DENKO INDUSTRIAL CORPORATION BERHAD
(Incorporated in Malaysia)

Company No: 190155-M

FINANCIAL REPORT
for the financial year ended 31 March 2015

Contents

DIRECTORS' REPORT

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 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	THE GROUP RM	THE COMPANY RM
Profit/(Loss) after tax for the financial year	2,844,877	(777,833)

DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

(a) there were no changes in the authorised and issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

BAD AND DOUBTFUL DEBTS (CONT'D)

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company, have 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 which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 34 to the financial statements. At the date of this report, there does not exist:-

(a) 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; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent 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 when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

ITEMS OF AN UNUSUAL NATURE (CONT'D)

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, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

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

Dato' Ong Soon Ho
Dato' Ong Choo Meng
David Yaory
Ong Wei Liam @ Jeremy Ong (Appointed on 18 May 2015)
Tan Chen Wei
Tan Sri Dato' Seri Tan King Tai @ Tan Khoon Hai
Thoolasy Das Ponniah
Yoong Nim Chor

DIRECTORS' INTERESTS

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

	NUMBER OF ORDINARY SHARES OF RM0.40 EACH			
	AT 1.4.2014	BOUGHT	SOLD	AT 31.3.2015
Direct Interests In The Company				
Dato' Ong Soon Ho	4,845,500	-	-	4,845,500
Dato' Ong Choo Meng	14,507,500	-	-	14,507,500
Tan Chen Wei	12,507,900	-	-	12,507,900
Tan Sri Dato' Seri Tan King Tai @ Tan Khoon Hai	6,200	-	-	6,200
Indirect Interests In The Company				
Dato' Ong Soon Ho *	14,507,500	-	-	14,507,500
Dato' Ong Choo Meng ^	4,845,500	-	-	4,845,500

* - By virtue of the shareholding of his child, Dato' Ong Choo Meng
^ - By virtue of the shareholding of his father, Dato' Ong Soon Ho

By virtue of the directors' shareholdings in the shares of the Company, Dato' Ong Soon Ho and Dato' Ong Choo Meng, are deemed to have an interest in shares in the Company and its related corporations to the extent of the Company's interest, in accordance with Section 6A of the Companies Act 1965.

The other directors holding office at the end of the financial year did not have any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the 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 except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 33 to the financial statements.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 38 to the financial statements.

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 39 to the financial statements.

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors dated **27 JUL 2015**

Dato' Ong Choo Meng

Tan Chen Wei

DENKO INDUSTRIAL CORPORATION BERHAD
(Incorporated in Malaysia)
Company No: 190155-M

STATEMENT BY DIRECTORS

We, Dato' Ong Choo Meng and Tan Chen Wei, being two of the directors of Denko Industrial Corporation Berhad, state that, in the opinion of the directors, the financial statements set out on pages 9 to 89 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 March 2015 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 40, which is not part of the financial statements, is prepared in all material respects, 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 and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 27 JUL 2015

Dato' Ong Choo Meng

Tan Chen Wei

STATUTORY DECLARATION

I, Dr. Loh Yee Feei, being the officer primarily responsible for the financial management of Denko Industrial Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 9 to 89 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 Declaration Act 1960.

Subscribed and solemnly declared by
Dr. Loh Yee Feei,
at Johor Bahru in the state of Johor
on this 27 JUL 2015

PESURUHJAYA SUMPAH
No. J 204
MOHDZAR BIN KHALID
P.L.P., P.I.S.,
MALAYSIA

Before me

No. 89, Jalan Titus
80000 Johor Bahru

Dr. Loh Yee Feei

Crowe Horwath™

Crowe Horwath AF 1018
Chartered Accountants
Member Crowe Horwath International

Johor Bahru Office
E-2-3 Pusat Komersial Bayu Tasek
Persiaran Southkey 1
Kota Southkey
80150 Johor Bahru, Johor, Malaysia
Main +6 07 2886 627
Fax +6 1700 813 460
www.crowehorwath.com.my
info.jb@crowehorwath.com.my

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENKO INDUSTRIAL CORPORATION BERHAD

(Incorporated in Malaysia)
Company No: 190155-M

Report on the Financial Statements

We have audited the financial statements of Denko Industrial Corporation Berhad, which comprise the statements of financial position as at 31 March 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 89.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
DENKO INDUSTRIAL CORPORATION BERHAD (CONT'D)
(Incorporated in Malaysia)
Company No: 190155-M

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of the subsidiary of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 40 on page 90 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.

