486,090	-	-	-
Bankers acceptance	5.38	753,000	753,000	-	-	-
Finance lease liabilities	3.00	122,989	39,897	41,730	41,362	-
Term loans	2.06 to 8.60	24,876,956	1,640,566	14,038,030	3,529,462	5,668,898
COMPANY						
2014						
Finance lease liabilities	2.28	272,940	57,126	59,862	155,952	-
Term loans	7.85	10,046,778	958,395	1,036,396	3,643,300	4,408,687
2013						
Term loans	2.06 to 7.85	10,898,971	889,038	961,394	3,379,641	5,668,898

17. DEFERRED TAX LIABILITIES

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Revaluation surplus				
Balance at beginning	2,402,219	2,495,231	1,151,329	1,199,890
Transfer to profit or loss	(93,012)	(93,012)	(48,561)	(48,561)
Balance at end	<u>2,309,207</u>	<u>2,402,219</u>	<u>1,102,768</u>	<u>1,151,329</u>
Other temporary differences				
Balance at beginning	1,761,250	1,331,412	-	-
Exchange translation difference	(41,892)	(31,638)	-	-
Disposal of a subsidiary	(560,358)	-	-	-
Transfer from profit or loss	516,000	277,476	237,000	-
	<u>1,675,000</u>	<u>1,577,250</u>	<u>237,000</u>	<u>-</u>
Under provision in prior year	7,000	184,000	-	-
Balance at end	<u>1,682,000</u>	<u>1,761,250</u>	<u>237,000</u>	<u>-</u>
Total deferred tax liabilities	<u>3,991,207</u>	<u>4,163,469</u>	<u>1,339,768</u>	<u>1,151,329</u>

The deferred tax (assets)/liabilities are represented by temporary differences arising from:

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Revaluation surplus	2,309,207	2,402,219	1,102,768	1,151,329
Property, plant and equipment	2,729,000	1,801,250	1,271,000	-
Fair value adjustment on investment properties	104,000	-	11,000	-
Unabsorbed capital allowances	(954,000)	-	(954,000)	-
Retirement benefit obligations	(197,000)	(40,000)	(91,000)	-
	<u>3,991,207</u>	<u>4,163,469</u>	<u>1,339,768</u>	<u>1,151,329</u>

18. REVENUE

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Sale of goods	141,121,915	135,489,383	-	-
Rental of industrial and commercial assets	2,314,178	1,585,008	2,314,178	1,585,008
Gross dividend from subsidiaries	-	-	18,000,000	-
Gross dividend income from investment in quoted shares	96,593	-	-	-
Interest from investment in loan stocks	69,000	-	-	-
Management fee from subsidiaries				
- current year	-	-	1,380,000	1,759,905
- over provision in prior years	-	-	(154,201)	-
	<u>143,601,686</u>	<u>137,074,391</u>	<u>21,539,977</u>	<u>3,344,913</u>

19. OTHER INCOME

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Bad debt recovered	30,000	-	-	-
Dividend income	840	45,916	-	-
Fair value adjustment on investment properties	776,976	-	225,802	-
Gain on disposal of property, plant and equipment	1,297,540	149,074	232,879	-
Gain on bargain purchase of a subsidiary	-	2,742,709	-	-
Gain on disposal of investment in a subsidiary	55,630	-	1,000,000	-
Impairment loss on trade receivables recovered	326,196	41,859	-	-
Carried forward	<u>2,487,182</u>	<u>2,979,558</u>	<u>1,458,681</u>	<u>-</u>

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Brought forward	2,487,182	2,979,558	1,458,681	-
Interest income	251,609	231,460	-	224,233
Miscellaneous	57,790	37,954	55,210	19,082
Realised gain on foreign exchange	151,252	105,717	-	-
Rental income	64,518	77,848	-	-
Scrap sales	204,620	253,809	-	-
Unrealised gain on foreign exchange	9,695	-	-	-
	<u>3,226,666</u>	<u>3,686,346</u>	<u>1,513,891</u>	<u>243,315</u>

20. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Wages and salaries	9,784,449	10,214,561	1,093,829	1,611,762
Contributions to defined contribution plan	702,506	812,696	128,567	197,063
Equity-settled share- based payment	368,076	-	109,440	-
Social security contributions	74,107	86,234	7,667	9,667
Increase in liability for defined benefit plan (Note 15.1)	88,474	43,601	21,723	187,976
Other benefits	507,943	832,898	33,784	95,840
	<u>11,525,555</u>	<u>11,989,990</u>	<u>1,395,010</u>	<u>2,102,308</u>

21. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Directors of the Company				
Executive:				
Salaries and other emoluments	775,600	1,110,961	428,000	905,300
Equity-settled share-based payment	80,753	-	63,812	-
Defined contribution plans	93,072	108,636	51,360	108,636
	<u>949,425</u>	<u>1,219,597</u>	<u>543,172</u>	<u>1,013,936</u>
Non-executive:				
Other emoluments				
- current year	-	117,000	-	117,000
- over provision in prior year	(4,500)	-	(4,500)	-
Equity-settled share-based payment	11,294	-	11,294	-
Fee				
- current year	78,000	88,000	78,000	88,000
- over provision in prior year	(59,000)	-	(59,000)	-
	<u>25,794</u>	<u>205,000</u>	<u>25,794</u>	<u>205,000</u>
Directors of subsidiaries:				
Executive:				
Salaries and other emoluments	241,200	376,648	-	-
Equity-settled share-based payment	20,330	-	-	-
Defined contribution plans	27,504	32,112	-	-
	<u>289,034</u>	<u>408,760</u>	<u>-</u>	<u>-</u>
Non-executive:				
Fee	<u>30,000</u>	<u>120,000</u>	<u>-</u>	<u>120,000</u>
Total directors' remuneration	<u>1,294,253</u>	<u>1,953,357</u>	<u>568,966</u>	<u>1,338,936</u>

Analysed as:

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Total executive directors' remuneration (Note 20)	1,238,459	1,628,357	543,172	1,013,936
Total non-executive directors' remuneration (Note 23)	<u>55,794</u>	<u>325,000</u>	<u>25,794</u>	<u>325,000</u>
	<u>1,294,253</u>	<u>1,953,357</u>	<u>568,966</u>	<u>1,338,936</u>
Represented by:				
Present directors	1,019,688	1,803,357	463,766	1,248,936
Past directors	<u>274,565</u>	<u>150,000</u>	<u>105,200</u>	<u>90,000</u>
	<u>1,294,253</u>	<u>1,953,357</u>	<u>568,966</u>	<u>1,338,936</u>

22. FINANCE COSTS

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Interest expense on:				
Borrowings	1,914,202	2,218,283	838,764	882,054
Finance lease	72,772	11,176	7,581	-
Loan from a related party	20,000	-	-	-
Loan from third parties	-	65,502	-	-
	<u>2,006,974</u>	<u>2,294,961</u>	<u>846,345</u>	<u>882,054</u>
Others	-	26,912	-	-
	<u>2,006,974</u>	<u>2,321,873</u>	<u>846,345</u>	<u>882,054</u>

23. PROFIT/(LOSS) BEFORE TAXATION

This is arrived at:

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
After charging:				
Auditors' remuneration				
- Company's auditors				
- statutory audit				
- current year	111,400	105,900	28,000	28,000
- over provision in prior year	(3,900)	(4,060)	-	(1,800)
Other auditors				
- statutory audit	3,000	7,183	-	-
Bad debts	2,023,938	226,936	56,565	-
Allowance for impairment on:				
- Trade receivables	68,945	208,372	-	-
- Other receivables	328,000	734,763	-	-
Inventories written off	-	754,122	-	-
Inventories written down	175,032	9,738	-	-
Loss on:				
- Disposal of property, plant and equipment	-	36,611	-	45
- Disposal of other investments	-	25,490	-	-
Non-executive directors' remuneration (Note 21)	55,794	325,000	25,794	325,000
Property, plant and equipment written off	106,904	2,092,816	-	774
Realised loss on foreign exchange	42	-	-	18,540
Rental expenses:				
- Premises	809,620	1,125,707	-	75,300
- Plant and machinery	23,158	35,872	-	-
- Others	5,053	5,823	-	-
Unrealised loss on foreign exchange	-	9,513	-	-

