



**COLLECTIVE  
IDEAS,  
OUTSTANDING  
SOLUTIONS**

ANNUAL REPORT 2017

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# Notice Of Annual General Meeting



**NOTICE IS HEREBY GIVEN** that the Thirty-Sixth (36th) Annual General Meeting of the Company will be held at Iconic 2, Level 7, Iconic Hotel, Jalan Icon City, Icon City, Bukit Mertajam, 14000 Penang on Wednesday, 16 August 2017 at 2.00 p.m.

## AGENDA

### As ORDINARY BUSINESS:

	<b>ORDINARY RESOLUTION</b>
1. To receive the Audited Financial Statements for the year ended 31 March 2017, together with the Directors' and Auditors' Reports thereon.	(Please refer to Note 2)
2. To approve the payment of a final dividend of 2 sen per share and special dividend of 8 sen per share under the single tier system in respect of the financial year ended 31 March 2017.	1
3. To approve payment of the Directors' fees of RM32,000 in respect of the year ended 31 March 2017.	2
4. To approve the payment of Directors' benefits to Non-Executive Directors up to an amount of RM26,000 from 31 January 2017 until the next AGM of the Company.	3
5. To re-elect the following Directors retiring in accordance with the Company's Articles of Association:	
Dato' Dennis Chuah	4
Loh Yee Sing	5
6. To re-appoint Messrs Grant Thornton as Auditors of the Company for the financial year ending 31 March 2018 and to authorise the Directors to fix their remuneration.	6

As **SPECIAL BUSINESS**, to consider and, if thought fit, pass the following Resolutions:

7. <b>RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR</b>	7
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"That, Sudesh a/l K.V. Sankaran, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be retained, to continue to act as an Independent Non-Executive Director of the Company."

8. <b>AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTION 75 OF THE COMPANIES ACT, 2016</b>	8
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"That, subject to the Companies Act, 2016 and the Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad and other relevant governmental or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 75 of the Companies Act, 2016 to allot and issue shares in the capital of the Company from time to time upon such terms and conditions and for such purposes as the Directors may in their discretion deemed fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

"And that the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities and FURTHER THAT such authority shall continue to be in force until the conclusion of the Annual General Meeting of the Company held next after the approval was given or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is the earlier."



### 9. PROPOSED RENEWAL OF SHARE BUY BACK AUTHORITY

9

“That, subject to the Companies Act, 2016, the provisions of the Company’s Memorandum and Articles of Association, the Main Market Listing Requirements (“Main LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company (“the Proposed Share Buy Back”) provided that:

- i) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;
- ii) the maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy Back shall not exceed the sum of the Retained Profits of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy Back. The Retained Profits of the Company based on its audited financial statements as at 31 March 2017 is RM20,930,090.
- iii) the shares purchased by the Company pursuant to the Proposed Share Buy Back may be dealt with in all or any of the following manner (as selected by the Company):
  - a) the shares so purchased may be cancelled; and/or
  - b) the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or
  - c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.

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

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

And that authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares) in accordance with the Companies Act 2016, the provisions of the Memorandum and Articles of Association of the Company and the Main LR and/or guidelines of Bursa Securities and all other relevant governmental and/or regulatory authorities.”

10. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016.

## Notice Of Annual General Meeting *(Cont'd)*



**FURTHER NOTICE IS HEREBY GIVEN THAT** only members whose names appear on the Record of Depositors as at 7 August 2017 shall be entitled to attend the AGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.

### **NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT**

NOTICE IS ALSO HEREBY GIVEN that the final single-tier dividend of 2 sen per share and a special dividend of 8 sen per share in respect of the financial year ended 31 March 2017, if approved by the shareholders, will be paid on 27 October 2017 to depositors who are registered in the Record of Depositors at the close of business on 28 September 2017.

A Depositor shall qualify for entitlement to the dividend only in respect of:

- a. Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 28 September 2017 in respect of ordinary transfers; and
- b. Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

**CHAN YOKE YIN(MAICSA 7043743)**  
**CHAN EOI LENG(MAICSA 7030866)**

Chartered Secretaries

Ipoh, Perak Darul Ridzuan, Malaysia  
24 July 2017



## NOTES:

### 1. PROXY

A member entitled to attend and vote at the Meeting is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him. A proxy need not be a member of the Company.

Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds but the proportion of holdings to be represented by each proxy must be specified.

The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/authorised officer, the Power of Attorney/Letter of Authorisation must be attached.

The instrument appointing a proxy must be deposited at the Registered Office of the Company, 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan, Malaysia not less than 48 hours before the time appointed for holding the Meeting. Faxed or emailed copies are not acceptable.

### 2. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017

Agenda 1 is meant for discussion only as Section 340(1) of the Companies Act, 2016 only requires the Audited Financial Statements to be laid before the Company at the AGM and not shareholders' approval. Hence, Agenda 1 will not be put forward for voting.

### 3. FINAL DIVIDEND

Section 131 of the Companies Act, 2016 states that a company may only make a distribution to the shareholders out of profits of the Company available if the Company is solvent. The Board of Directors having considered the available profits has decided to recommend the proposed dividend for the shareholders' approval.

The Board of Directors is satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within twelve (12) months immediately after the distribution is made.

### 4. DIRECTORS' FEES AND BENEFITS

Section 230(1) of the Companies Act, 2016 provides amongst others, that "fees" of the directors and "any benefits" payable to directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval is sought for these payments in two (2) separate resolutions as follows:

Resolution 2: Payment of Directors' fees in respect of the financial year ended 31 March 2017

Resolution 3: Payment of Directors' benefits from 31 January 2017 until the next AGM

The Directors' benefits payable to the Non-Executive Directors for the period from 31 January 2017 until the next AGM of the Company are calculated based on the current composition of the Board and Board Committees and the number of meetings scheduled for the Board and Board Committees.

### 5. RE-ELECTION OF DIRECTORS

Mohd Shahril Fitri Bin Hashim, Dato' Dennis Chuah, Loh Yee Sing are standing for re-election as Directors of the Company at this 2017 AGM.

The Board has via the Nominating Committee conducted an assessment on the effectiveness and contributions of the said retiring Directors including their skills, experience, competency and commitment, and has recommended for them to be re-elected to the Board. The profile of the retiring Directors is set out in the Profile of Directors on page [9] to page [11] of the Annual Report 2017.

However, Mohd Shahril Fitri Bin Hashim, an Executive Director who was appointed on 27 September 2007 has indicated that he will not be seeking for re-election at the Company's 36th AGM to be held on 16 August 2017. Hence, he would retire at the conclusion of the Company's 36th AGM in accordance with Article 29.7 of the Company's Articles of Association. Dato' Dennis Chuah and Loh Yee Sing being eligible have offered themselves for re-election.



### 6. RE-APPOINTMENT OF AUDITORS

The Audit Committee (“AC”) has carried out an assessment of the suitability and independence of the external auditors, Grant Thornton and was satisfied with the suitability of Grant Thornton based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group. The AC in its assessment also found Grant Thornton to be sufficiently objective and independent. The Board therefore approved the AC’s recommendation that the re-appointment of Grant Thornton as external auditors of the Company be put forward for the shareholders’ approval at the Company’s 36th Annual General Meeting.

### 7. RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Ordinary Resolution proposed under item 7, if passed, will allow Sudesh a/l K.V. Sankaran to continue to act as an Independent Non-Executive Director of the Company.

Sudesh a/l K.V. Sankaran was appointed as an Independent Non-Executive Director of the Company on 20 December 2004, and has therefore served the Company for thirteen (13) years. The Malaysian Code on Corporate Governance provides that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years.

However, Sudesh a/l K.V. Sankaran fulfilled the independence requirement as stipulated in paragraph 1.01 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements as he is independent from management and free from any business or other relationship which could interfere with his independent judgment or ability to act objectively. As a long-serving Director, Sudesh a/l K.V. Sankaran possesses insight and knowledge of the Company’s business and affairs. Sudesh a/l K.V. Sankaran also has the relevant experience, expertise, skills and competencies in serving the Board and remains objective in expressing his views and participating in deliberations and decision making of the Board and Board Committees and thus would be able to function as a check and balance. The Board, therefore, considers Sudesh a/l K.V. Sankaran to be independent and believes that Sudesh a/l K.V. Sankaran should be retained as an Independent Non-Executive Director.

### 8. AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTION 75 OF THE COMPANIES ACT, 2016

The Ordinary Resolution proposed under item 8 if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting (“AGM”) until the next AGM to allot and issue shares in the Company up to and not exceeding in total ten per centum (10%) of the issued share capital of the Company (“Share Mandate”). This Share Mandate will expire at the conclusion of the next AGM of the Company, unless revoked or varied at a general meeting. With this Share Mandate, the Company will be able to raise capital from the equity market in a shorter period of time compared to a situation without the Share Mandate. The Share Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment projects, working capital and/or acquisitions, or strategic opportunities involving equity deals, which may require the allotment and issuance of new shares. In addition, any delay arising from and cost involved in convening an Extraordinary General Meeting (“EGM”) to approve such issuance of shares should be eliminated. However, the Company will have to seek shareholders’ approval at an EGM to be convened in the event that the proposed issuance of shares exceeds the 10% threshold contained in the Share Mandate.

This Share Mandate is a renewal of the mandate obtained from the shareholders of the Company at the AGM held on 30 August 2016. The Company did not utilise the mandate obtained at the last AGM and thus no proceeds were raised from the previous mandate.

### 9. PROPOSED RENEWAL OF SHARE BUY BACK AUTHORITY

The Ordinary Resolution proposed under item 9, if passed, will give authority to Directors to buy back the Company’s own shares. This authority will expire at the next Annual General Meeting of the Company unless earlier revoked or varied by ordinary resolution of the Company at a general meeting.

Further information on the above Ordinary Resolution is set out in the Circular to Shareholders of the Company, which is sent out together with the Company’s 2017 Annual Report.



## BOARD OF DIRECTORS

**Ooi Chieng Sim**  
(Executive Chairman)

**Mohd Shahril Fitri Bin Hashim**  
(Executive Director)

**Ng Chin Nam**  
(Executive Director)

**Chow Choon Hoong**  
(Executive Director)

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

**Dato' Dennis Chuah**  
(Independent Non-Executive Director)

**Loh Yee Sing**  
(Independent Non-Executive Director)

## AUDIT COMMITTEE

**Dato' Dennis Chuah**  
(Chairman)

**Sudesh a/l K.V. Sankaran**

**Loh Yee Sing**

## NOMINATING COMMITTEE

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

**Dato' Dennis Chuah**

**Loh Yee Sing**

## REMUNERATION COMMITTEE

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

**Dato' Dennis Chuah**

**Ooi Chieng Sim**

## ESOS COMMITTEE

**Ooi Chieng Sim**  
(Chairman)

**Ng Chin Nam**

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

**Parimala Devi a/p Mailvaganam**

## CORPORATE / OPERATIONAL OFFICE

ATTA Global Group Berhad (79082-V)  
No. 2521 Tingkat Perusahaan 6  
Prai Industrial Estate  
13600 Prai  
Pulai Pinang  
Tel No. : 604-3907324  
Fax No. : 604-3997324

## SHARE REGISTRARS

Symphony Share Registrars Sdn Bhd  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Tel No. : 603-78490777  
Fax No. : 603-78418151  
Email : [ssr.helpdesk@sympony.com.my](mailto:ssr.helpdesk@sympony.com.my)

## REGISTERED OFFICE

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

## COMPANY SECRETARIES

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

## AUDITORS

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

## PRINCIPAL BANKERS

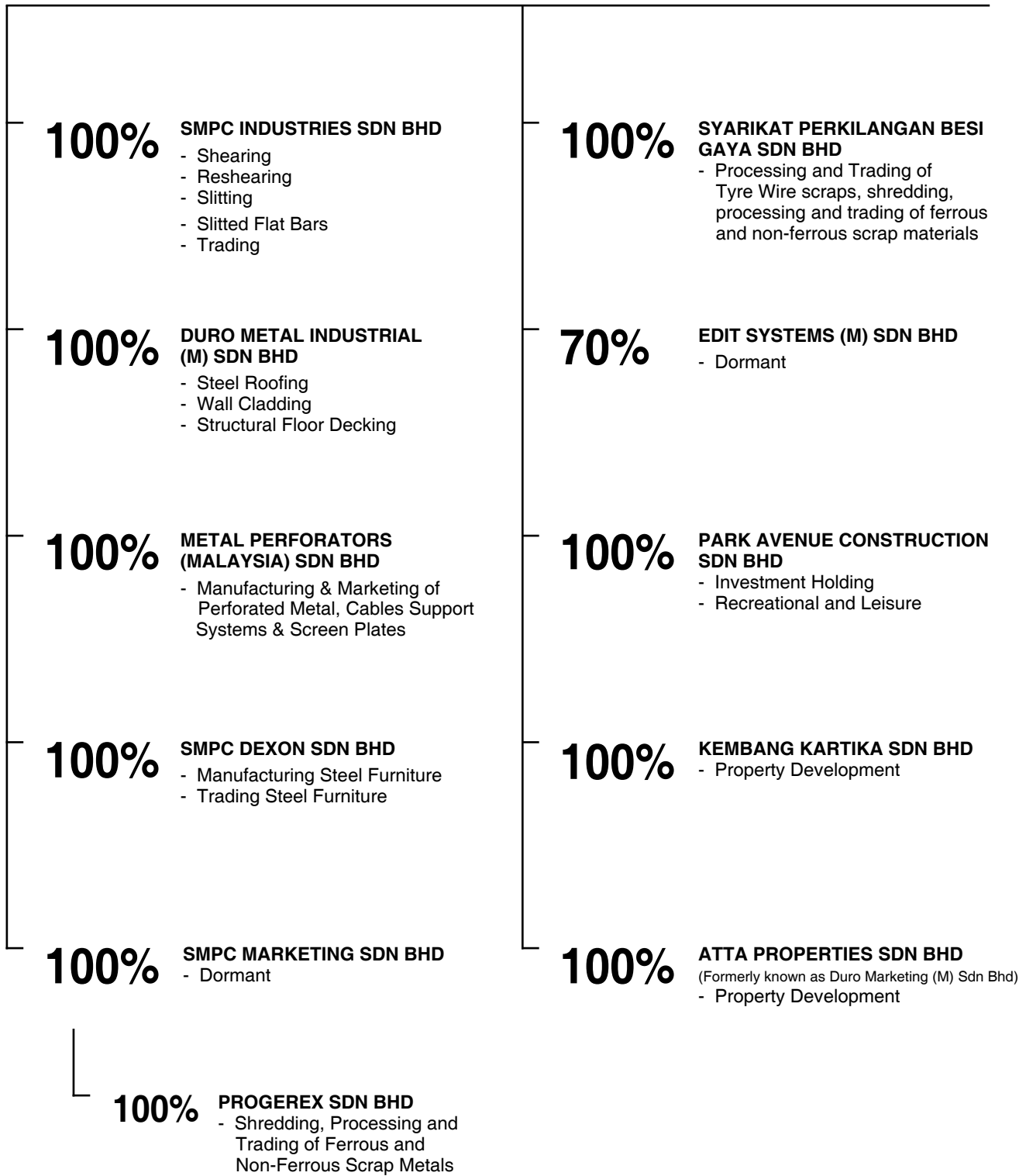
Ambank (M) Berhad  
Amlslamic Bank Berhad  
Malayan Banking Berhad  
Hong Leong Bank Berhad

## STOCK EXCHANGE LISTING

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



**安達環球集團有限公司**  
**ATTA ATTA GLOBAL GROUP BERHAD**  
 (79082-V)



## Profile Of The Board Of Directors

### **OOI CHIENG SIM**

*Chairman/Executive Director*  
*Male, Malaysian, aged 48*

Ooi Chieng Sim was appointed to the Board of ATTA as Executive Director on 1 June 2012. He was subsequently appointed as the Executive Chairman of the Company on 24 November 2014. He is also a member of the ESOS member.