Crowe Horwath™

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENKO INDUSTRIAL CORPORATION BERHAD (CONT'D)
(Incorporated in Malaysia)
Company No: 190155-M

Other Matters

This report is made solely to the member of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Tan Lin Chun
Approval No: 2839/10/15(J)
Chartered Accountant

27 JUL 2015

Johor Bahru

STATEMENTS OF FINANCIAL POSITION AT 31 MARCH 2015

		THE GROUP		THE COMPANY	
		2015	2014	2015	2014
	NOTE	RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	5	-	-	47,088,633	47,088,633
Property, plant and equipment	6	54,281,221	44,382,674	-	-
		54,281,221	44,382,674	47,088,633	47,088,633
CURRENT ASSETS					
Inventories	7	15,103,155	12,447,351	-	-
Trade receivables	8	22,160,360	15,431,673	-	-
Other receivables, deposits and prepayments	9	1,622,528	710,632	7,254	25,430
Amount owing by subsidiaries	10	-	-	2,829,975	3,428,650
Tax recoverable		182,857	1,272,232	-	960,710
Cash and bank balances		2,334,908	378,167	411	17,616
		41,403,808	30,240,055	2,837,640	4,432,406
Assets classified as held for sales	11	5,500,000	-	-	-
		101,185,029	74,622,729	49,926,273	51,521,039

STATEMENTS OF FINANCIAL POSITION AT 31 MARCH 2015 (CONT'D)

		THE GROUP		THE COMPANY	
		2015	2014	2015	2014
	NOTE	RM	RM	RM	RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	12	41,787,540	41,787,540	41,787,540	41,787,540
Reserves	13	11,459,512	(5,486,124)	4,140,768	4,918,601
TOTAL EQUITY		53,247,052	36,301,416	45,928,308	46,706,141
NON-CURRENT LIABILITIES					
Long-term borrowings	14	2,953,686	3,796,425	-	-
Deferred tax liabilities	15	6,140,534	4,107,000	-	-
Amount owing to directors	16	-	1,412,998	-	-
		9,094,220	9,316,423	-	-
CURRENT LIABILITIES					
Trade payables	17	9,468,127	6,144,650	-	-
Other payables and accruals	18	7,913,882	8,977,035	223,057	578,724
Amount owing to directors	16	8,307,007	543,800	751,800	543,800
Amount owing to subsidiaries	10	-	-	3,023,108	3,666,883
Short-term borrowings	19	12,641,206	12,746,317	-	25,491
Bank overdraft	22	513,535	593,088	-	-
		38,843,757	29,004,890	3,997,965	4,814,898
TOTAL LIABILITIES		47,937,977	38,321,313	3,997,965	4,814,898
TOTAL EQUITY AND LIABILITIES		101,185,029	74,622,729	49,926,273	51,521,039

DENKO INDUSTRIAL CORPORATION BERHAD
(Incorporated in Malaysia)
Company No: 190155-M

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

		THE GROUP		THE COMPANY	
		2015	2014	2015	2014
	NOTE	RM	RM	RM	RM
REVENUE	23	80,076,714	74,445,086	-	920,000
COST OF GOODS SOLD		(68,695,381)	(67,117,720)	-	-
GROSS PROFIT		11,381,333	7,327,366	-	920,000
OTHER INCOME		2,152,637	664,875	254,954	-
MARKETING AND DISTRIBUTION INCOME		(4,021,750)	(3,365,684)	-	-
ADMINISTRATIVE EXPENSES		(5,429,602)	(5,618,327)	(1,073,984)	(1,235,085)
OTHER OPERATING EXPENSES		(786,107)	(2,670,341)	-	(1,100,000)
FINANCE COSTS		(950,941)	(871,254)	(11,010)	-
PROFIT/(LOSS) BEFORE TAX	25	2,345,570	(4,533,365)	(830,040)	(1,415,085)
TAX INCOME/(EXPENSE)	26	499,307	923,160	52,207	(230,000)
PROFIT/(LOSS) AFTER TAX FROM CONTINUING OPERATIONS		2,844,877	(3,610,205)	(777,833)	(1,645,085)
DISCOUNTINUED OPERATIONS					
PROFIT AFTER TAX FROM DISCONTINUED OPERATIONS	27	-	507,362	-	-
PROFIT/(LOSS) AFTER TAX/ BALANCE CARRIED FORWARD		2,844,877	(3,102,843)	(777,833)	(1,645,085)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONT'D)