24. TAXATION

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Current tax:				
Based on results for the year				
- Malaysian income tax	(1,239,000)	(250,000)	(39,000)	-
- Foreign tax	-	(71,752)	-	-
	<u>(1,239,000)</u>	<u>(321,752)</u>	<u>(39,000)</u>	<u>-</u>
Deferred tax:				
- Malaysia				
- Relating to the origination and reversal of temporary differences	(487,988)	(141,988)	(197,439)	48,561
- Changes in tax rates	65,000	-	9,000	-
- Foreign subsidiary	-	(42,476)	-	-
	<u>(422,988)</u>	<u>(184,464)</u>	<u>(188,439)</u>	<u>48,561</u>
	<u>(1,661,988)</u>	<u>(506,216)</u>	<u>(227,439)</u>	<u>48,561</u>
Over/(Under) provision in prior year				
- Current tax	36,099	(905,010)	-	(28,467)
- Deferred tax	(7,000)	(184,000)	-	-
	<u>29,099</u>	<u>(1,089,010)</u>	<u>-</u>	<u>(28,467)</u>
	<u>(1,632,889)</u>	<u>(1,595,226)</u>	<u>(227,439)</u>	<u>20,094</u>

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Profit/(Loss) before taxation	<u>4,620,050</u>	<u>(2,753,988)</u>	<u>19,597,285</u>	<u>(1,319,713)</u>
Income tax at Malaysian statutory tax rate of 25%	(1,155,013)	688,497	(4,899,321)	329,928
Tax rate difference in foreign jurisdiction	-	(18,827)	-	-
Income not subject to tax	329,875	699,656	4,851,781	-
Double deduction for promotion of exports	8,251	11,529	-	-
Expenses not deductible for tax purposes	(893,626)	(1,091,503)	(330,731)	(310,381)
Deferred tax movements not recognised	(657,888)	(888,580)	(79,423)	(19,547)
Utilisation of unabsorbed tax losses and capital allowances	652,401	-	183,694	-
Fair value adjustment on investment properties	(104,000)	-	(11,000)	-
Annual crystallisation of deferred tax on revaluation	93,012	93,012	48,561	48,561
Changes in tax rate	65,000	-	9,000	-
	<u>(1,661,988)</u>	<u>(506,216)</u>	<u>(227,439)</u>	<u>48,561</u>
Over/(Under) provision in prior years	29,099	(1,089,010)	-	(28,467)
	<u>(1,632,889)</u>	<u>(1,595,226)</u>	<u>(227,439)</u>	<u>20,094</u>

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Property, plant and equipment	15,728,000	21,490,000	-	4,673,000
Unabsorbed tax losses	(65,621,000)	(67,689,000)	-	(735,000)
Unabsorbed capital allowances	(8,341,000)	(11,354,000)	-	(3,947,000)
Unabsorbed reinvestment allowance	(8,838,000)	(8,838,000)	-	-
Unabsorbed allowance for increase in exports	(1,979,000)	(1,979,000)	-	-
Retirement benefit obligations	(490,000)	(1,148,000)	-	(408,000)
	<u>(69,541,000)</u>	<u>(69,518,000)</u>	<u>-</u>	<u>(417,000)</u>

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

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

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Unabsorbed tax losses	65,621,000	67,689,000	-	735,000
Unabsorbed capital allowances	12,316,000	11,354,000	3,975,000	3,947,000
Unabsorbed reinvestment allowance	8,838,000	8,838,000	-	-
Unabsorbed allowance for increase in exports	<u>1,979,000</u>	<u>1,979,000</u>	<u>-</u>	<u>-</u>

25. EARNINGS/(LOSS) PER SHARE

25.1 Basic

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

	GROUP	
	2014	2013
Profit/(Loss) for the year (RM)	<u>2,925,420</u>	<u>(4,415,293)</u>
Issued shares at beginning	48,489,059	6,464,496
Effects of:		
- Shares issued pursuant to the implementation of the Company's restructuring scheme	-	35,494,855
- Conversion of ICULS	1,430,844	1,782,983
- Exercise of ESOS	164,303	-
- Treasury shares held	<u>(2,502,578)</u>	-
Weighted average number of shares	<u>47,581,628</u>	<u>43,742,334</u>
Basic earnings/(loss) per share (sen)	<u>6.15</u>	<u>(10.09)</u>