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

He is a substantial shareholder of ATTA by virtue of his deemed interest held through Skylitech Resources Sdn. Bhd. in the Company.

### **MOHD SHAHRIL FITRI BIN HASHIM**

*Executive Director*  
*Male, Malaysian, aged 43*

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

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

### **NG CHIN NAM**

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

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

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

## Profile Of The Board Of Directors (Cont'd)



### **CHOW CHOON HOONG**

*Executive Director*  
Male, Malaysian, aged 53

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

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

### **SUDESH A/L K.V. SANKARAN**

*Independent Non-Executive Director*  
Male, Malaysian, aged 67

Sudesh a/l K.V. Sankaran was appointed to the Board of ATTA as an Independent Non-Executive Director on 20 December 2004.

He was subsequently appointed as Chairman of the Board on 29 July 2014 and served in that capacity for one term. He is also a member of the Audit Committee, the Chairman of Nominating and Remuneration Committees of the Company.

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

### **DATO' DENNIS CHUAH**

*Independent Non-Executive Director*  
Male, Malaysian, aged 44

Dato' Dennis Chuah is an Independent Non-Executive Director of ATTA. He was appointed to the Board of ATTA on 25 September 2013. He was also appointed as Chairman of the Audit Committee of the Company on 30 September 2014 and a member of Nominating Committee and Remuneration Committee.

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

Then in the year 2002, he established ETI Corporation Berhad (ETICB), a holding company doing R&D of Battery Management System and energy storage. ETICB was listed on the Malaysian Exchange of Securities Dealing and Automated Quotation (MESDAQ) Market of Bursa Malaysia and has obtained MSC status in R&D and manufacturing of Battery Management System and energy storage. In 2008 when ETICB's market capital value hit RM600 million, he was listed in "The Forbes Asia's 4th and 5th Annual Best Under A Billion". In year 2008, he went on to establish Eclimo Sdn Bhd, a homegrown electric vehicle company promoting green technology with the vision to provide everyone an Eco Life Mobility and preserve the environment with zero emission. He is the Executive Director of Eclimo Sdn Bhd.

## Profile Of The Board Of Directors (Cont'd)

### **LOH YEE SING**

*Independent Non-Executive Director  
Female, Malaysian, aged 42*

Loh Yee Sing is an Independent Non-Executive Director of ATTA. She was appointed to the Board of ATTA on 28 November 2016. Concurrently, she was also appointed as a member of the Audit Committee and Nominating Committee of the Company.

She graduated with a Bachelor of Commerce (Accounting), Nelson Polytechnic at New Zealand. She is also a member of the Malaysian Institute of Accountant, Institute of Chartered Accountants New Zealand.

She has more than 15 years' experience in the field of Finance and Accounting. Presently, she is a Senior Accountant of Zhulian Group of Companies.

#### **Notes:**

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

Except for Ooi Chieng Sim who had interest in the major shareholder, Skylitech Resources Sdn. Bhd., all the other Directors of the Company do not have any family relationships with any Director and/or major shareholders of the Company.

##### **ii. Conflict of Interest**

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

##### **iii. Non-conviction of Offences**

All the Directors have not been convicted of any offences within the past 5 years.

## Profile Of Key Senior Management

### **OOI CHIENG SIM**

*Chairman/Executive Director*  
Male, Malaysian, aged 48

> Refer to the Profile of Directors on page [9].

### **MOHD SHAHRIL FITRI BIN HASHIM**

*Executive Director*  
Male, Malaysian, aged 43

> Refer to the Profile of Directors on page [9].

### **NG CHIN NAM**

*Executive Director*  
Male, Malaysian, aged 47

> Refer to the Profile of Directors on page [9].

### **CHOW CHOON HOONG**

*Executive Director*  
Male, Malaysian, aged 53

> Refer to the Profile of Directors on page [10].

### **R SIVA RAMAN A/L S. RAMASAMY PATTAR**

*Group Financial Controller*  
Male, Malaysian, aged 54

R Siva Raman a/l S. Ramasamy Pattar, joined ATTA Group formerly known as SMPC in 1985 in accounts department after completing his diploma in Accounting from London Chamber of Commerce and Industries. He graduated with Master of Business Administration (MBA) specialised in Finance from University of Southern Queensland, Australia. He was promoted to the position of Group Financial Controller in 2010. He has more than 30 years of experience in the fields of accounting, costing and corporate finance.

He is responsible for the Group's financial reporting, corporate finance, financial planning and management, treasury, Investor relation, tax planning and compliance.

R Siva Raman a/l S. Ramasamy Pattar does not have any family relationship with any directors and/or major shareholders of the Company. He has no conflict of interest with the Company, has no conviction for offences within the past 5 years nor public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

# Management Discussion & Analysis

31 March 2017



## OVERVIEW

ATTA Global Group Berhad, formerly known as SMPC Metal Industries Sdn Bhd (“SMPC”) was incorporated on 14 December 1981. Pursuant to the listing exercise, SMPC was converted to a Public Limited Company on 18 February 1995 and was subsequently listed on the second board of Kuala Lumpur Stock Exchange on 15 February 1996. The Company’s name was changed to SMPC Corporation Bhd on 10 July 1996. On 25 September 2015, the Company changed its name to ATTA Global Group Berhad (“ATTA”) and thereby assumed this name henceforth. The Group is involved in the Iron and Steel Industry, with subsidiaries operating in Prai, Kapar, and Shah Alam and they are involved in Upstream and Downstream sectors for the process of shearing and re-shearing of metal, Slitting of steel coil and flat bars, Steel roofing, Wall Cladding, Structural Floor Decking, Manufacturing and Marketing of perforated metal, cable support systems, screen plates and steel furniture and Industrial Recycling of scrap metal.

Other businesses of the Group include letting of industrial and commercial assets, provision of management consultancy and provision of recreational and leisure activities.

## REVIEW OF FINANCIAL PERFORMANCE

### FYE 31 March 2017

For the FYE 2017, ATTA generated revenue of approximately RM127.93million, which is an increase of RM5.87 million or 4.81% as compared to the revenue generated for the preceding FYE of approximately RM122.06million. This was mainly attributable to the increase in revenue from the metal recycling business. The revenue from the metal recycling business had increased 92.28%, from RM35.34million to RM67.95million due to higher selling price.

ATTA recorded profit after tax of RM18.02million as compared to loss after tax for the preceding FYE of RM2.43million. The turnaround financial performance was mainly attributable to the improved profit margin and higher other income.

The stronger performance was mainly attributed to higher demand and higher average selling price of our core businesses. The implementation of protective measures by the government on imported steel products coupled with the increase in local steel price which resulted in an increase in demand on local steel products which in turn benefited the steel industry including ATTA. ATTA Group’s margin also marked an increase as the current management, who took over the management in year 2012, has implemented various measures since then to improve the effectiveness and efficiency of the Group’s operations. FYE 2017 is the year that the Group started to enjoy the results of these measures. The management is confident that, barring unforeseen circumstances, ATTA Group shall be able to deliver positive result in the future.

Higher other income of RM17.59million was contributed by amongst others, fair value gain on investment property of RM6.87million, gain on disposal of other investments of RM6.87million and allowance for impairment on receivables written back of RM1.86million.

Our financial position as at 31 March 2017 is as follows:

#### 1. ASSETS:

- A. Property, plant and equipment (“PPE”) increased to RM72.28million from RM70.73million arising from purchase of additional machineries and forklift for the Group’s cable support division and purchase of two lorries for the Group’s material recycling division. The machineries purchased will have a positive impact on the Group’s efficiency, and thereby increasing productivity. This investment in PPE is a necessity as some of the Group’s existing machineries and equipment frequently breakdown due to wear and tear over the operating life cycle.
- B. Investment properties increased to RM45.51million from RM38.94million. The Group’s carrying amount of investment properties increased by RM6.57million following the valuation exercise on the Group’s major investment property which resulted in a fair value gain recognized during the financial year.
- C. There was an increase in inventories of approximately 31%, to RM16.69million from RM12.74million due to materials purchased in bulk to cater for the potential projects to be secured by the Group.
- D. Trade receivables increased to RM27.50million as compared to RM23.75million in the previous financial year. This was primarily due to overall increase in turnover.
- E. The Group’s cash and bank balances rose significantly to RM7.57million from RM4.14million as a result of prudent financial and cost management as well as healthy collection of trade receivables.

# Management Discussion & Analysis

31 March 2017 (Cont'd)



## REVIEW OF FINANCIAL PERFORMANCE (CONT'D)

### FYE 31 March 2017 (Cont'd)

#### 2. LIABILITIES:

- A. The Group's trade and other payables increased by approximately 25% from RM15.97million to RM19.92million. This was mainly due to higher trade payables of which the credit terms are not due yet and also dividend payable after the FYE.
- B. The Group's bank borrowings increased to RM15.33million from RM13.60million in the previous financial year. The increase was primarily due to a higher revolving credit to finance the purchase of raw materials and new hire purchase loans to finance the purchase of machineries and vehicles.

## ATTA SHARE PRICE PERFORMANCES

### HISTORICAL SHARE PRICES

The monthly highest and lowest share prices of ATTA Group as traded on Bursa Securities for the past fourteen (14) months are as follows:

	High (RM)	Low (RM)
<b>2016</b>		
May	0.600	0.520
June	0.540	0.520
July	0.520	0.490
August	0.525	0.490
September	0.880	0.475
October	0.940	0.700
November	0.940	0.770
December	0.805	0.740
<b>2017</b>		
January	0.730	0.650
February	0.965	0.650
March	1.290	0.905
April	1.240	1.090
May	1.240	1.050
June	1.480	1.210

## REVIEW OF OPERATIONS

ATTA's major subsidiaries are as follows:

- **Duro Metal Industrial (M) Sdn. Bhd., ("DURO")** is a manufacturing company of Metal Roofing and Wall Cladding Sheets. DURO's range of roofing and wall cladding profiles include Durozip, Megadek, Skydek II, Durospan, V-Clad, 3 Pan Klip System 700 and DURO also manufactures to the customers' requirements for non-standard items. At DURO we manufacture high tensile galvanised C-purlins and Z-purlins together with Durodek metal floor decking system for structural and composite concrete floor design requirements.

DURO's products are manufactured to international standards and customers' needs. All the products are tested and verified by independent third-party test labs in accordance with the required local and international standards.

# Management Discussion & Analysis

31 March 2017 (Cont'd)



## REVIEW OF OPERATIONS (CONT'D)

- **Syarikat Perkilangan Besi Gaya Sdn Bhd (“SPBG”)** is involved in metal recycling business mainly in shredding, shearing, processing and trading of ferrous scrap metals. The sorted scrap metals will be purchased by the Company and processed to scrap metal blocks. The scrap metal blocks will be sold to the customers. The processing stage is relatively simple.

The metal recycling business of the Group is a cash business, which requires huge cash outlay for the purpose of purchase of raw materials, i.e. scrap metals. The processing and turnover for the metal recycling business is within a short period of time. Hence, the availability of sufficient financial resources will be the main success factor, as the Group intends to expand the scale of its metal recycling business. Financial availability will be one of the competitive advantages to the Group in sourcing raw materials in a more competitive pricing.

- **Metal Perforators (M) Sdn Bhd (“MPM”)** was incorporated in 1972 with principle business of manufacturing and trading of metal products for the mining and construction industries. Today, MPM's business is closely related to the national growth sector in construction, oil & gas, Infrastructure projects and major manufacturing sector. With its assurance of high quality products, prompt delivery and efficient service, MPM has grown to command a major share of the local market and is on its way to establish a strong international presence.

MPM manufactures amongst others, Cable Support Systems, Perforated Metal for Multiple Applications, Screen Plate for the Mining Industry and Metal Splices for Reinforced Bar.

- **SMPC Industries Sdn Bhd** is a steel processor and it has state of the art metal coil processing centre in Klang, Malaysia. The processing centre's core operation comprises the shearing, re-shearing and slitting of metal coil.
- **SMPC Dexon Sdn Bhd (“DEXON”)** is one of the Manufacturers – Exporter of Steel furniture specialising in various ranges such as Office, University, School, Hostel, Laboratory, Military and Marine along with solutions for Special Projects.