		THE GROUP		THE COMPANY	
		2015	2014	2015	2014
	NOTE	RM	RM	RM	RM
BALANCE BROUGHT FORWARD		2,844,877	(3,102,843)	(777,833)	(1,645,085)
OTHER COMPREHENSIVE INCOME NET OF TAX					
Items that will not be reclassified subsequently to profit or loss	28				
- Remeasurement of deferred tax on revalued properties		-	65,045	-	-
- Revaluation of properties		14,103,808	-	-	-
- Foreign currency translation differences		(3,049)	-	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR		16,945,636	(3,037,798)	(777,833)	(1,645,085)
EARNINGS PER SHARE (SEN)	29				
Basic:					
- continuing operations		2.72	(3.46)		
- discontinued operations		-	0.49		
Diluted:					
- continuing operations		Not applicable	Not applicable		
- discontinued operations		Not applicable	Not applicable		

DENKO INDUSTRIAL CORPORATION BERHAD
(Incorporated in Malaysia)
Company No: 190155-M

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

THE GROUP	NOTE	Share Capital RM	Share Premium RM	Revaluation Reserve RM	Foreign Exchange Translation Reserve RM	Accumulated Losses RM	Total Equity RM
			NON-DISTRIBUTABLE				
Balance at 1.4.2013		41,787,540	1,566,419	3,790,334	-	(7,805,079)	39,339,214
Loss after tax for the financial year		-	-	-	-	(3,102,843)	(3,102,843)
Other comprehensive income for the financial year	28						
- Remeasurement of deferred tax on revalued properties		-	-	65,045	-	-	65,045
Total comprehensive expenses for the financial year		-	-	65,045	-	(3,102,843)	(3,037,798)
Balance at 31.3.2014		41,787,540	1,566,419	3,855,379	-	(10,907,922)	36,301,416

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONT'D)

			NON-DISTRIBUTABLE				
THE GROUP	NOTE	Share Capital RM	Share Premium RM	Revaluation Reserve RM	Foreign Exchange Translation Reserve RM	Accumulated Losses RM	Total Equity RM
Balance at 1.4.2014		41,787,540	1,566,419	3,855,379	-	(10,907,922)	36,301,416
Profit after tax for the financial year		-	-	-	-	2,844,877	2,844,877
Other comprehensive income for the financial year	28						
- Revaluation of properties		-	-	14,103,808	-	-	14,103,808
- Foreign currency translation differences		-	-	-	(3,049)	-	(3,049)
Total comprehensive income for the financial year		-	-	14,103,808	(3,049)	2,844,877	16,945,636
Balance at 31.3.2015		41,787,540	1,566,419	17,959,187	(3,049)	(8,063,045)	53,247,052

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONT'D)

THE COMPANY	Share Capital RM	Share Premium RM	Retained Profits RM	Total Equity RM
Balance at 1.4.2013	41,787,540	1,566,419	4,997,267	48,351,226
Loss after tax for the financial year/Total comprehensive expenses for the financial year	-	-	(1,645,085)	(1,645,085)
Balance at 31.3.2014/1.4.2014	41,787,540	1,566,419	3,352,182	46,706,141
Loss after tax for the financial year/Total comprehensive expenses for the financial year	-	-	(777,833)	(777,833)
Balance at 31.3.2015	41,787,540	1,566,419	2,574,349	45,928,308

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax				
- continuing operations	2,345,570	(4,533,365)	(830,040)	(1,415,085)
- discontinued operations	-	589,699	-	-
	2,345,570	(3,943,666)	(830,040)	(1,415,085)
Adjustments for:-				
Bad debt written off	22,417	24,377	-	-
Depreciation of property, plant and equipment	5,168,436	5,993,274	-	-
Dividend income	-	-	-	(920,000)
Gain on disposal of property, plant and equipment	(28,026)	(799)	-	-
Impairment losses on:-				
- property, plant and equipment	343,465	183,750	-	-
- other receivables	38,700	-	-	-
- trade receivables	237,251	206,168	-	-
Interest expense	933,930	850,018	11,009	-
Interest income	(4,242)	(2,509)	(1,954)	-
Inventory written off	115,634	168,004	-	-
Loss on disposal of a subsidiary	-	1,802,838	-	1,100,000
Property, plant and equipment written off	-	5,975	-	-
Reversal of impairment losses on:				
- freehold land and buildings	(629,302)	-	-	-
- other receivables	(16,000)	(36,583)	-	-
- trade receivables	(42,920)	(342,279)	-	-
Reversal of inventory written off	(880,745)	-	-	-
Unrealised (gain)/loss on foreign exchange	(208,327)	69,241	-	-
Operating profit/(loss) before working capital changes/ balance carried forward	7,395,841	4,977,809	(820,985)	(1,235,085)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONT'D)

