

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2017
TOGETHER WITH THE AUDITORS' REPORT THEREON**

SECRETARY'S
COPY

Original Sighted


Company Secretary
CHAN EOI LENG
(MAICSA 7030866)

ATTA GLOBAL GROUP BERHAD
Company No. 79082-V
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS
31 MARCH 2017**

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ATTA GLOBAL GROUP BERHAD
Company No. 79082-V
(Incorporated in Malaysia)

CORPORATE INFORMATION

Directors	Ooi Chieng Sim (Chairman/Executive Director) Ng Chin Nam (Executive Director) Mohd Shahril Fitri Bin Hashim (Executive Director) Chow Choon Hoong (Executive Director) Dato' Dennis Chuah (Independent Non-Executive Director) Sudesh a/l K.V. Sankaran (Independent Non-Executive Director) Loh Yee Sing (Independent Non-Executive Director)
Secretaries	Chan Yoke Yin Chan Eoi Leng
Audit Committee	Dato' Dennis Chuah (Chairman) Sudesh a/l K.V. Sankaran Loh Yee Sing
Registered Office	55A Medan Ipoh 1A Medan Ipoh Bistari 31400 Ipoh Perak
Business Address	2521 Tingkat Perusahaan 6 Prai Industrial Estate 13600 Prai

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ATTA GLOBAL GROUP BERHAD
Company No. 79082-V
(Incorporated in Malaysia)

CORPORATE INFORMATION

Share Registrar	Symphony Share Registrars Sdn. Bhd. Level 6 Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor
Auditors	Grant Thornton Chartered Accountants
Bankers	AmBank (M) Berhad AmIslamic Bank Berhad Hong Leong Bank Berhad Malayan Banking Berhad Maybank Islamic Berhad HSBC Bank Malaysia Berhad
Stock Exchange Listing	Main Market of Bursa Malaysia Securities Berhad Stock name: ATTA Stock code: 7099

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ATTA GLOBAL GROUP BERHAD

Company No. 79082-V
(Incorporated in Malaysia)

**DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

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 2017**.

PRINCIPAL ACTIVITIES

The principal activities of the Company are 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 the activities of the Group and of the Company during the financial year.

RESULTS

	GROUP RM	COMPANY RM
Profit after tax for the financial year	<u>18,025,295</u>	<u>11,019,157</u>
Attributable to:		
Owners of the Company	18,026,487	11,019,157
Non-controlling interests	<u>(1,192)</u>	<u>-</u>
	<u>18,025,295</u>	<u>11,019,157</u>

DIVIDENDS

Since the end of the previous financial year, the Company has declared and/or paid the following dividends in respect of the financial year ended 31 March 2017:

	RM
First interim single tier dividend of 2 sen per share paid on 19 October 2016	1,342,815
First interim special dividend of 3 sen per share paid on 19 October 2016	2,014,222
Second interim single tier dividend of 2 sen per share paid on 15 December 2016	1,372,815
Second interim special dividend of 5 sen per share paid on 15 December 2016	3,432,038
Third interim single tier dividend of 2 sen per share payable on 30 May 2017	<u>1,789,313</u>
	<u>9,951,203</u>

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On 17 March 2017, the directors declared a share dividend distribution on the basis of one treasury share for every twenty ordinary shares held amounting to RM3,167,088, which will be distributed on 30 May 2017.

The directors also recommend a final single tier dividend payment of 2 sen per ordinary share and a final special dividend of 8 sen per ordinary share in respect of the financial year ended 31 March 2017, subject to the approval of the Company's shareholders at the forthcoming Annual General Meeting.

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

There were no changes in the issued and paid-up capital of the Company during the financial year except for:

- (i) The issuance of 8,846,000 ordinary shares pursuant to the conversion of 22,346,000 10-year 0% Irredeemable Convertible Unsecured Loan Stocks. The new ordinary shares rank pari-passu in respect with the existing ordinary shares of the Company; and
- (ii) Transfer of share premium and capital redemption reserve pursuant to Section 618(2) of the Companies Act 2016 amounting to RM14,089,793 to become part of the Company's share capital.

TREASURY SHARES

During the financial year ended 31 March 2017, the Company repurchased 364,700 ordinary shares of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.99 per share and the repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares in accordance with Section 127 of the Companies Act 2016.

As at 31 March 2017, the Company held a total of 3,955,200 treasury shares out of its 79,697,253 issued ordinary shares. Further relevant details are disclosed in Note 14.1 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 14.2 to the financial statements respectively.

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

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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	----- Number of share options over ordinary shares -----			Balance at 31.3.2017
		Balance at 1.4.2016	Exercised	Lapsed	
9.10.13	RM1.00	1,874,375	-	-	1,874,375
14.10.14	RM1.00	411,500	-	-	411,500
15.2.16	RM1.00	2,005,000	-	-	2,005,000

The salient features of the ESOS are disclosed in Note 35 to the financial statements.

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
Loh Yee Sing (appointed on 28.11.16)
Lim Ghim Chai (retired on 30.8.16)

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:

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----- Number of ordinary shares -----				
	Balance at 1.4.2016	Bought	Sold	Balance at 31.3.2017
The Company				
Direct Interest:				
Ooi Chieng Sim	3,407,186	1,033,800	(3,407,186)	1,033,800
Ng Chin Nam	227,349	-	(150,000)	77,349
Deemed Interest:				
¹ Ooi Chieng Sim	14,542,500	6,704,110	(2,388,750)	18,857,860
Other Interest:				
² Ng Chin Nam	3,412	-	-	3,412
----- Number of 10-year 0% ICULS -----				
	Balance at 1.4.2016	Converted	Bought/ Sold	Balance at 31.3.2017
The Company				
Direct Interest:				
Ng Chin Nam	320,000	-	-	320,000
Deemed Interest:				
Ooi Chieng Sim	40,000,000	(5,000,000)	-	35,000,000
----- Number of Warrants B -----				
	Balance at 1.4.2016	Bought	Sold	Balance at 31.3.2017
The Company				
Direct Interest:				
Ng Chin Nam	26,284	-	-	26,284
Deemed Interest:				
Ooi Chieng Sim	299,714	-	-	299,714
----- Number of Warrants C -----				
	Balance at 1.4.2016	Bought	Sold	Balance at 31.3.2017
The Company				
Direct Interest:				
Ooi Chieng Sim	750,000	-	-	750,000
Ng Chin Nam	18,416	-	-	18,416

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	----- Number of options over ordinary shares -----			Balance at 31.3.2017
	Balance at 1.4.2016	Exercised	Lapsed	
Ng Chin Nam	147,193	-	-	147,193
Mohd Shahril Fitri Bin Hashim	307,707	-	-	307,707
Chow Choon Hoong	184,624	-	-	184,624
Sudesh a/l K.V. Sankaran	102,569	-	-	102,569

Notes:

- 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.
- 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' FEES AND BENEFITS

During the financial year, the fees and other benefits received and receivable by the directors of the Group and of the Company are as follows:

	GROUP RM	COMPANY RM
Fees	32,000	32,000
Salaries and allowances	761,100	264,000
Defined contribution plans	84,972	31,680
Indemnity given or insurance effected for any director	30,722	30,722
	908,794	358,402

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than as disclosed in Note 22 to 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.

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.

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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.

In the opinion of directors:

- (i) 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,

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- (ii) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, and
- (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

SIGNIFICANT EVENT

The details of significant event during the financial year are disclosed in Note 36 to the financial statements.

SUBSEQUENT EVENT

The details of subsequent event are disclosed in Note 37 to the financial statements.

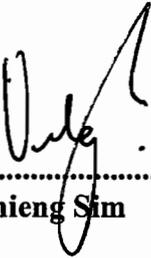
AUDITORS

The total amount of fees receivable by the auditors, Grant Thornton, as remuneration for their services as auditors of the Group and of the Company for the financial year ended 31 March 2017 are RM129,000 and RM36,000 respectively.

There was no indemnity given to or insurance effected for the auditors of the Company.

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

Signed in accordance with a resolution of the directors:


.....
Ooi Chieng Sim


.....
Ng Chin Nam

Penang,

Date: 22 June 2017

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ATTA GLOBAL GROUP BERHAD
Company No. 79082-V
(Incorporated in Malaysia)

DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 19 to 94 are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 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 2017 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 95 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:

[Signature]
Ooi Chieng Sim

[Signature]
Ng Chin Nam

Date: 22 June 2017

STATUTORY DECLARATION

I, Siva Raman a/l S. Ramasamy Pattar, the officer primarily responsible for the financial management of Atta Global Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 19 to 94 and the supplementary information set out on page 95 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 provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Penang, this 22nd)
day of June 2017.)

[Signature]
Siva Raman a/l S. Ramasamy Pattar
(I/C No. 630103-02-5291)

Before me,



Commissioner for Oaths

OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2017
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ATTA GLOBAL GROUP BERHAD**

Company No. 79082-V
(Incorporated in Malaysia)

Grant Thornton (AF:0042)
51-8-A, Menara BHL Bank
Jalan Sultan Ahmad Shah
10050 Penang
Malaysia

T +604 228 7828

F +604 227 9828

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of **Atta Global Group Berhad**, which comprise the statements of financial position as at **31 March 2017** of the Group and of the Company, and the 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 notes to the financial statements, including a summary of significant accounting policies, as set out on pages 19 to 94.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at **31 March 2017** and of their financial performance and of their 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 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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**Independent Auditors' Report To The Members Of
Atta Global Group Berhad (cont'd)
Company No. 79082-V
(Incorporated in Malaysia)**

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Valuation of investment properties <i>(Note 5 to the financial statements)</i></p> <p>The fair values of the investment properties are derived based on directors' valuation by reference to the following:</p> <p>(i) Valuation report by an independent professional valuer using the direct comparison and replacement cost methods. Independent professional valuation was obtained in respect of its major investment properties in order to support management's estimates; and</p> <p>(ii) Management's assessment with reference to selling prices of recent transactions and asking prices of similar properties premised on the factors of location, accessibility, visibility, time, size, present market trends and other differences.</p> <p>The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied.</p>	<p>Our audit procedures in relation to the valuation of investment properties included the following:</p> <ul style="list-style-type: none"> • Evaluating the independent external valuer's competence, capabilities and objectivity. • Assessing the methodologies used and the appropriateness of the key assumptions based on our knowledge of the property industry. • Checking the accuracy and relevance of the input data used. • Assessing the adequacy and appropriateness of the disclosures relating to the valuation methodology and estimation made in the financial statements.

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**Independent Auditors' Report To The Members Of
Atta Global Group Berhad (cont'd)
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Key Audit Matters (cont'd)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Net valuation for inventories <i>(Note 8 to the financial statements)</i></p> <p>The Group holds significant amount of inventories which exposed the Group to a risk that the inventories may become slow moving or obsolete and eventually non-saleable or selling below their carrying value.</p> <p>There is inherent subjectivity and estimation involved in determining the accuracy of provision for inventory obsolescence and in assessing the adequacy of inventory not stated at the lower of cost or market value.</p>	<p>Our audit procedures in relation to the valuation of inventories included the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of: <ul style="list-style-type: none"> - the Group's inventory management process. - how the Group identifies and assesses inventory write downs. - how the Group makes the accounting estimates for inventory write downs. • Examining the perpetual records for inventory movements and to identify slow moving aged items. • Making inquiries of management regarding the action plans to clear slow moving aged and obsolete inventories. • Reviewing the net realisable value of inventories on sampling basis. • Evaluating the reasonableness and adequacy of the allowance for inventories recognised in the financial statements.

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**Independent Auditors' Report To The Members Of
Atta Global Group Berhad (cont'd)**

Company No. 79082-V
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Key Audit Matters (cont'd)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Impairment of trade receivables <i>(Note 9 to the financial statements)</i></p> <p>The Group has significant trade receivables as at 31 March 2017 and it is subject to credit risk exposure. The determination of impairment for the past due receivables requires management's judgement in assessing the collectability of the debts after considering their ageing and historical loss experience for receivables with similar characteristics.</p>	<p>Our audit procedures in relation to impairment of trade receivables included the following:</p> <ul style="list-style-type: none"> • Obtaining an understanding of: <ul style="list-style-type: none"> - the Group's control over the trade receivables' collection process. - how the Group identifies and assesses the impairment of receivables; and - how the Group makes the accounting estimates for impairment. • Reviewing the consistency of the application of management's methodology for calculating the impairment from year to year. • Considering the ageing of the trade receivables. • Reviewing collections received after the financial year end. • Reviewing the adequacy of the impairment.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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**Independent Auditors' Report To The Members Of
Atta Global Group Berhad (cont'd)
Company No. 79082-V
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Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.

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**Independent Auditors' Report To The Members Of
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Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in these financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Group and of the Company financial statements, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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(Incorporated in Malaysia)**

Other Reporting Responsibilities

The supplementary information set out on page 95 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 266 of the Companies Act 2016 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**

Penang

Date: 22 June 2017

**Yap Soon Hin
No. 00947/03/19 (J)
Chartered Accountant**

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2017
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

ATTA GLOBAL GROUP BERHAD

Company No. 79082-V
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

	NOTE	GROUP		COMPANY	
		2017 RM	2016 RM	2017 RM	2016 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	72,281,212	70,728,457	1,283,329	1,420,290
Investment properties	5	45,511,800	38,940,114	29,856,875	24,727,698
Investment in subsidiaries	6	-	-	35,364,293	35,364,293
Other investments	7	617,936	2,361,769	-	-
		<u>118,410,948</u>	<u>112,030,340</u>	<u>66,504,497</u>	<u>61,512,281</u>
Current assets					
Inventories	8	16,687,697	12,736,537	-	-
Receivables, deposits and prepayments	9	33,103,898	26,847,851	83,686,066	80,959,429
Current tax assets		917,057	484,007	-	-
Fixed deposits with licensed banks	10	572,016	554,912	572,016	554,912
Cash and bank balances	11	7,570,009	4,143,304	985,377	176,666
		<u>58,850,677</u>	<u>44,766,611</u>	<u>85,243,459</u>	<u>81,691,007</u>
TOTAL ASSETS		<u>177,261,625</u>	<u>156,796,951</u>	<u>151,747,956</u>	<u>143,203,288</u>
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	12	93,787,046	70,851,253	93,787,046	70,851,253
Share premium	12	-	11,831,467	-	11,831,467
Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	13	19,829,697	22,064,297	19,829,697	22,064,297
Other reserves	14	(2,149,793)	528,863	4,990,351	7,608,632
Retained profits	15	26,635,848	18,560,564	20,930,090	19,862,136
		<u>138,102,798</u>	<u>123,836,444</u>	<u>139,537,184</u>	<u>132,217,785</u>
Non-controlling interests		<u>(101,669)</u>	<u>(127,479)</u>	<u>-</u>	<u>-</u>
Total equity		<u>138,001,129</u>	<u>123,708,965</u>	<u>139,537,184</u>	<u>132,217,785</u>
Non-current liabilities					
Borrowings	16	7,444,889	9,100,617	5,657,911	7,215,457
Deferred tax liabilities	17	3,885,755	3,361,183	1,669,544	1,402,646
		<u>11,330,644</u>	<u>12,461,800</u>	<u>7,327,455</u>	<u>8,618,103</u>
Current liabilities					
Trade and other payables	18	19,917,716	15,972,673	3,273,565	840,058
Borrowings	16	7,888,843	4,497,350	1,495,702	1,464,466
Current tax liabilities		123,293	156,163	114,050	62,876
		<u>27,929,852</u>	<u>20,626,186</u>	<u>4,883,317</u>	<u>2,367,400</u>
Total liabilities		<u>39,260,496</u>	<u>33,087,986</u>	<u>12,210,772</u>	<u>10,985,503</u>
TOTAL EQUITY AND LIABILITIES		<u>177,261,625</u>	<u>156,796,951</u>	<u>151,747,956</u>	<u>143,203,288</u>

The notes set out on pages 26 to 94 form an integral part of these financial statements.

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2017
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

ATTA GLOBAL GROUP BERHAD
Company No. 79082-V
(Incorporated in Malaysia)

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

	NOTE	GROUP		COMPANY	
		2017 RM	2016 RM	2017 RM	2016 RM
Revenue	19	127,928,331	122,060,302	8,302,874	5,148,717
Other income	20	17,590,126	1,272,329	5,848,098	17,256
Changes in inventories of work in progress, trading inventories and finished goods		1,218,783	268,455	-	-
Raw materials and consumables used		(37,140,173)	(56,251,766)	-	-
Trading goods purchased		(56,597,678)	(28,107,993)	-	-
Employee benefits expense	21	(9,866,186)	(9,960,740)	(673,180)	(793,854)
Depreciation		(4,324,861)	(3,998,950)	(450,629)	(403,604)
Other operating expenses		(18,999,390)	(26,007,753)	(961,408)	(2,454,848)
Operating profit/(loss)		19,808,952	(726,116)	12,065,755	1,513,667
Finance costs	23	(951,746)	(1,020,502)	(560,080)	(666,129)
Profit/(Loss) before tax	24	18,857,206	(1,746,618)	11,505,675	847,538
Tax expense	25	(831,911)	(685,937)	(486,518)	(39,628)
Profit/(Loss) for the financial year		18,025,295	(2,432,555)	11,019,157	807,910
Other comprehensive loss, net of tax					
Items that will be reclassified subsequently to profit or loss:					
- Fair value of available-for-sale financial assets		289,336	(102,518)	-	-
- Reclassification to profit or loss upon disposal		(349,711)	(202,183)	-	-
Other comprehensive loss for the financial year		(60,375)	(304,701)	-	-
Total comprehensive income/(loss) for the financial year		17,964,920	(2,737,256)	11,019,157	807,910
Profit/(Loss) attributable to:					
Owners of the Company		18,026,487	(2,430,851)	11,019,157	807,910
Non-controlling interests		(1,192)	(1,704)	-	-
		18,025,295	(2,432,555)	11,019,157	807,910
Total comprehensive income/(loss) attributable to:					
Owners of the Company		17,966,112	(2,735,552)	11,019,157	807,910
Non-controlling interests		(1,192)	(1,704)	-	-
		17,964,920	(2,737,256)	11,019,157	807,910
Earnings/(Loss) per share attributable to owners of the Company (sen)					
- Basic	26.1	26.49	(3.51)		
- Diluted	26.2	26.49	(3.51)		

The notes set out on pages 26 to 94 form an integral part of these financial statements.

OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON
(Cont'd)

ATTA GLOBAL GROUP BERHAD
Company No. 79082-V
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

NOTE	Attributable to Owners of the Company													
	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	Capital Redemption Reserve RM	Retained Profits RM	Total RM	Non-controlling Interests RM	Total Equity RM
2017														
Balance at beginning	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
Total comprehensive income for financial year	-	-	-	-	-	(60,375)	-	-	-	-	18,026,487	17,966,112	(1,192)	17,964,920
<i>Transactions with owners:</i>														
Issuance of shares pursuant to conversion of ICULS	8,846,000	(2,234,600)	-	-	-	-	-	-	-	-	-	6,611,400	-	6,611,400
Purchase of treasury shares	-	-	-	(359,955)	-	-	-	-	-	-	-	(359,955)	-	(359,955)
Dividends	-	-	-	-	-	-	-	-	-	-	(9,951,203)	(9,951,203)	-	(9,951,203)
Deconsolidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	27,002	27,002
Total transactions with owners	8,846,000	(2,234,600)	-	(359,955)	-	-	-	-	-	-	(9,951,203)	(3,699,758)	27,002	(3,672,756)
Transition to no-par value regime on 31 January 2017	14,089,793	-	(11,831,467)	-	-	-	-	-	-	(2,258,326)	-	-	-	-
Balance at end	93,787,046	19,829,697	-	(2,596,024)	5,779,334	(5,698,794)	298,656	(262,746)	329,781	-	26,635,848	138,102,798	(101,669)	138,001,129
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 26 to 94 form an integral part of these financial statements.

OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2017 TOGETHER WITH THE AUDITORS' REPORT THEREON
(Cont'd)

ATTA GLOBAL GROUP BERHAD
Company No. 79082-V
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

NOTE	Share Capital RM	ICULS RM	Share Premium RM	Treasury Shares RM	Non-distributable				Distributable		Total Equity RM
					Warrants Reserve RM	Discount on Shares RM	Capital Reserve RM	ESOS Reserve RM	Capital Redemption Reserve RM	Retained Profits RM	
2017											
Balance at beginning	70,851,253	22,064,297	11,831,467	(2,236,069)	5,779,334	(5,698,794)	7,445,000	60,835	2,258,326	19,862,136	132,217,785
Total comprehensive income for the financial year	-	-	-	-	-	-	-	-	-	11,019,157	11,019,157
<i>Transactions with owners:</i>											
Issuance of shares pursuant to conversion of ICULS	8,846,000	(2,234,600)	-	(359,955)	-	-	-	-	-	-	6,611,400
Purchase of treasury shares	-	-	-	(359,955)	-	-	-	-	-	-	(359,955)
Dividends	-	-	-	-	-	-	-	-	-	(9,951,203)	(9,951,203)
Total transactions with owners	8,846,000	(2,234,600)	-	(359,955)	-	-	-	-	-	(9,951,203)	(3,699,758)
Transition to no-par value regime on 31 January 2017	14,089,793	-	(11,831,467)	-	-	-	-	-	(2,258,326)	-	-
Balance at end	93,787,046	19,829,697	-	(2,596,024)	5,779,334	(5,698,794)	7,445,000	60,835	-	20,930,090	139,537,184
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	-	(4,517,081)
Purchase of treasury shares	-	-	-	(4,517,081)	-	-	-	-	-	-	-
Share options exercised	595,000	-	33,973	-	-	-	(33,973)	-	-	-	595,000
Share-based-payment transactions	-	-	-	-	-	-	38,371	-	-	(13,614)	24,757
Reversal of settlement of rights issue expenses	-	-	10,000	-	-	-	-	-	-	-	10,000
Total transactions with owners	(7,126,756)	-	43,973	946,349	-	-	4,398	-	2,258,326	(13,614)	(3,887,326)
Balance at end	70,851,253	22,064,297	11,831,467	(2,236,069)	5,779,334	(5,698,794)	7,445,000	60,835	2,258,326	19,862,136	132,217,785

The notes set out on pages 26 to 94 form an integral part of these financial statements.