25.2 Diluted

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

	GROUP	
	2014	2013
Profit/(Loss) for the year (RM)	<u>2,925,420</u>	<u>(4,415,293)</u>
Weighted average number of shares as above	47,581,628	43,742,334
Adjustment for dilutive effect of:		
- ICULS	1,019,054	2,309,349
- Warrants	931,522	-
- ESOS	<u>152,142</u>	-
Weighted average number of shares assumed to be in issue (diluted)	<u>49,684,345</u>	<u>46,051,683</u>
Diluted earnings/(loss) per share (sen)	<u>5.89</u>	<u>(9.59)</u>

26. **DIVIDENDS**

	2014 RM	2013 RM
In respect of the financial year ended 31 March 2014:		
First interim single tier dividend of 2 sen per share	911,737	-
Second interim single tier dividend of 2 sen per share	953,740	-
Share dividend *	-	-
	<u>1,865,477</u>	<u>-</u>

* On 3 January 2014, the Company distributed share dividend via distribution of 3,973,232 treasury shares on the basis of one treasury share for every twelve ordinary shares held. The share dividend is equivalent to RM3,427,185 based on the treasury shares book cost.

27. **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 and provision of management consultancy and corporate services. |

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.

By business segments

	Manufacturing		Trading		Others		Elimination		Total	
	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM
Revenue										
External sales	72,228,512	78,733,792	69,274,937	56,755,591	2,325,570	1,585,008	-	-	143,829,019	137,074,391
Inter-segment sales	1,872,565	2,748,543	323,585	252,673	19,380,000	1,759,905	(21,803,483)	(4,761,121)	(227,333)	-
Total revenue	74,101,077	81,482,335	69,598,522	57,008,264	21,705,570	3,344,913	(21,803,483)	(4,761,121)	143,601,686	137,074,391
Results										
Segment results	3,010,499	72,250	1,687,802	(2,689,441)	20,565,123	(816,005)	(18,888,009)	2,742,709	6,375,415	(690,487)
Interest income	1,812	1,947	249,160	5,280	637	224,233	-	-	251,609	231,460
Interest expense	(1,107,577)	(1,309,844)	(53,052)	(103,063)	(846,345)	(882,054)	-	-	(2,006,974)	(2,294,961)
Taxation	(708,966)	(1,615,320)	(687,080)	-	(236,923)	20,094	-	-	(1,632,889)	(1,595,226)
Profit/(Loss) for the year	1,195,768	(2,850,967)	1,196,910	(2,787,224)	19,482,492	(1,453,732)	(18,888,009)	2,742,709	2,987,161	(4,349,214)
Assets										
Segment assets	89,878,608	100,805,848	40,152,219	38,080,123	162,388,378	133,804,594	(130,928,493)	(117,608,215)	161,490,712	155,082,350
Tax recoverable	-	190,112	-	172,104	13,247	23,951	-	-	13,247	386,167
Fixed deposits with licensed banks	-	-	-	9,000,000	506,183	506,183	-	-	506,183	9,506,183
Cash and bank balances	3,184,514	2,525,353	360,978	1,006,882	492,534	387,900	-	-	4,038,026	3,920,135
Total assets	93,063,122	103,521,313	40,513,197	48,259,109	163,400,342	134,722,628	(130,928,493)	(117,608,215)	166,048,168	168,894,835
Liabilities										
Segment liabilities	58,058,180	41,734,301	49,681,294	54,118,567	24,571,654	25,264,020	(115,007,435)	(99,687,057)	17,303,693	21,429,831
Deferred tax liabilities	2,307,439	3,012,140	344,000	-	1,339,768	1,151,329	-	-	3,991,207	4,163,469
Provision for taxation	844,372	641,033	208,894	-	54,000	-	-	-	1,107,266	641,033
Borrowings	2,086,139	3,130,088	13,300,872	12,209,976	10,319,718	10,898,971	-	-	25,706,729	26,239,035
Total liabilities	63,296,130	48,517,562	63,535,060	66,328,543	36,285,140	37,314,320	(115,007,435)	(99,687,057)	48,108,895	52,473,368
Other information										
Addition to non-current assets	1,614,429	2,549,165	3,204,616	1,157,130	6,905,870	1,670,903	-	-	11,724,915	5,377,198
Depreciation	2,724,754	3,066,724	595,852	383,842	148,494	137,663	-	-	3,469,100	3,588,229
Non-cash expenses/(income) other than depreciation	447,161	2,124,497	1,113,741	1,765,585	(1,914,708)	(2,683,504)	958,664	-	604,858	1,206,578