DEXON's products such as filing cabinets, cupboards, storage lockers, tables, beds and other products are exported to countries across Asia, Middle East, Africa and Australia.

DEXON has a team of qualified, skilled and vibrant people enables to set a benchmark standard in its process and consistency in Quality leads to achieve ISO 9001:2008 certification in order to deliver our product guaranteed with value for money and delivery on time.

## STRATEGIES AND EXPANSION PLANS

On 31 March 2017, Group announced its proposed corporate exercise which involves a renounceable rights issue of new irredeemable convertible preference shares (“ICPS”) to its existing shareholders. The Proposal was subsequently revised and submitted on 25 May 2017. On 14 June 2017, Bursa Securities has approved the Proposal with conditions. The management has allocated up to 20% of the proceeds to be received from the rights issue to further expand the Group's core businesses. The management expects to double its production capacity by acquiring new manufacturing facilities. With this, we hope to increase the Group's market share and its revenue.

Apart from expanding our core business, we are also considering new investment opportunities in the segment of Property Development and Hotel & Leisure of which the management believes shall further enhance the shareholders' value. The Group intends to allocate a substantial portion of the proceeds from rights issues to be utilised in new investments under the maximum scenario of the proposed rights issue.

## OVERVIEW AND OUTLOOK OF THE MALAYSIAN STEEL SECTOR

Output of construction-related materials continued to increase 4.8% (January – July 2015: 4.5%) mainly supported by higher production of non-metallic mineral and basic metals as well as fabricated metal products, which grew 6.3%, 2.1% and 5.6%, respectively (January – July 2015: 7.2%; 2.5%; 3.6%). Production of glass products, pig iron and other structural metal products increased significantly by 21.9%, 24.7% and 8.3%, respectively (January – July 2015: 1.1%; 16.4%; 0.2%). Growth of the subsector was attributed to higher demand from civil engineering and residential subsectors.

In line with robust re-export activities during the first eight months of 2016, receipts from manufactures of metal increased 10.3% (January – August 2015: 15.6%). Growth was mainly attributed to non-ferrous metals, particularly aluminum (63.1%) and copper (5.9%). Major export destinations for manufactures of metal include Singapore, China, India, Japan and Vietnam.

(Source: Economic Report 2016/2017, Ministry of Finance, Malaysia)

# Corporate Governance Statement



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

This statement sets out the Group’s application of the principles of the Code and extent of compliance with the best practices throughout the financial year ended 31 March 2017. Furthermore, it also provides investors with an insight into the Corporate Governance practices of the Company under the leadership of the Board.

## THE BOARD OF DIRECTORS

### *The Principal Responsibilities*

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

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

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

### *Board Charter*

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

### *Code of Conduct*

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

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

### *Board Balance*

The Board of the Company consist of seven (7) Directors comprising four (4) Executive Directors and three (3) Independent Non-Executive Directors. The current Board not only appropriately reflects the interests of substantial shareholders but also fairly represents the interests of the minority shareholders in the Company.

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

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

The profile of each Director is presented in the Board of Directors’ Profile in this Annual Report on pages [9] to [11].



## THE BOARD OF DIRECTORS (CONT'D)

### **Board Meetings**

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

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

A total of six (6) Board Meetings were held during the financial year ended 31 March 2017 on 27 May 2016, 1 July 2016, 30 August 2016, 25 November 2016 and 24 February 2017. The details of the Directors' attendance are as follows:

Name of Directors		No. of Meetings Attended
Ooi Chieng Sim	- <i>Executive Chairman</i>	5 out of 5
Mohd Shahril Fitri Bin Hashim	- <i>Executive Director</i>	5 out of 5
Ng Chin Nam	- <i>Executive Director</i>	5 out of 5
Sudesh a/l K.V. Sankaran	- <i>Independent Non-Executive Director</i>	5 out of 5
Dato'Dennis Chuah	- <i>Independent Non-Executive Director</i>	4 out of 5
Chow Choon Hoong	- <i>Executive Director</i>	5 out of 5
Loh Yee Sing *	- <i>Independent Non-Executive Director</i>	1 out of 1
Lim Ghim Chai **	- <i>Independent Non-Executive Director</i>	1 out of 3

\* Loh Yee Sing was appointed on 28 November 2016

\*\* Lim Ghim Chai retired on 30 August 2016

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

### **Qualified and Competent Company Secretaries**

The Company Secretaries play an advisory role to the Board in relation to the Company's constitution, Board's policy and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. They are responsible for developing and maintaining the processes that enable the Board to fulfil its role. They are charged with the duty of ensuring proper filing of all requisite documents and obtaining all the necessary information from the Directors, both for the Company's own records and for meeting statutory requirements and regulatory obligations. The Company Secretaries also highlight all issues which they feel ought to be brought to the Board's attention.

The Board is regularly updated and advised by the Company Secretaries who are qualified, experienced and competent on new statutory and regulatory requirements. The Company Secretaries attend all Board and Board Committee meetings to ensure that deliberations at Board and Board Committee meetings are well captured and minuted.

### **Board Committees**

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

- **Audit Committee**

The Audit Committee composed of all Independent Non-Executive Directors, and is chaired by Dato' Dennis Chuah.

Details of the composition and the activities of the Audit Committee during the financial year are set out under the Audit Committee Report on pages [27] to [28].



## THE BOARD OF DIRECTORS (CONT'D)

### Board Committees *(Cont'd)*

#### • Nominating Committee

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

Sudesh a/l K. V. Sankaran	- Independent Non-Executive Director	(Chairman)
Dato' Dennis Chuah	- Independent Non-Executive Director	(Member)
Loh Yee Sing (appointed on 28 November 2016)	- Independent Non-Executive Director	(Member)

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

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

The Nominating Committee meets as and when necessary. One (1) meeting was held during the financial year ended 31 March 2017.

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

- Recommend to the Board, candidates for all directorship to be filled in the Board and Board Committees.
- Reviewed the performance of the Directors who are due for re-election/re-appointment at the next Annual General Meeting.
- Assessed the independence of the Independent Directors.
- Reviewed the training needs of Directors.
- Reviewed the terms of office and performance of the Audit Committee and each of its members annually to determine whether the Audit Committee and its members have carried out their duties in accordance with terms of reference.
- Ensuring there is a proper succession planning for the Directors and Key Management.
- Review the annual assessment of the effectiveness of the Board, committees and individual directors annually using a set of customised self-assessment questionnaires to be completed by each Director; with the following criteria used.

Board of Directors	Audit Committee
Board Structure	Quality and Composition
Board Operations	Skills and Competencies
Board Roles and Responsibilities	



## THE BOARD OF DIRECTORS (CONT'D)

### Board Committees (Cont'd)

#### • Nominating Committee (Cont'd)

The results of the self-assessment by Directors and Board's effectiveness as a whole and the same would be tabled to the Board for review and deliberation. The Nominating Committee upon its assessment carried out for the financial year ended 31 March 2017 was satisfied:

- with its current board size and the effectiveness of the Board/Board Committee and sufficient with appropriate mix of knowledge.
- The Independent Non-Executive Directors comply with the definition of Independent Non-Executive Directors as defined by the Listing Requirements.
- The Directors are able to devote sufficient time commitment to their roles and responsibilities as Directors of the Company, as none of them holds more than 5 directorships in public listed companies.

#### • Remuneration Committee

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

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

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

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

The Remuneration Committee meets as and when necessary. One (1) meeting was held during the financial year ended 31 March 2017.

#### • Employees' Share Option Scheme ("ESOS") Committee

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

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

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

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



## THE BOARD OF DIRECTORS (CONT'D)

### *Training for Directors*

The Directors recognise the need to develop and update themselves and the Company provides a dedicated training budget for Directors' continuing education. Relevant training programmes are arranged by the Company Secretary and Management. All the Directors of the Company have completed the Mandatory Accreditation Programme as prescribed by the Listing Requirements of Bursa Securities. The following courses were attended by the Directors during the financial year ended 31 March 2017:

#### Name of Course

- a) Malaysian Budget 2017 seminar by Grant Thornton
- b) Corporate Governance and Listing Requirements Market Talk by KPMG
- c) Fraud Risk Management Workshop by Bursa Malaysia
- d) Fraud Risk Management by Malaysian Institute of Corporate Governance

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

### *Supply of Information*

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

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

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

### *Appointments to the Board*

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

### *Re-election of Directors*

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

## DIRECTORS' REMUNERATION

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

- a) Aggregate remuneration of Directors categorized into the appropriate components:

<b>Executive Directors Remuneration</b>	<b>Group (RM)</b>	<b>Company (RM)</b>
Salaries	738,600	264,000
Other Emoluments	22,500	-
Defined Contribution - EPF	84,972	31,680
Benefits-in-kind	-	-
<b>Total</b>	<b>846,072</b>	<b>295,680</b>



## DIRECTORS' REMUNERATION (CONT'D)

a) Aggregate remuneration of Directors categorised into the appropriate components: (Cont'd)

Non-Executive Directors Remuneration	Group (RM)	Company (RM)
Fees	32,000	32,000
Other Emoluments	-	-
<b>Total</b>	<b>32,000</b>	<b>32,000</b>

b) Analysis of Remuneration:

The number of Directors of the Company whose total remuneration falls within the respective band for the financial year ended 31 March 2017 is as follows:

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
<b>Company</b>		
RM0 - RM50,000	-	4
RM50,001 – RM100,000	-	-
RM100,001 – RM200,000	-	-
RM200,001 – RM 300,000	1	-
RM300,001 – RM350,000	-	-
RM350,001 and above	-	-
<b>Group</b>		
RM0 - RM50,000	1	4
RM50,001 – RM100,000	-	-
RM100,001 – RM200,000	2	-
RM200,001 – RM 300,000	2	-
RM300,001 – RM350,000	-	-
RM350,001 and above	-	-

The disclosure of Directors' remuneration is made in accordance with Appendix 9C, Part A, item 11 of Main Market Listing Requirements of Bursa Securities. Due to confidentiality, remuneration of individual Director has not been disclosed. The Board is of the opinion that separate disclosure would not add significantly to the understanding of shareholders and other interested persons in this area.

The number of key management personnel whose remuneration (including benefits-in-kind) falls into the following bands is as follows:

Band	Key Management Personnel
RM125,001 to RM150,000	1

The remuneration of the top 5 key executives (who are not directors) was shown on a "no name" basis on concern over poaching of these key executives by competitors.



## SHAREHOLDERS

### *Dialogue between the Company and Investors*

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

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

### *Annual General Meeting*

The Annual General Meeting ("AGM") remains the principal forum for communication and dialogue with shareholders. The AGM provides the opportunity for interaction amongst Shareholder, Directors and Management, where the shareholders are at liberty to raise questions on the AGM agenda. They will be given the opportunity to seek clarification on any matters pertaining to the Company's affairs and performance as the Directors and the representatives of the external Auditors will be present to answer any questions that they may have.

## ACCOUNTABILITY AND AUDIT

### *Financial Reporting*

The Directors are responsible to ensure that the financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards and the provisions of the Companies Act, 2016 in Malaysia.

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

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

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

### **Assessment of Suitability and Independence of External Auditors (EA)**

The AC had on 22 June 2017 deliberated the outcome of the annual assessment of the EA, which included an assessment of the engagement teams' qualifications, credentials and experience, particularly in the financial services sector, their audit work approach, and their ability to provide value added advice and services, as well as to perform the work within the Group's timeline. The AC then decided to recommend for the Board's approval the re-appointment of Messrs. Grant Thornton as EA of the Company for the financial year ending 31 March 2018. At the same time, the AC further undertook an annual assessment of the quality of audit, which encompassed the performance of the EA, Grant Thornton, and the quality of their communications with the AC and the Group, based on the feedback obtained via assessment questionnaires from the Company's personnel who had regular contact with the EA team, Grant Thornton throughout the year. The AC also took into account the openness in communication and interaction with the lead audit engagement partner and engagement team through discussion at private meetings, which demonstrated their independence, objectivity and professionalism. Grant Thornton had also confirmed their independence throughout the conduct of their audit engagement with ATTA Group in accordance with the independence criteria set.

The AC was satisfied with the suitability of Grant Thornton based on their quality of service and sufficiency of resources. Having regard to the outcome of the evaluations and the annual assessment of EA which supported the AC's recommendation on the suitability and independence of the EA, the Board approved the AC's recommendation for the shareholders' approval to be sought at the Annual General Meeting on the appointment of Grant Thornton as EA of the Company for the financial year ending 31 January 2018.

A statement by the Directors on their responsibilities in preparing the financial statements is set out on page [24] of this Annual Report.



## ACCOUNTABILITY AND AUDIT (CONT'D)

### ***Risk Management and Internal Control***

The Company continues to maintain and review its internal control procedures to ensure, as far as possible, the protection of its assets and its shareholders' investments. The Statement on Risk Management and Internal Control is set out on pages [25] to [26] of this Annual Report.

### ***Relationship with Auditors***

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

Further details on the Audit Committee in relation to the external auditors are set out in the Audit Committee Report on pages [27] to [28] of the Annual Report.

## COMPLIANCE STATEMENT

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

### **Principle A – 4.2 Appointment of an Independent Director**

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

The Nominating Committee and the Board have determined at the annual assessment carried out that Sudesh a/l K.V. Sankaran, who has served on the Board for more than twelve (12) years, has remained objective and independent in expressing his views and in participating in the deliberations and decision making of the Board and the Board Committees. The length of his service on the Board does not in any way interfere with the exercising of his independent judgement and his ability to act in the best interests of the Group.

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

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

### **Principal A - Practice 1.3 - The position of Chairman and CEO are held by different individuals**

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

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

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

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



### CORPORATE SOCIAL RESPONSIBILITY

ATTA Group believes that a good management of corporate social responsibility (“CSR”) is considered as a requirement to meet the evolving needs in a fast-paced business environment. The rising expectations for a sustainable business practices from our stakeholders always drives us to ensure social responsibilities are not being ignored in the course of pursuing business growth.