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2017
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

ATTA GLOBAL GROUP BERHAD

Company No. 79082-V
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax	18,857,206	(1,746,618)	11,505,675	847,538
Adjustments for:				
Allowance for impairment written back	(1,860,868)	-	(697,143)	-
Bad debts	145,649	-	14,793	-
Deemed gain on deconsolidation of a subsidiary	(83,473)	-	-	-
Depreciation	4,324,861	3,998,950	450,629	403,604
Dividend income	(45,735)	(66,952)	(5,036,594)	(1,806,525)
Equity-settled share-based payment transactions	-	24,757	-	24,757
Fair value gain on investment properties	(6,871,686)	-	(5,129,177)	-
Loss on disposal of investment property	1,000	-	-	-
(Gain)/Loss on disposal of other investments	(6,871,027)	67,183	-	-
Loss on disposal of property, plant and equipment	10,182	354,047	-	-
Impairment loss on other investments	-	2,117,776	-	-
Impairment loss on receivables	306,865	1,041,871	-	710,293
Interest expense	951,746	1,020,502	560,080	666,129
Interest income	(48,062)	(26,339)	(21,778)	(17,256)
Net fair value adjustment on available-for-sale financial assets realised upon disposal	(349,711)	(202,183)	-	-
Property, plant and equipment written off	-	17,539	-	-
Operating profit before working capital changes	8,466,947	6,600,533	1,646,485	828,540
Increase in inventories	(3,951,160)	(1,240,843)	-	-
(Increase)/Decrease in receivables	(4,847,693)	10,711,189	(1,326,076)	136,946
Increase/(Decrease) in payables	2,264,505	(5,388,177)	594,194	(112,865)
Increase/(Decrease) in retirement benefit obligations	8,642	(463,286)	-	-
Cash generated from operations	1,941,241	10,219,416	914,603	852,621
Income tax paid	(773,259)	(1,415,958)	(168,446)	(338,531)
Income tax refunded	-	279,811	-	99,811
Interest paid	(951,746)	(1,020,502)	(560,080)	(666,129)
Net cash from/(used in) operating activities	216,236	8,062,767	186,077	(52,228)

The notes set out on pages 26 to 94 form an integral part of these financial statements.

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2017
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

ATTA GLOBAL GROUP BERHAD

Company No. 79082-V
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Net cash from/(used in) operating activities	216,236	8,062,767	186,077	(52,228)
CASH FLOWS FROM INVESTING ACTIVITIES				
(i) Cash flows from deconsolidation of a subsidiary	21,529	-	-	-
Dividends received	45,735	66,952	5,036,594	1,806,525
Interest received	30,958	9,083	4,674	-
Proceeds from disposal of investment property	299,000	-	-	-
Proceeds from disposal of other investments	9,171,765	3,215,930	-	-
Proceeds from disposal of property, plant and equipment	147,900	180,501	-	-
Purchase of equity investments	(296,040)	(255,274)	-	-
Purchase of investment properties	-	(1,650,000)	-	-
(ii) Purchase of property, plant and equipment	(4,716,481)	(3,247,354)	(313,668)	(124,919)
Net cash from/(used in) investing activities	4,704,366	(1,680,162)	4,727,600	1,681,606
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(8,161,890)	-	(8,161,890)	-
Net change in subsidiaries' balances	-	-	(668,211)	3,836,596
Proceeds from issuance of shares pursuant to conversion of ICULS	6,611,400	-	6,611,400	-
Proceeds from issuance of shares pursuant to exercise of ESOS	-	595,000	-	595,000
Drawdown/(Repayment) of bankers acceptance	222,000	(40,000)	-	-
Drawdown of revolving credit	2,700,000	1,300,000	-	-
Repayment of finance lease	(1,633,790)	(1,545,270)	(359,015)	(349,371)
Repayment of term loan	(1,167,295)	(1,070,938)	(1,167,295)	(1,070,938)
Repurchase of treasury shares	(359,955)	(4,517,081)	(359,955)	(4,517,081)
Net cash used in financing activities	(1,789,530)	(5,278,289)	(4,104,966)	(1,505,794)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,131,072	1,104,316	808,711	123,584
CASH AND CASH EQUIVALENTS AT BEGINNING	4,096,786	2,992,470	176,666	53,082
CASH AND CASH EQUIVALENTS AT END	7,227,858	4,096,786	985,377	176,666

The notes set out on pages 26 to 94 form an integral part of these financial statements.

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2017
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

ATTA GLOBAL GROUP BERHAD

Company No. 79082-V
(Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Represented by:				
Cash and bank balances	7,570,009	4,143,304	985,377	176,666
Bank overdrafts	(342,151)	(46,518)	-	-
	7,227,858	4,096,786	985,377	176,666
(i) Cash flows deconsolidation of a subsidiary				
Bank balance	78	-	-	-
Other investment	28,813	-	-	-
Payables	(117,759)	-	-	-
Net liabilities deconsolidated	(88,868)	-	-	-
Deemed gain on deconsolidation	83,473	-	-	-
Non-controlling interest	27,002	-	-	-
Less: Cash and bank balances	(78)	-	-	-
Cash flows from deconsolidation	21,529	-	-	-
(ii) Purchase of property, plant and equipment				
Total acquisition cost	6,035,698	4,575,454	313,668	124,919
Acquired under finance lease	(1,319,217)	(1,328,100)	-	-
Total cash acquisition	4,716,481	3,247,354	313,668	124,919

The notes set out on pages 26 to 94 form an integral part of these financial statements.

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2017
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

**ATTA GLOBAL GROUP BERHAD
Company No. 79082-V
(Incorporated in Malaysia)****NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2017****1. CORPORATE INFORMATION****General**

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

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 June 2017.

Principal Activities

The principal activities of the Company are 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 the activities of the Group and of the Company 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 2016 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.

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2017
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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 (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

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

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:

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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

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 2017

Amendments to MFRS 12 Disclosure of Interest in Other Entities (under Annual Improvements to MFRS 2014-2016 Cycle)

Amendments to MFRS 107 Statement of Cash Flows: Disclosure Initiatives

Amendments to MFRS 112 Income Taxes: 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 2 Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 4 Insurance Contracts: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

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

Amendments to MFRS 140 Investment Property: Transfer of Investment Property

Annual Improvements to MFRS 2014-2016 Cycle (except for Amendments to MFRS 12 Disclosure of Interest in Other Entities)

IC Int 22 Foreign Currency Transactions and Advance Consideration

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

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

MFRS 9 Financial Instruments

MFRS 9 replaces *MFRS 139 Financial Instruments: Recognition and Measurement* and all previous version of *MFRS 9*. This new standard introduces extensive requirements and guidance for classification and measurement of financial assets and financial liabilities which fall under the scope of *MFRS 9*, new “expected credit loss model” under the impairment of financial assets and greater flexibility has been allowed in hedge accounting transactions. Upon adoption of *MFRS 9*, financial assets will be measured at either fair value or amortised cost. It is also expected that the Group’s and Company’s investment in unquoted shares, if any, will be measured at fair value through other comprehensive income.

The adoption of *MFRS 9* will result in a change in accounting policy. The Group and the Company are currently assessing the financial impact of adopting *MFRS 9*.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 replaces the guidance in *MFRS 111 Construction Contracts*, *MFRS 118 Revenue*, *IC Interpretation 13 Customer Loyalty Programmes*, *IC Interpretation 15 Agreements for Construction of Real Estate*, *IC Interpretation 18 Transfers of Assets from Customers* and *IC Interpretation 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 and the Company are currently assessing the financial impact of adopting *MFRS 15*.

MFRS 16 Leases

The scope of *MFRS 16* includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

MFRS 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under *MFRS 117*. The standard includes two recognition exemptions for lessees – leases of ‘low-value’ assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

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Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting is substantially unchanged from today's accounting under *MFRS 117*. Lessors will continue to classify all leases using the same classification principle as in *MFRS 117* and distinguish between two types of leases: operating and finance leases.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2019 with early adoption permitted. The Group and the Company are currently assessing the financial impact of adopting *MFRS 16*.

Amendments to MFRS 107 Statement of Cash Flows: Disclosure Initiatives

The amendments require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financial activities, including changes from cash flows and non-cash changes. The disclosure requirement could be satisfied in various ways, and one method is by providing reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

On initial application of the amendments, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. Application of amendments will result in additional disclosure to be provided by the Group and by the Company.

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.

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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 7 to 20 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of plant and equipment. 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 exercises judgement in estimating the future cash flows, growth rate and discount rate.

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(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.

(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.

(vi) Investment properties at fair value

The Group's investment properties are carried at fair value and changes in fair value are recognised in profit or loss.

Fair value of certain investment properties was determined based on independent professional valuation with reference to direct comparison method and replacement cost method. No valuation was carried out for certain investment properties and the Group determines the fair value of such investment properties by reference to the selling prices of recent transactions and asking prices of similar properties premised on the factors of location, accessibility, visibility, time, size, present market trends and other differences. The management believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of the Group's investment properties.

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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.

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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.

(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.

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(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 to the Company 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.

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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. 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, including the corresponding tax effect.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Fair value of commercial properties is arrived at by reference to the valuation performed by an external independent qualified valuers, whilst fair value of other properties is arrived at by reference to market evidence of transaction prices for similar properties.

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.

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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 CGU.

The recoverable amount of an asset of CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

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

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists.

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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.

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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.

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.

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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. If any such objective evidence exists, then the financial asset's recoverable amount is estimated.

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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.

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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.

3.11 Borrowing Costs

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

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

3.12 Income Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and to the Company and when the revenue can be reliably measured on the following bases:

- (i) Revenue is recognised net of discounts and upon transfer of significant risks and rewards of ownership to the buyer.
- (ii) Rental income is recognised on a straight-line basis over the term of the lease.
- (iii) Dividend income is recognised when the right to receive payment is established.
- (iv) Interest income is recognised on time proportion basis using the applicable effective interest rate.
- (v) Management consultancy fees are recognised on an accrual basis when services are rendered.

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3.13 Employee Benefits**(i) 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.

(ii) 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").

(iii) Employee share options scheme

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.

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(iv) Defined benefit plans

A subsidiary of the Company has an unfunded non-contributory defined contribution plan for eligible employees. 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.

(v) 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.

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A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

3.15 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.

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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

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Prior to Companies Act 2016 which came into operation on 31 January 2017, incremental external costs directly attributable to the issuance of new shares are deducted against the share premium account. Effective on 31 January 2017 and subsequent period, incremental external costs directly attributable to the issuance of new shares are deducted against equity.

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

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.

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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.

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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
2017						
At cost						
Balance at beginning	53,392,213	3,200,000	56,059,102	17,370,529	1,286,565	131,308,409
Additions	-	-	1,820,202	1,676,863	2,538,633	6,035,698
Disposals	-	-	(49,250)	(267,433)	-	(316,683)
Reclassification	-	-	140,950	276,534	(417,484)	-
Balance at end	<u>53,392,213</u>	<u>3,200,000</u>	<u>57,971,004</u>	<u>19,056,493</u>	<u>3,407,714</u>	<u>137,027,424</u>
Accumulated depreciation						
Balance at beginning	7,311,254	621,710	40,443,011	11,360,689	-	59,736,664
Current charge	565,293	26,211	2,071,909	1,661,448	-	4,324,861
Disposals	-	-	(2,955)	(155,646)	-	(158,601)
Balance at end	<u>7,876,547</u>	<u>647,921</u>	<u>42,511,965</u>	<u>12,866,491</u>	<u>-</u>	<u>63,902,924</u>
Accumulated impairment loss						
Balance at beginning/end	-	-	843,288	-	-	843,288
Carrying amount	<u>45,515,666</u>	<u>2,552,079</u>	<u>14,615,751</u>	<u>6,190,002</u>	<u>3,407,714</u>	<u>72,281,212</u>
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	<u>53,392,213</u>	<u>3,200,000</u>	<u>56,059,102</u>	<u>17,370,529</u>	<u>1,286,565</u>	<u>131,308,409</u>
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	<u>7,311,254</u>	<u>621,710</u>	<u>40,443,011</u>	<u>11,360,689</u>	<u>-</u>	<u>59,736,664</u>
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	<u>46,080,959</u>	<u>2,578,290</u>	<u>14,772,803</u>	<u>6,009,840</u>	<u>1,286,565</u>	<u>70,728,457</u>

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COMPANY	Fittings, equipment, and office equipment RM	Motor vehicles RM	Capital expenditure in progress RM	Total RM
2017.				
At cost				
Balance at beginning	3,647,002	1,968,938	25,000	5,640,940
Additions	313,668	-	-	313,668
Reclassification	25,000	-	(25,000)	-
Balance at end	<u>3,985,670</u>	<u>1,968,938</u>	<u>-</u>	<u>5,954,608</u>
Accumulated depreciation				
Balance at beginning	3,433,491	787,159	-	4,220,650
Current charge	102,134	348,495	-	450,629
Balance at end	<u>3,535,625</u>	<u>1,135,654</u>	<u>-</u>	<u>4,671,279</u>
Carrying amount	<u>450,045</u>	<u>833,284</u>	<u>-</u>	<u>1,283,329</u>
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>

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- (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 **RM2,552,079** (2016: RM2,578,290).
- (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	
	2017 RM	2016 RM	2017 RM	2016 RM
Plant and machinery	2,383,728	2,146,141	-	-
Motor vehicles	2,958,160	3,027,799	833,284	1,181,776
	<u>5,341,888</u>	<u>5,173,940</u>	<u>833,284</u>	<u>1,181,776</u>

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

5. INVESTMENT PROPERTIES

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
At fair value				
Balance at beginning	38,940,114	37,740,114	24,727,698	24,727,698
Additions	-	1,650,000	-	-
Disposal	(300,000)	-	-	-
Gain from fair value adjustment	6,871,686	-	5,129,177	-
Reclassification	-	(450,000)	-	-
Balance at end	<u>45,511,800</u>	<u>38,940,114</u>	<u>29,856,875</u>	<u>24,727,698</u>

The investment properties consist of the following:

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Commercial properties	44,321,800	37,450,114	29,856,875	24,727,698
Non-commercial properties	1,190,000	1,490,000	-	-
	<u>45,511,800</u>	<u>38,940,114</u>	<u>29,856,875</u>	<u>24,727,698</u>

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- (i) Certain investment properties of the Group and of the Company with carrying amount of **RM40,000,000** (2016: RM33,128,314) and **RM29,856,875** (2016: RM24,727,698) respectively are pledged to financial institutions for banking facilities granted to the Company and certain subsidiaries as disclosed in Note 16 to the financial statements.
- (ii) The following amounts are recognised in profit or loss in respect of investment properties:

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Rental income from rental generating properties	2,961,668	2,489,040	2,297,280	2,302,192
Direct operating expenses arising from:				
- Rental generating properties	275,685	232,462	269,408	219,276
- Non-rental generating properties	1,943	11,420	-	-

- (iii) Fair value of commercial properties is derived using the comparison/replacement cost method. Fair value measurement of the investment properties is further disclosed in Note 33.5 to the financial statements.

6. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2017 RM	2016 RM
Unquoted shares, at cost	92,787,981	92,787,981
Less: Accumulated impairment loss	(57,423,688)	(57,423,688)
	35,364,293	35,364,293

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

Name of Entity	Effective Equity Interest		Principal Activities
	2017 %	2016 %	
Direct subsidiaries			
SMPC Industries Sdn. Bhd.	100	100	Metal sheet and coil processing centre with main services in shearing and reshearing.

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Name of Entity	Effective Equity Interest		Principal Activities
	2017 %	2016 %	
SMPC Marketing Sdn. Bhd.	100	100	Dormant.
Edit Systems (M) Sdn. Bhd.	70	70	Dormant.
Syarikat Perkilangan Besi Gaya Sdn. Bhd.	100	100	Shredding, shearing, 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 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.

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Name of Entity	Effective Equity Interest		Principal Activities
	2017 %	2016 %	
Indirect - held through Duro Metal Industrial (M) Sdn. Bhd.			
ATTA Properties Sdn. Bhd. (formerly known as Duro Marketing (M) Sdn. Bhd.)	100	100	Dormant.
Duro Structural Products (M) Sdn. Bhd.	-	70	Dormant.

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During the financial year, Duro Structural Products (M) Sdn. Bhd., an indirect subsidiary of the Company has successfully wound up via a voluntary winding up process. The deconsolidation of this subsidiary did not have a material effect on the financial results and position of the Group.

7. OTHER INVESTMENTS

	GROUP	
	2017 RM	2016 RM
Available-for-sale financial assets		
At fair value:		
Quoted securities in Malaysia	367,242	2,361,768
At cost:		
Unquoted shares	-	2,999,838
Less: Accumulated impairment loss	-	(2,999,837)
	-	1
	<u>367,242</u>	<u>2,361,769</u>
Held-to-maturity investments		
At cost:		
Loan stocks quoted in Malaysia	250,694	-
	<u>617,936</u>	<u>2,361,769</u>
Market value of:		
Quoted securities	367,242	2,361,768
Loan stocks	157,941	-
	<u>367,242</u>	<u>2,361,768</u>

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The movement of accumulated impairment loss of other investments is as follows:

	GROUP	
	2017	2016
	RM	RM
Balance at beginning	2,999,837	882,061
Current year	-	2,117,776
* Reversal upon disposal	<u>(2,999,837)</u>	<u>-</u>
Balance at end	<u>-</u>	<u>2,999,837</u>

- * On 11 November 2016, a subsidiary of the Company entered into a Share Purchase Agreement ("the Agreement") with a third party to dispose of its shares in Thai Strapping Limited ("TSL") which was fully impaired in the prior year, for a consideration of RM3,000,000 and pursuant to the Agreement, it is agreed that the subsidiary will still have legal rights and ownership to all the machineries of TSL. Subsequently, the subsidiary sold the machineries to another third party for a consideration of RM3,503,175. The total gain arising from these disposals is RM6,503,174 (Note 20) which is recognised in profit or loss during the financial year.

8. INVENTORIES

	GROUP	
	2017	2016
	RM	RM
Raw materials	13,188,240	10,455,862
Work-in-progress	1,777,607	55,758
Finished goods	1,606,831	1,621,388
Trading goods	<u>115,019</u>	<u>603,529</u>
	<u>16,687,697</u>	<u>12,736,537</u>

The cost of inventories recognised as cost of sales in profit or loss during the financial year is **RM95,899,560** (2016: RM87,470,584).

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9. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	GROUP		COMPANY	
		2017 RM	2016 RM	2017 RM	2016 RM
Trade receivables					
Third parties	9.1	30,323,245	27,912,790	-	-
Less: Allowance for impairment		<u>(2,819,465)</u>	<u>(4,165,193)</u>	-	-
Trade receivables, net		<u>27,503,780</u>	<u>23,747,597</u>	-	-
Other receivables					
Third parties	9.2	6,025,030	5,893,360	826,678	746,566
Less: Allowance for impairment		<u>(3,384,930)</u>	<u>(3,775,208)</u>	<u>(13,150)</u>	<u>(710,293)</u>
Other receivables, net		2,640,100	2,118,152	813,528	36,273
Deposits	9.3	1,669,045	396,955	1,304,241	32,801
Prepayments		823,703	468,204	97,078	137,347
GST claimable		467,270	116,943	-	-
Amount due from subsidiaries	9.4	-	-	81,471,219	80,753,008
		<u>5,600,118</u>	<u>3,100,254</u>	<u>83,686,066</u>	<u>80,959,429</u>
Total receivables, deposits and prepayments		<u>33,103,898</u>	<u>26,847,851</u>	<u>83,686,066</u>	<u>80,959,429</u>

The currency profile of receivables, deposits and prepayments is as follows:

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Ringgit Malaysia	31,050,252	24,271,491	83,686,066	80,959,429
US Dollar	1,876,855	304,828	-	-
Singapore Dollar	176,791	2,271,532	-	-
	<u>33,103,898</u>	<u>26,847,851</u>	<u>83,686,066</u>	<u>80,959,429</u>

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9.1 Trade receivables**GROUP**

- (i) Trade receivables are non-interest bearing and are generally on **14 to 120 days** (2016: 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 is retention sum of **RM3,098,495** (2016: RM3,034,397) relating to the supply of steel roofing, cable support system and its related accessories.
- (iii) The movement of allowance for impairment is as follows:

	2017 RM	2016 RM
Balance at beginning	4,165,193	3,927,713
Current year	-	237,480
Written off	(182,003)	-
Written back	(1,163,725)	-
Balance at end	<u>2,819,465</u>	<u>4,165,193</u>

Allowance for impairment is written back during the financial year as the amount has been recovered after the financial year.

- (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	Balances that are set off RM	Net carrying amount RM
2017			
Trade receivables	27,736,759	(232,979)	27,503,780
Trade payables	(11,354,447)	140,128	(11,214,319)
Other payables	(3,478,846)	92,851	(3,385,995)
2016			
Trade receivables	24,515,543	(767,946)	23,747,597
Trade payables	(10,054,832)	539,176	(9,515,656)
Other payables	(2,767,256)	228,770	(2,538,486)

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.

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9.2 Other receivables**GROUP AND COMPANY**

The movement of allowance for impairment is as follows:

	GROUP		COMPANY	
	2017	2016	2017	2016
	RM	RM	RM	RM
Balance at beginning	3,775,208	2,970,817	710,293	-
Current year	306,865	804,391	-	710,293
Written back	(697,143)	-	(697,143)	-
Balance at end	<u>3,384,930</u>	<u>3,775,208</u>	<u>13,150</u>	<u>710,293</u>

Allowance for impairment is written back during the financial year as the amount has been recovered after the financial year.

9.3 Deposits**GROUP AND COMPANY**

Included herein is a deposit of **RM1,237,500** (2016: RM Nil) paid towards the acquisition of equity interest in Tetap Gembira Development Sdn. Bhd. as disclosed in Note 36 to the financial statements.

9.4 Amount due from subsidiaries**COMPANY**

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 to licensed banks for banking facilities granted to the Company.

The effective interest rates and maturities of fixed deposits as at the end of the reporting period range from **3.00% to 3.10%** (2016: 3.00% to 3.30%) per annum and **1 to 12 months** (2016: 1 to 12 months) respectively.

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11. CASH AND BANK BALANCES

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

	GROUP		COMPANY	
	2017	2016	2017	2016
	RM	RM	RM	RM
Ringgit Malaysia	7,470,806	3,475,800	985,377	176,666
US Dollar	99,203	667,504	-	-
	<u>7,570,009</u>	<u>4,143,304</u>	<u>985,377</u>	<u>176,666</u>

12. SHARE CAPITAL AND SHARE PREMIUM**GROUP AND COMPANY****Share capital**

	Number of ordinary shares		Amount	
	2017	2016	2017	2016
			RM	RM
Issued and fully paid				
Balance at beginning	70,851,253	77,978,009	70,851,253	77,978,009
Issued during the financial year:				
* Arising from conversion of ICULS				
- by surrender option	1,500,000	-	1,500,000	-
- by cash option	7,346,000	-	7,346,000	-
ESOS exercised	-	595,000	-	595,000
Cancellation of treasury shares	-	(7,721,756)	-	(7,721,756)
Transition to no-par value regime on 31 January 2017	-	-	14,089,793	-
	<u>79,697,253</u>	<u>70,851,253</u>	<u>93,787,046</u>	<u>70,851,253</u>

- * The conversion of 10-year 0% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") with a nominal value of RM0.10 each can be effected 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.