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	
	2014	2013
	RM	RM
Bad debts	2,023,938	226,936
Bargain purchase gain	-	(2,742,709)
Equity-settled share-based payment	368,076	-
Fair value adjustments on investment properties	(776,976)	-
Gain on disposal of investment in a subsidiary	(55,630)	-
Gain on disposal of property, plant and equipment	(1,297,540)	(112,463)
Impairment loss on receivables	396,945	943,135
Impairment loss on trade receivables recovered	(326,196)	-
Inventories written down	175,032	9,738
Inventories written off	-	754,122
Loss on disposal of investment	-	25,490
Property, plant and equipment written off	106,904	2,092,816
Unrealised (gain)/loss on foreign exchange	(9,695)	9,513
	<u>604,858</u>	<u>1,206,578</u>

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. In India, the Group is principally involved in manufacturing of metal related products.

	Revenue		Non-current assets	
	2014 RM	2013 RM	2014 RM	2013 RM
Malaysia	137,361,070	131,194,855	104,060,650	96,561,927
India	2,542,828	3,418,099	-	7,143,894
Others	3,697,788	2,461,437	-	-
	<u>143,601,686</u>	<u>137,074,391</u>	<u>104,060,650</u>	<u>103,705,821</u>

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.

	2014 RM	2013 RM
Property, plant and equipment	67,848,850	74,801,719
Investment properties	36,211,800	28,904,102
	<u>104,060,650</u>	<u>103,705,821</u>

Information about major customer

Total revenue from a major customer which contributed more than 10% of the Group's revenue amounted to **RM61,110,181** (2013: RM49,447,262).

28. RELATED PARTY DISCLOSURES

(i) Identity of related parties

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

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

Related party relationship:

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

(ii) **Related party transactions**

	GROUP		COMPANY	
	2014	2013	2014	2013
	RM	RM	RM	RM
Management fee received from subsidiaries:				
- Duro Metal Industrial (M) Sdn. Bhd.	-	-	540,000	660,000
- Metal Perforators (Malaysia) Sdn. Bhd.	-	-	300,000	420,000
- Progerex Sdn. Bhd.	-	-	180,000	300,000
- SMPC Industries Sdn. Bhd.	-	-	360,000	300,000
- SMPC Industries (India) Private Limited	-	-	-	79,905
Rental of premises paid to a subsidiary, Progerex Sdn. Bhd.	-	-	-	60,000
Rental of warehouse received from See Hup Pioneer Logistics Sdn. Bhd.	393,990	266,640	393,990	226,640
Rental of warehouse and open yard paid to Limsa Ekuiti Sdn. Bhd.	510,000	420,000	-	-

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Rental of plant and equipment and transportation of goods and services paid to See Hup Transport Company Sdn. Bhd.	233,985	-	-	-
Rental of premises paid to a director of the Company	-	35,300	-	15,300
Management consultancy fee paid to a shareholder of a subsidiary, Ohmi Industries Limited	-	85,240	-	-
Logistics services and supply of scrap metal and other steel related products received from See Hup Pioneer Logistics Sdn. Bhd.	17,346	-	-	-
Investments in shares and loan stocks of See Hup Consolidated Berhad	3,016,472	3,008,624	-	-
Sale of warehouse to Limsa Ekuiti Sdn. Bhd.	2,000,000	-	-	-
Purchase of investment properties from A1 Capital Sdn. Bhd.	240,000	-	-	-
* Interest charged by a former substantial shareholder	10,000	-	-	-

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

(iii) Compensation of key management personnel

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

29. CONTINGENT LIABILITIES

	COMPANY	
	2014	2013
	RM	RM
Unsecured:		
(i) Corporate guarantee extended to banks and financial institutions for credit facilities granted to subsidiaries		
- Limit	<u>22,609,750</u>	<u>20,758,000</u>
(ii) Corporate guarantee extended to suppliers of subsidiaries		
- Limit	<u>11,815,000</u>	<u>11,815,000</u>
Secured:		
(i) Banking facilities granted to a subsidiary secured by way of legal charges over the Company's leasehold land and building		
- Limit	<u>1,500,000</u>	<u>1,500,000</u>

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.