CSR principles are shared with our employees to ensure their duties are performed with an awareness of social responsibilities. As part of our commitment to staff development, we encourage our employees to upgrade and join various learning and development programs throughout the year.

We also encourage our employees to be environmental friendly by using recycled paper and switching off lighting and air-conditioning during office breaks and/or when not in use to save energy.

As a responsible corporate organization, ATTA Group provides practical industrial training to under-graduates from polytechnic and universities for the purpose of industrial trainings as some of our initiatives that demonstrate our commitment towards the community.

On environmental point of view, ATTA always maintain good manufacturing practices and adhere to government environmental policies at all times whereby all our manufacturing units maintain its own waste reduction plans.

### STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies Act, 2016 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their results and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

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

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and Group and to enable them to ensure that the financial statements comply with the provisions of the Companies Act, 2016 and the applicable approved accounting standards in Malaysia. They are responsible for taking reasonable steps in safeguarding the assets of the Company and Group for the prevention and detection of fraud and other irregularities.

This Statement is made in accordance with the resolution of the Board dated 22 June 2017.

# Statement On Risk Management And Internal Control

For The Financial Year Ended 31 March 2017



## INTRODUCTION

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

### Board’s Responsibilities

The Board of Directors (“the Board”) recognises the importance of good risk management practices and sound internal controls as a platform to good corporate governance. The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control, and for reviewing its adequacy and integrity.

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

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

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

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

### 1. Risk Management System

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

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

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

### 2. Internal Control System

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

- Organisation Structure and Authorisation Procedures

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

- Periodical and/or Annual Budget

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

# Statement On Risk Management And Internal Control

For The Financial Year Ended 31 March 2017 (Cont'd)



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

### 2. Internal Control System (Cont'd)

- Group Policies and Procedures

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

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

- Information and Communication

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

- Monitoring and Review

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

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

### 3. Internal Audit Function

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

During the financial year ended 31 March 2017, an internal audit review was carried out as directed by the Audit Committee based on their assessment of risks faced by ATTA and matters of concern to them. The business process reviewed was the Sales Process and the entity reviewed was Metal Perforators (M) Sdn Bhd. The results of the review were discussed with Senior Management and subsequently, the audit findings, including the recommendations for improvement were reported to the Audit Committee at the scheduled meeting held on 30 May 2017.

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

Total professional fees paid for outsourcing of internal audit function for the year ended 31 March 2017 was RM16,000.

## REVIEW OF THIS STATEMENT

Pursuant to paragraph 15.23 of the Main Market Listing Requirements, the external auditors have reviewed this Statement for inclusion in the 2017 Annual Report. This Statement is reviewed in accordance with Recommended Practice Guide 5 (Revised) issued by the Malaysian Institute of Accountants. The external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal control.

### Conclusion

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

This Statement is made in accordance with the resolution of the Board dated 22 June 2017.

# Audit Committee Report



## TERMS OF REFERENCE

### Compositions and Meetings

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

During the financial year ended 31 March 2017, a total of four (4) Audit Committee Meetings were held on 27 May 2016, 1 July 2016, 30 August 2016 and 24 February 2017 respectively. Representatives of the external and internal auditors were present by invitation at the meetings.

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

<u>Name of Member</u>			<u>No. of Meetings Attended</u>
Dato’ Dennis Chuah	- <i>Independent Non-Executive Director</i>	(Chairman)	4 out of 4
Sudesh a/l K.V. Sankaran	- <i>Independent Non-Executive Director</i>	(Member)	4 out of 4
Loh Yee Sing (Appointed on 28 November 2016)	- <i>Independent Non-Executive Director</i>	(Member)	1 out of 1
Lim Ghim Chai (Retired on 30 August 2016)	- <i>Independent Non-Executive Director</i>	(Member)	1 out of 3

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

The Audit Committee Chairman meets regularly with senior management to be kept informed of matters affecting the Group. The Group’s external auditors were in attendance at four (4) meetings during the financial year. Discussions between the Audit Committee and the external auditors were held in one (1) of the said meetings without the presence of any Group executives.

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

The Nominating Committee reviews the terms of office of the Audit Committee members and assesses the performance of the Audit Committee and its members through an annual effectiveness evaluation. The Nominating Committee is satisfied that the Audit Committee and its members discharged their functions, duties and responsibilities in accordance with the Audit Committee’s Terms of Reference, supporting the Board in ensuring the Group upholds appropriate corporate governance standards.

## SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE

In line with the terms of reference of the Audit Committee, the following activities were carried out by the Audit Committee during the financial year ended 31 March 2017 in the discharge of its duties and responsibilities:

### a) External Audit

- (i) Reviewed the scope of work and the Audit Planning Memorandum of the External Auditors which includes reporting responsibilities and deliverables, audit approach, scope and audit and non-audit fees for statutory audits of the Group account and their proposed fees for the statutory audit in respect of the audit for financial year ended 31 March 2017 prior to recommending to the Board for approval.
- (ii) Reviewed and discuss the results of their audit report and management letter together with management’s responses to their audit findings, including corrective actions taken by the management on outstanding audit issues highlighted in the previous audit.
- (iii) Reviewed and evaluated the performance of the External Auditors and their independence, objectivity and professionalism and assessment questionnaires were used as a tool for the assessment and made recommendations to the Board on their re-appointment. The External Auditors provided assurance that they were and had been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.



## SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE (CONT'D)

### b) Financial Reporting

- (i) Reviewed the Group's unaudited quarterly financial statements, ensuring they were prepared in accordance with the Malaysian Financial Reporting Standards (MFRS 134), Interim Financial Reporting and Paragraph 9.22 of the Main Market Listing Requirements before recommending them to the Board for approval.
- (ii) Deliberated on significant matters highlighted including financial reporting issues, significant judgements made by management, how these matters are addressed.
- (iii) Reviewed the audited financial statements of the Company and Group with the External Auditors to ensure compliance with the provisions of the Companies Act 2016 and the applicable accounting standards prior to submission to the Board for approval.

### (c) Internal Audit

- (i) Reviewed and approved the internal audit plan, including the scopes and audit approach.
- (ii) Reviewed and deliberated on the internal audit reports from the Internal Audit Unit and management's response to the recommendations and presented the reports to the Board of Directors.
- (iii) Carried out an annual review of performance of the Internal Audit Unit including assessment of their suitability and independence in performing their obligations by completing a formal evaluation form.

### (d) Related Party Transactions

Reviewed the related party transactions to ensure they are transacted within the limits prescribed under the MMLR.

### (e) Annual Report

- (i) Reviewed the Statement on Risk Management and Internal Control and recommended to the Board for approval and inclusion in the Annual Report;
- (ii) Presented the Audit Committee Report to the Board for approval and inclusion in the Annual Report.

## INTERNAL AUDIT FUNCTION

The Internal Audit function of the Group was outsourced to a professional internal audit service provider firm which undertakes independent, objective and systematic reviews of the risk management, internal controls system and corporate governance. The outsourced internal auditors report directly to the Audit Committee and assists the Board in reviewing the adequacy and integrity of the internal control systems to manage risks exposures over key processes within the Group. The functions and responsibilities of the Internal Audit function are embodied in the Internal Audit Charter. The costs incurred by the Group in relation to the Internal Audit function for the financial year ended 31 March 2017 amounted to approximately RM16,000.

During the financial year ended 31 March 2017, the following activities were carried out by the Internal Audit function:

- Reviewed and assessed the adequacy and integrity of internal control systems of the Group covering the business processes/audit areas as detailed in the Statement on Risk Management and Internal Control;
- Attended Audit Committee meetings to table the Internal Audit Report on findings of assessment on internal control system, highlighted the risk and implications, and recommended improvements to the Management on weaknesses found; and
- Reviewed and reported on the follow-up status of previous status findings taken by the Management.

## **Additional Compliance Information**



### **UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS**

There were no proceeds raised from corporate proposals during the financial year.

### **SANCTIONS AND/OR PENALTIES**

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

### **AUDIT AND NON-AUDIT FEES**

During the financial year, the audit fees paid or payable to the External Auditors by the Group and ATTA were RM126,000 and RM33,000 respectively.

The non-audit fees paid or payable by the Group and ATTA to the External Auditors and a company affiliated to the External Auditors were RM33,000 and RM6,500 respectively. The non-audit fees are in relation to review of Statement on Risk Management and Internal Control and Taxation Services.

### **MATERIAL CONTRACTS AND CONTRACT RELATING TO LOAN AWARDED TO DIRECTORS, CHIEF EXECUTIVE AND SUBSTANTIAL SHAREHOLDERS**

There were no materials contracts and contracts relating to loans entered into by the Company and its subsidiaries which involve the Directors, Chief Executive who is not a Director and substantial shareholders entered into since the end of the previous financial year.

## Properties Owned By The Group

As At 31 March 2017

Location	Description	Tenure	Area	No. of Years Held	Age of Building	Net Book Value RM	Year of Valuation
P.T. No. 1451 H.S. (D) No. 4696 Mukim 1, Province Wellesley Central, Penang	Factory	60 years lease to 2044	6.22247 acres	34	31	24,321,000	2017
P.T. Nos. 1460 & 1444 H.S. (D) Nos. 2719 & 2706 Mukim 1, Province Wellesley Central, Penang	Factory Office	60 years lease to 2045	4.01338 acres	21	26	15,679,000	2017
Lot 717, 5 1/2 Miles Jalan Kapar, Klang Selangor Darul Ehsan	Factory Office	Freehold	8.16875 acres	21	20	28,219,030	2009
Lot 1501, 1502, Mukim 14, Kampung To' Suboh, Bukit Minyak Simpang Ampat Seberang Perai Selatan, Penang	Land / Rented	Freehold	2.259 acres	23	21	2,318,708	1994
Lot 176, Tempat Macang Kudung Mukim Jabi Daerah Pokok Sena, Kedah	Vacant Land	Freehold	2.257 acres	16	-	128,000	
2nd Floor Unit of 4 Storey Shop Office in Taman Kinrara, Puchong, HS (M) 22709, PT 19499 Mukim Petaling, Selangor	Office	99 years lease to 2098	1,114sf	17	17	148,248	
Zone 5A, Parcel 2, Lot 5418, Mukim Senai-Kulai, Johor Darul Takzim	Apartment	Freehold	885sf	17	17	53,795	
Lot 5 & 7, Jalan Tukang 16/4, P.O Box 7045, 40700 Shah Alam, Selangor	Leasehold Land Factory Office	99 years lease to 2071 & 2069	32,000sf 24,500sf	45 & 47	35	2,249,964	2005
Lot Nos.228 and 1697 Mukim of Pekula, District of Kuala Muda, State of Kedah.	Vacant Land	Freehold	10.4444 4.444 hectares	4yrs	-	15,500,000	2012
Lot No.410, Mukim 2, Daerah Barat Daya, Penang.	Vacant Land	Freehold	23,725sf	4yrs	-	1,650,000	2010
No.Lot 3793, Mukim 6, Daerah Seberang Perai Tengah, Penang	6 units of Apartment	Freehold		3yrs	-	240,000	
Lot No.4661, Mukim 07, Daerah Seberang Perai Utara, Pulau Pinang	Vacant Land	Freehold	0.5708 hectares	3yrs	-	233,400	

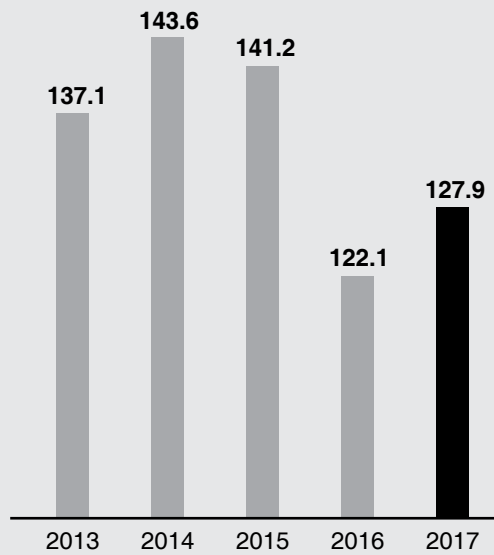
## Properties Owned By The Group

As At 31 March 2017 (Cont'd)

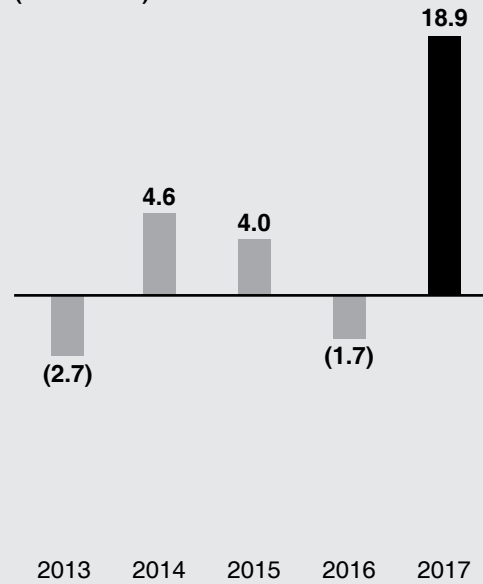
Location	Description	Tenure	Area	No. of Years Held	Age of Building	Net Book Value RM	Year of Valuation
Lot No.4707, Mukim 03, Daerah Seberang Perai Utara, Pulau Pinang	Vacant Land	Freehold	0.5837 hectares	3yrs	-	238,400	
No.18 Tingkat Beduk 3, Taman Sri Aman, 14200 Sungai Bakap (Lot 1164 & 1165, Mukim 12, Daerah Seberang Perai Selatan, Penang)	House	Freehold	179 & 571 sm	2yrs	-	950,000	
No.Lot 10084, Bandar Gurun, Daerah Kuala Mudah, Negeri Kedah	Factory Office	Freehold	7,041sm	1yr	-	1,650,000	2013