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Share premium

	2017 RM	2016 RM
Balance at beginning	11,831,467	11,787,494
Movements during the financial year:		
- Share options exercised	-	33,973
- Reversal of rights issue expenses	-	10,000
- Transition to no-par value regime on 31 January 2017	<u>(11,831,467)</u>	<u>-</u>
Balance at end	<u>-</u>	<u>11,831,467</u>

2017

- (i) The Company issued 8,846,000 new ordinary shares arising from the conversion of 22,346,000 ICULS at nominal value of RM0.10 each.
- (ii) The new Companies Act 2016 (“the Act”), which come into operation on 31 January 2017 has abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account and the capital redemption reserve become part of the Company’s share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM11,831,467 for purposes as set out in Section 618(3) and the capital redemption reserve of RM2,258,326 (Note 14.6) for bonus issue pursuant to Section 618(4) of the Act. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

13. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS

GROUP AND COMPANY

	Number of ICULS of RM0.10 each		Amount	
	2017	2016	2017 RM	2016 RM
Balance at beginning	220,642,969	220,642,969	22,064,297	22,064,297
Converted to ordinary shares	<u>(22,346,000)</u>	<u>-</u>	<u>(2,234,600)</u>	<u>-</u>
Balance at end	<u>198,296,969</u>	<u>220,642,969</u>	<u>19,829,697</u>	<u>22,064,297</u>

The 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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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	
		2017 RM	2016 RM	2017 RM	2016 RM
Non-distributable					
Treasury shares	14.1	(2,596,024)	(2,236,069)	(2,596,024)	(2,236,069)
Warrants reserve	14.2	5,779,334	5,779,334	5,779,334	5,779,334
Discount on shares	14.2	(5,698,794)	(5,698,794)	(5,698,794)	(5,698,794)
Fair value reserve	14.3	298,656	359,031	-	-
Capital reserve	14.4	(262,746)	(262,746)	7,445,000	7,445,000
ESOS reserve	14.5	329,781	329,781	60,835	60,835
Capital redemption reserve	14.6	-	2,258,326	-	2,258,326
		<u>(2,149,793)</u>	<u>528,863</u>	<u>4,990,351</u>	<u>7,608,632</u>

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14.1 Treasury shares

GROUP AND COMPANY

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

	2017		2016	
	No. of shares	RM	No. of shares	RM
Balance at beginning	3,590,500	2,236,069	4,378,456	3,182,418
Purchase of shares	364,700	359,955	6,933,800	4,517,081
Cancellation of shares	-	-	(7,721,756)	(5,463,430)
Balance at end	<u>3,955,200</u>	<u>2,596,024</u>	<u>3,590,500</u>	<u>2,236,069</u>

Of the total **79,697,253** (2016: 70,851,253) issued and paid-up ordinary shares as at 31 March 2017, **3,955,200** (2016: 3,590,500) ordinary shares are held as treasury shares by the Company. The number of outstanding ordinary shares in issue is therefore **75,742,053** (2016: 67,260,753) ordinary shares.

During the financial year, the Company purchased **364,700** (2016: 6,933,800) of its issued share capital from the open market at the average price of **RM0.99** (2016: RM0.65) per share. The shares repurchased were financed by internally generated funds.

In the previous financial year, 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.

14.2 Warrants reserve and Discount on shares

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

	GROUP AND COMPANY	
	2017	2016
	RM	RM
Warrants B expiring 9 May 2022 (Note (i))	3,186,005	3,186,005
Warrants C expiring 24 November 2024 (Note (ii))	2,593,329	2,593,329
	<u>5,779,334</u>	<u>5,779,334</u>

(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 2017, there was a total of 21,382,993 unexercised Warrants B.

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(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 2017, 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 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.

14.3 Fair value reserve

	GROUP	
	2017	2016
	RM	RM
Balance at beginning	359,031	663,732
Other comprehensive loss:		
Fair value changes in available-for-sale financial assets	289,336	(102,518)
Net gain on available-for-sale financial assets transfer to profit or loss upon disposal	(349,711)	(202,183)
	(60,375)	(304,701)
Balance at end	298,656	359,031

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

14.4 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.

14.5 ESOS reserve

	GROUP		COMPANY	
	2017	2016	2017	2016
	RM	RM	RM	RM
Balance at beginning	329,781	325,383	60,835	56,437
Share options exercised	-	(33,973)	-	(33,973)
Share based payment transactions	-	38,371	-	38,371
Balance at end	<u>329,781</u>	<u>329,781</u>	<u>60,835</u>	<u>60,835</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.

14.6 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. Pursuant to Section 618(2) of the Act, the sum of RM2,258,326 standing to the credit of the Company's capital redemption reserve account has been transferred and become part of the Company's share capital.

15. RETAINED PROFITS**COMPANY**

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.

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16. BORROWINGS

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Non-current liabilities				
<u>Finance lease liabilities</u>				
Minimum payment:				
Within 1 year	1,749,513	1,661,134	296,891	373,296
Later than 1 year but not later than 2 years	1,060,161	1,339,181	28,305	296,891
Later than 2 years but not later than 5 years	860,722	989,813	-	28,305
	<u>3,670,396</u>	<u>3,990,128</u>	<u>325,196</u>	<u>698,492</u>
Future finance chargers	<u>(281,298)</u>	<u>(286,457)</u>	<u>(5,066)</u>	<u>(19,347)</u>
	<u>3,389,098</u>	<u>3,703,671</u>	<u>320,130</u>	<u>679,145</u>
Amount due within 1 year included under current liabilities	<u>(1,574,100)</u>	<u>(1,498,381)</u>	<u>(292,110)</u>	<u>(359,015)</u>
	<u>1,814,998</u>	<u>2,205,290</u>	<u>28,020</u>	<u>320,130</u>
<u>Term loan</u>				
Total amount repayable	<u>6,833,483</u>	<u>8,000,778</u>	<u>6,833,483</u>	<u>8,000,778</u>
Amount due within 1 year included under current liabilities	<u>(1,203,592)</u>	<u>(1,105,451)</u>	<u>(1,203,592)</u>	<u>(1,105,451)</u>
	<u>5,629,891</u>	<u>6,895,327</u>	<u>5,629,891</u>	<u>6,895,327</u>
	<u>7,444,889</u>	<u>9,100,617</u>	<u>5,657,911</u>	<u>7,215,457</u>
Current liabilities				
Bank overdrafts	342,151	46,518	-	-
Bankers acceptance	769,000	547,000	-	-
Finance lease liabilities	1,574,100	1,498,381	292,110	359,015
Revolving credit	4,000,000	1,300,000	-	-
Term loan	1,203,592	1,105,451	1,203,592	1,105,451
	<u>7,888,843</u>	<u>4,497,350</u>	<u>1,495,702</u>	<u>1,464,466</u>
Total borrowings	<u>15,333,732</u>	<u>13,597,967</u>	<u>7,153,613</u>	<u>8,679,923</u>

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, and
- (iv) Leased assets as disclosed in Note 4(i).

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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						
2017						
Bank overdrafts	8.85	342,151	342,151	-	-	-
Bankers acceptance	5.55	769,000	769,000	-	-	-
Finance lease liabilities	2.00 to 4.00	3,389,098	1,574,100	985,364	829,634	-
Revolving credit	5.04	4,000,000	4,000,000	-	-	-
Term loan	7.90	6,833,483	1,203,592	1,304,785	4,325,106	-
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
COMPANY						
2017						
Finance lease liabilities	2.13 to 2.28	320,130	292,110	28,020	-	-
Term loan	7.90	6,833,483	1,203,592	1,304,785	4,325,106	-
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

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17. DEFERRED TAX LIABILITIES

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Revaluation surplus				
Balance at beginning	2,123,183	2,216,195	1,005,646	1,054,207
Recognised in profit or loss	<u>(93,012)</u>	<u>(93,012)</u>	<u>(48,561)</u>	<u>(48,561)</u>
Balance at end	2,030,171	2,123,183	957,085	1,005,646
Other temporary differences				
Balance at beginning	1,238,000	1,254,000	397,000	344,000
Recognised in profit or loss	541,584	97,000	327,459	84,000
	1,779,584	1,351,000	724,459	428,000
Under/(Over) provision in prior year	76,000	(113,000)	(12,000)	(31,000)
Balance at end	1,855,584	1,238,000	712,459	397,000
	<u>3,885,755</u>	<u>3,361,183</u>	<u>1,669,544</u>	<u>1,402,646</u>

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

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Revaluation surplus	2,030,171	2,123,183	957,085	1,005,646
Property, plant and equipment	2,930,000	2,422,000	1,688,000	1,581,000
Valuation on investment properties	343,584	-	256,459	-
Unabsorbed tax losses	(176,000)	(176,000)	(176,000)	(176,000)
Unabsorbed capital allowances	(1,242,000)	(1,008,000)	(1,056,000)	(1,008,000)
	<u>3,885,755</u>	<u>3,361,183</u>	<u>1,669,544</u>	<u>1,402,646</u>

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18. TRADE AND OTHER PAYABLES

	Note	GROUP		COMPANY	
		2017 RM	2016 RM	2017 RM	2016 RM
Trade					
Third parties	18.1	11,214,319	9,515,656	-	-
Non-trade					
Other payables	18.2	3,385,995	2,538,486	715,461	220,037
Retirement benefit obligations	18.3	31,554	22,912	-	-
Accruals		1,808,180	2,469,134	359,773	271,674
Prepayments and deposits received for letting of properties		922,890	936,108	344,592	344,592
GST payable		504,220	318,733	14,426	3,755
Advances from customers		261,245	171,644	-	-
Dividend payable		1,789,313	-	1,789,313	-
Amount due to a subsidiary	18.4	-	-	50,000	-
		<u>8,703,397</u>	<u>6,457,017</u>	<u>3,273,565</u>	<u>840,058</u>
Total trade and other payables		<u>19,917,716</u>	<u>15,972,673</u>	<u>3,273,565</u>	<u>840,058</u>

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

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Ringgit Malaysia	19,869,022	15,832,397	3,273,565	840,058
US Dollar	48,694	140,276	-	-
	<u>19,917,716</u>	<u>15,972,673</u>	<u>3,273,565</u>	<u>840,058</u>

18.1 Trade payables

The trade payables are non-interest bearing and are normally settled within 14 to 60 days (2016: 14 to 60 days) credit terms.

18.2 Other payables

Included in the Group's other payables is an amount of **RM169,731** (2016: RM Nil) due to a director of the Company. The amount is unsecured and is normally settled on a 60 days term. Interest is charged at 2% per month on overdue amount.

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18.3 Retirement benefit obligations

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

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Balance at beginning	22,912	486,198	-	-
Reversal due to termination	-	(472,619)	-	-
Additional provision	8,642	11,134	-	-
Lapsed due to resignation	-	(1,801)	-	-
Balance at end	<u>31,554</u>	<u>22,912</u>	<u>-</u>	<u>-</u>

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

18.4 Amount due to a subsidiary

COMPANY

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

19. REVENUE

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Sale of goods	125,594,061	119,661,518	-	-
Rental of industrial and commercial assets	2,334,270	2,332,192	2,297,280	2,302,192
Gross dividend income from investments in quoted securities	-	66,592	-	-
Gross dividend from subsidiaries	-	-	5,036,594	1,806,525
Management fee from subsidiaries	-	-	969,000	1,040,000
	<u>127,928,331</u>	<u>122,060,302</u>	<u>8,302,874</u>	<u>5,148,717</u>

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20. OTHER INCOME

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Allowance for impairment written back (Note 9)	1,860,868	-	697,143	-
Deemed gain on deconsolidation of a subsidiary	83,473	-	-	-
Dividend income	45,735	360	-	-
Fair value gain on investment property (Note 5)	6,871,686	-	5,129,177	-
Gain on disposal of investments in quoted securities	367,853	26,130	-	-
Gain on disposal of investment in unquoted shares (Note 7)	6,503,174	-	-	-
Gain on disposal of property, plant and equipment	5,363	48,081	-	-
Interest income	48,062	26,339	21,778	17,256
Net fair value adjustment on available-for-sale financial assets upon disposal	349,711	202,183	-	-
Realised gain on foreign exchange	438,397	445,681	-	-
Rental income	760,788	265,698	-	-
Others	161,896	257,857	-	-
	17,590,126	1,272,329	5,848,098	17,256

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21. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Wages and salaries	8,698,120	9,162,538	573,265	626,529
Contributions to defined contribution plan	768,021	702,053	65,501	78,347
Equity-settled share-based payment	-	24,757	-	24,757
Social security contributions	76,409	71,948	4,126	4,942
Increase/(Decrease) in liability for defined benefit plan (Note 18.3)	8,642	(435,018)	-	-
Other benefits	314,994	434,462	30,288	59,279
	9,866,186	9,960,740	673,180	793,854

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to **RM846,072** (2016: RM1,039,918) and **RM295,680** (2016: RM383,680) respectively, as further disclosed in Note 22.

22. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Directors of the Company				
Executive:				
Salaries and other emoluments	721,100	759,799	264,000	264,000
Defined contribution plans	81,072	81,072	31,680	31,680
Fee - prior year	-	88,000	-	88,000
	802,172	928,871	295,680	383,680
Non-executive:				
Fee				
- Current year	32,000	44,000	32,000	44,000
- Prior year	-	(111,000)	-	(111,000)
	32,000	(67,000)	32,000	(67,000)
Directors of subsidiaries:				
Executive:				
Salaries and other emoluments	40,000	108,707	-	-
Defined contribution plans	3,900	2,340	-	-
	43,900	111,047	-	-
Total directors' remuneration	878,072	972,918	327,680	316,680

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Directors' remuneration is analysed as follows:

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Total executive directors' remuneration (Note 21)				
- Current year	846,072	951,918	295,680	295,680
- Prior year	-	88,000	-	88,000
	846,072	1,039,918	295,680	383,680
Total non-executive directors' remuneration (Note 24)				
- Current year	32,000	44,000	32,000	44,000
- Prior year	-	(111,000)	-	(111,000)
	32,000	(67,000)	32,000	(67,000)
	878,072	972,918	327,680	316,680
Represented by:				
Present directors	873,072	1,036,918	322,680	380,680
Past directors	5,000	(64,000)	5,000	(64,000)
	878,072	972,918	327,680	316,680

23. FINANCE COSTS

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Interest expenses on:				
Borrowings	753,391	734,704	545,799	642,204
Finance lease	198,355	285,798	14,281	23,925
	951,746	1,020,502	560,080	666,129

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24. PROFIT/(LOSS) BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
After charging:				
Auditors' remuneration				
- Audit fees				
Statutory audit				
- Company's auditors				
- current year	126,000	118,000	33,000	28,000
- prior year	-	3,000	-	-
- Other auditors	-	1,500	-	-
- Non-audit fees				
- Company's auditors	3,000	3,000	3,000	3,000
Allowance for impairment on:				
- Other investments	-	2,117,776	-	-
- Receivables	306,865	1,041,871	-	710,293
Bad debts	145,649	-	14,793	-
Loss on disposal of investment property	1,000	-	-	-
Loss on disposal of investments in quoted securities	-	93,313	-	-
Non-executive directors' remuneration (Note 22)				
- current year	32,000	44,000	32,000	44,000
- prior years	-	(111,000)	-	(111,000)
Property, plant and equipment:				
- Written off	-	17,539	-	-
- Loss on disposal	15,545	402,128	-	-
Realise loss on foreign exchange	-	521	-	-
Rental expenses	448,781	322,895	-	-

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25. TAX EXPENSE

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Based on results for the financial year				
Current tax	(444,000)	(923,000)	(232,000)	(198,000)
Deferred tax relating to the origination and reversal of temporary differences	(448,572)	(3,988)	(278,898)	(35,439)
	<u>(892,572)</u>	<u>(926,988)</u>	<u>(510,898)</u>	<u>(233,439)</u>
Over provision in prior years				
- Current tax	136,661	128,051	12,380	162,811
- Deferred tax	(76,000)	113,000	12,000	31,000
	<u>60,661</u>	<u>241,051</u>	<u>24,380</u>	<u>193,811</u>
	<u>(831,911)</u>	<u>(685,937)</u>	<u>(486,518)</u>	<u>(39,628)</u>

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

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Profit/(Loss) before tax	<u>18,857,206</u>	<u>(1,746,618)</u>	<u>11,505,675</u>	<u>847,538</u>
Income tax at Malaysian statutory tax rate of 24%	(4,525,729)	419,189	(2,761,362)	(203,409)
Income not subject to tax	3,599,265	229,050	2,607,100	433,566
Double deduction for promotion of exports	-	17,497	-	-
Expenses not deductible for tax purposes	(717,629)	(1,707,350)	(148,738)	(512,157)
Deferred tax movements not recognised	(196,048)	(313,545)	-	-
Utilisation of unabsorbed tax losses and capital allowances	1,198,141	335,159	-	-
Deferred tax liabilities on valuation gain	(343,584)	-	(256,459)	-
Annual crystallisation of deferred tax on revaluation	93,012	93,012	48,561	48,561
	<u>(892,572)</u>	<u>(926,988)</u>	<u>(510,898)</u>	<u>(233,439)</u>
Over provision in prior years	60,661	241,051	24,380	193,811
	<u>(831,911)</u>	<u>(685,937)</u>	<u>(486,518)</u>	<u>(39,628)</u>

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

	GROUP	
	2017	2016
	RM	RM
Property, plant and equipment	3,869,000	3,868,000
Unabsorbed tax losses	(14,451,000)	(14,982,000)
Unabsorbed capital allowances	(1,006,000)	(1,475,000)
Unabsorbed reinvestment allowance	(2,121,000)	(2,121,000)
Allowance for increase in export	(475,000)	(475,000)
	<u>(14,184,000)</u>	<u>(15,185,000)</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 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	
	2017	2016	2017	2016
	RM	RM	RM	RM
Unabsorbed tax losses	60,944,000	63,290,000	735,000	735,000
Unabsorbed capital allowances	9,370,000	10,931,000	4,401,000	4,212,000
Unabsorbed reinvestment allowance	8,838,000	8,838,000	-	-
Unabsorbed allowance for increase in export	<u>1,979,000</u>	<u>1,979,000</u>	<u>-</u>	<u>-</u>

26. EARNINGS/LOSS PER SHARE

26.1 Basic

The calculation of basic earnings/loss per share was based on the profit/loss attributable to owners of the Company and on the weighted average number of shares in issue during the financial year, excluding treasury shares.

	GROUP	
	2017	2016
Profit/(Loss) for the financial year (RM)	<u>18,026,487</u>	<u>(2,430,851)</u>
Weighted average number of shares	<u>68,049,222</u>	<u>69,174,630</u>
Basic earnings/(loss) per share (sen)	<u>26.49</u>	<u>(3.51)</u>

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26.2 Diluted

The diluted earnings/loss per share of the Group is calculated by dividing the profit/loss for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year adjusted to assume conversion of all dilutive potential ordinary shares arising from warrants, ICULS and share options granted to employees and directors as follows:

	GROUP	
	2017	2016
Profit/(Loss) for the financial year (RM)	<u>18,026,487</u>	<u>(2,430,851)</u>
Weighted average number of shares	68,049,222	69,174,630
Adjustment for dilutive effects of:		
- Warrants	*	*
- ICULS	*	*
- ESOS	*	*
	<u>68,049,222</u>	<u>69,174,630</u>
Diluted earnings/(loss) per share (sen)	<u>26.49</u>	<u>(3.51)</u>

* The effects of the warrants, ICULS and ESOS are anti-dilutive in nature.

27. DIVIDENDS

The following dividends were declared and/or paid in respect of the financial year ended 31 March 2017:

	2017	2016
	RM	RM
First interim single tier dividend of 2 sen per share paid on 19 October 2016	1,342,815	-
First interim special dividend of 3 sen per share paid on 19 October 2016	2,014,222	-
Second interim single tier dividend of 2 sen per share paid on 15 December 2016	1,372,815	-
Second interim special dividend of 5 sen per share paid on 15 December 2016	3,432,038	-
Third interim single tier dividend of 2 sen per share payable on 30 May 2017	<u>1,789,313</u>	-
	<u>9,951,203</u>	<u>-</u>

On 17 March 2017, the directors declared a share dividend distribution on the basis of one treasury share for every twenty ordinary shares held amounting to RM3,167,088 which will be distributed on 30 May 2017.

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The directors also recommend a final single tier dividend payment of 2 sen per ordinary share and a final special dividend of 8 sen per ordinary share in respect of the financial year ended 31 March 2017, subject to the approval of the Company's shareholders at the forthcoming Annual General Meeting.