	NOTE	THE GROUP 2015 RM	THE GROUP 2014 RM	THE COMPANY 2015 RM	THE COMPANY 2014 RM
CASH FLOWS (FOR)/ FROM OPERATING ACTIVITIES (CONT'D)					
BALANCE BROUGHT FORWARD		7,395,841	4,977,809	(820,985)	(1,235,085)
Increase in inventories		(1,890,693)	(2,481,408)	-	-
(Increase)/Decrease in trade and other receivables		(7,880,031)	(121,133)	18,176	(7,198)
Increase/(Decrease) in trade and other payables		2,468,651	1,740,989	(355,667)	(306,480)
CASH (FOR)/FROM OPERATIONS		93,768	4,116,257	(1,158,476)	(1,548,763)
Interest paid		(933,930)	(850,018)	(11,009)	-
Tax paid		(392,962)	(150,961)	-	-
Tax refunded		1,124,544	189,749	1,012,917	53,953
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(108,580)	3,305,027	(156,568)	(1,494,810)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Decrease in deposit pledged to licensed bank		-	90,308	-	-
Interest received		4,242	2,509	1,954	-
Dividend received		-	-	-	690,000
Acquisition of a subsidiary, net of cash and cash equivalents acquired		-	-	-	(2)
Disposal of discontinued operation, net of cash and cash equivalents disposed of	27	-	573,576	-	1,900,000
Proceeds from disposal of property, plant and equipment		31,800	800	-	-
Purchase of property, plant and equipment	30	(2,619,249)	(752,814)	-	-
NET CASH (FOR)/FROM INVESTING ACTIVITIES		(2,583,207)	(85,621)	1,954	2,589,998
BALANCE CARRIED FORWARD		(2,691,787)	3,219,406	(154,614)	1,095,188

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (CONT'D)

		THE GROUP		THE COMPANY	
		2015	2014	2015	2014
	NOTE	RM	RM	RM	RM
BALANCE BROUGHT FORWARD		(2,691,787)	3,219,406	(154,614)	1,095,188
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Advances from directors		6,350,209	-	208,000	273,000
Repayment of bankers' acceptances		(121,000)	(2,750,735)	-	-
Repayment of hire purchase obligations		(458,063)	(1,215,310)	(25,491)	-
Repayment to subsidiaries		-	-	(45,100)	(1,411,845)
Repayment of term loans		(1,040,153)	(1,332,061)	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		4,730,993	(4,846,052)	137,409	(1,138,845)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2,039,206	(1,626,646)	(17,205)	(43,657)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		(214,921)	1,411,725	17,616	61,273
EFFECT OF FOREIGN EXCHANGE TRANSLATION		(2,912)	-	-	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	31	1,821,373	(214,921)	411	17,616

1. GENERAL INFORMATION

The Company is a private company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Suite 1301, 13th Floor City Plaza, Jalan Tebrau 80300 Johor Bahru, Johor
Principal place of business	:	No. 20, Jalan Hasil Dua Kawasan Perindustrian Jalan Hasil 81200 Tampoi, Johor Bahru, Johor

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated **27 JUL 2015**

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

3.1 During the current financial year, the Group has adopted the following applicable new accounting standards and interpretations (including the consequential amendments, if any):-

MFRSs and IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets

IC Interpretation 21 Levies

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group has not applied in advance the following applicable accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factor which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(c) Impairment of Non-Financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(d) Write down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require management to consider the future demand for the products, technical assessment and subsequent events. The Group also adopts the write down policy for slow-moving inventories by marking down the carrying amount of those slow-moving inventories which are aged more than 6 months and have less than 5% movement as compared to previous month (manufacturing segment) and using certain percentages on inventories which are nearing expiry date and non-claimable from respective suppliers (trading segment). The percentages are derived based on the past historical movement trend of the realisable value of those inventories and judgement of the directors and management.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(d) Write down of Inventories (Cont'd)

Where necessary, write off is made for all damaged and obsolete items. The Group writes off its damaged and obsolete inventories based on assessment of the condition and the future demand for the inventories. These inventories are written off when events or changes in circumstances indicate that the carrying amounts may not be recovered.