# Financial Highlights

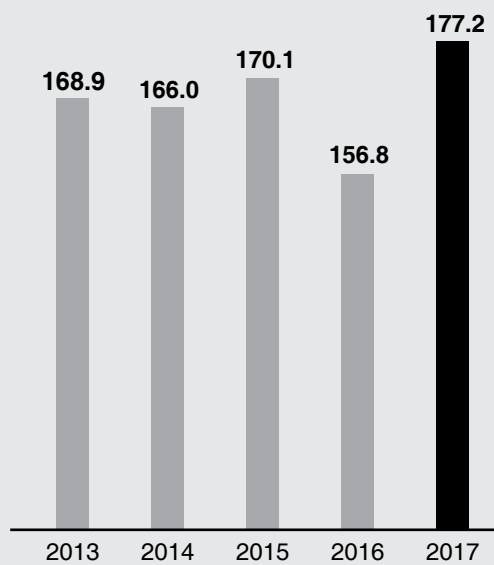
## REVENUE (RM Million)



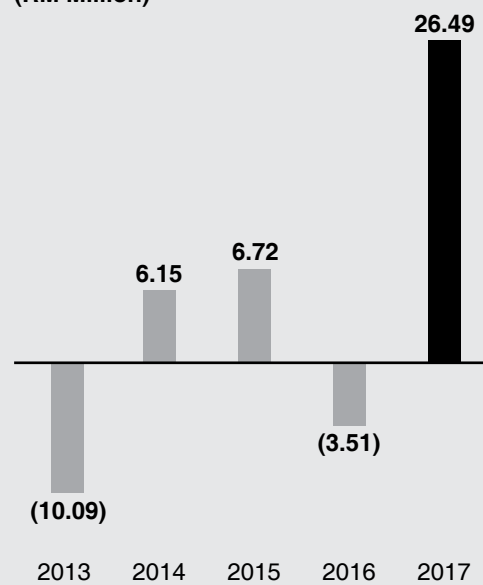
## PROFIT / (LOSS) BEFORE TAX (RM Million)



## TOTAL ASSETS (RM Million)



## EARNINGS / (LOSSES) PER SHARE (RM Million)



# Statistics On Shareholdings

As At 30 June 2017

Total Number of Shares Issued	: 104,272,840 (Excluding 774 Treasury Shares)
Class of Securities	: Ordinary shares
Voting Rights	: One vote per Ordinary Shares

## ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	257	10.89	7,899	0.01
100 - 1,000	1,045	44.30	320,891	0.31
1,001 - 10,000	638	27.05	2,956,071	2.83
10,001 - 100,000	357	15.13	10,814,014	10.37
100,001 - 5,213,641 (*)	58	2.46	40,933,367	39.26
5,213,642 and above (**)	4	0.17	49,240,598	47.22
<b>Total</b>	<b>2,359</b>	<b>100.00</b>	<b>104,272,840</b>	<b>100.00</b>

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

## DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	Direct Interest (A)	%	Deemed Interest (B)	%	Total Interest (A+B)	%
1	OOI CHIENG SIM	1,085,490	1.04	19,800,753 <sup>1</sup>	18.99	20,886,243	20.03
2	NG CHIN NAM	81,216	0.08	3,583 <sup>2</sup>	0.00	84,799	0.08
3	MOHD SHAHRIL FITRI BIN HASHIM	100,000	0.10	-	-	100,000	0.10
4	CHOW CHOON HOONG	100,000	0.10	-	-	100,000	0.10

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 above, none of the other Directors had any interest in shares in the Company's related corporations.

Notes:

- Deemed interested by virtue of his interest in Skylitech Resources Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.
- Deemed interested by virtue of his spouse's interest pursuant to Section 59(11)(c) of the Companies Act, 2016.

## SUBSTANTIAL SHAREHOLDERS

According to the Register of Substantial Shareholders required to be kept under Section 144 of the Companies Act 2016, the following are the substantial shareholders of the Company.

## SUBSTANTIAL SHAREHOLDINGS

No.	Name of Directors	Direct Interest (A)	%	Deemed Interest (B)	%	Total Interest (A+B)	%
1	OOI CHIENG SIM	1,085,490	1.04	19,800,753 <sup>1</sup>	18.99	20,886,243	20.03
2	ATTA WORLDWIDE GROUP SDN. BHD.	24,193,890	23.20	-	-	24,193,890	23.20
3	SKYLITECH RESOURCES SDN. BHD.	19,800,753	18.99	-	-	19,800,753	18.99
4	A1 CAPITAL SDN BHD	5,346,365	5.13	-	-	5,346,365	5.13
5	TAN SUN PING	8,530,109	8.18	-	-	8,530,109	8.18

# Statistics On Shareholdings

As At 30 June 2017 (Cont'd)

## LIST OF TOP 30 SHAREHOLDERS AS AT 30 JUNE 2017

No.	Name	Holdings	%
1	Atta Worldwide Group Sdn Bhd	22,859,235	21.92
2	Skylitech Resources Sdn Bhd	14,550,753	13.95
3	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sun Ping	6,580,610	6.31
4	Skylitech Resources Sdn Bhd	5,250,000	5.03
5	HLS Properties Sdn Bhd	4,675,500	4.48
6	A1 Capital Sdn Bhd	3,796,065	3.64
7	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Ing Kiong	3,118,572	2.99
8	Siti Mariam Binti Hasan	2,165,751	2.08
9	Lim Kean Wah	2,114,481	2.03
10	Norani Binti Hassim	2,031,000	1.95
11	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sun Ping	1,851,622	1.78
12	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chai Kok Kheang	1,772,219	1.70
13	Lee Hean Guan	1,387,726	1.33
14	Atta Worldwide Group Sdn Bhd	1,334,665	1.28
15	A1 Capital Sdn Bhd	1,318,800	1.26
16	Mathavan Pillay A/L Kanasi	1,261,215	1.21
17	Ooi Chieng Sim	1,085,490	1.04
18	Siva Raman A/L S. Ramasamy Pattar	1,000,000	0.96
19	Lagenda Perdana Sdn Bhd	960,084	0.92
20	Chan Kooi Cheng	959,320	0.92
21	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd	850,000	0.82
22	Tan Yu Wei	694,500	0.67
23	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Looi Boon Han	680,000	0.65
24	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Mooi Choo	588,073	0.56
25	Oon Peng Keng	506,625	0.49
26	Wong Pheng Kuen	500,000	0.48
27	Tan Fook Chin	403,185	0.39
28	Tan See Teik	400,300	0.38
29	Citigroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Leong Chin Chye	333,000	0.32
30	Ng Siew Fong	289,103	0.28
	<b>TOTAL</b>	<b>85,317,884</b>	<b>81.82</b>

# Analysis Of Warrants B Holdings

As At 30 June 2017

Class of Securities	: Warrants B 2012/2022
No. of Outstanding Warrants B	: 21,382,993
Voting Rights	: 1 vote per warrant B in respect of a meeting of warrant B holders

## ANALYSIS OF WARRANTS B HOLDINGS AS AT 30 JUNE 2017

Size of Warrant Holdings	No. of Warrant B Holders	% of Warrant B Holders	No. of Warrants B	% of Warrant B Issued
Less than 100	110	15.65	4,034	0.02
100 - 1,000	113	16.07	55,581	0.26
1,001 - 10,000	219	31.15	1,139,284	5.33
10,001 - 100,000	222	31.58	7,404,124	34.63
100,001 - 1,069,148 (*)	39	5.55	12,779,970	59.77
1,069,149 and above (**)	-	-	-	-
<b>Total</b>	<b>703</b>	<b>100.00</b>	<b>21,382,993</b>	<b>100.00</b>

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

## DIRECTORS' INTERESTS AS AT 30 JUNE 2017

Name of Directors	Direct		Deemed	
	No. of Warrants B	%	No. of Warrants B	%
Ooi Chieng Sim	-	-	71	0.00
Ng Chin Nam	26,284	0.12	-	-
Mohd Shahril Fitri Bin Hashim	-	-	-	-
Chow Choon Hoong	-	-	-	-
Dato' Dennis Chuah	-	-	-	-
Sudesh a/l K. V. Sankaran	-	-	-	-
Loh Yee Sing	-	-	-	-

Notes:

1. Deemed interested by virtue of his interest in Hock Lok Siew Realty Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.

# Analysis Of Warrants B Holdings

As At 30 June 2017 (Cont'd)

## LIST OF TOP 30 SHAREHOLDERS AS AT 30 JUNE 2017

No.	Name	Holdings	%
1	Ong Lei Im	990,000	4.63
2	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sun Ping	900,068	4.21
3	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Phuah Gaik Sim	774,449	3.62
4	Tan Fook Chin	744,064	3.48
5	Ong Lam Huat	690,000	3.23
6	Leong Hon Wah	550,032	2.57
7	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Fook Chin	546,719	2.56
8	Kanjaya Sdn Bhd	500,000	2.34
9	Tan See Teik	482,300	2.26
10	Seng Shun Mun	450,000	2.10
11	HLIB Nominees (Tempatan) Sdn Bhd Hong Leong Bank Bhd for Tan Fook Chin	447,211	2.09
12	Harith Bin Abdul Hamid	423,600	1.98
13	Tan See Seng	400,000	1.87
14	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd	400,000	1.87
15	RHB Capital Nominees (Tempatan) Sdn Bhd Hiew Syn Choi	378,000	1.77
16	Saw Guat Nghoh	347,118	1.62
17	RHB Nominees (Asing) Sdn Bhd Pledged Securities Account for Tan Lee Gek	280,000	1.31
18	Maybank Nominees (Tempatan) Sdn Bhd Pang Kian Wee	245,000	1.15
19	Tan Lee Gek	218,000	1.02
20	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd	195,400	0.91
21	Lim Kam Yoke	194,110	0.91
22	Cho Yaw Koon	187,000	0.87
23	Cimsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Choi Wah Kooi @ Choi Mun Hong	180,000	0.84
24	Lim Jun Ming	180,000	0.84
25	Yong Swee Koon	171,000	0.80
26	Mohd Rodzi Bin Ibrahim	165,000	0.77
27	Chan Kwang Yew	160,000	0.75
28	Maybank Nominees (Asing) Sdn Bhd Rustom Framroze Chothia	158,100	0.74
29	Tan Seng Chong @ Tan Ah Tee	150,000	0.70
30	Kang Yong Cheng	148,770	0.70
	<b>TOTAL</b>	<b>11,655,941</b>	<b>54.51</b>

# Analysis Of Warrants C Holdings

As At 30 June 2017

Class of Securities : Warrants C 2014/2024  
 No. of Outstanding Warrants C : 4,782,065  
 Voting Rights : 1 vote per warrant C in respect of a meeting of warrant C holders

## ANALYSIS OF WARRANTS C HOLDINGS AS AT 30 JUNE 2017

Size of Warrant Holdings	No. of Warrant C Holders	% of Warrant C Holders	No. of Warrants C	% of Warrant C Issued
Less than 100	7	3.59	287	0.01
100 - 1,000	32	16.41	15,258	0.32
1,001 - 10,000	83	42.56	455,067	9.51
10,001 - 100,000	67	34.36	2,113,653	44.2
100,001 - 239,102 (*)	3	1.54	452,000	9.45
239,103 and above (**)	3	1.54	1,745,800	36.51
<b>Total</b>	<b>195</b>	<b>100.00</b>	<b>4,782,065</b>	<b>100.00</b>

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

## DIRECTORS' INTERESTS AS AT 30 JUNE 2017

Name of Directors	Direct		Deemed	
	No. of Warrants C	%	No. of Warrants C	%
Ooi Chieng Sim	750,000	15.68	-	-
Ng Chin Nam	18,416	0.39	-	-
Mohd Shahril Fitri Bin Hashim	-	-	-	-
Chow Choon Hoong	-	-	-	-
Dato' Dennis Chuah	-	-	-	-
Sudesh a/l K. V. Sankaran	-	-	-	-
Loh Yee Sing	-	-	-	-

# Analysis Of Warrants C Holdings

As At 30 June 2017 (Cont'd)

## LIST OF TOP 30 SHAREHOLDERS AS AT 30 JUNE 2017

No.	Name	Holdings	%
1	Ooi Chieng Sim	750,000	15.68
2	Lim Seow Chin	695,800	14.55
3	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sun Ping	300,000	6.27
4	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Vi Lang	162,000	3.39
5	Liew Jiew Choo	160,000	3.35
6	Tan See Ean	130,000	2.72
7	Ng Guan Keat	100,000	2.09
8	Ooi Hung Hock	100,000	2.09
9	Poh Chong Joo	100,000	2.09
10	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Chew Weng	94,600	1.98
11	Joel Ow Yang	86,700	1.81
12	Cheah Chee Siong	60,000	1.25
13	Loh Chee Kong	53,700	1.12
14	Po Chai Hock	53,000	1.11
15	Looi Boon Han	50,000	1.05
16	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Yap Jiun Siang	50,000	1.05
17	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Tau Yew	50,000	1.05
18	Ooi Chee Min	50,000	1.05
19	Choo Kim Lian	49,500	1.04
20	Yap Kang Thai @ Yap Lean	48,000	1.00
21	Lai Yan Wei	40,000	0.84
22	Lee Shiau Thien	40,000	0.84
23	Lim Mooi Tean	40,000	0.84
24	Shah Faisal bin Tufil Ahmad	38,400	0.80
25	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Cheah Chee Siong	35,500	0.74
26	Nik Azimah Binti Nik Hasan	34,000	0.71
27	AllianceGroup Nominees (Tempatan) Sdn Bhd Cheong Chung Wai	33,000	0.69
28	Ch'ng Siew Suan	32,687	0.68
29	Arshad Azizi Bin Kamaruddin	30,000	0.63
30	Chia Lee Seang	30,000	0.63
	<b>TOTAL</b>	<b>3,496,887</b>	<b>73.13</b>

# Analysis Of ICULS Holdings

As At 30 June 2017

Class of Securities	: Zero Coupon, 10-Year, Irredeemable Convertible Unsecured Loan Stock ("ICULS")
No. of ICULS Issued	: 230,934,880
No. of Outstanding ICULS	: 180,718,569
Voting Rights	: 1 vote per ICULS holder in respect of a meeting of ICULS holders

## ANALYSIS OF ICULS HOLDINGS AS AT 30 JUNE 2017

Size of ICULS Holdings	No. of ICULS Holders	% of ICULS Holders	No. of ICULS	% of ICULS Issued
Less than 100	2	0.14	62	0.00
100 - 1,000	31	2.23	17,390	0.01
1,001 - 10,000	437	31.44	3,036,808	1.68
10,001 - 100,000	750	53.96	28,970,100	16.03
100,001 - 9,035,927 (*)	167	12.01	83,721,409	46.33
9,035,928 and above (**)	3	0.22	64,972,800	35.95
<b>Total</b>	<b>1,390</b>	<b>100.00</b>	<b>180,718,569</b>	<b>100.00</b>

**Note:** \* - Less than 5% of issued holdings

\*\* - 5% and above of issued holdings

## DIRECTORS' INTERESTS AS AT 30 JUNE 2017

Name of Directors	Direct		Deemed	
	No. of ICULS	%	No. of ICULS	%
Ooi Chieng Sim	-	-	35,000,000 <sup>1</sup>	19.36
Ng Chin Nam	320,000	0.18	-	-
Mohd Shahril Fitri Bin Hashim	-	-	-	-
Chow Choon Hoong	-	-	-	-
Dato' Dennis Chuah	-	-	-	-
Sudesh A/L K.V. Sankaran	-	-	-	-
Loh Yee Sing	-	-	-	-

Notes:

<sup>1</sup>. Deemed interested by virtue of his interest in Skylitech Resources Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.