28. 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 and processing of metal related products; |
| (ii) | Trading | Trading 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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	Manufacturing		Trading		Others		Elimination		Total	
	2017 RM	2016 RM	2017 RM	2016 RM	2017 RM	2016 RM	2017 RM	2016 RM	2017 RM	2016 RM
By business segments										
Revenue										
External sales	119,823,703	80,157,577	5,770,358	39,503,941	2,334,270	2,398,784	-	-	127,928,331	122,060,302
Inter-segment sales	1,096,953	536,073	223,728	2,543,038	6,005,594	2,846,525	(7,326,275)	(5,925,636)	-	-
Total revenue	120,920,656	80,693,650	5,994,086	42,046,979	8,339,864	5,245,309	(7,326,275)	(5,925,636)	127,928,331	122,060,302
Results										
Segment results	3,533,812	1,536,364	9,078,976	(2,110,174)	12,069,166	1,627,879	(4,921,064)	(1,806,524)	19,760,890	(752,455)
Interest income	13,036	3,363	-	5,517	35,026	17,459	-	-	48,062	26,339
Interest expense	(189,742)	(186,356)	-	(168,017)	(762,004)	(666,129)	-	-	(951,746)	(1,020,502)
Tax expense	(96,665)	(589,335)	(87,139)	(49,462)	(648,107)	(47,140)	-	-	(831,911)	(685,937)
Profit/(Loss) for the financial year	3,260,441	764,036	8,991,837	(2,322,136)	10,694,081	932,069	(4,921,064)	(1,806,524)	18,025,295	(2,432,555)
Assets										
Segment assets	102,844,024	90,301,987	22,851,003	40,235,992	170,883,734	147,962,434	(128,376,218)	(126,885,685)	168,202,543	151,614,728
Current tax assets	754,955	344,284	-	139,723	162,102	-	-	-	917,057	484,007
Fixed deposits with licensed banks	-	-	-	-	572,016	554,912	-	-	572,016	554,912
Cash and bank balances	6,435,743	2,758,895	7,865	851,142	1,126,401	233,267	-	300,000	7,570,009	4,143,304
Total assets	110,034,722	93,405,166	22,858,868	41,226,857	172,744,253	148,750,613	(128,376,218)	(126,585,685)	177,261,625	156,796,951
Liabilities										
Segment liabilities	64,247,041	48,440,570	45,349,281	63,666,090	11,593,190	3,314,219	(101,270,796)	(99,448,206)	19,917,716	15,972,673
Deferred tax liabilities	2,010,086	1,958,537	87,125	-	1,788,544	1,402,646	-	-	3,885,755	3,361,183
Current tax liabilities	-	86,287	243	-	123,050	69,876	-	-	123,293	156,163
Borrowings	3,321,875	1,906,043	-	3,012,001	12,011,857	8,679,923	-	-	15,333,732	13,597,967
Total liabilities	69,579,002	52,391,437	45,435,649	66,678,091	25,516,641	13,466,664	(101,270,796)	(99,448,206)	39,260,496	33,087,986
Other information										
Additions to non-current assets	2,849,806	11,249,124	25,000	3,217,563	3,188,492	1,893,403	(27,600)	(10,134,636)	6,035,698	6,225,454
Depreciation	2,735,865	2,373,573	41,205	1,221,773	1,547,791	403,604	-	-	4,324,861	3,998,950
Non-cash (income)/expenses other than depreciation	(365,192)	616,178	(8,912,461)	2,178,632	(6,273,809)	626,180	(21,607)	-	(15,573,069)	3,420,990

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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 (income)/expenses consist of the following items:

	GROUP	
	2017	2016
	RM	RM
Allowance for impairment written bank	(1,860,868)	-
Bad debts	145,649	-
Deemed gain on deconsolidation of a subsidiary	(83,473)	-
Equity-settled share-based payment transactions	-	24,757
Fair value gain on investment properties	(6,871,686)	-
(Gain)/Loss on disposal of other investments	(6,871,027)	67,183
Impairment loss on other investment	-	2,117,776
Impairment loss on receivables	306,865	1,041,871
Loss on disposal of investment property	1,000	-
Loss on disposal of property, plant and equipment	10,182	354,047
Net fair value adjustment on available-for-sale financial assets realised upon disposal	(349,711)	(202,183)
Property, plant and equipment written off	-	17,539
	<u>(15,573,069)</u>	<u>3,420,990</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.

	Revenue		Non-current assets	
	2017	2016	2017	2016
	RM	RM	RM	RM
Malaysia	122,664,478	114,388,239	117,793,012	109,668,571
Others	5,263,853	7,672,063	-	-
	<u>127,928,331</u>	<u>122,060,302</u>	<u>117,793,012</u>	<u>109,668,571</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:

	2017	2016
	RM	RM
Property, plant and equipment	72,281,212	70,728,457
Investment properties	45,511,800	38,940,114
	<u>117,793,012</u>	<u>109,668,571</u>

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Information about major customers

Total revenue from 1 (2016: 2) major customer which contributed more than 10% of the Group's revenue amounted to **RM68,339,239** (2016: RM57,804,996).

29. 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
Hock Lok Siew Realty Sdn. Bhd.	: A company in which a director of the Company, Mr. Ooi Chieng Sim, has substantial financial interest.
See Hup Pioneer Logistics Sdn. Bhd.	: A company in which a past director (resigned on 14 March 2016) of the Company, Dato' Lee Hean Guan, has deemed interest.

(ii) Related party transactions

	GROUP		COMPANY	
	2017	2016	2017	2016
	RM	RM	RM	RM
Management fee received from subsidiaries	-	-	969,000	1,040,000
Rental of warehouse received from See Hup Pioneer Logistics Sdn. Bhd.	-	43,200	-	43,200
Interest paid to a director of the Company	8,000	-	-	-

(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 **RM36,990** (2016: RM30,000).

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(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.

The remuneration of the directors and other key management personnel during the year are as follows:

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Directors (Note 21)	846,072	1,039,918	295,680	383,680
Other key management personnel:				
- Salaries and allowances	133,200	-	-	-
- Defined contribution plan	14,256	-	-	-
	147,456	-	-	-
	<u>993,528</u>	<u>1,039,918</u>	<u>295,680</u>	<u>383,680</u>

30. CONTINGENT LIABILITIES

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.

31. COMMITMENTS

(i) Capital commitments

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
Property, plant and equipment				
- Authorised and contracted for	907,323	618,885	-	25,000
- Authorised but not contracted for	5,999,070	6,713,257	-	-
	<u>6,906,393</u>	<u>7,332,142</u>	<u>-</u>	<u>25,000</u>

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(ii) Operating lease commitments - as lessor

The Company has entered into a non-cancellable operating lease agreement on an investment property. Future minimum rentals receivable under non-cancellable operating leases as at the end of the reporting period is as follows:

	GROUP AND COMPANY	
	2017	2016
	RM	RM
Within 1 year	2,297,280	2,297,280
More than 1 year and less than 2 years	574,320	382,880
	<u>2,871,600</u>	<u>2,680,160</u>

(iii) Other commitment

	GROUP AND COMPANY	
	2017	2016
	RM	RM
Balance commitment payable arising from the acquisition of equity interest in Tetap Gembira Development Sdn. Bhd. (Note 36)	4,950,000	-

32. 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	AFS	HTM	L&R	FL
	RM	RM	RM	RM	RM
GROUP					
2017					
Financial assets					
Other investments	617,936	367,242	250,694	-	-
Trade and other receivables	30,575,425	-	-	30,575,425	-
Fixed deposits with licensed banks	572,016	-	-	572,016	-
Cash and bank balances	7,570,009	-	-	7,570,009	-
	<u>39,335,386</u>	<u>367,242</u>	<u>250,694</u>	<u>38,717,450</u>	<u>-</u>

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	Carrying amount RM	AFS RM	HTM RM	L&R RM	FL RM
Financial liabilities					
Trade and other payables	18,629,293	-	-	-	18,629,293
Borrowings	15,333,732	-	-	-	15,333,732
	33,963,025	-	-	-	33,963,025
2016					
Financial assets					
Other investments	2,361,769	2,361,769	-	-	-
Trade and other receivables	26,262,704	-	-	26,262,704	-
Fixed deposits with licensed banks	554,912	-	-	554,912	-
Cash and bank balances	4,143,304	-	-	4,143,304	-
	33,322,689	2,361,769	-	30,960,920	-
Financial liabilities					
Trade and other payables	14,929,000	-	-	-	14,929,000
Borrowings	13,597,967	-	-	-	13,597,967
	28,526,967	-	-	-	28,526,967
COMPANY					
2017					
Financial assets					
Other receivables	82,351,488	-	-	82,351,488	-
Fixed deposits with licensed banks	572,016	-	-	572,016	-
Cash and bank balances	985,377	-	-	985,377	-
	83,908,881	-	-	83,908,881	-

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	Carrying Amount RM	AFS RM	HTM RM	L&R RM	FL RM
Financial liabilities					
Other payables	3,259,139	-	-	-	3,259,139
Borrowings	7,153,613	-	-	-	7,153,613
	10,412,752	-	-	-	10,412,752
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	-
	81,553,660	-	-	81,553,660	-
Financial liabilities					
Other payables	495,466	-	-	-	495,466
Borrowings	8,679,923	-	-	-	8,679,923
	9,175,389	-	-	-	9,175,389

33. 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.

33.1 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.

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33.1.1 Trade receivables

The Group extends to existing customers credit terms that range between 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 maximum exposure to credit risk arising from trade receivables is represented by their carrying amounts in the Group's statement of financial position.

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

	Gross RM	Individual impairment RM	Net RM
2017			
Not past due	21,874,622	-	21,874,622
Past due 1 - 30 days	3,154,129	-	3,154,129
Past due 31 - 60 days	872,537	-	872,537
Past due 61 - 90 days	946,801	-	946,801
Past due more than 90 days	3,475,156	(2,819,465)	655,691
	<u>8,448,623</u>	<u>(2,819,465)</u>	<u>5,629,158</u>
	<u>30,323,245</u>	<u>(2,819,465)</u>	<u>27,503,780</u>
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>

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 **RM5,629,158** (2016: RM6,095,038) 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.

**OUR AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FYE 31 MARCH 2017
TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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** (2016: 1 customer) representing **38%** (2016: 12%) of the total trade receivables.

33.1.2 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.

33.1.3 Financial guarantees

The Company provides unsecured financial guarantees to banks and third parties in respect of baking facilities granted to and supply of goods to certain subsidiaries. The maximum exposure to credit risk is as follows, representing the outstanding amount due as at the end of the reporting period:

	COMPANY	
	2017	2016
	RM	RM
Guarantees given to financial institutions for credit facilities granted to certain subsidiaries	3,465,693	3,499,181
Guarantees given to third parties for supply of goods and services to certain subsidiaries	<u>5,636,883</u>	<u>4,215,709</u>
	<u>9,102,576</u>	<u>7,714,890</u>

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 the subsidiaries would default on repayment.

Financial guarantees have not been recognised since the fair value on initial recognition was not material.

33.2 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.

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TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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 flows 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
2017						
<i>Non-derivative financial liabilities</i>						
Interest bearing borrowings	15,333,732	17,058,435	8,574,433	2,773,233	5,710,769	-
Trade and other payables	18,629,293	18,629,293	18,629,293	-	-	-
	33,963,025	35,687,728	27,203,726	2,773,233	5,710,769	-
2016						
<i>Non-derivative financial liabilities</i>						
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	14,929,000	14,929,000	14,929,000	-	-	-
	28,526,967	30,896,682	20,196,724	3,052,253	6,129,029	1,518,676
COMPANY						
2017						
<i>Non-derivative financial liabilities</i>						
Interest bearing borrowings	7,153,613	8,601,414	2,009,963	1,741,377	4,850,074	-
Other payables	3,259,139	3,259,139	3,259,139	-	-	-
Financial guarantee*	-	9,102,576	9,102,576	-	-	-
	10,412,752	20,963,129	12,580,365	1,741,377	4,850,074	-

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TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	More than year and less than 2 years RM	More than 2 years and less than 5 years RM	More than 5 years RM
2016						
<i>Non-derivative financial liabilities</i>						
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	-	-	-
Financial guarantee*	-	7,714,890	7,714,890	-	-	-
	<u>9,175,389</u>	<u>18,992,884</u>	<u>10,296,724</u>	<u>2,009,963</u>	<u>5,167,521</u>	<u>1,518,676</u>

- * This liquidity risk exposure is included for illustration purpose only as the related financial guarantee has not crystallised.

33.3 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	
	2017 RM	2016 RM	2017 RM	2016 RM
Fixed rate instruments				
Financial assets	<u>572,016</u>	554,912	<u>572,016</u>	554,912
Financial liabilities	<u>3,558,829</u>	<u>3,703,671</u>	<u>320,130</u>	<u>679,145</u>
Floating rate instruments				
Financial liabilities	<u>11,944,634</u>	<u>9,894,296</u>	<u>6,833,483</u>	<u>8,000,778</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.

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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	
	2017 RM	2016 RM	2017 RM	2016 RM
Decrease in profit before tax	<u>25,220</u>	<u>23,553</u>	<u>17,056</u>	<u>19,821</u>

33.4 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:

	2017		2016	
	USD RM	SGD RM	USD RM	SGD RM
Trade and other receivables	1,876,855	176,791	304,828	2,271,532
Cash and bank balances	99,203	-	667,504	-
Trade and other payables	<u>(48,694)</u>	<u>-</u>	<u>(140,276)</u>	<u>-</u>
Net exposure	<u>1,927,364</u>	<u>176,791</u>	<u>832,056</u>	<u>2,271,532</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.

	GROUP	
	2017 RM	2016 RM
USD	192,736	83,206
SGD	17,679	227,153
Decrease in profit before tax	<u>210,415</u>	<u>310,359</u>

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TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

33.5 Fair value measurement

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.

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.

(a) Non financial assets that are measured at fair value

The fair value of the Group's and the Company's investment properties as at 31 March 2017 have been arrived at on the basis of a valuation carried out by an independent professional valuer and assessments made by the management.

The fair value of investment properties of which a valuation is carried out, the land is valued by reference to transactions of similar land in the surrounding vicinity with adjustments made for differences in location, size, terrain, restrictive covenants, if any and other relevant characteristics. The buildings are valued by taking into consideration the replacement cost to construct a similar building, based on market prices for materials, labour and contractor's overhead. From this total, depreciation is then deducted using an appropriate rate to reflect the condition of the building.

For investment properties of which no valuation is carried out by an independent professional valuer, the Group determines the fair values of its investment properties by reference to the selling price of recent transactions and asking prices of similar properties in the same location and condition and where necessary, adjusting for location, accessibility, visibility, time, size, present market trends and other differences. The directors of the Group believe that assessments made by the management are appropriate in determining the fair value of the Group's investment properties as there have been no significant changes to the market value of the Group's investment properties during the financial year.

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Details of the Group's and the Company's investment properties and information about the fair value hierarchy are as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
GROUP					
2017					
Investment properties	-	-	45,511,800	45,511,800	45,511,800
2016					
Investment properties	-	-	38,940,114	38,940,114	38,940,114
COMPANY					
2017					
Investment properties	-	-	29,856,875	29,856,875	29,856,875
2016					
Investment properties	-	-	24,727,698	24,727,698	24,727,698

The amount included in profit or loss of the Group and of the Company for unrealised gains on Level 3 assets amounted to **RM6,871,686** (2016: RM Nil) and **RM5,129,177** (2016: RM Nil) respectively.

(b) Financial assets that are measured at fair value

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
GROUP					
2017					
Financial assets					
Other investments	367,242	-	-	367,242	367,242
2016					
Financial assets					
Other investments	2,361,768	-	-	2,361,768	2,361,768

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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.

34. 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	
	2017	2016	2017	2016
	RM	RM	RM	RM
Total equity	138,001,129	123,708,965	139,537,184	132,217,785
Borrowings	15,333,732	13,597,967	7,153,613	8,679,923
Debt-to-equity ratio	<u>0.11</u>	<u>0.11</u>	<u>0.05</u>	<u>0.07</u>

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

35. 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.

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- (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 granted to the Group's employees and directors and its exercise price are as follows:

Grant date	Expiry date	Exercise price	Options over ordinary shares			
			Balance at beginning	Exercised	Lapsed	Balance at end
9.10.13	18.10.22	RM1.00	1,874,375	-	-	1,874,375
14.10.14	18.10.22	RM1.00	411,500	-	-	411,500
15.2.16	18.10.22	RM1.00	2,005,000	-	-	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

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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.

36. SIGNIFICANT EVENT

On 16 February 2017, the Company has issued an undertaking letter to subscribe for 1,237,500 ordinary shares representing 55% equity interest in Tetap Gembira Development Sdn. Bhd. ("TG") for a total consideration of RM6,187,500. According to the undertaking letter, the Company shall pay RM1,237,500 upon allotment of TG's new ordinary shares and the balance of RM4,950,000 is payable to the bank for the purpose of settling the full redemption sum due to the bank by TG.

As at 31 March 2017, the Company has paid a deposit of RM1,237,500 to TG (Note 9.3), pending the allotment of TG's new ordinary shares.

37. SUBSEQUENT EVENT

On 25 May 2017, the Company proposed to undertake the following Proposals:

- (i) Proposed renounceable rights issue of up to 2,515,037,240 new irredeemable convertible preference shares ("ICPS") at an issue price of RM0.08 per ICPS on the basis of eight (8) ICPS for every one (1) existing ordinary share held in the Company ("Proposed Rights Issue of ICPS"); and
- (ii) Proposed amendments to the memorandum and articles of association to facilitate the Proposed Rights Issue of ICPS.

Bursa Malaysia Securities Berhad has approved the Proposals on 14 June 2017.

38. MATERIAL LITIGATIONS**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") ("Plaintiffs") have filed a civil suit against Machendran a/l Pitchai Chetty ("Defendant") 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.

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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, 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.

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.

Decision was delivered by the Sessions Court Judge, whereby Plaintiff's claim for the sum of RM279,696 is allowed with costs and whereas Defendant's counter claim is dismissed with costs. However, the Defendant has filed a Notice of Appeal in Penang High Court against the Sessions Court Judge's decision.

Prior to the full hearing of the appeal, Plaintiffs have filed in an application for security for costs against the Defendant. Parties have exhausted the Affidavits and have orally submitted before the High Court Judge on 20 April 2017.

On 29 May 2017, Respondents' application for security for costs has been granted.

The matter has yet to be fixed for case management for the proper appeal.

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TOGETHER WITH THE AUDITORS' REPORT THEREON (Cont'd)**

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	
	2017	2016	2017	2016
	RM	RM	RM	RM
Total (accumulated losses)/retained profits of the Company and its subsidiaries				
- Realised	(22,408,786)	(22,511,572)	17,470,457	21,264,782
- Unrealised	3,284,587	(3,361,183)	3,459,633	(1,402,646)
	(19,124,199)	(25,872,755)	20,930,090	19,862,136
Less: Consolidation adjustments	45,760,047	44,433,319	-	-
	26,635,848	18,560,564	20,930,090	19,862,136

OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH FPE 30 JUNE 2017

**Original Sighted**
Company Secretary
CHAN EOI LENG
(MAICSA 7030866)

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Quarterly report on consolidated results for the first financial quarter ended 30 June 2017
Condensed Consolidated Statements of Comprehensive Income for the first financial quarter ended 30 June 2017
 (The figures have not been audited)

	Notes	3 months ended		Changes amount (%)	3 months ended		Changes amount (%)
		30th June 2017 RM'000	30th June 2016 RM'000		30th June 2017 RM'000	30th June 2016 RM'000	
Revenue	A4	41,459	30,946	0.34	41,459	30,946	0.34
Operating Expenses		(40,764)	(31,067)		(40,764)	(31,067)	
Other operating income	A5	283	616		283	616	
Profit before interest and tax	A4	978	495	0.98	978	495	0.98
Finance costs		(184)	(234)		(184)	(234)	
Profit before tax		794	261	2.04	794	261	2.04
Income tax expense	B5	(167)	(97)		(167)	(97)	
Profit for the year		627	164	2.82	627	164	2.82
Total comprehensive income for the year		627	164		627	164	
Profit Attributable to:							
Owners of the parent		627	164	2.82	627	164	2.82
Non - controlling interests		-	-		-	-	
		627	164		627	164	
Total comprehensive income attributable to:							
Owners of the parent		627	164	2.82	627	164	2.82
Non - controlling interests		-	-		-	-	
		627	164		627	164	
Basic - sen		0.60	0.24		0.60	0.24	

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31st March 2017 and the accompanying explanatory notes attached to the interim financial statements.

OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH FPE 30 JUNE 2017 (Cont'd)



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Quarterly report on consolidated results for the first financial quarter ended 30th June 2017

Condensed Consolidated Statements of Financial Position as at 30th June 2017

(The figures have not been audited)

	Notes	As at 30 June 2017 RM RM'000	As at 31 March 2017 RM RM'000
ASSETS			
Non-current assets			
Property, plant & equipment		72,243	72,281
Investment Properties		45,512	45,512
Other investments	B6	618	618
		<u>118,373</u>	<u>118,411</u>
Current assets			
Inventories		18,129	16,688
Trade receivables		23,536	27,504
Other receivables		10,808	5,600
Tax recoverable		767	917
Fixed Deposit with licensed banks		542	572
Cash and bank balances		14,644	7,570
		<u>68,426</u>	<u>58,851</u>
TOTAL ASSETS		<u>186,799</u>	<u>177,262</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		115,196	93,787
Treasury Shares		-	(2,596)
Other reserves		365	365
ICULS- Equity reserve		18,072	19,830
Warrants reserve		81	81
Retained profits	B12	27,263	26,636
		<u>160,977</u>	<u>138,103</u>
Non-controlling interests		<u>(102)</u>	<u>(102)</u>
Total equity		<u>160,875</u>	<u>138,001</u>
Non-current liabilities			
Borrowings	B8	9,071	7,445
Deferred tax liabilities		3,886	3,886
		<u>12,957</u>	<u>11,331</u>
Current liabilities			
Borrowings	B8	2,017	7,889
Trade payables		7,374	11,214
Other payables		3,576	8,704
Provision for taxation		-	123
		<u>12,967</u>	<u>27,930</u>
Total liabilities		<u>25,924</u>	<u>39,261</u>
TOTAL EQUITY AND LIABILITIES		<u>186,799</u>	<u>177,262</u>
Net asset per share attributable to ordinary equity holders of the parent (RM)		1.54	1.51

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31st March 2017 and the accompanying explanatory notes attached to the interim financial statements.

OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH FPE 30 JUNE 2017 (Cont'd)



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Quarterly report on consolidated results for the first financial quarter ended 30th June 2017Condensed Consolidated Statements of Cash Flow for the first financial quarter ended 30th June 2017

(The figures have not been audited)

	3 months ended	
	As at 30 June 2017 RM'000	As at 30 June 2016 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	794	261
Adjustments for:		
Depreciation	1,101	1,055
Reclassification of share premium	8,664	-
Treasury Shares	2,596	-
Reclassification of capital redemption reserve	2,258	-
Other investment	-	(308)
Impairment	(1,758)	
Interest expense	184	234
Operating profit before working capital changes	13,839	1,242
(Increase)/ decrease in inventories	(1,441)	(2,143)
(Increase)/ decrease in receivables	(1,239)	(922)
(Decrease)/ increase in payables	(9,005)	2,379
Cash generated from/ (used in) operations	2,154	556
Income tax paid	(105)	(100)
Interest paid	(184)	(234)
Net cash from/ (used in) operating activities	1,865	222
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(1,063)	231
Net cash from/ (used in) investing activities	(1,063)	231

OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH FPE 30 JUNE 2017 (Cont'd)



Page 4

Quarterly report on consolidated results for the first financial quarter ended 30th June 2017**Condensed Consolidated Statements of Cash Flow for the first financial quarter ended 30th June 2017**

(The figures have not been audited)

	3 months ended	
	As at 30 June 2017 RM'000	As at 30 June 2016 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Net changes in short term borrowings	(4,009)	2,035
Proceeds from issuance of shares pursuant to conversion of ICULS and ESOS	10,487	-
Proceeds/Repayment of term loans	(481)	(811)
Repayment/Proceeds of hire purchase	533	1,140
	6,530	2,364
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,332	2,817
CASH AND CASH EQUIVALENTS AT BEGINNING	7,570	4,097
CASH AND CASH EQUIVALENTS AT END	14,902	6,914
Represented by:		
Cash and bank balances	15,186	6,914
Bank overdrafts	(284)	-
	14,902	6,914

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31st March 2017 and the accompanying explanatory notes attached to the interim financial statements.

OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH FPE 30 JUNE 2017 (Cont'd)



Quarterly report on consolidated results for the first financial quarter ended 30th June 2017

Condensed Consolidated Statement of Changes in Equity for the first financial quarter ended 30th June 2017

	----- Attributable to Owners of the Parent -----										
	Share capital	----- Non-Distributable -----					Warrants reserve	Retained profits	Total	Non Controlling Interest	Total Equity
		Share premium	Treasury shares	Other reserve	Irredeemable Convertible Unsecured Loan Stocks						
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
3 months ended 30 June 2016											
As at 1 April 2016	70,851	11,831	(2,236)	2,684	22,064	81	18,561	123,836	(127)	123,709	
Movements during the period (cumulative)	-	-	-	-	-	-	-	-	-	-	
Net profit for the period	-	-	-	-	-	-	164	164	-	164	
At 30 June 2016	<u>70,851</u>	<u>11,831</u>	<u>(2,236)</u>	<u>2,684</u>	<u>22,064</u>	<u>81</u>	<u>18,725</u>	<u>124,000</u>	<u>(127)</u>	<u>123,873</u>	
3 months ended 30 June 2017											
As at 1 April 2017	93,787	-	(2,596)	366	19,830	81	26,636	138,104	(102)	138,002	
Movements during the period (cumulative)	10,487	2,258	2,596	8,663	(1,758)	-	-	22,246	-	22,246	
Net profit for the period	-	-	-	-	-	-	627	627	-	627	
At 30 June 2017	<u>104,274</u>	<u>2,258</u>	<u>-</u>	<u>9,029</u>	<u>18,072</u>	<u>81</u>	<u>27,263</u>	<u>160,977</u>	<u>(102)</u>	<u>160,875</u>	

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH FPE 30 JUNE 2017 (Cont'd)


Quarterly report on consolidated results for the first financial quarter ended 30th June 2017
Breakdown of Other Operating Income

(The figures have not been audited)

	As at 30 June 2017 RM RM'000	As at 30 June 2016 RM RM'000
Gain on Disposal of shares	-	277
Loss/(Gain) on Foreign Exchange	201	122
Machinery Rent Receivable	-	24
Rental income	80	165
Scrap Sales	2	15
Slitting & Servicing	-	13
	<u>283</u>	<u>616</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31st March 2017 and the accompanying explanatory notes attached to the interim financial statements.

OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH FPE 30 JUNE 2017 (Cont'd)



Quarterly report on consolidated results the first financial quarter ended 30 June 2017

Page 6

EXPLANATORY NOTES: (AS PER MFRS 134)
A1 Basis of Preparation

The condensed consolidated interim financial statements ("Report") are unaudited and have been prepared in accordance with applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS"), No. 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and the requirements of the Companies Act 2016 in Malaysia. This Report also complies with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board ("IASB").

The accounting policies and methods used in preparing the quarterly financial statements are consistent and should be read in conjunction with the audited financial statements for the financial year ended 31st March 2017.

These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31st March 2017.

A2 Basic of measurement

The unaudited financial statements of the Group have been prepared on the historical cost basis other than as disclosed.

The explanation and financial impacts on transition to MFRSs are disclosed below:

(i) Property, plant and equipment - Deemed cost exemption

The Group has previously adopted the transitional provisions available on the first application of the MASB Approved Accounting Standards IAS 16 (Revised) Property, Plant and Equipment, which was effective for periods ending on or after 1 September 1998. By virtue of this transitional provision, the Group had recorded certain property, plant and equipment at revalued amounts, but had not adopted a policy of regular revaluation, and continued to carry those assets on the basis of their previous revaluations subject to continuity in its depreciation policy and the requirement to write down the assets to their recoverable amounts for impairment adjustments.

Upon transition to MFRSs, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116 Property, Plant and Equipment. At the date of transition to MFRSs, the Company elected to apply the optional exemption to use the previous revaluation of the said assets, adjusted for depreciation, if any, as deemed cost under MFRSs.

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.

**OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH FPE 30
JUNE 2017 (Cont'd)**



Quarterly report on consolidated results the first financial quarter ended 30 June 2017

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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 (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

(ii) Foreign currency translation differences

Under FRSS, the Group recognised foreign currency translation differences in other comprehensive income and accumulated the amount in the foreign currency translation reserve in equity.

Upon transition to MFRSs, the Group has elected to deem all foreign currency translation differences that arose prior to the date of transition in respect of all foreign operations to be nil at the date of transition.

A2.1 Standards issued but not yet effective

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

Effective for annual periods beginning on or after 1 January 2017

Amendments to MFRS 12 Disclosure of Interest in Other Entities (under Annual Improvements to MFRS 2014-2016 Cycle)

Amendments to MFRS 107 Statement of Cash Flows: Disclosure Initiatives

Amendments to MFRS 112 Income Taxes: 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 2 Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 4 Insurance Contracts: Applying MFRS 9 Financial Instrument with MFRS 4 Insurance Contracts

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

Amendments to MFRS 140 Investment Property: Transfer of Investment Property

Annual Improvements to MFRS 2014 – 2016 Cycle (except for Amendments to MFRS 12 Disclosure of Interest in Other Entities)

IC Int 22 Foreign Currency Transactions and Advance Consideration

**OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH FPE 30
JUNE 2017 (Cont'd)**



Quarterly report on consolidated results the first financial quarter ended 30 June 2017

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**EXPLANATORY NOTES: (AS PER BURSA SECURITIES LISTING REQUIREMENT – PART A
OF APPENDIX 9B)**

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 upon adoption.

The accounting policies and methods of computation adopted by the Group in this interim
financial report are consistent with the most recent annual audited financial statements for the year
ended 31st March, 2017.

A3 Declaration of audit qualification

The audit report of the Company in respect of the annual financial statements for the year ended
31st March 2017 was not subject to any audit qualification.

A4 Segmental reporting

Segmental analysis for the current financial year to-date

	Revenue (RM)	Profit before interest and tax (RM)
Manufacturing	40,009,090	1,206,357
Trading	866,650	9,458
Others	583,422	(237,173)
	<u>41,459,162</u>	<u>978,642</u>

A5 Other operating income

	30 June 2017	30 June 2016
	RM'000	RM'000
Gain on disposal of shares	-	277
Gain on foreign exchange	201	122
Machinery rent receivable	-	24
Rental income	80	165
Scrap sales	2	15
Slitting & servicing	-	13
	<u>283</u>	<u>616</u>

OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH FPE 30 JUNE 2017 (Cont'd)



Quarterly report on consolidated results the first financial quarter ended 30 June 2017

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EXPLANATORY NOTES: (AS PER BURSA SECURITIES LISTING REQUIREMENT – PART A OF APPENDIX 9B)

A6 Unusual items

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

A7 Changes in estimates

There were no changes in estimates of amount used in our previous reporting having a material impact in the current reporting.

A8 Seasonality or cyclicity of operation

The business of the Group is generally neither non-cyclical nor seasonal except for decreased activities during the festive season.

A9 Dividends Paid

- a third interim single tier dividend of RM0.02sen per ordinary share amounting to approximately RM1,789,300 was paid on 30 May 2017.
- distribution of treasury shares as share dividend at the ratio of 1 treasury share for every 20 existing ordinary shares held (Share Dividend) was paid on 30 May 2017.

A10 Valuation of property, plant and equipment

Investment properties have been revalued to fair value according to MFRS140 for the financial year ended 31st March 2017.

A11 Issuances and repayments of debts and equity securities

During the quarter under review, the Company repurchased 479,600 and 38,500 shares of its issued share capital from open market at an average price of RM1.10 per share on 26 April 2017 and 05 May 2017 respectively. On 30 May 2017, the Company distributed its treasury shares as share dividend at the ratio of 1 treasury share for every 20 existing ordinary shares held.

As at 30 June 2017, out of the total 104,273,614 issued and fully paid ordinary shares 774 shares were held as treasury shares at an average purchase price of RM1.38. The share buyback transactions were financed by internally generated funds.

Save as disclosed above, there were no other issuances, cancellations, resale or repayments of debt and equity securities during the quarter ended 31 March 2017.

OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH FPE 30 JUNE 2017 (Cont'd)



Quarterly report on consolidated results the first financial quarter ended 30 June 2017

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EXPLANATORY NOTES: (AS PER BURSA SECURITIES LISTING REQUIREMENT – PART A OF APPENDIX 9B)
A12 Changes in the composition of the Group

On 25 April 2017, the Company purchased 4 ordinary shares representing 100% equity interest in Duro Marketing (M) Sdn Bhd (“DM”) from Duro Metal Industrial (M) Sdn Bhd (“DMI”) for a total consideration of RM4.00, resulting in DM becoming a direct wholly owned subsidiary to the Company.

Save as disclosed above, there are no other changes in the composition of the Group for the current quarter.

A13 Material events

On 16 February 2017, the Company has issued a letter of undertaking to TGSB whereby ATTA undertakes to subscribe for 1,237,500 new ordinary shares in TGSB (“New TGSB Shares”) representing 55% equity interest in TGSB for a total cash consideration of RM6,187,500 (“Subscription Price”) subject to the terms and upon the condition contained in the said letter. The Subscription Price shall be payable by ATTA to TGSB in the following manner:

- (a) RM1,237,500 upon allotment and issuance of the New TGSB Shares to ATTA; and
- (b) RM4,950,000 will be used to pay Malayan Banking Berhad, being the financier of TGSB, to redeem a property held under title number known as Lot 71113 No. Hakmilik 3416, Mukim 12, Daerah Barat Daya, Penang which is charged to Malayan Banking Berhad for the loan obtained by TGSB.

On 30 June 2017, the Company announced that an extension of time to another 6 months pending the fulfillment of certain terms and conditions of the Undertaking Letter.

As at the date of this announcement, the Company have yet to execute any relevant documents in respect of the Proposed Subscription and the transaction is pending completion.

Save as disclosed above, there is no transaction or event of a material or unusual nature occurring between 30 June 2017 and the date of this announcement.

A14 Material commitments

	Group (RM'000)
Property, plant and equipment	
- Authorized and contracted for	904
Subscription of shares in subsidiary	
- Authorized but not contracted for	6,188

OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH FPE 30 JUNE 2017 (Cont'd)



Quarterly report on consolidated results the first financial quarter ended 30 June 2017

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B1 Review of the performance of the Company and its principal subsidiaries

	3 months ended	
	30 June 2017	30 June 2016
	RM'000	RM'000
Revenue	41,459	30,946
Profit before tax	794	261

The Group's revenue for the 1st quarter ended 30 June 2017 recorded as RM41.459million, compared to revenue of RM30.946million for the preceding year correspond quarter. Turnover increased by RM10.513million (33.97%) mainly attributed to the increased of revenue in metal recycling division by RM11.637mil (84.8%) to RM25.359mil from RM13.722million and cable support system revenue increase by RM1.7million (62%) to RM4.531million from RM2.797million, whereas steel roofing revenue decrease by RM2.00million (19%) to RM8.412million from RM10.416million.

The Group made profit before tax of RM0.794million for the 1st quarter ended 30 June 2017 compare to profit of RM0.261million for the preceding year corresponding quarter mainly contributed by metal recycling division and cable support system and other income of RM0.283million contributed by realized gain on foreign exchange RM0.201million and property rental of RM0.080million.

B2 Financial review for current quarter compared with immediate preceding quarter

	Current Quarter 30 June 2017	Immediate Preceding Quarter 31 March 2017	Changes (Amount)
	RM'000	RM'000	RM'000
Revenue	41,459	47,415	(5,956)
Profit Before Interest and Tax	978	11,830	(10,852)
Profit before tax	794	11,615	(10,821)
Profit after tax	627	11,458	(10,831)
Profit Attributable to Ordinary Equity Holders Of the parent holders of the parent	627	11,471	(10,844)

The Group's registered revenue of RM41.459million for the current quarter under review as compared to RM47.416million in the preceding quarter. Decrease in turnover mainly attributed to the decrease of revenue in metal recycling division and metal roofing division. The Group made profit before tax of RM0.794million for current quarter compared to profit before tax of RM11.615 million for the preceding quarter. The group made lower profit for the reporting quarter compare to preceding quarter the preceding quarter higher profit mainly contributed by other operating income.

OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH FPE 30 JUNE 2017 (Cont'd)



Quarterly report on consolidated results the first financial quarter ended 30 June 2017
Page 12**B3 Prospects of the current financial year**

The Board of Directors is of the view that the business environment for the manufacturing and trading of steel products will continue be challenging due to the volatility steel prices and increase in competitiveness in the construction and other related industry.

B4 Variance of actual profit from forecast profit

This is not applicable to the Group.

B5 Taxation

Taxation comprises:-

	Current Year Quarter 30/06/2017 RM'000	Cumulative Quarters	
		Current Year To Date 30/06/2017 RM'000	Preceding Year Corresponding Period 30/06/2016 RM'000
Current year expense	-	-	-
Provision of Income tax	(167)	(167)	(97)
	(167)	(167)	(97)
Current year Deferred tax provision	-	-	-
	(167)	(167)	(686)

OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH FPE 30 JUNE 2017 (Cont'd)



Quarterly report on consolidated results the first financial quarter ended 30 June 2017

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B6 Other Investments

	RM 30 June 2017	RM 31 March 2017
Non-current		
Available for sale financial assets:		
At fair value:		
- Quoted securities in Malaysia	367,242	367,242
	<u>367,242</u>	<u>367,242</u>
Held-to-maturity investments		
At cost:		
- Loan stocks quoted in Malaysia	250,694	250,694
	<u>617,936</u>	<u>617,936</u>
Market value of:		
- Quoted securities	381,064	367,242
- Loan stocks	185,518	157,941
	<u>566,582</u>	<u>525,183</u>

B7 Status of corporate proposals

- a) On 25 May 2017, Public Investment Bank Berhad (“PIVB”) on behalf of the Board of Directors and the Company announced that the Proposals was revised to as follows:
- i) Proposed Renounceable Rights Issue of up to 2,515,037,240 new irredeemable convertible preference shares (“ICPS”) at an issue price of RM0.08 per ICPS on the basis of eight (8) ICPS for every one (1) existing ordinary share held in ATTA (“ATTA share(s)” or “Share(s)”) on an entitlement date to be determined and announced later (“Proposed Rights Issue of ICPS”); and
 - ii) Proposed amendments to the Memorandum of Association (“M&A”) to facilitate the Proposed Rights Issue of ICPS (“Proposed M&A Amendments”)
- Bursa Malaysia Securities Berhad has approved the Proposals on 14 June 2017.
- b) On 10 August 2017, Public Investment Bank Berhad (“PIVB”) on behalf of the Board of Directors and the Company announced that after having taking into consideration the relevant provisions under the Companies Act, 2016 which had come into effect on 31 January 2017, including amongst others, the abolition of par value regime, the Company proposes to undertake the following:
- i) Proposed amendments to the trust deed dated 28 March 2012 constituting the ten (10)- year, zero coupon irredeemable convertible unsecured loan stocks at 100% of the nominal value of RM0.10 each in ATTA (“Proposed Trust Deed Amendments”);
 - ii) Proposed amendments to the deed poll dated 28 March 2012 constituting the warrants 2012/2022 in ATTA (“Proposed Deed Poll B Amendments”);
 - iii) Proposed amendments to the deed poll dated 9 October 2014 constituting the warrants 2014/2024 in ATTA (“Proposed Deed Poll C Amendments”);
 - iv) Proposed amendments to the by-laws governing the existing employees’ share option scheme of ATTA (“Proposed By-Laws Amendments”), collectively, hereinafter referred to as “Proposed Amendments”

There are no other corporate proposals at the date of issue of the quarterly report.

OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH FPE 30 JUNE 2017 (Cont'd)



Quarterly report on consolidated results the first financial quarter ended 30 June 2017

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B8 Group borrowings and debt securities

There were no bank borrowings other than as detailed below and debt securities as at the end of the reporting period.

	As at 1st quarter ended 2017					
	Long term		Short term		Total borrowings	
	Foreign denomination	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
Secured						
Bank Overdrafts	-	-	-	283,092	-	283,092
Bankers Acceptance	-	-	-	530,000	-	530,000
Term Loan	-	5,149,211	-	1,203,592	-	6,352,803
Unsecured						
Term Loan	-	-	-	-	-	-
Hire Purchase	-	3,922,108	-	-	-	3,922,108
TOTAL	-	9,071,319	-	2,016,684	-	11,088,003

OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH FPE 30 JUNE 2017 (Cont'd)



Quarterly report on consolidated results the first financial quarter ended 30 June 2017

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B8 Group borrowings and debt securities – con't

	As at 1st quarter ended 2016					
	Long term		Short term		Total borrowings	
	Foreign denomination	RM denomination	Foreign denomination	RM denomination	Foreign denomination	RM denomination
Secured						
Bank Overdrafts	-	-	-	-	-	-
Bankers Acceptance	-	-	-	766,000	-	766,000
Term Loan	-	6,084,186	-	1,464,466	-	7,548,652
Revolving Credit	-	-	-	4,000,000	-	4,000,000
Unsecured						
Term Loan	-	-	-	-	-	-
Hire Purchase	-	3,345,650	-	-	-	3,345,650
TOTAL	-	9,430,836	-	6,230,466	-	15,660,302

B9 Material litigation**Penang Session Court, Summons No.A52NCC-156-07/2014**

On 09 July 2014, the Company together with a subsidiary of the Company, Park Avenue Construction Sdn. Bhd. ("PAC") have filed a civil suit against Machendran a/l Pitchai Chetty 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 owe 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.

OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH FPE 30 JUNE 2017 (Cont'd)



Quarterly report on consolidated results the first financial quarter ended 30 June 2017

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B9 Material litigation – con't**Penang Session Court, Summons No.A52NCC-156-07/2014**

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 15th and 16th March 2016 for full trial.

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 27th May 2016. Initially the Judge has fixed the matter for decision on 27th June 2016. However the Judge has further adjourned the matter to 22nd July 2016 for Decision. Decision was delivered by the Sessions Court Judge today, whereby Plaintiff's claim for the sum of RM279,696.00 is allowed with costs and whereas Defendant's counter claim is dismissed with costs.

On 3rd August 2016, the Plaintiff's solicitor has received a Notice of Appeal dated 2nd August 2016 from Defendant's solicitor, Messrs Rommel & A. Nagarajan. However Messrs Kumar & Co. has taken over from Messrs Rommel & A. Nagarajan.

Prior to the full hearing of the appeal, Plaintiffs have filed in an application for security for costs against Defendant. Parties have exhausted the Affidavits and parties have orally submitted before the High Court Judge on 20th April 2017.

On 29th May 2017, Respondents' application security for costs has been granted whereby the Appellant is required to pay RM20,000.00 as security for costs and RM2,000.00 for the costs of the said application. Meanwhile the matter has yet to be fixed for case management for the proper appeal.

Except the above, there are no material litigations pending as at the date of this announcement.

OUR UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE 3-MONTH FPE 30 JUNE 2017 (Cont'd)



Quarterly report on consolidated results the first financial quarter ended 30 June 2017
Page 17**B10 Dividends**

The Board of Directors of the Company has not recommended any dividend for the period ended 30 June 2017.

B11 Earnings per share

- (i) **Basic earnings per ordinary share**
 The earnings per share is calculated by dividing the net loss attributable to owners of the parent of RM627,232 by the number of ordinary shares in issue during the current quarter after treasury shares of 104,273,614.
- (ii) **Diluted earnings per ordinary share**
 The diluted earnings per share is not presented as the assumed conversion of potential ordinary share are anti-dilutive.

B12 Realised and unrealised profits/losses disclosure

The retained profits as at 30 June 2017 and 31 March 2017 is analysed as follows:-

	Current financial period	As at the end of last financial year
	30 June 2017 RM'000	31 March 2017 RM'000
Total retained profits/ (accumulated losses) of the Company and its subsidiaries:		
- Realised	(18,497)	(22,409)
- Unrealised	-	3,285
	<u>(18,497)</u>	<u>(19,124)</u>
Less: Consolidation adjustments	45,760	45,760
Total Group retained profit as per consolidated financial statements	<u>27,263</u> =====	<u>26,636</u> =====

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON



SIEW BOON YEONG & ASSOCIATES

Chartered Accountants [AF: 0660]

9-C, Jalan Medan Tuanku, Medan Tuanku, 50300 Kuala Lumpur, Malaysia.

Tel: 03-2693 8837 Fax: 03-2693 8836 Website: www.sby.com.my E-mail: audit@sby.com.my



Member Firm Of
Malaysian Institute Of Accountants
Institut Akademi Malaysia
Established on 1st April 1968 (Revised 2012)

Date: 25 October 2017

The Board of Directors
ATTA Global Group Berhad
No. 2521 Tingkat Perusahaan 6,
Prai Industrial Estate,
13600 Prai,
Pulau Pinang

Dear Sirs/Madam,

**ATTA GLOBAL GROUP BERHAD (“ATTA” OR “COMPANY”)
REPORT ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF
FINANCIAL POSITION AS AT 31 MARCH 2017**

We have completed our assurance engagement to report on the compilation of Pro Forma Consolidated Statements of Financial Position of ATTA and its subsidiaries (“the Group”) as at 31 March 2017 for which the Directors are solely responsible. The Pro Forma Consolidated Statements of Financial Position consists of the Pro Forma Consolidated Statements of Financial Position as at 31 March 2017 together with the accompanying notes thereon (which we have stamped for the purpose of identification), as set out in the accompanying statements. The applicable criteria on the basis of which the Directors have compiled the Pro Forma Consolidated Statements of Financial Position are described in the notes to the Pro Forma Consolidated Statements of Financial Position (“Applicable Criteria”).

The Pro Forma Consolidated Statements of Financial Position has been compiled by the Directors to illustrate the effects of the renounceable rights issue of up to 2,515,037,240 new irredeemable convertible preference shares (“ICPS”) at an issue price of RM0.08 per ICPS on the basis of eight (8) ICPS for every one (1) existing ordinary share held in ATTA (“ATTA Share(s)” or “Share(s)”) on 6 November 2017 (“Rights Issue of ICPS”).

As part of this process, information about the Group’s financial position has been extracted by the Directors from the audited financial statements of the Group for the financial year ended 31 March 2017, which have been published.

Directors’ Responsibility for the Pro Forma Consolidated Statements of Financial Position

The Directors are responsible for compiling the Pro Forma Consolidated Statements of Financial Position on the basis of the Applicable Criteria as described in the notes thereto.

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON
(Cont'd)



Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material aspects, by the Directors on the basis of the Applicable Criteria as described in the notes thereto.

We conducted our engagement in accordance with International Standard on Assurance Engagements, (ISAE) 3420 - *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material aspects, the Pro Forma Consolidated Statements of Financial Position on the basis of the Applicable Criteria as described in the notes thereto.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Consolidated Statements of Financial Position, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Consolidated Statements of Financial Position.