30. COMMITMENTS

(i) Capital commitments

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Authorised and contracted for:				
- Property, plant and equipment	207,243	1,820,766	-	-
- Investment properties	360,000	-	-	-
- Acquisition of Kembang Kartika Sdn. Bhd.	4,000,000	-	4,000,000	-
	<u>4,567,243</u>	<u>1,820,766</u>	<u>4,000,000</u>	<u>-</u>

Details of the acquisition of subsidiary are disclosed in Note 9.3(ii).

(ii) Non-cancellable operating lease commitment as lessees

	GROUP	
	2014 RM	2013 RM
Future minimum rental payable:		
Later than one year	600,000	360,000
Later than one year but not later than two years	-	300,000
	<u>600,000</u>	<u>660,000</u>

Operating lease commitments represent rental payable for use of open yard and warehouse. Leases are negotiated for terms of one and three years.

31. 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").

GROUP	Carrying amount RM	AFS RM	HTM RM	L&R RM	FL RM
2014					
Financial assets					
Other investments	6,682,428	5,182,428	1,500,000	-	-
Trade and other receivables	32,414,856	-	-	32,414,856	-
Fixed deposits with licensed banks	506,183	-	-	506,183	-
Cash and bank balances	4,038,026	-	-	4,038,026	-
	43,641,493	5,182,428	1,500,000	36,959,065	-
Financial liabilities					
Trade and other payables	14,921,626	-	-	-	14,921,626
Borrowings	25,706,729	-	-	-	25,706,729
	40,628,355	-	-	-	40,628,355
2013					
Financial assets					
Other investments	5,864,125	4,364,125	1,500,000	-	-
Trade and other receivables	33,013,287	-	-	33,013,287	-
Fixed deposits with licensed banks	9,506,183	-	-	9,506,183	-
Cash and bank balances	3,920,135	-	-	3,920,135	-
	52,303,730	4,364,125	1,500,000	46,439,605	-
Financial liabilities					
Trade and other payables	18,592,786	-	-	-	18,592,786
Borrowings	26,239,035	-	-	-	26,239,035
	44,831,821	-	-	-	44,831,821
COMPANY					
2014					
Financial assets					
Other receivables	76,523,807	-	-	76,523,807	-
Fixed deposits with licensed banks	506,183	-	-	506,183	-
Cash and bank balances	308,104	-	-	308,104	-
	77,338,094	-	-	77,338,094	-

	Carrying amount RM	AFS RM	HTM RM	L&R RM	FL RM
Financial liabilities					
Other payables	298,515	-	-	-	298,515
Borrowings	10,319,718	-	-	-	10,319,718
	10,618,233	-	-	-	10,618,233
2013					
Financial assets					
Other receivables	65,688,955	-	-	65,688,955	-
Fixed deposits with licensed banks	506,183	-	-	506,183	-
Cash and bank balances	177,751	-	-	177,751	-
	66,372,889	-	-	66,372,889	-
Financial liabilities					
Other payables	941,219	-	-	-	941,219
Borrowings	10,898,971	-	-	-	10,898,971
	11,840,190	-	-	-	11,840,190

32. 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.

32.1 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.