# Analysis Of ICULS Holdings

As At 30 June 2017 (Cont'd)

## 30 LARGEST ICULS HOLDERS AS AT 30 JUNE 2017

No.	Name	Holdings	%
1	Skylitech Resources Sdn Bhd	35,000,000	19.37
2	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sun Ping	17,467,000	9.67
3	HLS Properties Sdn Bhd	12,505,800	6.92
4	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sun Ping	8,950,000	4.95
5	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chai Kok Kheang	7,070,000	3.91
6	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd	5,600,000	3.10
7	A1 Capital Sdn Bhd	3,898,689	2.16
8	A1 Capital Sdn Bhd	2,097,600	1.16
9	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd	1,850,000	1.02
10	Weipang Realty (M) Sdn Bhd	1,720,000	0.95
11	Ong Lam Huat	1,650,000	0.91
12	Chan Foon Fook	1,559,000	0.86
13	An Choi Kin	1,300,000	0.72
14	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Looi Boon Han	1,300,000	0.72
15	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sher Khan Bin Khan Mohamad	1,100,000	0.61
16	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Enrich Assets Sdn Bhd	1,030,000	0.57
17	Citigroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chai Shiak Chai	1,000,000	0.55
18	Wong Chi Keong	975,900	0.54
19	Teh Thiam Lock	900,000	0.50
20	Chew Saw Bee	850,000	0.47
21	Tan Yu Yeh	850,000	0.47
22	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Cheah Chee Siong	730,000	0.40
23	Ng Siew Fong	689,920	0.38
24	Tan Fook Chin	643,200	0.36
25	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Kam Hoong	620,000	0.34
26	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chan Kai Cheong	610,000	0.34
27	Cheah Chee Chuen	605,000	0.33
28	Maybank Nominees (Tempatan) Sdn Bhd Tuang Yuet Hwa	600,000	0.33
29	Maybank Nominees (Tempatan) Sdn Bhd Kelvin Tan Chye Hock	600,000	0.33
30	Sivabalan A/L Muthusamy	590,200	0.33
<b>TOTAL</b>		<b>114,362,309</b>	<b>63.28</b>

# Report and Financial Statements 31 March 2017

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# 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	(1,192)	-
	<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	1,789,313
	<u>9,951,203</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 was 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

# Directors' Report

For The Financial Year Ended 31 March 2017 (Cont'd)

## SHARE CAPITAL AND DEBENTURE (CONT'D)

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

- (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.

## 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' Report

For The Financial Year Ended 31 March 2017 (Cont'd)



## DIRECTORS' INTERESTS

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

	Number of ordinary shares			Balance at 31.3.2017
	Balance at 1.4.2016	Bought	Sold	

### 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:

<sup>1</sup> Ooi Chieng Sim 14,542,500 6,704,110 (2,388,750) 18,857,860

#### Other Interest:

<sup>2</sup> Ng Chin Nam 3,412 - - 3,412

	Number of 10-year 0% ICULS			Balance at 31.3.2017
	Balance at 1.4.2016	Converted	Bought/ Sold	

### The Company

#### Direct Interest:

Ng Chin Nam 320,000 - - 320,000

#### Deemed Interest:

<sup>1</sup> Ooi Chieng Sim 40,000,000 (5,000,000) - 35,000,000

	Number of Warrants B			Balance at 31.3.2017
	Balance at 1.4.2016	Bought	Sold	

### The Company

#### Direct Interest:

Ng Chin Nam 26,284 - - 26,284

#### Deemed Interest:

<sup>1</sup> Ooi Chieng Sim 299,714 - - 299,714

	Number of Warrants C			Balance at 31.3.2017
	Balance at 1.4.2016	Bought	Sold	

### The Company

#### Direct Interest:

Ooi Chieng Sim 750,000 - - 750,000

Ng Chin Nam 18,416 - - 18,416

# Directors' Report

For The Financial Year Ended 31 March 2017 (Cont'd)

## DIRECTORS' INTERESTS (CONT'D)

	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:

<sup>1</sup> 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.

<sup>2</sup> 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
	<u>908,794</u>	<u>358,402</u>

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.

## 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

# Directors' Report

For The Financial Year Ended 31 March 2017 (Cont'd)



## OTHER STATUTORY INFORMATION (CONT'D)

- (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,
- (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**

Penang,

Date: 22 June 2017

.....  
**Ng Chin Nam**

## Directors' Statement

In the opinion of the directors, the financial statements set out on pages 12 to 71 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 72 has been compiled in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors:

.....  
**Ooi Chieng Sim**

.....  
**Ng Chin Nam**

**Date: 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 12 to 71 and the supplementary information set out on page 72 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

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

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

**Before me,**

.....  
**Goh Suan Bee (P125)**  
**Commissioner for Oaths**

# Independent Auditors' Report

To The Members Of ATTA Global Group Berhad



## 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 12 to 71.

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.

### 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><b>Valuation of investment properties</b> <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 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"><li>• Evaluating the independent external valuer's competence, capabilities and objectivity.</li><li>• Assessing the methodologies used and the appropriateness of the key assumptions based on our knowledge of the property industry.</li><li>• Checking the accuracy and relevance of the input data used.</li><li>• Assessing the adequacy and appropriateness of the disclosures relating to the valuation methodology and estimation made in the financial statements.</li></ul>

# Independent Auditors' Report

To The Members Of ATTA Global Group Berhad (Cont'd)



## Key Audit Matters (Cont'd)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p><b>Net valuation for inventories</b> (Note 8 to the financial statements)</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"> <li>• Obtaining an understanding of: <ul style="list-style-type: none"> <li>- the Group's inventory management process.</li> <li>- how the Group identifies and assesses inventory write downs.</li> <li>- how the Group makes the accounting estimates for inventory write downs.</li> </ul> </li> <li>• Examining the perpetual records for inventory movements and to identify slow moving aged items.</li> <li>• Making inquiries of management regarding the action plans to clear slow moving aged and obsolete inventories.</li> <li>• Reviewing the net realisable value of inventories on sampling basis.</li> <li>• Evaluating the reasonableness and adequacy of the allowance for inventories recognised in the financial statements.</li> </ul>
<p><b>Impairment of trade receivables</b> (Note 9 to the financial statements)</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"> <li>• Obtaining an understanding of: <ul style="list-style-type: none"> <li>- the Group's control over the trade receivables' collection process.</li> <li>- how the Group identifies and assesses the impairment of receivables; and</li> <li>- how the Group makes the accounting estimates for impairment.</li> </ul> </li> <li>• Reviewing the consistency of the application of management's methodology for calculating the impairment from year to year.</li> <li>• Considering the ageing of the trade receivables.</li> <li>• Reviewing collections received after the financial year end.</li> <li>• Reviewing the adequacy of the impairment.</li> </ul>

## 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.

# Independent Auditors' Report

To The Members Of ATTA Global Group Berhad (Cont'd)



## 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.
- 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.

# Independent Auditors' Report

To The Members Of ATTA Global Group Berhad (Cont'd)



## Other Reporting Responsibilities

The supplementary information set out on page 72 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**

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

**Penang**

**Date: 22 June 2017**

# Statements Of Financial Position

As At 31 March 2017



	NOTE	GROUP		COMPANY	
		2017 RM	2016 RM	2017 RM	2016 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
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	-	-
		<b>118,410,948</b>	<b>112,030,340</b>	<b>66,504,497</b>	<b>61,512,281</b>
<b>Current assets</b>					
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
		<b>58,850,677</b>	<b>44,766,611</b>	<b>85,243,459</b>	<b>81,691,007</b>
<b>TOTAL ASSETS</b>		<b>177,261,625</b>	<b>156,796,951</b>	<b>151,747,956</b>	<b>143,203,288</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
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
		<b>138,102,798</b>	<b>123,836,444</b>	<b>139,537,184</b>	<b>132,217,785</b>
<b>Non-controlling interests</b>		<b>(101,669)</b>	<b>(127,479)</b>	<b>-</b>	<b>-</b>
<b>Total equity</b>		<b>138,001,129</b>	<b>123,708,965</b>	<b>139,537,184</b>	<b>132,217,785</b>
<b>Non-current liabilities</b>					
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
		<b>11,330,644</b>	<b>12,461,800</b>	<b>7,327,455</b>	<b>8,618,103</b>
<b>Current liabilities</b>					
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
		<b>27,929,852</b>	<b>20,626,186</b>	<b>4,883,317</b>	<b>2,367,400</b>
<b>Total liabilities</b>		<b>39,260,496</b>	<b>33,087,986</b>	<b>12,210,772</b>	<b>10,985,503</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>177,261,625</b>	<b>156,796,951</b>	<b>151,747,956</b>	<b>143,203,288</b>

The notes set out on pages 19 to 71 form an integral part of these financial statements.

# 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)
<b>Operating profit/(loss)</b>		<b>19,808,952</b>	<b>(726,116)</b>	<b>12,065,755</b>	<b>1,513,667</b>
Finance costs	23	(951,746)	(1,020,502)	(560,080)	(666,129)
<b>Profit/(Loss) before tax</b>	24	<b>18,857,206</b>	<b>(1,746,618)</b>	<b>11,505,675</b>	<b>847,538</b>
Tax expense	25	(831,911)	(685,937)	(486,518)	(39,628)
<b>Profit/(Loss) for the financial year</b>		<b>18,025,295</b>	<b>(2,432,555)</b>	<b>11,019,157</b>	<b>807,910</b>
<b>Other comprehensive loss, net of tax Items that will be reclassified subsequently to profit or loss:</b>					
- Fair value of available-for-sale financial assets		289,336	(102,518)	-	-
- Reclassification to profit or loss upon disposal		(349,711)	(202,183)	-	-
<b>Other comprehensive loss for the financial year</b>		<b>(60,375)</b>	<b>(304,701)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss) for the financial year</b>		<b>17,964,920</b>	<b>(2,737,256)</b>	<b>11,019,157</b>	<b>807,910</b>
<b>Profit/(Loss) attributable to:</b>					
Owners of the Company		18,026,487	(2,430,851)	11,019,157	807,910
Non-controlling interests		(1,192)	(1,704)	-	-
		<b>18,025,295</b>	<b>(2,432,555)</b>	<b>11,019,157</b>	<b>807,910</b>
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the Company		17,966,112	(2,735,552)	11,019,157	807,910
Non-controlling interests		(1,192)	(1,704)	-	-
		<b>17,964,920</b>	<b>(2,737,256)</b>	<b>11,019,157</b>	<b>807,910</b>
<b>Earnings/(Loss) share attributable to owners of the Company (sen)</b>					
- Basic	26.1	26.49	(3.51)		
- Diluted	26.2	26.49	(3.51)		

The notes set out on pages 19 to 71 form an integral part of these financial statements.

# Consolidated Statement Of Changes In Equity

For The Financial Year Ended 31 March 2017

NOTE	Attributable to Owners of the Company										Total Equity	
	Share Capital	ICULS	Share Premium	Treasury Shares	Warrants Reserve	Discount on Shares	Fair Value Reserve	Capital Reserve	ESOS Reserve	Redemption Reserve		Retained Profits
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	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	(127,479)
Total comprehensive income for financial year	-	-	-	-	-	-	(60,375)	-	-	-	18,026,487	(1,192)
<i>Transactions with owners:</i>												
Issuance of shares pursuant to conversion of ICULS	8,846,000	(2,234,600)	-	-	-	-	-	-	-	-	6,611,400	-
Purchase of treasury shares	-	-	-	(359,955)	-	-	-	-	-	-	(359,955)	-
Dividends	-	-	-	-	-	-	-	-	-	(9,951,203)	(9,951,203)	-
Deconsolidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	27,002
Total transactions with owners	8,846,000	(2,234,600)	-	(359,955)	-	-	-	-	-	(9,951,203)	(3,699,756)	27,002
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	(101,669)
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	(125,775)
Total comprehensive loss for financial year	-	-	-	-	-	-	(304,701)	-	-	-	(2,430,851)	(1,704)
<i>Transactions with owners:</i>												
Cancellation of treasury shares	(7,721,756)	-	-	5,463,430	-	-	-	-	-	2,258,326	-	-
Purchase of treasury shares	-	-	-	(4,517,081)	-	-	-	-	-	-	(4,517,081)	-
Share options exercised	595,000	-	33,973	-	-	-	-	-	(33,973)	-	595,000	-
Share-based-payment transactions	-	-	-	-	-	-	-	-	38,371	-	24,757	-
Reversal of settlement of rights issue expenses	-	-	10,000	-	-	-	-	-	-	(13,614)	-	-
Total transactions with owners	(7,126,756)	-	43,973	946,349	-	-	-	-	4,398	-	(13,614)	-
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	(127,479)

The notes set out on pages 19 to 71 form an integral part of these financial statements.