The purpose of Pro Forma Consolidated Statements of Financial Position included in the Circular to Shareholders is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 March 2017 would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Consolidated Statements of Financial Position has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the Pro Forma Consolidated Statements of Financial Position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:-

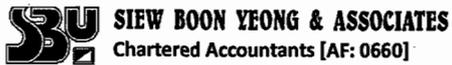
- (i) The related Pro Forma adjustments give appropriate effect to those criteria; and
- (ii) The Pro Forma Consolidated Statements of Financial Position reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on our judgement, having regard to our understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Consolidated Statements of Financial Position has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Consolidated Statements of Financial Position.

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

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)



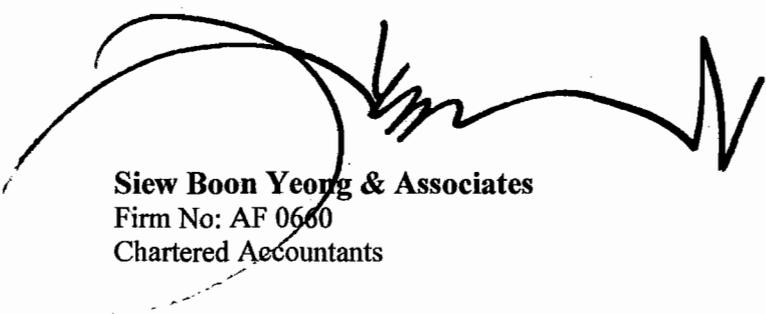
Opinion

In our opinion,

- (i) the Pro Forma Consolidated Statements of Financial Position as at 31 March 2017 have been properly compiled on the basis set out in the accompanying notes to the Pro Forma Consolidated Statements of Financial Position using financial statements prepared by the Directors in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards in Malaysia and in a manner consistent with both the format of the financial statements and the accounting policies of the ATTA unless otherwise stated; and
- (ii) the adjustments made to the information used in the preparation of the Pro Forma Consolidated Statements of Financial Position are appropriate for the purposes of preparing the Pro Forma Consolidated Statements of Financial Position.

We understand that this letter will be used solely for the purpose of inclusion in the Abridged Prospectus to shareholders of ATTA in connection with the Rights Issue of ICPS. As such, this letter should not be used for any other purpose without our prior written consent. Neither the firm nor any member or employee of the firm undertakes responsibility arising in any way whatsoever to any party in respect of this letter contrary to the aforesaid purpose.

Yours faithfully



Siew Boon Yeong & Associates
Firm No: AF 0660
Chartered Accountants



Dato' Siew Boon Yeong
Approved Number: 01321/07/2018 (J)
Partner of Firm

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**ATTA GLOBAL GROUP BERHAD ("ATTA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017
MINIMUM SCENARIO**

	Audited Consolidated Statements of Financial Position as at 31 March 2017 RM'000	Adjustments for the subsequent events RM'000	Adjusted Consolidated Statements of Financial Position RM'000	Adjustments for Rights Issue of ICPS RM'000	Pro Forma I After Rights Issue of ICPS RM'000	Adjustments for assuming full conversion of ICPS RM'000	Pro Forma II After Pro Forma I and assuming full conversion of ICPS RM'000
ASSETS							
Non-current Assets							
Property, plant and equipment	72,281	-	72,281	2,620	74,901	-	74,901
Investment properties	45,512	-	45,512	-	45,512	-	45,512
Other investments	618	-	618	-	618	-	618
Deferred tax assets	-	-	-	603	603	(603)	-
	118,411	-	118,411	3,223	121,634	(603)	121,031
Current Assets							
Inventories	16,688	-	16,688	-	16,688	-	16,688
Trade and other receivables	33,104	-	33,104	-	33,104	-	33,104
Current tax assets	917	-	917	-	917	-	917
Fixed deposits with licensed banks	572	-	572	-	572	-	572
Cash and bank balances	7,570	66,005	73,575	8,380	81,955	-	81,955
	58,851	66,005	124,856	8,380	133,236	-	133,236
Total Assets	177,262	66,005	243,267	11,603	254,870	(603)	254,267

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**ATTA GLOBAL GROUP BERHAD ("ATTA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017
MINIMUM SCENARIO (CONT'D)**

	Audited Consolidated Statements of Financial Position as at 31 March 2017 RM'000	Adjustments for the subsequent events RM'000	Adjusted Consolidated Statements of Financial Position RM'000	Adjustments for Rights Issue of ICPS RM'000	Pro Forma I After Rights Issue of ICPS RM'000	Adjustments for assuming full conversion of ICPS RM'000	Pro Forma II After Pro Forma I and assuming full conversion of ICPS RM'000
EQUITY AND LIABILITIES							
Equity attributable to owners of the Company							
Share capital	93,787	74,783	168,570	-	168,570	12,000	180,570
Irredeemable convertible unsecured loan stocks	19,830	(6,530)	13,300	-	13,300	-	13,300
ICPS - equity portion	-	-	-	10,090	10,090	(10,090)	-
Treasury shares	(2,596)	2,595	(1)	-	(1)	-	(1)
Warrant reserves	5,779	(1,576)	4,203	-	4,203	-	4,203
Discount on shares	(5,699)	-	(5,699)	-	(5,699)	-	(5,699)
ESOS reserve	330	(100)	230	-	230	-	230
Fair value reserve	299	-	299	-	299	-	299
Retained profits	26,636	(26,088)	548	(1,000)	(452)	-	(452)
Capital reserve	(263)	-	(263)	-	(263)	-	(263)
Capital redemption reserve	-	-	-	-	-	-	-
Total equity attributable to owners of the Company	138,103	43,085	181,187	9,090	190,276	1,910	192,187
Non-controlling interests	(102)	-	(102)	-	(102)	-	(102)
Total Equity	138,001	43,085	181,085	9,090	190,176	1,910	192,085

Stamped for Identification Purpose Only

SIEW BOON YEONG & ASSOCIATES
Chartered Accountants [AF: 0660]

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**ATTA GLOBAL GROUP BERHAD ("ATTA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017
MINIMUM SCENARIO (CONT'D)**

	Audited Consolidated Statements of Financial Position as at 31 March 2017 RM'000	Adjustments for the subsequent events RM'000	Adjusted Consolidated Statements of Financial Position RM'000	Adjustments for Rights Issue of ICPS RM'000	Pro Forma I After Rights Issue of ICPS RM'000	Adjustments for assuming full conversion of ICPS RM'000	Pro Forma II After Pro Forma I and assuming full conversion of ICPS RM'000
Non-Current Liabilities							
Borrowings	7,445	-	7,445	-	7,445	-	7,445
Deferred tax liabilities	3,886	-	3,886	-	3,886	-	3,886
ICPS - liability portion	-	-	-	2,514	2,514	(2,514)	-
	11,331	-	11,331	2,514	13,845	(2,514)	11,331
Current Liabilities							
Trade and other payables	19,918	-	19,918	-	19,918	-	19,918
Dividend payable	-	22,921	22,921	-	22,921	-	22,921
Borrowings	7,889	-	7,889	-	7,889	-	7,889
Current tax liabilities	123	-	123	-	123	-	123
	27,930	22,921	50,850	-	50,850	-	50,850
Total Liabilities	39,261	22,921	62,181	2,514	64,695	(2,514)	62,181
Total Equity and Liabilities	177,262	66,005	243,266	11,604	254,870	(604)	254,266

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**ATTA GLOBAL GROUP BERHAD ("ATTA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017
MINIMUM SCENARIO**

	Audited Consolidated Statements of Financial Position as at 31 March 2017	Adjustments for the subsequent events	Adjusted Consolidated Statements of Financial Position	Adjustments for Rights Issue of ICPS	Pro Forma I After Rights Issue of ICPS	Adjustments for assuming full conversion of ICPS	Pro Forma II After Pro Forma I and assuming full conversion of ICPS
Number of Shares ('000)	79,697	73,107	152,804		152,804	15,000	167,804
Number of ICULS @ RM0.10 ('000)	198,297	(65,298)	132,999		132,999		132,999
Number of Warrants B ('000)	21,383		21,383		21,383		21,383
Number of Warrants C ('000)	10,712	(6,510)	4,201		4,201		4,201
Number of treasury shares ('000)	(3,954)	3,953	(1)		(1)		(1)
Number of ESOS options ('000)	4,291	(1,298)	2,992		2,992		2,992
Number of ICPS ('000)	-		-	150,000	150,000	(150,000)	-
Number of Shares, net of treasury shares ('000)	75,742	77,061	152,803		152,803	15,000	167,803
Net assets per Share, net of treasury shares (RM)	1.82		1.19		1.25		1.15
Total borrowings (RM'000)*	15,334		15,334	2,514	17,848	(2,514)	15,334
Gearing ratio (times)	0.11		0.08		0.09		0.08

Note: * - Comprise of all interest bearing borrowings and liability portion of ICPS.

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**ATTA GLOBAL GROUP BERHAD ("ATTA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017
MAXIMUM SCENARIO ONE**

	Audited Consolidated Statements of Financial Position as at 31 March 2017 RM'000	Adjusted Statements of Financial Position RM'000	Adjustments for the subsequent events RM'000	Adjusted Statements of Financial Position RM'000	Adjustments for Rights Issue of ICPS RM'000	Pro Forma I After Rights Issue of ICPS RM'000	Adjustments for assuming full conversion of ICPS RM'000	Pro Forma II After Pro Forma I and assuming full conversion of ICPS RM'000
ASSETS								
Non-current Assets								
Property, plant and equipment	72,281	72,281	-	72,281	16,550	88,831	-	88,831
Investment properties	45,512	45,512	-	45,512	-	45,512	-	45,512
Other investments	618	618	-	618	-	618	-	618
Deferred tax assets	-	-	-	-	4,917	4,917	(4,917)	-
	118,411	118,411	-	118,411	21,467	139,878	(4,917)	134,961
Current Assets								
Inventories	16,688	16,688	-	16,688	-	16,688	-	16,688
Trade and other receivables	33,104	33,104	-	33,104	-	33,104	-	33,104
Current tax assets	917	917	-	917	-	917	-	917
Fixed deposits with licensed banks	572	572	-	572	16,592	17,164	-	17,164
Cash and bank balances	7,570	73,575	66,005	73,575	63,653	137,228	880,152	1,017,380
	58,851	124,856	66,005	124,856	80,245	205,101	880,152	1,085,252
Total Assets	177,262	243,267	66,005	243,267	101,712	344,978	875,235	1,220,213

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**ATTA GLOBAL GROUP BERHAD ("ATTA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017
MAXIMUM SCENARIO ONE (CONT'D)**

	Audited Consolidated Statements of Financial Position as at 31 March 2017 RM'000	Adjusted Statements of Financial Position RM'000	Adjusted for the subsequent events RM'000	Adjusted Consolidated Statements of Financial Position RM'000	Adjustments for Rights Issue of ICPS RM'000	Adjustments for assuming full conversion of ICPS RM'000	Pro Forma I After Rights Issue of ICPS RM'000	Adjustments for assuming full conversion of ICPS RM'000	Pro Forma II After Pro Forma I and assuming full conversion of ICPS RM'000
EQUITY AND LIABILITIES									
Equity attributable to owners of the Company									
Share capital	93,787	168,570	74,783	168,570	-	-	168,570	977,947	1,146,516
Irredeemable convertible unsecured loan stocks	19,830	13,300	(6,530)	13,300	-	-	13,300	-	13,300
ICPS - equity portion	-	-	-	-	82,225	(82,225)	82,225	(82,225)	-
Treasury shares	(2,596)	-	2,596	-	-	-	-	-	-
Warrant reserves	5,779	4,203	(1,575)	4,203	-	-	4,203	-	4,203
Discount on shares	(5,699)	(5,699)	-	(5,699)	-	-	(5,699)	-	(5,699)
ESOS reserve	330	230	(100)	230	-	-	230	-	230
Fair value reserve	299	299	-	299	-	-	299	-	299
Retained profits	26,636	548	(26,088)	548	(1,000)	-	(452)	-	(452)
Capital reserve	(263)	(263)	-	(263)	-	-	(263)	-	(263)
Total equity attributable to owners of the Company	138,103	181,188	43,085	181,188	81,225	81,225	262,414	895,721	1,158,135
Non-controlling interests	(102)	(102)	-	(102)	-	-	(102)	-	(102)
Total Equity	138,001	181,086	43,085	181,086	81,225	81,225	262,312	895,721	1,158,032

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**ATTA GLOBAL GROUP BERHAD ("ATTA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017
MAXIMUM SCENARIO ONE (CONT'D)**

	Audited Consolidated Statements of Financial Position as at 31 March 2017 RM'000	Adjustments for the subsequent events RM'000	Adjusted Consolidated Statements of Financial Position RM'000	Adjustments for Rights Issue of ICPS RM'000	Pro Forma I After Rights Issue of ICPS RM'000	Adjustments for assuming full conversion of ICPS RM'000	Pro Forma II After Pro Forma I and assuming full conversion of ICPS RM'000
Non-Current Liabilities							
Borrowings	7,445	-	7,445	-	7,445	-	7,445
Deferred tax liabilities	3,886	-	3,886	-	3,886	-	3,886
ICPS - liability portion	-	-	-	20,486	20,486	(20,486)	-
	11,331	-	11,331	20,486	31,816	(20,486)	11,331
Current Liabilities							
Trade and other payables	19,918	-	19,918	-	19,918	-	19,918
Dividend payable	-	22,921	22,921	-	22,921	-	22,921
Borrowings	7,889	-	7,889	-	7,889	-	7,889
Current tax liabilities	123	-	123	-	123	-	123
	27,930	22,921	50,850	-	50,850	-	50,850
Total Liabilities	39,261	22,921	62,181	20,486	82,667	(20,486)	62,181
Total Equity and Liabilities	177,262	66,005	243,267	101,711	344,978	875,235	1,220,213

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**ATTA GLOBAL GROUP BERHAD ("ATTA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017
MAXIMUM SCENARIO ONE (CONT'D)**

	Audited Consolidated Statements of Financial Position as at 31 March 2017	Adjusted for the subsequent events	Adjusted Consolidated Statements of Financial Position	Adjustments for Rights Issue of ICPS	Pro Forma I After Rights Issue of ICPS	Adjustments for assuming full conversion of ICPS	Pro Forma II After Pro Forma I and assuming full conversion of ICPS
Number of Shares ('000)	79,697	73,107	152,804		152,804	1,222,433	1,375,237
Number of ICULS @ RM0.10 ('000)	198,297	(65,298)	132,999		132,999		132,999
Number of Warrants B ('000)	21,383		21,383		21,383		21,383
Number of Warrants C ('000)	10,712	(6,510)	4,201		4,201		4,201
Number of treasury shares ('000)	(3,954)	3,954	-		-		-
Number of ESOS options ('000)	4,291	(1,298)	2,992		2,992		2,992
Number of ICPS ('000)	-		-	1,222,433	1,222,433	(1,222,433)	-
Number of Shares, net of treasury shares ('000)	75,742	77,062	152,804		152,804	1,222,433	1,375,237
Net assets per Share, net of treasury shares (RM)	1.82		1.19		1.72		0.84
Total borrowings (RM'000)*	15,334		15,334	20,486	35,820	(20,486)	15,334
Gearing ratio (times)	0.11		0.08		0.14		0.01

Note: * - Comprise of all interest bearing borrowings and liability portion of ICPS.

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**ATTA GLOBAL GROUP BERHAD ("ATTA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017
MAXIMUM SCENARIO TWO**

	Audited Consolidated Statements of Financial Position as at 31 March 2017 RM'000	Adjusted Consolidated Financial Position RM'000	Adjusted Statements of Financial Position RM'000	Adjustments for Full Exercise of Warrants B, C and ICULS and ESOS RM'000	Pro Forma I After Full Exercise of Warrants B, C and ICULS and ESOS RM'000	Adjustments for Rights Issue of ICPS RM'000	Pro Forma II After Pro Forma I and Rights Issue of ICPS RM'000	Adjustments for Full Conversion of ICPS RM'000	Proforma III After Pro Forma I, II and assuming full conversion of ICPS RM'000
ASSETS									
Non-current Assets									
Property, plant and equipment	72,281	72,281	-	-	72,281	16,550	88,831	-	88,831
Investment properties	45,512	45,512	-	-	45,512	-	45,512	-	45,512
Other investments	618	618	-	-	618	-	618	-	618
Deferred tax assets	-	-	-	-	-	10,115	10,115	(10,115)	-
	118,411	118,411	-	-	118,411	26,665	145,076	(10,115)	134,961
Current Assets									
Inventories	16,688	16,688	-	-	16,688	-	16,688	-	16,688
Trade and other receivables	33,104	33,104	-	-	33,104	-	33,104	-	33,104
Current tax assets	917	917	-	-	917	-	917	-	917
Fixed deposits with licensed banks	572	572	-	-	572	120,000	120,572	-	120,572
Cash and bank balances	7,570	73,573	66,004	148,276	221,850	63,653	285,503	1,810,827	2,096,330
	58,851	124,855	66,004	148,276	273,132	183,653	456,785	1,810,827	2,267,612
Total Assets	177,262	243,266	66,004	148,276	391,542	210,318	601,861	1,800,711	2,402,573

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**ATTA GLOBAL GROUP BERHAD ("ATTA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017
MAXIMUM SCENARIO TWO (CONT'D)**

	Audited Consolidated Statements of Financial Position as at 31 March 2017 RM'000	Adjustments for the subsequent events RM'000	Adjusted Consolidated Statements of Financial Position RM'000	Adjustments for Full Exercise of Warrants B, C ICULS and ESOS RM'000	Pro Forma I After Full Exercise of Warrants B, C ICULS and ESOS RM'000	Adjustments for Rights Issue of ICPS RM'000	Pro Forma II After Pro Forma I and Rights Issue of ICPS RM'000	Adjustments for Full Conversion of ICPS RM'000	Proforma III After Pro Forma I, II and assuming full conversion of ICPS RM'000
EQUITY AND LIABILITIES									
Equity attributable to owners of the Company									
Share capital	93,787	74,783	168,570	166,008	334,578	-	334,578	2,012,030	2,346,608
Irredeemable convertible unsecured loan stocks	19,830	(6,531)	13,299	(13,299)	-	-	-	-	-
ICPS - equity portion	-	-	-	-	-	169,171	169,171	(169,171)	-
Treasury shares	(2,596)	2,596	-	-	-	-	-	-	-
Warrant reserves	5,779	(1,576)	4,203	(4,203)	-	-	-	-	-
Discount on shares	(5,699)	-	(5,699)	-	(5,699)	-	(5,699)	-	(5,699)
ESOS reserve	330	(100)	230	(230)	-	-	-	-	-
Fair value reserve	299	-	299	-	299	-	299	-	299
Retained profits	26,636	(26,088)	548	-	548	(1,000)	(452)	-	(452)
Capital reserve	(263)	-	(263)	-	(263)	-	(263)	-	(263)
Total equity attributable to owners of the Company	138,103	43,084	181,186	148,277	329,462	168,171	497,633	1,842,859	2,340,493
Non-controlling interests	(102)	-	(102)	-	(102)	-	(102)	-	(102)
Total Equity	138,001	43,084	181,084	148,277	329,360	168,171	497,532	1,842,859	2,340,391

APPENDIX V

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

ATTA GLOBAL GROUP BERHAD ("ATTA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017
MAXIMUM SCENARIO TWO (CONT'D)

	Audited Consolidated Statements of Financial Position as at 31 March 2017 RM'000	Adjusted Consolidated Statements of Financial Position RM'000	Adjustments for Full Exercise of Warrants B, C and ICULS and ESOS RM'000	Pro Forma I After Full Exercise of Warrants B, C and ICULS and ESOS RM'000	Adjustments for Rights Issue of ICPS RM'000	Pro Forma II After Pro Forma I and Rights Issue of ICPS RM'000	Adjustments for Full Conversion of ICPS RM'000	Proforma III After Pro Forma I, II and assuming full conversion of ICPS RM'000
Non-Current Liabilities								
Borrowings	7,445	7,445	-	7,445	-	7,445	-	7,445
Deferred tax liabilities	3,886	3,886	-	3,886	-	3,886	-	3,886
ICPS - liability portion	-	-	-	-	42,147	42,147	(42,147)	-
	11,331	11,331	-	11,331	42,147	53,478	(42,147)	11,331
Current Liabilities								
Trade and other payables	19,918	19,918	-	19,918	-	19,918	-	19,918
Dividend payable	-	22,921	-	22,921	-	22,921	-	22,921
Borrowings	7,889	7,889	-	7,889	-	7,889	-	7,889
Current tax liabilities	123	123	-	123	-	123	-	123
	27,930	50,850	-	50,850	-	50,850	-	50,850
Total Liabilities	39,261	62,181	-	62,181	42,147	104,328	(42,147)	62,181
Total Equity and Liabilities	177,262	243,266	148,277	391,541	210,318	601,861	1,800,711	2,402,572

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**ATTA GLOBAL GROUP BERHAD ("ATTA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017
MAXIMUM SCENARIO TWO (CONT'D)**

	Audited Consolidated Statements of Financial Position as at 31 March 2017	Adjustments for the subsequent events	Adjusted Consolidated Statements of Financial Position	Adjustments for Full Exercise of Warrants B, C ICULS and ESOS	Pro Forma I After Full Exercise of Warrants B, C ICULS and ESOS	Adjustments for Rights Issue of ICPS	Pro Forma II After Pro Forma I and Rights Issue of ICPS	Adjustments for Full Conversion of ICPS	Proforma III After Pro Forma I, II and assuming full conversion of ICPS
Number of Shares ('000)	79,697	73,107	152,804	161,576	314,380		314,380	2,515,037	2,829,417
Number of ICULS @ RM0.10 ('000)	198,297	(65,298)	132,999	(132,999)	-		-		-
Number of Warrants B ('000)	21,383		21,383	(21,383)	-		-		-
Number of Warrants C ('000)	10,712	(6,510)	4,201	(4,201)	-		-		-
Number of treasury shares ('000)	(3,954)	3,954	-		-		-		-
Number of ESOS options ('000)	4,291	(1,298)	2,992	(2,992)	-		-		-
Number of ICPS ('000)	-		-		-		-	2,515,037	-
Number of Shares, net of treasury shares ('000)	75,742	77,061	152,804	161,576	314,380		314,380	(2,515,037)	2,829,417
Net assets per Share, net of treasury shares (RM)	1.82		1.19		1.05		1.58		0.83
Total borrowings (RM'000)*	15,334		15,334		15,334		57,481	(42,147)	15,334
Gearing ratio (times)	0.11		0.08		0.05		0.12		0.01

Note: * - Comprise of all interest bearing borrowings and liability portion of ICPS.