32.1.1 Trade receivables

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

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

	Gross RM	Individual impairment RM	Net RM
2014			
Not past due	12,002,811	-	12,002,811
Past due 1 - 30 days	5,054,576	-	5,054,576
Past due 31 - 60 days	3,755,083	-	3,755,083
Past due 61 - 90 days	2,885,338	-	2,885,338
Past due more than 90 days	4,550,874	(4,239,397)	311,477
	<u>16,245,871</u>	<u>(4,239,397)</u>	<u>12,006,474</u>
	<u>28,248,682</u>	<u>(4,239,397)</u>	<u>24,009,285</u>
2013			
Not past due	16,489,827	-	16,489,827
Past due 1 - 30 days	7,203,994	-	7,203,994
Past due 31 - 60 days	4,311,152	-	4,311,152
Past due 61 - 90 days	1,386,411	-	1,386,411
Past due more than 90 days	5,223,472	(4,694,766)	528,706
	<u>18,125,029</u>	<u>(4,694,766)</u>	<u>13,430,263</u>
	<u>34,614,856</u>	<u>(4,694,766)</u>	<u>29,920,090</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 Group has trade receivables amounting to **RM12,006,474** (2013: RM13,430,263) 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 (2013: 1) customer representing 10% (2013: 10%) of the total trade receivables.

32.1.2 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.

32.1.3 Financial guarantees

The Company provides unsecured corporate guarantee to banks, financial institutions and creditors in respect of credit facilities granted to certain subsidiaries as disclosed in Note 29.

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.

32.2 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:

GROUP	Carrying amount RM	Contractual cash flow 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
2014						
Interest bearing borrowings	25,706,729	29,552,141	16,355,709	2,320,776	5,896,961	4,978,695
Trade and other payables	14,921,626	14,921,626	14,921,626	-	-	-
	40,628,355	44,473,767	31,277,335	2,320,776	5,896,961	4,978,695
2013						
Interest bearing borrowings	26,239,035	30,669,374	3,869,078	14,875,933	5,338,692	6,585,671
Trade and other payables	18,592,786	18,592,786	18,592,786	-	-	-
	44,831,821	49,262,160	22,461,864	14,875,933	5,338,692	6,585,671
COMPANY						
2014						
Interest bearing borrowings	10,319,718	13,806,543	1,781,028	1,781,028	5,303,433	4,941,054
Other payables	298,515	298,515	298,515	-	-	-
	10,618,233	14,105,058	2,079,543	1,781,028	5,303,433	4,941,054
2013						
Interest bearing borrowings	10,898,971	15,151,031	1,713,072	1,713,072	5,139,216	6,585,671
Other payables	941,219	941,219	941,219	-	-	-
	11,840,190	16,092,250	2,654,291	1,713,072	5,139,216	6,585,671

32.3 Interest rate risk

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

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

	GROUP		COMPANY	
	2014 RM	2013 RM	2014 RM	2013 RM
Fixed rate instruments				
Financial assets	1,919,161	9,535,294	506,183	506,183
Financial liabilities	<u>14,147,262</u>	<u>122,989</u>	<u>272,940</u>	<u>-</u>
Floating rate instruments				
Financial liabilities	<u>11,559,467</u>	<u>26,116,046</u>	<u>10,046,778</u>	<u>10,898,971</u>

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.

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 taxation 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	
	2014 RM	2013 RM	2014 RM	2013 RM
Decrease in profit before taxation	<u>32,774</u>	<u>79,090</u>	<u>26,712</u>	<u>44,458</u>

32.4 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:

	2014		2013	
	USD RM	SGD RM	USD RM	SGD RM
Trade and other receivables	963,890	125,429	719,886	1,686
Trade and other payables	(28,191)	-	(260,223)	-
Net exposure	<u>935,699</u>	<u>125,429</u>	<u>459,633</u>	<u>1,686</u>

Sensitivity analysis for foreign currency risk

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

	2014 RM	2013 RM
USD	93,570	45,963
SGD	12,543	169
Reduce in profit before taxation	<u>106,113</u>	<u>46,132</u>

32.5 Fair value information

The carrying amounts of the Group's and the Company's financial assets (except for investments in equity instruments) and financial liabilities of the Group and of the Company as at the end of the reporting period approximate their fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The unquoted shares are carried at cost as it is not practicable to reasonably estimate its fair value due to lack of comparable quoted market prices and available market data for valuation. Therefore, the investment is carried at its original cost less impairment loss. The carrying amount of the non-current portion of the finance lease liabilities are reasonable approximation of fair values due to the insignificant impact of discounting.