# Statement Of Changes In Equity

For The Financial Year Ended 31 March 2017

NOTE	Non-distributable					Distributable					Total Equity RM	
	Share Capital RM	ICULS RM	Share Premium RM	Treasury Shares RM	Warrants Reserve RM	Discount on Shares RM	Capital Reserve RM	ESOS Reserve RM	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)	-	-	-	-	-	-	-	-	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	-	20,830,090	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	-	-	
Purchase of treasury shares	-	-	-	(4,517,081)	-	-	-	-	-	-	(4,517,081)	
Share options exercised	595,000	-	33,973	-	-	-	-	(33,973)	-	-	595,000	
Share-based-payment transactions	-	-	-	-	-	-	-	36,371	-	(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	-	(13,614)	(3,887,324)	
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 19 to 71 form an integral part of these financial statements.

# Statements Of Cash Flows

For The Financial Year Ended 31 March 2017



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

The notes set out on pages 19 to 71 form an integral part of these financial statements.

# Statements Of Cash Flows

For The Financial Year Ended 31 March 2017 (Cont'd)

	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)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
(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
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
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)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>3,131,072</b>	<b>1,104,316</b>	<b>808,711</b>	<b>123,584</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	<b>4,096,786</b>	<b>2,992,470</b>	<b>176,666</b>	<b>53,082</b>
<b>CASH AND CASH EQUIVALENTS AT END</b>	<b>7,227,858</b>	<b>4,096,786</b>	<b>985,377</b>	<b>176,666</b>

The notes set out on pages 19 to 71 form an integral part of these financial statements.

# Statements Of Cash Flows

For The Financial Year Ended 31 March 2017 (Cont'd)

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
<b>Represented by:</b>				
Cash and bank balances	7,570,009	4,143,304	985,377	176,666
Bank overdrafts	(342,151)	(46,518)	-	-
	<b>7,227,858</b>	<b>4,096,786</b>	<b>985,377</b>	<b>176,666</b>
<b>(i) Cash flows deconsolidation of a subsidiary</b>				
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	<b>21,529</b>	-	-	-
<b>(ii) Purchase of property, plant and equipment</b>				
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	<b>4,716,481</b>	<b>3,247,354</b>	<b>313,668</b>	<b>124,919</b>

The notes set out on pages 19 to 71 form an integral part of these financial statements.

# 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.

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.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 2. BASIS OF PREPARATION (CONT'D)

### 2.3 Functional and Presentation Currency

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

### 2.4 Adoption of Amendments/Improvements to MFRS

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

#### **Effective for annual periods beginning on or after 1 January 2016**

*MFRS 14 Regulatory Deferral Accounts*

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

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

*Amendments to MFRS 101 Disclosure Initiative*

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

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

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

*Annual Improvements to MFRS 2012-2014 Cycle*

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*

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:

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 2. BASIS OF PREPARATION (CONT'D)

### 2.5 Standards Issued But Not Yet Effective (Cont'd)

#### ***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).

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.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 2. BASIS OF PREPARATION (CONT'D)

### 2.6 Significant Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

#### 2.6.1 Judgements made in applying accounting policies

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

##### **Classification between investment properties and property, plant and equipment**

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

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

#### 2.6.2 Key sources of estimation uncertainty

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

##### **(i) Useful lives of depreciable assets**

The cost of plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of the plant and equipment to be within 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.

##### **(iii) Impairment of investment in subsidiaries**

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

##### **(iv) Inventories**

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

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 2. BASIS OF PREPARATION (CONT'D)

### 2.6.2 Key sources of estimation uncertainty (Cont'd)

#### (v) Impairment of loans and receivables

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

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

#### (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.

## 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.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.1 Basis of Consolidation (Cont'd)

#### (ii) Business combination (Cont'd)

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.

#### (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%

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.2 Property, Plant and Equipment (Cont'd)

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

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

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

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

### 3.3 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.

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.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.4 Leases (Cont'd)

#### 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.

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.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.6 Financial Instruments (Cont'd)

#### 3.6.2 Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

##### Financial assets

##### (a) Loans and receivables

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

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

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

##### (b) Available-for-sale financial assets

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

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

##### (c) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

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

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

All financial assets are subject to review for impairment.

##### Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

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

#### 3.6.3 Financial guarantee contracts

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

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

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.6 Financial Instruments (Cont'd)

#### 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.

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.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.8 Inventories

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

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

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

### 3.9 Cash and Cash Equivalents

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

### 3.10 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

### 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.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 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.

#### (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.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.14 Income Tax (cont'd)

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

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

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

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

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

### 3.15 Goods and Services Tax

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

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

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

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

### 3.16 Foreign Currency Transactions

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

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

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

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

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

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 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.

### 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.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.23 Related Parties

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

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) Has control or joint control over the Group;
- (ii) Has significant influence over the Group; or
- (iii) Is a member of the key management personnel of the Group,

(b) An entity is related to the Group if any of the following conditions applies:

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

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 4. PROPERTY, PLANT AND EQUIPMENT

### GROUP

	Freehold land and buildings RM	Leasehold land and buildings RM	Plant and machinery RM	Fittings, equipment, motor vehicles and renovation RM	Capital expenditure in progress RM	Total RM
<b>2017</b>						
<b>At cost</b>						
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	53,392,213	3,200,000	57,971,004	19,056,493	3,407,714	137,027,424
<b>Accumulated depreciation</b>						
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	7,876,547	647,921	42,511,965	12,866,491	-	63,902,924
<b>Accumulated impairment loss</b>						
Balance at beginning/end	-	-	843,288	-	-	843,288
<b>Carrying amount</b>	45,515,666	2,552,079	14,615,751	6,190,002	3,407,714	72,281,212

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)

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

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

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



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

### COMPANY

	Fittings, equipment, and office equipment RM	Motor vehicles RM	Capital expenditure in progress RM	Total RM
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### 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>
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### 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.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)

## 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>

(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 respective 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)
	<u>35,364,293</u>	<u>35,364,293</u>

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 6. INVESTMENT IN SUBSIDIARIES

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

Name of Entity	Effective Equity Interest		Principal Activities
	2017 %	2016 %	
<b>Direct subsidiaries</b>			
SMPC Industries Sdn. Bhd.	100	100	Metal sheet and coil processing centre with main services in shearing and reshearing.
SMPC Marketing Sdn. Bhd.	100	100	Dormant.
Edit Systems (M) Sdn. Bhd.	70	70	Dormant.
Syarikat Perkilangan Besi Gaya Sdn. Bhd.	100	100	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.
<b>Indirect - held through SMPC Marketing Sdn. Bhd.</b>			
Progerex Sdn. Bhd.	100	100	Shredding, processing and trading of ferrous and non-ferrous scrap metals.
<b>Indirect - held through Duro Metal Industrial (M) Sdn. Bhd.</b>			
ATTA Properties Sdn. Bhd. (formerly known as Duro Marketing (M) Sdn. Bhd.)	100	100	Dormant.
Duro Structural Products (M) Sdn. Bhd.	-	70	Dormant.

### 2017

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.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)

## 7. OTHER INVESTMENTS

	GROUP	
	2017	2016
	RM	RM
<b>Available-for-sale financial assets</b>		
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
	<b>367,242</b>	<b>2,361,769</b>
<b>Held-to-maturity investments</b>		
At cost:		
Loan stocks quoted in Malaysia	250,694	-
	<b>617,936</b>	<b>2,361,769</b>
Market value of:		
Quoted securities	367,242	2,361,768
Loan stocks	157,941	-

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	(2,999,837)	-
Balance at end	-	2,999,837

- \* 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	115,019	603,529
	<b>16,687,697</b>	<b>12,736,537</b>

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).

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 9. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	GROUP		COMPANY	
		2017 RM	2016 RM	2017 RM	2016 RM
<b>Trade receivables</b>					
Third parties	9.1	30,323,245	27,912,790	-	-
Less: Allowance for impairment		(2,819,465)	(4,165,193)	-	-
Trade receivables, net		<u>27,503,780</u>	<u>23,747,597</u>	<u>-</u>	<u>-</u>
<b>Other receivables</b>					
Third parties	9.2	6,025,030	5,893,360	826,678	746,566
Less: Allowance for impairment		(3,384,930)	(3,775,208)	(13,150)	(710,293)
Other receivables, net		<u>2,640,100</u>	<u>2,118,152</u>	<u>813,528</u>	<u>36,273</u>
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>
<b>Total receivables, deposits and prepayments</b>		<b><u>33,103,898</u></b>	<b><u>26,847,851</u></b>	<b><u>83,686,066</u></b>	<b><u>80,959,429</u></b>

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>

### 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)	-
Reversal	(1,163,725)	-
Balance at end	<u>2,819,465</u>	<u>4,165,193</u>

There is a reversal of impairment during the financial year as the amount has been recovered after the financial year.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 9. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

### 9.1 Trade receivables (Cont'd)

(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
<b>2017</b>			
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)
<b>2016</b>			
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.

### 9.2 Other receivables

#### GROUP AND COMPANY

The movement of allowance for impairment is as follows:

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 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.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 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.

## 11. CASH AND BANK BALANCES

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

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

## 12. SHARE CAPITAL AND SHARE PREMIUM

### GROUP AND COMPANY

#### Share capital

	Number of ordinary shares		Amount	
	2017	2016	2017 RM	2016 RM
<b>Issued and fully paid</b>				
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	-
	<b>79,697,253</b>	<b>70,851,253</b>	<b>93,787,046</b>	<b>70,851,253</b>

\* 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.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 12. SHARE CAPITAL AND SHARE PREMIUM (CONT'D)

### 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	(11,831,467)	-
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 RM	2016 RM	2017 RM	2016 RM
Balance at beginning	220,642,969	220,642,969	22,064,297	22,064,297
Converted to ordinary shares	(22,346,000)	-	(2,234,600)	-
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.

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.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)

## 14. OTHER RESERVES

	Note	GROUP		COMPANY	
		2017 RM	2016 RM	2017 RM	2016 RM
<b>Non-distributable</b>					
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
		<b>(2,149,793)</b>	<b>528,863</b>	<b>4,990,351</b>	<b>7,608,632</b>

### 14.1 Treasury shares

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	<b>3,955,200</b>	<b>2,596,024</b>	<b>3,590,500</b>	<b>2,236,069</b>

### 14.1 Treasury shares (Cont'd)

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 RM	2016 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
	<b>5,779,334</b>	<b>5,779,334</b>

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 14. OTHER RESERVES (CONT'D)

### 14.2 Warrants reserve and Discount on shares (Cont'd)

#### (i) Warrants B

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

On 24 November 2014, 1,044,807 additional Warrants B are issued pursuant to the adjustment made to the outstanding Warrants B consequent to its rights issue exercise. During the financial year, no Warrants B were exercised. As at 31 March 2017, there was a total of 21,382,993 unexercised Warrants B.

#### (ii) Warrants C

On 18 November 2014, the Company issued 10,711,565 10-year free detachable warrants 2014/2024 ("Warrants C"). The Warrants C are constituted by a deed poll dated 9 October 2014 and are listed on Bursa Malaysia on 25 November 2014. During the financial year, no Warrants C were exercised. As at 31 March 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

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

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 14. OTHER RESERVES (CONT'D)

### 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 RM	2016 RM	2017 RM	2016 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	<b>329,781</b>	<b>329,781</b>	<b>60,835</b>	<b>60,835</b>

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.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)

## 16. BORROWINGS

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
<b>Non-current liabilities</b>				
<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
	<b>3,670,396</b>	3,990,128	<b>325,196</b>	698,492
Future finance chargers	(281,298)	(286,457)	(5,066)	(19,347)
	<b>3,389,098</b>	3,703,671	<b>320,130</b>	679,145
Amount due within 1 year included under current liabilities	(1,574,100)	(1,498,381)	(292,110)	(359,015)
	<b>1,814,998</b>	2,205,290	<b>28,020</b>	320,130
<u>Term loan</u>				
Total amount repayable	6,833,483	8,000,778	6,833,483	8,000,778
Amount due within 1 year included under current liabilities	(1,203,592)	(1,105,451)	(1,203,592)	(1,105,451)
	<b>5,629,891</b>	6,895,327	<b>5,629,891</b>	6,895,327
	<b>7,444,889</b>	9,100,617	<b>5,657,911</b>	7,215,457
<b>Current liabilities</b>				
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
	<b>7,888,843</b>	4,497,350	<b>1,495,702</b>	1,464,466
<b>Total borrowings</b>	<b>15,333,732</b>	13,597,967	<b>7,153,613</b>	8,679,923

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).