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**ATTA GLOBAL GROUP BERHAD ("ATTA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017**

1. BASIS OF PREPARATION

The Pro Forma Consolidated Statements of Financial Position have been prepared in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards in Malaysia and based on the audited Consolidated Statements of Financial Position of ATTA as at 31 March 2017. The Pro Forma Consolidated Statements of Financial Position have been prepared solely for illustrative purposes, to show the effects of the renounceable rights issue of up to 2,515,037,240 new irredeemable convertible preference shares ("ICPS") at an issue price of RM0.08 per ICPS on the basis of eight (8) ICPS for every one (1) existing ordinary share held in ATTA ("ATTA Share(s)" or "Share(s)") on 6 November 2017 ("Rights Issue of ICPS").

As part of this process, information about the Group's financial position has been extracted by the Directors from the audited financial statements of the Group for the financial year ended 31 March 2017, which have been published.

The Pro Forma Consolidated Statements of Financial Position have been prepared based on the accounting policies and bases consistent with those normally adopted by ATTA in the preparation of its audited financial statements.

The Pro Forma Consolidated Statements of Financial Position is presented in Ringgit Malaysia ("RM").

The Pro Forma Consolidated Statements of Financial Position, because of its nature, may not be reflective of the Group's actual financial position. Furthermore, such information does not purport to predict the future financial position of the Group.

- 1.1 On 17 March 2017, ATTA had announced a distribution of treasury shares as a share dividend at the ratio of one (1) treasury share for every twenty (20) existing Shares held on 9 May 2017 ("Share Dividend"). The Share Dividend has been distributed on 30 May 2017.
- 1.2 On 22 June 2017, ATTA had announced a final dividend of 2 sen and special dividend of 8 sen per Share in respect of financial year ended 31 March 2017 ("Dividend 1") for every Share held on 28 September 2017. The Dividends are payable on 27 October 2017.
- 1.3 On 16 October 2017, ATTA had announced an interim dividend of 2 sen and special dividend of 3 sen per Share in respect of financial year ended 31 March 2018 ("Dividend 2") for every Share held on 7 December 2017. The Dividends are payable on 3 January 2018.
- 1.4 The Pro Forma Consolidated Statements of Financial Position is illustrated based on the following three (3) scenarios:-

Minimum Scenario

- (i) Assuming Share Dividend has been distributed on 30 May 2017 and the remaining treasury shares held by the ATTA are continued to be retained as treasury shares;

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**ATTA GLOBAL GROUP BERHAD ("ATTA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017**

- (ii) Assuming none of the:-
- (a) 132,998,969 ten (10)-year, zero coupon irredeemable convertible unsecured loan stocks at 100% of the nominal value of RM0.10 each ("ICULS") constituted by the trust deed between the Company and the trustee who acts for the benefit of the holders of the ICULS dated 28 March 2012;
 - (b) 21,382,993 outstanding Warrants 2012/2022 ("Warrants B");
 - (c) 4,201,165 outstanding Warrants 2014/2024 ("Warrants C"); and
 - (d) 2,992,414 outstanding ESOS options were exercised at the exercise price of RM1.00 per ESOS option
- are exercised prior to the implementation of the Rights Issue of ICPS;
- (iii) The Rights Issue of ICPS was subscribed based on the minimum subscription level of 150,000,000 ICPS based on issue price of RM0.08 per Rights Share; and
- (iv) Assuming full conversion of ICPS issued pursuant to the Rights Issue of ICPS based on conversion price of RM0.80 per ICPS.

Maximum Scenario One

- (i) Assuming all the treasury shares held by ATTA has been distributed as Share Dividend on 30 May 2017 or resold on the open market of Bursa Securities;
- (ii) Assuming none of the:-
- (a) 132,998,969 ICULS constituted by the trust deed between the Company and the trustee who acts for the benefit of the holders of the ICULS dated 28 March 2012;
 - (b) 21,382,993 outstanding Warrants B;
 - (c) 4,201,165 outstanding Warrants C; and
 - (d) 2,992,414 outstanding ESOS options were exercised at the exercise price of RM1.00 per ESOS option
- are exercised prior to the implementation of the Rights Issue of ICPS;
- (iii) Issuance of 1,222,432,912 ICPS based on issue price of RM0.08 per ICPS; and
- (iv) Assuming full conversion of ICPS issued pursuant to the Rights Issue of ICPS by surrendering one (1) ICPS together with cash such that in aggregate it amounts to an conversion price of RM0.80 per Share.

Maximum Scenario Two

- (i) Assuming all the treasury shares held by ATTA has been distributed as Share Dividend on 30 May 2017 or resold on the open market of Bursa Securities;
- (ii) Assuming full conversion/exercise of the:-
- (a) All the 132,998,969 ICULS constituted by the trust deed between the Company and the trustee who acts for the benefit of the holders of the ICULS dated 28 March 2012 are converted by surrendering RM0.10 nominal value of ICULS together with cash such that in aggregate it amounts to RM1.00 for one (1) new ATTA Share;
 - (b) All the 21,382,993 outstanding Warrants B were exercised at the exercise price of RM1.00 per Warrant B;
 - (c) All the 4,201,165 outstanding Warrants C were exercised at the exercise price of RM1.00 per Warrant C; and
 - (d) All the 2,992,414 outstanding ESOS options were exercised at the exercise price of RM1.00 per ESOS option
- prior to the implementation of the Rights Issue of ICPS;

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**ATTA GLOBAL GROUP BERHAD ("ATTA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
31 MARCH 2017**

- (iii) Issuance of 2,515,037,240 ICPS based on issue price of RM0.08 per ICPS; and
- (iv) Assuming full conversion of ICPS issued pursuant to the Rights Issue of ICPS by surrendering one (1) ICPS together with cash such that in aggregate it amounts to conversion price of RM0.80 per Share.

2. ADJUSTMENTS TO CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The adjustments incorporate the effects of:-

- (i) conversion of 65,298,000 ICULS by surrendering RM0.10 nominal value of ICULS together with cash such that in aggregate it amounts to RM1.00 for 65,298,000 new ATTA Shares;
- (ii) exercised of 6,510,400 Warrants C at the exercise price of RM1.00 per Warrant C into 6,510,400 new ATTA Shares;
- (iii) exercised of 1,298,461 ESOS at the exercise price of RM1.00 per ESOS into 1,298,461 new ATTA Shares;
- (iv) Shares buy back involving 518,100 Shares with total purchase consideration of RM571,590; and
- (v) Share Dividend distributed to entitled shareholders prior to the implementation of Rights Issue of ICPS ^(Notes).

Notes:

Under the minimum scenario, the 4,472,526 treasury shares have been distributed as Share Dividend on 30 May 2017 with the balances of 774 treasury shares to be retained as treasury shares.

Under the maximum scenarios one and two, all the treasury shares were either distributed as Share Dividend on 30 May 2017 and/or resold on the open market of Bursa Securities.

- (vi) Dividend 1 and Dividend 2 declared to entitled shareholders which will be payable on 27 October 2017 and 3 January 2018 respectively prior to the implementation of Rights Issue of ICPS.

(collectively the above adjustments referred to as "Subsequent Events")

The Subsequent Events have the following financial impacts on the Pro Forma Consolidated Statements of Financial Position of the Group:-

Minimum Scenario

	Increase/(Decrease)	
	Effect on	Effect on
	Total Assets	Total Equity
	RM	and Liabilities
		RM
Cash and bank balances	66,005,471	-
Share capital	-	74,782,824
Irredeemable convertible loan stocks	-	(6,529,800)
Treasury shares	-	2,595,476
ESOS reserve	-	(151,897)
Warrant reserve	-	(1,576,168)
Retained profits	-	(26,035,465)
Dividends payable	-	22,920,501
	66,005,471	66,005,471

Stamped for Identification Purpose Only
 SIEW BOON YEONG & ASSOCIATES
Chartered Accountants [AF: 0660]

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**ATTA GLOBAL GROUP BERHAD ("ATTA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
31 MARCH 2017**

Maximum Scenarios One and Two

	Increase/(Decrease)	
	Effect on Total Assets RM	Effect on Total Equity and Liabilities RM
Cash and bank balances	66,005,471	-
Share capital	-	74,782,824
Irredeemable convertible loan stocks	-	(6,529,800)
Treasury shares	-	2,596,024
ESOS reserve	-	(151,897)
Warrant reserve	-	(1,576,168)
Retained profits	-	(26,036,013)
Dividends payable	-	22,920,501
	66,005,471	66,005,471

3. MINIMUM SCENARIO

3.1 PRO FORMA I

Pro Forma I incorporates the effects of Subsequent Events and the Rights Issue of ICPS.

The following are the utilisation of proceeds from the Rights Issue of ICPS on the adjusted Consolidated Statements of Financial Position as at 31 March 2017:

	RM
Property, plant and equipment	2,620,000
Working capital	8,380,000
Estimated expenses for the Rights Issue of ICPS	1,000,000
	12,000,000

The estimated expenses in relation to the Rights Issue of ICPS of RM1.0 million will be debited to the retained profits account.

The Rights Issue of ICPS have the following impacts on the Pro Forma Consolidated Statements of Financial Position:-

	Increase/(Decrease)	
	Effect on Total Assets RM	Effect on Total Equity and Liabilities RM
Property, plant and equipment	2,620,000	-
Deferred tax assets	603,294	-
Cash and bank balances	8,380,000	-
ICPS – Equity portion	-	10,089,568
Retained profits	-	(1,000,000)
ICPS – Liabilities portion (non-current liabilities)	-	2,513,726
	11,603,294	11,603,294

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 SIEW BOON YEONG & ASSOCIATES
 Chartered Accountants [AF: 0660]

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**ATTA GLOBAL GROUP BERHAD ("ATTA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
31 MARCH 2017**

3.2 PRO FORMA II

Pro Forma II incorporates the effects of Subsequent Events and Pro Forma I and assuming full conversion of ICPS under the minimum scenario by surrendering ten (10) ICPS for one (1) new ATTA Share.

The full exercise of ICPS has the following impacts on the Pro Forma Consolidated Statements of Financial Position:-

	Increase/(Decrease)	
	Effect on Total Assets RM	Effect on Total Equity and Liabilities RM
Deferred tax assets	(603,294)	-
Share capital	-	12,000,000
ICPS – Equity portion	-	(10,089,568)
ICPS – Liabilities portion (non-current liabilities)	-	(2,513,726)
	<u>(603,294)</u>	<u>(603,294)</u>

4. MAXIMUM SCENARIO ONE

4.1 PRO FORMA I

Pro Forma I incorporates the effects of Subsequent Events and the Rights Issue of ICPS.

The following are the utilisation of proceeds from the Rights Issue of ICPS on the adjusted Consolidated Statements of Financial Position as at 31 March 2017:

	RM
Property, plant and equipment	16,550,000
Fixed deposits with licensed banks ^(Note)	16,591,654
Working capital	63,652,979
Estimated expenses for the Rights Issue of ICPS	1,000,000
	<u>97,794,633</u>

Note:

This proceeds of approximately RM16.6 million have been earmarked for investment in new business. The Company will place the cash proceeds in interest-bearing bank deposits and/or money market financial instruments pending the identification of new businesses to be invested in. For the purpose of presentation of the Pro Forma Statements of Financial Position, this has been taken up as fixed deposits with licenced banks.

The estimated expenses in relation to the Rights Issue of ICPS of RM1.0 million will be debited to retained profits account.

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**ATTA GLOBAL GROUP BERHAD ("ATTA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017**

The Rights Issue of ICPS have the following impacts on the Pro Forma Consolidated Statements of Financial Position:-

	Increase/(Decrease)	
	Effect on Total Assets RM	Effect on Total Equity and Liabilities RM
Property, plant and equipment	16,550,000	-
Deferred tax assets	4,916,579	-
Cash and bank balances	80,244,633	-
ICPS – Equity portion	-	82,225,468
Retained profits	-	(1,000,000)
ICPS – Liabilities portion (non-current liabilities)	-	20,485,744
	101,711,212	101,711,212

4.2 PRO FORMA II

Pro Forma II incorporates the effects of Subsequent Events and Pro Forma I and assuming full conversion of ICPS under the maximum scenario one by surrendering one (1) ICPS together with cash such that in aggregate it amounts to the conversion price of RM0.80 for one (1) new ATTA Share.

The full exercise of ICPS has the following impacts on the Pro Forma Consolidated Statements of Financial Position:-

	Increase/(Decrease)	
	Effect on Total Assets RM	Effect on Total Equity and Liabilities RM
Deferred tax assets	(4,916,579)	-
Cash and bank balances	880,151,697	-
Share capital	-	977,946,330
ICPS – Equity portion	-	(82,225,468)
ICPS – Liabilities portion (non-current liabilities)	-	(20,485,744)
	875,235,118	875,235,118

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**ATTA GLOBAL GROUP BERHAD ("ATTA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017**

5. MAXIMUM SCENARIO TWO

5.1 PRO FORMA I

Pro Forma I incorporates the effects of Subsequent Events, and assuming:-

- (a) All the 132,998,969 ICULS constituted by the trust deed between the Company and the trustee who acts for the benefit of the holders of the ICULS dated 28 March 2012 are converted by surrendering RM0.10 nominal value of ICULS together with cash such that in aggregate it amounts to RM1.00 for one (1) new ATTA Share;
- (b) All the 21,382,993 outstanding Warrants B were exercised at the exercise price of RM1.00 per Warrant B;
- (c) All the 4,201,165 outstanding Warrants C were exercised at the exercise price of RM1.00 per Warrant C; and
- (d) All the 2,992,414 outstanding ESOS options were exercised at the exercise price of RM1.00 per ESOS option.

The full conversion/exercise of ICULS, Warrants B and C as well as ESOS options have the following impacts on the Pro Forma Consolidated Statements of Financial Position:-

	Increase/(Decrease)	
	Effect on	Effect on
	Total Assets	Total Equity
	RM	RM
Cash and bank balances	148,275,644	-
Share capital	-	166,008,693
Irredeemable convertible loan stocks	-	(13,299,897)
Warrant reserve	-	(4,203,166)
ESOS reserve	-	(229,986)
	148,275,644	148,275,644

5.2 PRO FORMA II

Pro Forma II incorporates the effects of Subsequent Events, Pro Forma I and the Rights Issue of ICPS.

The following are the utilisation of proceeds from the Rights Issue of ICPS on the adjusted Consolidated Statements of Financial Position as at 31 March 2017:

	RM
Property, plant and equipment	16,550,000
Fixed deposits with licensed banks ^(Note)	120,000,000
Working capital	63,652,979
Estimated expenses for the Rights Issue of ICPS	1,000,000
	201,202,979

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON
(Cont'd)

ATTA GLOBAL GROUP BERHAD ("ATTA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017

Note:

This proceeds of RM120.0 million have been earmarked for investment in new business. The Company will place the cash proceeds in interest-bearing bank deposits and/or money market financial instruments pending the identification of new businesses to be invested in. For the purpose of presentation of the Pro Forma Statements of Financial Position, this has been taken up as fixed deposits with licenced banks.

The estimated expenses in relation to the Rights Issue of ICPS of RM1.0 million will be debited to the retained profits account.

The Rights Issue of ICPS have the following impacts on the Pro Forma Consolidated Statements of Financial Position:-

	Increase/(Decrease)	
	Effect on	Effect on
	Total Assets	Total Equity
	RM	and Liabilities
		RM
Property, plant and equipment	16,550,000	-
Deferred tax assets	10,115,384	-
Fixed deposits with licensed banks	120,000,000	-
Cash and bank balances	63,652,979	-
ICPS – Equity portion	-	169,170,930
Retained profits	-	(1,000,000)
ICPS – Liabilities portion (non-current liabilities)	-	42,147,433
	<hr/>	<hr/>
	210,318,363	210,318,363
	<hr/>	<hr/>

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**ATTA GLOBAL GROUP BERHAD ("ATTA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017**

5.3 PRO FORMA III

Pro Forma III incorporates the effects of Subsequent Events, Pro Forma I, II and assuming full conversion of ICPS under the maximum scenario two by surrendering one (1) ICPS together with cash such that in aggregate it amounts to the conversion price of RM0.80 for one (1) new ATTA Share.

The full exercise of ICPS has the following impacts on the Pro Forma Consolidated Statements of Financial Position:-

	Increase/(Decrease)	
	Effect on Total Assets RM	Effect on Total Equity and Liabilities RM
Deferred tax assets	(10,115,384)	-
Cash and bank balances	1,810,826,813	-
Share capital	-	2,012,029,792
ICPS – Equity portion	-	(169,170,930)
ICPS – Liabilities portion (non-current liabilities)	-	(42,147,433)
	1,800,711,429	1,800,711,429

OUR PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2017 TOGETHER WITH THE REPORTING ACCOUNTANTS' LETTER THEREON (Cont'd)

**ATTA GLOBAL GROUP BERHAD ("ATTA")
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT
31 MARCH 2017**

APPROVAL BY THE BOARD OF DIRECTORS

Approved and adopted by the Board of Directors in accordance with a resolution dated 24 October 2017.

On behalf of the Board,



Ng Chin Nam
Executive Director

DIRECTORS' REPORT



安達環球集團有限公司

ATTA GLOBAL GROUP BERHAD (Co.No.79082-V)

2521, TINGKAT PERUSAHAAN 6, PRAI INDUSTRIAL ESTATE, 13600 PRAI, PENANG, MALAYSIA.
TEL: +604-397 1324 / 390 7324 FAX: +604-397 3324 / 399 7324

Registered Office:

55A Medan Ipoh 1A
Medan Ipoh Bistari
31400 Ipoh
Perak Darul Ridzuan

Date: 25 October 2017

To: The shareholders of ATTA Global Group Berhad ("ATTA")

Dear Sir/Madam,

On behalf of the Board of Directors of ATTA ("Directors"), I wish to report that, after making due enquiries in relation to the interval between 31 March 2017 (being the date on which the last audited consolidated financial statements of ATTA and its subsidiaries ("Group") have been made) up to the date hereof (being a date not earlier than fourteen (14) days before the date of issue of this Abridged Prospectus ("AP")):

- (a) the business of our Group has, in the opinion of our Directors, been satisfactorily maintained;
- (b) in the opinion of our Directors, no circumstances have arisen since the last audited consolidated financial statements of our Group which have adversely affected the trading or the value of the assets of our Group;
- (c) the current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) save as disclosed in this AP, there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by our Group;
- (e) there has been no default or any known event that could give rise to a default situation in respect of payments of either interest and/or principal sums for any borrowings of our Group since the last audited consolidated financial statements of our Group;
- (f) save as disclosed in this AP, there have been no material changes in the published reserves or any unusual factors affecting the profits of our Group since the last audited consolidated financial statements of our Group; and
- (g) save as disclosed above and up to the date of this letter, no other reports are required in relation to items (a) to (f) above.

Yours faithfully,
for and on behalf of our Board of Directors of
ATTA Global Group Berhad


Ooi Chieng Sim
Executive Chairman

Kapar Office :

Lot 717, Mukim Kapar, Batu 5½, Jalan Kapar, 42100 Klang, Selangor Darul Ehsan, Malaysia. Tel : +603-3291 5100 Fax : +603-3291 5700

FURTHER INFORMATION

1. SHARE CAPITAL

- (i) Save for the Rights ICPS, the additional Warrants B, additional Warrants C, the additional ESOS Options (pursuant to the adjustments being made arising from the Rights Issue of ICPS) and the new ATTA Shares to be issued arising from the conversion/exercise of the ICPS, additional Warrants B, additional Warrants C and additional ESOS Options, no other securities will be allotted or issued on the basis of this AP later than 12 months after the date of issue of this AP.
- (ii) We have only one (1) class of shares, namely ordinary shares, all of which rank *pari passu* with one another as at the date of this AP.
- (iii) As at the LPD, save as disclosed below, no person has been or is entitled to be granted an option to subscribe for any securities of our Company:
- (a) our Entitled Shareholders and/or their renounee(s)/transferee(s), if applicable, who will provisionally be allotted with the Rights ICPS to be issued pursuant to the Rights Issue of ICPS;
- (b) the holders of the ICULS, which are constituted by the trust deed dated 28 March 2012 and the supplemental trust deed dated 20 October 2017, with a conversion period of 10 years from 10 May 2012 to 9 May 2022. As at the LPD, there are RM13,299,896.90 nominal value of outstanding ICULS which are convertible into up to 132,998,969 new ATTA Shares at the conversion price of RM1.00 (assuming that all the outstanding ICULS are converted by surrendering RM0.10 nominal value of ICULS together with cash such that in aggregate it amounts to the conversion price of RM1.00 for one (1) new ATTA Share). The conversion price of the ICULS will be adjusted downward to RM0.87 pursuant to the adjustments being made arising from the Rights Issue of ICPS;
- (c) the holders of the Warrants B, which are constituted by the deed poll dated 28 March 2012 and the supplemental deed poll dated 20 October 2017, with an exercise period of 10 years from 16 May 2012 to 15 May 2022. As at the LPD, there are 21,382,993 outstanding Warrants B which are exercisable into 21,382,993 new ATTA Shares at the exercise price of RM1.00. The exercise price of the Warrants B will be adjusted downward to RM0.87 and 3,237,126 additional Warrants B, which are exercisable into 3,237,126 new ATTA Shares, will be issued pursuant to the adjustments being made arising from the Rights Issue of ICPS;
- (d) the holders of the Warrants C, which are constituted by the deed poll dated 9 October 2014 and the supplemental deed poll dated 20 October 2017, with an exercise period of 10 years from 19 November 2014 to 18 November 2024. As at the LPD, there are 4,201,165 outstanding Warrants C which are exercisable into 4,201,165 new ATTA Shares at the exercise price of RM1.00. The exercise price of the Warrants C will be adjusted downward to RM0.87 and 636,005 additional Warrants C, which are exercisable into 636,005 new ATTA Shares, will be issued pursuant to the adjustments being made arising from the Rights Issue of ICPS; and
- (e) the directors and employees of our Group who are eligible to participate in the ESOS (“Eligible Employee(s)”) with an exercise period of 10 years from 19 November 2012 to 18 October 2022. Under the ESOS, the maximum number of new ATTA Shares that may be offered for subscription and allotted upon exercise of the ESOS Options to the Eligible Employees shall not exceed in aggregate 15% of the total number of issued shares (excluding treasury shares) of our Company at any one time throughout the duration of the ESOS.

FURTHER INFORMATION (Cont'd)

As at the LPD, there are 2,992,414 outstanding ESOS Options which are exercisable into 2,992,414 new ATTA Shares at the exercise price of RM1.00. The exercise price of the ESOS Options will be adjusted downward to RM0.87 and 453,015 additional ESOS Options, which are exercisable into 453,015 new ATTA Shares, will be issued pursuant to the adjustments being made arising from the Rights Issue of ICPS.