The table below analyses financial instruments carried at fair value grouped into Levels 1 to 3 based on the degree to which the fair value is observable (refer to Note 2.2 to the financial statements for definition of Level 1 to 3 fair value hierarchy).

Fair value hierarchy**GROUP**

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2014				
Financial assets				
Quoted shares and unit trusts	3,064,651	-	-	3,064,651
2013				
Financial assets				
Quoted shares and unit trusts	2,246,348	-	-	2,246,348

There were no transfers between Level 1 and Level 2 during the financial year.

33. 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 period.

34. EMPLOYEES SHARE OPTIONS SCHEME ("ESOS")

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

The salient features of the ESOS are as follows:

- (a) The total number of new ordinary shares which are available to be issued under the ESOS shall not exceed fifteen percent (15%) of the total issued and fully paid-up share capital of the Company at any time throughout the duration of the ESOS.

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

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

Grant date	Exercise price RM	Number of Share Option				Balance at 31.3.14
		Balance at 1.4.13	Granted and accepted	Exercised	Lapsed	
9.10.13	1.00	-	3,257,500	(385,000)	(480,000)	2,392,500

The fair value of the share options granted was RM0.12 and 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 Black Scholes model for the ESOS granted on 9 October 2013:

Weighted average share price (RM)	1.00
Expected volatility (%)	10.00
Risk-free interest rate (% p.a.)	3.37
Expected life of option (years)	2.02

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.

35. SIGNIFICANT EVENT

On 27 February 2014, the Company has announced to Bursa Securities that it is proposing to undertake a renounceable two-call rights issue of up to 300,410,014 new ordinary shares of RM1 each (“Rights Shares”) together with up to 150,205,007 free new detachable warrants (“Warrants C”) at an issue price of RM1 per Rights Share on the basis of two (2) Rights Shares together with one (1) Warrant C for every two (2) existing ordinary shares held on an entitlement date to be determined and announced later, of which the first call of RM0.90 will be payable in cash on application and the second call of RM0.10 is to be capitalised from the Company’s reserves, based on a minimum subscription level of 20,000,000 Rights Shares together with 10,000,000 Warrants C (“Proposed Rights Issue with Warrants”).

As at the date of this report, the Proposed Rights Issue with Warrants is pending approval from the relevant authorities.

36. SUBSEQUENT EVENTS

- 36.1 On 13 June 2014, the Company together with SMPC Industries Sdn. Bhd. (“SMPC Industries”), Mr. Ooi Chieng Sim and Affin Bank Berhad (“Affin”) (“the Defendants”) was 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 Plaintiff seeks a declaration that he be relieved of his personal guarantee of RM18,000,000 issued in favour of Affin for a term loan granted to SMPC Industries (see Note 16),
- (b) In the alternative, the Company and SMPC Industries be ordered to make good/or otherwise indemnify the Plaintiff to the full extent of the term loan outstanding to Affin,
- (c) 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
- (d) General damages against the Defendants with interest of 5% per annum from the date of judgement to the date of realisation and costs.

Prior to the writ of summons and statement of claim, the Company has on 27 February 2014 announced that it proposes to undertake a Rights Issue with Warrants, pending approval from the relevant authorities. Upon approval, part of the proceeds will be utilised to settle the outstanding term loan.

- 36.2 On 17 June 2014, the Company together with a subsidiary of the Company, Park Avenue Construction Sdn. Bhd. have filed a civil suit against Machendran a/l Pitchai Chetty to recover the sum of RM279,696 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.

The matter is fixed for case management on 24 July 2014.

37. **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	
	2014 RM	2013 RM	2014 RM	2013 RM
Total retained profits/(accumulated losses) of the Company and its subsidiaries				
- Realised	(25,182,070)	(26,586,870)	18,618,088	1,128,887
- Unrealised	(3,204,536)	(4,172,982)	(1,113,966)	(1,151,329)
	(28,386,606)	(30,759,852)	17,504,122	(22,442)
Less: Consolidation adjustments	45,306,946	46,598,054	-	-
	<u>16,920,340</u>	<u>15,838,202</u>	<u>17,504,122</u>	<u>(22,442)</u>