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)

## 16. BORROWINGS (CONT'D)

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

	Average effective interest rate per annum (%)	Total RM	Within 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
<b>GROUP</b>						
<b>2017</b>						
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	-
<b>2016</b>						
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
<b>COMPANY</b>						
<b>2017</b>						
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	-
<b>2016</b>						
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

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)

## 17. DEFERRED TAX LIABILITIES

	GROUP		COMPANY	
	2017 RM	2016 RM	2017 RM	2016 RM
<b>Revaluation surplus</b>				
Balance at beginning	2,123,183	2,216,195	1,005,646	1,054,207
Recognised in profit or loss	(93,012)	(93,012)	(48,561)	(48,561)
Balance at end	2,030,171	2,123,183	957,085	1,005,646
<b>Other temporary differences</b>				
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
	3,885,755	3,361,183	1,669,544	1,402,646

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)
	3,885,755	3,361,183	1,669,544	1,402,646

## 18. TRADE AND OTHER PAYABLES

	Note	GROUP		COMPANY	
		2017 RM	2016 RM	2017 RM	2016 RM
<b>Trade</b>					
Third parties	18.1	11,214,319	9,515,656	-	-
<b>Non-trade</b>					
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	-
		8,703,397	6,457,017	3,273,565	840,058
<b>Total trade and other payables</b>		19,917,716	15,972,673	3,273,565	840,058

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 18. TRADE AND OTHER PAYABLES (CONT'D)

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	-	-
	<b>19,917,716</b>	<b>15,972,673</b>	<b>3,273,565</b>	<b>840,058</b>

### 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 payable 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.

### 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	<b>31,554</b>	<b>22,912</b>	<b>-</b>	<b>-</b>

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
	<b>127,928,331</b>	<b>122,060,302</b>	<b>8,302,874</b>	<b>5,148,717</b>

## Notes To The Financial Statements

- 31 March 2017 (Cont'd)

### 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	-	-
	<b>17,590,126</b>	<b>1,272,329</b>	<b>5,848,098</b>	<b>17,256</b>

### 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
	<b>9,866,186</b>	<b>9,960,740</b>	<b>673,180</b>	<b>793,854</b>

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.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)

## 22. DIRECTORS' REMUNERATION

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

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
	<b>846,072</b>	<b>1,039,918</b>	<b>295,680</b>	<b>383,680</b>
Total non-executive directors' remuneration (Note 24)				
- Current year	32,000	44,000	32,000	44,000
- Prior year	-	(111,000)	-	(111,000)
	<b>32,000</b>	<b>(67,000)</b>	<b>32,000</b>	<b>(67,000)</b>
	<b>878,072</b>	<b>972,918</b>	<b>327,680</b>	<b>316,680</b>
Represented by:				
Present directors	873,072	1,036,918	322,680	380,680
Past directors	5,000	(64,000)	5,000	(64,000)
	<b>878,072</b>	<b>972,918</b>	<b>327,680</b>	<b>316,680</b>

## Notes To The Financial Statements

- 31 March 2017 (Cont'd)

### 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
	<b>951,746</b>	<b>1,020,502</b>	<b>560,080</b>	<b>666,129</b>

### 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	-	-

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 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)
	<b>(892,572)</b>	<b>(926,988)</b>	<b>(510,898)</b>	<b>(233,439)</b>
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
	<b>60,661</b>	<b>241,051</b>	<b>24,380</b>	<b>193,811</b>
	<b>(831,911)</b>	<b>(685,937)</b>	<b>(486,518)</b>	<b>(39,628)</b>

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	<b>18,857,206</b>	<b>(1,746,618)</b>	<b>11,505,675</b>	<b>847,538</b>
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
	<b>(892,572)</b>	<b>(926,988)</b>	<b>(510,898)</b>	<b>(233,439)</b>
Over provision in prior years	<b>60,661</b>	<b>241,051</b>	<b>24,380</b>	<b>193,811</b>
	<b>(831,911)</b>	<b>(685,937)</b>	<b>(486,518)</b>	<b>(39,628)</b>

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

	GROUP	
	2017 RM	2016 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)
	<b>(14,184,000)</b>	<b>(15,185,000)</b>

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.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 25. TAX EXPENSE (CONT'D)

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 RM	2016 RM	2017 RM	2016 RM
Unabsorbed tax losses	<b>60,944,000</b>	63,290,000	<b>735,000</b>	735,000
Unabsorbed capital allowances	<b>9,370,000</b>	10,931,000	<b>4,401,000</b>	4,212,000
Unabsorbed reinvestment allowance	<b>8,838,000</b>	8,838,000	-	-
Unabsorbed allowance for increase in export	<b>1,979,000</b>	1,979,000	-	-

## 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)	<b>18,026,487</b>	(2,430,851)
Weighted average number of shares	<b>68,049,222</b>	69,174,630
Basic earnings/(loss) per share (sen)	<b>26.49</b>	(3.51)

### 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)	<b>18,026,487</b>	(2,430,851)
Weighted average number of shares	<b>68,049,222</b>	69,174,630
Adjustment for dilutive effects of:		
- Warrants	*	*
- ICULS	*	*
- ESOS	*	*
Diluted earnings/(loss) per share (sen)	<b>26.49</b>	(3.51)

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

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 27. DIVIDENDS

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

	2017 RM	2016 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	1,789,313	-
	<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.

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.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 28. SEGMENTAL INFORMATION

By business segments

	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
<b>Revenue</b>										
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)	-	-
<b>Total revenue</b>	<b>120,920,656</b>	<b>80,693,650</b>	<b>5,994,086</b>	<b>42,046,979</b>	<b>8,339,864</b>	<b>5,245,309</b>	<b>(7,326,275)</b>	<b>(5,925,636)</b>	<b>127,928,331</b>	<b>122,060,302</b>
<b>Results</b>										
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)
<b>Profit/(Loss) for the financial year</b>	<b>3,260,441</b>	<b>764,036</b>	<b>8,991,837</b>	<b>(2,322,136)</b>	<b>10,694,081</b>	<b>932,069</b>	<b>(4,921,064)</b>	<b>(1,806,524)</b>	<b>18,025,295</b>	<b>(2,432,555)</b>
<b>Assets</b>										
Segment assets	102,844,024	90,301,987	22,851,003	40,235,992	170,883,734	147,962,434	(128,376,218)	(126,685,685)	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
<b>Total assets</b>	<b>110,034,722</b>	<b>93,405,166</b>	<b>22,858,868</b>	<b>41,226,857</b>	<b>172,744,253</b>	<b>148,750,613</b>	<b>(128,376,218)</b>	<b>(126,585,685)</b>	<b>177,261,625</b>	<b>156,796,951</b>
<b>Liabilities</b>										
Segment liabilities	64,247,041	48,440,570	45,348,281	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
<b>Total liabilities</b>	<b>69,579,002</b>	<b>52,391,437</b>	<b>45,435,649</b>	<b>66,678,091</b>	<b>25,516,641</b>	<b>13,466,664</b>	<b>(101,270,796)</b>	<b>(99,448,206)</b>	<b>39,260,496</b>	<b>33,087,986</b>
<b>Other information</b>										
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

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 28. SEGMENTAL INFORMATION (CONT'D)

Notes to segment information:

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

	GROUP	
	2017 RM	2016 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 RM	2016 RM	2017 RM	2016 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 RM	2016 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>

### 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).

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 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 RM	2016 RM	2017 RM	2016 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).

### (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	-	-	-
	993,528	1,039,918	295,680	383,680

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 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>

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

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 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 RM	AFS RM	HTM RM	L&R RM	FL RM
<b>GROUP</b>					
<b>2017</b>					
<b>Financial assets</b>					
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	-
	<b>39,335,386</b>	<b>367,242</b>	<b>250,694</b>	<b>38,717,450</b>	<b>-</b>
<b>Financial liabilities</b>					
Trade and other payables	18,629,293	-	-	-	18,629,293
Borrowings	15,333,732	-	-	-	15,333,732
	<b>33,963,025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,963,025</b>
<b>2016</b>					
<b>Financial assets</b>					
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	-
	<b>33,322,689</b>	<b>2,361,769</b>	<b>-</b>	<b>30,960,920</b>	<b>-</b>
<b>Financial liabilities</b>					
Trade and other payables	14,929,000	-	-	-	14,929,000
Borrowings	13,597,967	-	-	-	13,597,967
	<b>28,526,967</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,526,967</b>

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 32. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D)

	Carrying amount RM	AFS RM	HTM RM	L&R RM	FL RM
<b>COMPANY</b>					
<b>2017</b>					
<b>Financial assets</b>					
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	-
	<b>83,908,881</b>	-	-	<b>83,908,881</b>	-
<b>Financial liabilities</b>					
Other payables	3,529,139	-	-	-	3,529,139
Borrowings	7,153,613	-	-	-	7,153,613
	<b>10,412,752</b>	-	-	-	<b>10,412,752</b>
<b>2016</b>					
<b>Financial assets</b>					
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	-
	<b>81,553,660</b>	-	-	<b>81,553,660</b>	-
<b>Financial liabilities</b>					
Other payables	495,466	-	-	-	495,466
Borrowings	8,679,923	-	-	-	8,679,923
	<b>9,175,389</b>	-	-	-	<b>9,175,389</b>

## 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.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)

## 33. FINANCIAL RISK MANAGEMENT (CONT'D)

### 33.1 Credit risk (Cont'd)

#### 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
<b>2017</b>			
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>
	<b>30,323,245</b>	<b>(2,819,465)</b>	<b>27,503,780</b>
<b>2016</b>			
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>
	<b>27,912,790</b>	<b>(4,165,193)</b>	<b>23,747,597</b>

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.

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.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 33. FINANCIAL RISK MANAGEMENT (CONT'D)

### 33.1 Credit risk (Cont'd)

#### 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 banking 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	5,636,883	4,215,709
	<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.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 33. FINANCIAL RISK MANAGEMENT (CONT'D)

### 33.2 Liquidity risk (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:

	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
<b>GROUP</b>						
<b>2017</b>						
<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	-	-	-
	<b>33,963,025</b>	<b>35,687,728</b>	<b>27,203,726</b>	<b>2,773,233</b>	<b>5,710,769</b>	<b>-</b>
<b>2016</b>						
<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	-	-	-
	<b>28,526,967</b>	<b>30,896,682</b>	<b>20,196,724</b>	<b>3,052,253</b>	<b>6,129,029</b>	<b>1,518,676</b>
<b>COMPANY</b>						
<b>2017</b>						
<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	3,209,139	3,209,139	3,209,139	-	-	-
Financial guarantee*	-	9,102,576	9,102,576	-	-	-
	<b>10,362,752</b>	<b>20,913,129</b>	<b>12,530,365</b>	<b>1,741,377</b>	<b>4,850,074</b>	<b>-</b>
<b>2016</b>						
<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	-	-	-
	<b>9,175,389</b>	<b>18,992,884</b>	<b>10,296,724</b>	<b>2,009,963</b>	<b>5,167,521</b>	<b>1,518,676</b>

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

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 33. FINANCIAL RISK MANAGEMENT (CONT'D)

### 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
<b>Fixed rate instruments</b>				
Financial assets	572,016	554,912	572,016	554,912
Financial liabilities	<u>3,558,829</u>	<u>3,703,671</u>	<u>320,130</u>	<u>679,145</u>
<b>Floating rate instruments</b>				
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.

#### 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>

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 33. FINANCIAL RISK MANAGEMENT (CONT'D)

### 33.4 Foreign currency risk (Cont'd)

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

### 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.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 33. FINANCIAL RISK MANAGEMENT (CONT'D)

### 33.5 Fair value measurement (Cont'd)

#### (a) Non financial assets that are measured at fair value (Cont'd)

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
<b>GROUP</b>					
<b>2017</b>					
Investment properties	-	-	45,511,800	45,511,800	45,511,800
<b>2016</b>					
Investment properties	-	-	38,940,114	38,940,114	38,940,114
<b>COMPANY</b>					
<b>2017</b>					
Investment properties	-	-	29,856,875	29,856,875	29,856,875
<b>2016</b>					
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
<b>GROUP</b>					
<b>2017</b>					
<b>Financial assets</b>					
Other investments	367,242	-	-	367,242	367,242
<b>2016</b>					
<b>Financial assets</b>					
Other investments	2,361,768	-	-	2,361,768	2,361,768

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 33. FINANCIAL RISK MANAGEMENT (CONT'D)

### 33.5 Fair value measurement (Cont'd) (b)

#### Financial assets that are measured at fair value (Cont'd)

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

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:

- 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.
- 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.
- 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.
- 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.

## Notes To The Financial Statements

- 31 March 2017 (Cont'd)



### 35. EMPLOYEES SHARE OPTIONS SCHEME (“ESOS”) (CONT’D)

The salient features of the ESOS are as follows: (Cont’d)

- (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 end
			Balance at beginning	Exercised	Lapsed	
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

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.

# Notes To The Financial Statements

- 31 March 2017 (Cont'd)



## 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.

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 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.

## Supplementary Information

As At 31 March 2017



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



# Form Of Proxy



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

I/We \_\_\_\_\_ (FULL NAME IN BLOCK CAPITALS)

NRIC No./Company No. \_\_\_\_\_ of \_\_\_\_\_  
 \_\_\_\_\_ (FULL ADDRESS)

being a member of ATTA GLOBAL GROUP BERHAD hereby appoint the following person(s):

Name of Proxy & NRIC No.	No. of Shares	%
1. _____	_____	_____
2. _____	_____	_____
or failing him/her		
1. _____	_____	_____
2. _____	_____	_____

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us and on my/our behalf at the Thirty-Sixth Annual General Meeting of the Company to be held on 16 August 2017 and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

Ordinary Resolution No.	Ordinary Business	For	Against
1	The Payment of a Final & Special Dividend		
2	The payment of Directors' Fees		
3	The payment of Non-Executive Directors' benefits		
4	The re-election of Directors: Dato' Dennis Chuah		
5		Loh Yee Sing	
6	The appointment of Auditors and their remuneration		
	<b>Special Business</b>		
7	Retention of Independent Non-Executive Director		
8	Authority to Allot and Issue Shares in General Pursuant to Section 75 of the Companies Act, 2016		
9	Proposed Share Buy Back Authority		

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

Date:

\_\_\_\_\_  
Signature of Shareholder

**NOTES:**

- Only members whose names appear on the Record of Depositors as at 7 August 2017 shall be entitled to attend the Annual General Meeting or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.
- A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a member of the Company.
- Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds but the proportion of holding to be represented by each proxy must be specified.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/authorised officer, the Power of Attorney/Letter of Authorisation must be attached.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company, 55A Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan, Malaysia not less than 48 hours before the time appointed for holding the Meeting. Faxed or emailed copies are not acceptable.

*Please fold across the line and close*

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80 sen  
stamp  
(Within Malaysia)

The Company Secretary  
**ATTA GLOBAL GROUP BERHAD (79082-V)**

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

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**ATA GLOBAL GROUP BERHAD** (79082-V)

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