2. REMUNERATION OF DIRECTORS

The following provisions are reproduced from our Company's Articles of Association⁽¹⁾. Terms defined in our Articles of Association shall have the same meanings when used herein unless they are otherwise defined herein or the context otherwise requires.

Article 24 – Directors

24.2 *Subject to these Articles, the Directors shall be paid by way of fees for their services in such fixed sum (if any) as shall from time to time be determined by our Company in general meeting, and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine. Provided always that:*

24.2:1 *directors' fees payable to Directors not holding any executive office in our Company shall be a fixed sum and shall not be payable by a commission on or percentage of profits or turnover;*

24.2:2 *salaries and other emoluments payable to Directors holding executive office in our Company need not be determined by our Company in general meeting but such salaries and emoluments may not include a commission or on a percentage of turnover;*

24.2:3 *all remuneration payable to Directors shall be deemed to accrue from day to day;*

24.2:4 *fees payable to Directors shall not be increased except pursuant to a resolution passed by our Company in general meeting, where notice of the proposed increase has been given in the notice convening the meeting;*

24.2:5 *any fee paid to an alternate Director shall be agreed between him and his appointor and shall be deducted from his appointor's remuneration.*

24.3 *The Directors may be paid all travelling, hotel and other expenses, properly incurred by them in attending and returning from meetings of the Directors or any committees of Directors or general or other meetings of our Company or in connection with the business of our Company.*

24.4 *The Directors may grant special remuneration to any Director who (on request by the Directors) is willing to:*

24.4:1 *render any special or extra services to our Company; or*

24.4:2 *to go or reside outside his country of domicile or residence in connection with the conduct of any of our Company's affairs.*

Such special remuneration may be paid to such Director in addition to or in substitution for his ordinary remuneration as a Director in addition to or in substitute for his ordinary remuneration as a Director, and may be paid in a lump sum or by way of salary, or by a percentage of profits, or by all or any of such methods but shall not include (where such special remuneration is paid by way of salary) a commission on or a percentage of turnover.

FURTHER INFORMATION (Cont'd)

Article 32 – Managing and executive directors

32.1 *Subject to the Act, the Directors may appoint 1 or more of their number to any executive office (by whatever title it is known) including (without limitation) that of managing director, joint, deputy or assistant managing director and may procure our Company to enter into a contract or arrangement with him for his employment or for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, contract or arrangement may be made (subject to these Articles) on such terms as to remuneration and otherwise as the Directors think fit. A managing director shall be subject to the control of the board of Directors. A Director may be appointed to hold more than one executive office at a time.*

3. MATERIAL CONTRACTS

Saved as disclosed below, there are no other material contracts (not being contracts entered into in the ordinary course of business) entered into by our Group within 2 years immediately preceding the date of this AP:

- (i) Proposed subscription of 55% equity interest in Tetap Gembira Development Sdn. Bhd. (“**TGSB**”) by ATTA (“**Proposed Subscription**”)

On 16 February 2017, the Company has issued a letter of undertaking to TGSB whereby ATTA undertakes to subscribe for 1,237,500 new ordinary shares in TGSB (“**New TGSB Shares**”) representing 55% equity interest in TGSB for a total cash consideration of RM6,187,500 (“**Subscription Price**”) subject to the terms and upon the condition contained in the said letter. On 30 June 2017, TGSB and ATTA had agreed to vary the terms and conditions of the letter of undertaking including extending the Proposed Subscription for another period of 6-month to fulfill certain conditions by the parties. The Subscription Price shall be payable by ATTA to TGSB in the following manner:

- (a) RM1,237,500 upon allotment and issuance of the New TGSB Shares at an issue price of RM1.00 each to ATTA; and
- (b) RM4,950,000 shall be treated as the borrowings/advances from ATTA to TGSB as part of the ATTA’s obligation.

The total sum of RM6,187,500 will be used to pay Malayan Banking Berhad, being the financier of TGSB, to redeem a property held under title number known as Lot 71113 No. Hakmilik 3416, Mukim 12, Daerah Barat Daya, Penang which is charged to Malayan Banking Berhad for the loan obtained by TGSB.

As at the LPD, the parties have yet to execute the relevant documents in respect of the Proposed Subscription and the transaction is pending completion.

- (ii) Supplemental trust deed dated 20 October 2017 executed between the Company and Malaysian Trustee Berhad (being the trustee who acts for the benefit of the holders of the ICULS) to supplement the trust deed dated 28 March 2012 constituting the ICULS;
- (iii) Supplemental deed poll dated 20 October 2017 to supplement the deed poll dated 28 March 2012 constituting the Warrants B; and
- (iv) Supplemental deed poll dated 20 October 2017 to supplement the deed poll dated 9 October 2014 constituting the Warrants C.

FURTHER INFORMATION (Cont'd)

4. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, our Group is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Directors have no knowledge of any proceedings pending or threatened against our Company and/or any of our subsidiaries or of any facts likely to give rise to any proceedings which might adversely and materially affect the financial position or business of our Company and/or any of our subsidiaries.

5. GENERAL

- (i) There are no existing or proposed service contracts between our Directors and our Company or our subsidiaries excluding contracts expiring or determinable by the employing company without payment or compensation (other than statutory compensation) within one (1) year from the date of this AP.
- (ii) Our Directors are not aware of any material information, including special trade factors or risks which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Group, except as disclosed in Sections 7 and 9 of this AP.
- (iii) Save as disclosed in Section 9 of this AP and the risk factors mentioned in Section 7 of this AP, the financial condition and operations of our Group are not affected by any of the following:
 - (a) known trends, demands, commitments, events or uncertainties that will or are likely to materially increase or decrease the liquidity of our Group;
 - (b) material commitments for capital expenditure of our Group;
 - (c) unusual or infrequent events or transactions or any significant economic changes which materially affect the amount of reported income from our operations;
 - (d) known trends or uncertainties that have had, or that our Group reasonably expects will have, a material favorable or unfavorable impact on our revenue or operating income; and
 - (e) substantial increase in our Group's revenue.

6. CONSENTS

Our Adviser, Due Diligence Solicitors, Share Registrar, Company Secretaries, Principal Banker and Bloomberg Finance L.P. have given and have not subsequently withdrawn their respective written consents for the inclusion of their names and all references thereto, in the form and context in which they appear in this AP.

Messrs. Grant Thornton, our Auditors, has given and has not subsequently withdrawn its written consent for the inclusion of its name, the audited consolidated financial statements of our Company for the FYE 31 March 2017 together with the Auditors' report thereon, and all references thereto, in the form and context in which they appear in this AP.

Messrs. Siew Boon Yeong & Associates, our Reporting Accountants, has given and has not subsequently withdrawn its written consent for the inclusion of its name, the pro forma consolidated statements of financial position of our Company as at 31 March 2017 together with the Reporting Accountants' letter thereon, and all references thereto, in the form and context in which they appear in this AP.

FURTHER INFORMATION (Cont'd)

7. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the Registered Office of our Company at 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan during normal office hours (except public holidays) for a period of 12 months from the date of this AP:

- (i) our Memorandum and Articles of Association;
- (ii) our audited consolidated financial statements for the past 2 FYEs 31 March 2016 and 31 March 2017 and our latest unaudited consolidated financial statements for the 3-month FPE 30 June 2017;
- (iii) the Undertakings by Skylitech, OCS and NCN dated 24 May 2017 as referred to in Section 4 of this AP;
- (iv) our pro forma consolidated statements of financial position as at 31 March 2017 together with the Reporting Accountants' letter thereon as set out in Appendix V of this AP;
- (v) our Directors' Report as set out in Appendix VI of this AP;
- (vi) the material contracts as referred to in Section 3 of this Appendix; and
- (vii) the letters of consent as referred to in Section 6 of this Appendix.

9. RESPONSIBILITY STATEMENTS

- (i) Our Directors have seen and approved the Documents and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement in the Documents false or misleading; and
- (ii) PIVB, being our Adviser, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Rights Issue of ICPS.

NOTICE OF PROVISIONAL ALLOTMENT OF RIGHTS ICPS

Terms defined in the Abridged Prospectus dated 6 November 2017 ("AP") shall have the same meanings when used in this Notice of Provisional Allotment ("NPA") unless otherwise stated. The Provisional Rights ICPS (as defined herein) as contained in this NPA are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act, 1991 ("SICDA") and amendments or any re-enactment made thereto from time to time, and therefore, the SICDA (including all amendments thereof) and the Rules of Bursa Malaysia Depository Sdn Bhd (165570-W) ("Bursa Depository") shall apply in respect of dealings in the Provisional Rights ICPS.



(Incorporated in Malaysia under the Companies Act, 1965 and deemed registered under the Companies Act, 2016)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 2,515,037,240 NEW IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") AT AN ISSUE PRICE OF RM0.08 PER ICPS ON THE BASIS OF EIGHT (8) ICPS FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN ATTA GLOBAL GROUP BERHAD ("ATTA" OR "COMPANY") HELD AT 5.00 P.M. ON 6 NOVEMBER 2017 BASED ON A MINIMUM SUBSCRIPTION LEVEL OF 150,000,000 ICPS ("RIGHTS ISSUE OF ICPS")

Adviser



To: Our Entitled Shareholders

Dear Sir/ Madam,

Our Board of Directors ("Board") has provisionally allotted to you the number of ICPS as indicated below ("Provisional Rights ICPS"), in accordance with the approval of Bursa Malaysia Securities Berhad (635998-W) ("Bursa Securities") via its letter dated 14 June 2017 and the resolution passed at the Extraordinary General Meeting of our Company convened on 16 August 2017 in relation to the Rights Issue of ICPS.

We wish to advise you that the following Provisional Rights ICPS have been confirmed by Bursa Depository and upon acceptance, the Rights ICPS (as defined herein) will be credited into your Central Depository System ("CDS") account(s), subject to the terms and conditions stated in the AP and the Rights Subscription Form ("RSF") issued by our Company.

Bursa Securities has already prescribed our securities listed on the Main Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Provisional Rights ICPS are prescribed securities and as such, all dealings in the Provisional Rights ICPS will be by book entries through CDS accounts and will be governed by the SICDA (including all amendments thereof) and the Rules of Bursa Depository.

ALL RIGHTS ICPS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE OF ICPS ("RIGHTS ICPS") WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS ICPS INTO THE CDS ACCOUNTS OF OUR SHAREHOLDERS WHOSE NAMES APPEAR IN OUR RECORD OF DEPOSITORS AS AT 5.00 P.M. ON 6 NOVEMBER 2017 ("ENTITLEMENT DATE") ("ENTITLED SHAREHOLDERS") AND/OR THEIR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE). NO PHYSICAL SHARE CERTIFICATES WILL BE ISSUED.

It is the intention of our Board to allot the excess Rights ICPS, if any, on a fair and equitable basis to our Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who have applied for excess Rights ICPS in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to our Entitled Shareholders who have applied for the excess Rights ICPS on a pro-rata basis and in board lots, calculated based on their respective shareholdings as at the Entitlement Date;
- (iii) thirdly, for allocation to our Entitled Shareholders who have applied for the excess Rights ICPS on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess Rights ICPS application; and
- (iv) lastly, for allocation to renounee(s)/transferee(s) who have applied for the excess Rights ICPS on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess Rights ICPS application.

In the event of any balance of excess Rights ICPS after the above sequence of allocations, the balance of excess Rights ICPS will be allocated again through the same sequence of allocations (ii), (iii) and (iv) above until all excess Rights ICPS are fully allocated.

Our Board reserves the right to allot any excess Rights ICPS applied for in such manner as they deem fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in the basis of allotment above is achieved. Our Board also reserves the right not to accept or accept any excess Rights ICPS application, in full or in part, without assigning any reason thereto.

NAME, ADDRESS AND CDS ACCOUNT NUMBER OF ENTITLED SHAREHOLDER		

NUMBER OF SHARES HELD AT 5.00 P.M. ON 6 NOVEMBER 2017	NUMBER OF RIGHTS ICPS PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE (AT RM0.08 PER RIGHTS ICPS) (RM)

IMPORTANT RELEVANT DATES AND TIME	
Entitlement date	Monday, 6 November 2017 at 5.00 p.m.
Last date and time for:	
Sale of provisional allotment of rights	Monday, 13 November 2017 at 5.00 p.m.
Transfer of provisional allotment of rights	Thursday, 16 November 2017 at 4.00 p.m.
Acceptance and payment	Tuesday, 21 November 2017 at 5.00 p.m.
Excess application and payment	Tuesday, 21 November 2017 at 5.00 p.m.

By order of the Board
Chan Yoke Yin (MAICSA 7043743)
Chan Eoi Leng (MAICSA 7030866)
Company Secretaries

Share Registrar
Symphony Share Registrars Sdn Bhd (378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel. No.: 03-7849 0777
Fax No.: 03-7841 8151 / 8152

THIS NPA IS DATED 6 NOVEMBER 2017

NOTES AND INSTRUCTIONS FOR COMPLETION OF THIS RSF

THIS RSF IS NOT A TRANSFERABLE OR NEGOTIABLE INSTRUMENT.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. All enquiries concerning the Rights Issue of ICPS should be addressed to our Share Registrar, Symphony Share Registrars Sdn Bhd (378993-D), at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor. **INVESTORS SHOULD READ AND UNDERSTAND THE CONTENTS OF THE AP TO WHICH THIS RSF RELATES BEFORE COMPLETING THIS RSF. IN ACCORDANCE WITH THE CAPITAL MARKETS AND SERVICES ACT 2007, THIS RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE AP.**

This RSF, together with the AP and the Notice of Provisional Allotment (collectively referred to as the "Documents"), are not intended to be (and will not be) issued, circulated or distributed, and the Rights Issue of ICPS will not be made or offered or deemed to be made or offered for purchase or subscription, in any countries or jurisdictions other than Malaysia or to persons who are or may be subject to the laws of any countries or jurisdictions other than the laws of Malaysia. No action has been or will be taken to ensure that the Rights Issue of ICPS and the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. It shall be the sole responsibility of the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who are or may be subject to the laws of any countries or jurisdictions other than the laws of Malaysia to consult their legal or other professional advisers as to whether the acceptance or renunciation of all or any part of the ICPS to be issued under the Rights Issue of ICPS ("Rights ICPS") would result in the contravention of any laws of such countries or jurisdictions. Such shareholders should note the additional terms and restrictions as set out in Section 11 of the AP. Neither ATTA, Public Investment Bank Berhad nor any other advisers to the Rights Issue of ICPS shall accept any responsibility or liability in the event that any acceptance or sale/transfer of the provisional allotment of the Rights ICPS made by the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) shall become illegal, unenforceable, voidable or void in any countries or jurisdictions in which the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are residents.

The AP has been registered by the Securities Commission Malaysia ("SC"). The Documents have also been lodged with the Companies Commission of Malaysia who takes no responsibility for its contents.

Our shareholders have approved, amongst others, the Rights Issue of ICPS at the Extraordinary General Meeting held on 16 August 2017. Bursa Malaysia Securities Berhad ("Bursa Securities") has also granted its approval for, amongst others, the listing of and quotation for the Rights ICPS on the Main Market of Bursa Securities vide its letter dated 14 June 2017. However, this is not an indication that Bursa Securities recommends the Rights Issue of ICPS. The official listing of and quotation for the said securities will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS accounts of the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have been duly credited and notices of allotment have been despatched to them.

The registration of the AP should not be taken to indicate that the SC recommends the Rights Issue of ICPS or assumes responsibility for the correctness of any statement made or opinion or report expressed in the AP. The SC has not, in any way, considered the merits of the securities being offered for investment. The listing of and quotation for the Rights ICPS on the Main Market of Bursa Securities are in no way reflective of the merits of the Rights Issue of ICPS.

Our Directors have seen and approved all the documentation relating to the Rights Issue of ICPS. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make the statements in the Documents false or misleading.

Unless otherwise stated, the unit of currency used in this RSF is Ringgit Malaysia ("RM") and sen.

INSTRUCTIONS:

(i) LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT

This RSF is valid for acceptance until 5.00 p.m. on Tuesday, 21 November 2017.

(ii) FULL OR PART ACCEPTANCE OF THE RIGHTS ICPS

The Rights Issue of ICPS is renounceable in full or in part. If you wish to accept all or part of your entitlement to the Rights ICPS provisionally allotted to you ("Provisional Rights ICPS"), please complete Part I(a) and Part II of this RSF in accordance with the notes and instructions contained in this RSF, and despatch the completed and signed RSF together with the relevant remittance in RM for the full amount payable in the form of Banker's Draft(s) or Cashier's Order(s) or Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia and must be made payable to "ATTA RIGHTS ICPS ACCOUNT" and crossed "ACCOUNT PAYEE ONLY" and endorsed on the reverse side(s) with your name, contact number and address in block letters together with your CDS account number, to be received by our Share Registrar, Symphony Share Registrars Sdn Bhd (378993-D), at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor, not later than 5.00 p.m. on Tuesday, 21 November 2017. Cheques or any other mode(s) of payment are not acceptable.

No acknowledgement will be issued for receipt of this RSF or application monies in respect of the acceptance of the Provisional Rights ICPS. Notices of allotment will be despatched to the successful applicants by ordinary post at the address shown in the Record of Depositors of Bursa Depository at their own risk within eight (8) market days from the last date for acceptance and payment for the Provisional Rights ICPS, or such other period as may be prescribed by Bursa Securities. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar or our Company.

In respect of unsuccessful or partially accepted applications, the full amount or the surplus application monies (as the case may be) will be refunded without interest and shall be despatched to you within fifteen (15) market days from the last date for acceptance and payment for the Provisional Rights ICPS by ordinary post to the address shown in the Record of Depositors of Bursa Depository at your own risk.

(iii) EXCESS RIGHTS ICPS APPLICATION

If you wish to apply for additional Rights ICPS in excess of those provisionally allotted to you, please complete Part I(b) of this RSF (in addition to both Part I(a) and Part II) and forward it together with a separate remittance for the full amount payable in respect of the excess Rights ICPS applied for, to our Share Registrar, Symphony Share Registrars Sdn Bhd (378993-D), at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor. Payment for the excess Rights ICPS applied for should be made in the same manner as described in Note (ii) above, with remittance in RM made in the form of Banker's Draft(s) or Cashier's Order(s) or Money Order(s) or Postal Order(s) drawn on a bank or post office in Malaysia and must be made payable to "ATTA EXCESS RIGHTS ICPS ACCOUNT" and crossed "ACCOUNT PAYEE ONLY" and endorsed on the reverse side(s) with your name, contact number and address in block letters together with your CDS account number, to be received by our Share Registrar not later than 5.00 p.m. on Tuesday, 21 November 2017. Cheques or any other mode(s) of payment are not acceptable.

No acknowledgement will be issued for receipt of this RSF or application monies in respect of the excess Rights ICPS application. Notices of allotment will be despatched to the successful applicants by ordinary post at the address shown in the Record of Depositors of Bursa Depository at their own risk within eight (8) market days from the last date for application and payment for the excess Rights ICPS, or such other period as may be prescribed by Bursa Securities. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar or our Company.

In respect of unsuccessful or partially successful excess Rights ICPS applications, the full amount or the surplus application monies (as the case may be) will be refunded without interest and shall be despatched to you within fifteen (15) market days from the last date for application and payment for the excess Rights ICPS by ordinary post to the address shown in the Record of Depositors of Bursa Depository at your own risk.

It is the intention of our Board to allot the excess Rights ICPS, if any, on a fair and equitable basis to our Entitled Shareholders and/or their renounee(s) and/or transferee(s) (if applicable) who have applied for excess Rights ICPS in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to our Entitled Shareholders who have applied for the excess Rights ICPS on a pro-rata basis and in board lots, calculated based on their respective shareholdings as at the Entitlement Date;
- (iii) thirdly, for allocation to our Entitled Shareholders who have applied for the excess Rights ICPS on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess Rights ICPS application; and
- (iv) lastly, for allocation to renounee(s)/transferee(s) who have applied for the excess Rights ICPS on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess Rights ICPS application.

In the event of any balance of excess Rights ICPS after the above sequence of allocations, the balance of excess Rights ICPS will be allocated again through the same sequence of allocations (ii), (iii) and (iv) above until all excess Rights ICPS are fully allocated.

(iv) SALE/TRANSFER OF THE PROVISIONAL RIGHTS ICPS

The Provisional Rights ICPS are renounceable. If you wish to sell or transfer all or part of your entitlement to the Provisional Rights ICPS to one (1) or more persons, you may do so through your stockbroker without first having to request for a split of the Provisional Rights ICPS standing to the credit of your CDS account(s). To sell or transfer all or part of your entitlement to the Provisional Rights ICPS, you may sell such entitlement in the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository for the period up to the last date and time for the sale/transfer of the Provisional Rights ICPS.

In selling or transferring all or part of your entitlement to the Provisional Rights ICPS, you need not deliver this RSF or any document to your stockbroker. You are however advised to ensure that there is sufficient Provisional Rights ICPS standing to the credit of your CDS account(s) before selling or transferring.

Renounee(s)/transferee(s) of the Provisional Rights ICPS may obtain a copy of the AP and this RSF from their stockbrokers, our Share Registrar, our Registered Office or Bursa Securities' website (<http://www.bursamalaysia.com>).

If you have sold or transferred only part of your entitlement to the Provisional Rights ICPS, you may still accept the balance of your entitlement to the Provisional Rights ICPS by completing both Part I(a) and Part II of this RSF and deliver the completed and signed RSF together with the relevant remittance to our Share Registrar in the manner as set out in Note (ii) above.

(v) GENERAL INSTRUCTIONS

- (a) All applicants must sign on the front page of this RSF. All corporate bodies must affix their Common Seals.
- (b) The Provisional Rights ICPS subscribed by you and/or your renounee(s)/transferee(s) (if applicable) will be credited into your and/or your renounee(s)/transferee(s)' respective CDS accounts as stated on this RSF or the exact accounts appearing in Bursa Depository's Record of Depositors.
- (c) Any interest or other benefit accruing on or arising from or in connection with any application monies shall be for the benefit of our Company and our Company shall not be under any obligation to account for such interest or other benefit to you.
- (d) The contract arising from the acceptance of the Provisional Rights ICPS by you shall be governed by and construed in accordance with the laws of Malaysia and you shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the courts of Malaysia in respect of any matter in connection with this RSF and the contract arising therefrom.
- (e) Our Company reserves the right to accept or reject any acceptance and/or application if the instructions hereinabove stated are not strictly adhered to or which are illegible.
- (f) You and/or your renounee(s)/transferee(s) (if applicable) should note that all RSF and remittances lodged with our Share Registrar shall be irrevocable and cannot be subsequently withdrawn.
- (g) Malaysian Revenue Stamp (NOT POSTAGE STAMP) of RM10.00 must be affixed on this RSF.