In general, such an evaluation process requires significant judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

(e) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness and changes in customer payment terms when making a judgment to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the outcome is different from the estimation, such difference will impact the carrying value of receivables.

(f) Revaluation of Properties

Certain properties of the Group are reported at valuation which is based on valuations performed by independent professional valuers.

The independent professional valuers have exercised judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal year value, market freehold rental and other factors used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuation estimates.

(g) Classification of Leasehold Land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(h) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, 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.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

(b) Non-Controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(c) Changes In Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(b) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) Foreign Operations

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under the translation reserve. On the disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period except for those business combinations that occurred before the date of transition (1 January 2011) which are treated as assets and liabilities of the Company and are not retranslated.

4.4 FINANCIAL INSTRUMENTS

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statement of financial position are disclosed in the individual policy statement associated with each item.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivable financial assets, or available-for-sale financial assets, as appropriate.

(i) Financial Assets at Fair Value through Profit or Loss

As at the end of the reporting period, there were no financial assets classified under this category.

(ii) Held-to-maturity Investments

As at the end of the reporting period, there were no financial assets classified under this category.

(iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

(iv) Available-for-sale Financial Assets

As at the end of the reporting period, there were no financial assets classified under this category.

(b) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments

Instruments classified as equity are measured at cost and are not remeasured subsequently. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds. Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) 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 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.

4.5 INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying value may not be recoverable. The cost of the investment includes transaction costs.

On the disposal of the investment in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.6 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Freehold land is stated at valuation less impairment losses recognised after the date of the revaluation. Freehold land is not depreciated. Buildings are stated at revalued amount less accumulated depreciation and impairment losses recognised after the date of the revaluation.

Land and buildings are revalued periodically, at least once in every 5 years. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Depreciation is charge to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset become idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Leasehold land and buildings	over the remaining lease period
Freehold buildings	2%
Cargo lift	2%
Plant and machinery	6.25% - 10%
Motor vehicles	15%
Other property, plant and equipment	10% - 25%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Building under construction represents asset which is not ready for commercial use at the end of the reporting period. Building under construction is stated at cost, and is depreciated accordingly when it is completed and ready for commercial use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

4.7 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets (or disposal group comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the non-current assets (or the disposal group) are remeasured in accordance with the Group's accounting policies. Upon classification as held for sale, the non-current assets (the disposal group) are not depreciated and are measured at the lower of their previous carrying amount and fair value less cost to sell. Any differences are recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (CONT'D)

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is restated as if the operation had been discontinued from the start of the comparative period.

4.8 IMPAIRMENT

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), 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.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets 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 financial asset's original effective interest rate.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 IMPAIRMENT (CONT'D)

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

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.9 ASSETS UNDER HIRE PURCHASE

Assets acquired under hire purchase are capitalised in the financial statements at the lower of the fair value of the leased assets and the present value of the minimum lease payments and, are depreciated in accordance with the policy set out in Note 4.6 above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

4.10 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first out basis, and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods and work-in-progress includes cost of materials, labour and an appropriate proportion of production overheads.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

4.11 INCOME TAXES

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 INCOME TAXES (CONT'D)

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

4.12 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues 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 to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4.13 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4.14 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.14 EMPLOYEE BENEFITS (CONT'D)

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4.15 RELATED PARTIES

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

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

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One 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 benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (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 entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4.16 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 FAIR VALUE MEASUREMENTS

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, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's 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.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.18 BORROWING COSTS

Borrowing costs, directly attributable to the acquisition, construction or production of a qualifying asset, and construction of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 REVENUE AND OTHER INCOME

(a) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(b) Management Fee

Management fee is recognised on an accrual basis.

(c) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(d) Rental Income

Rental income is recognised on an accrual basis.

5. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY 2015 RM	THE COMPANY 2014 RM
Unquoted shares, at cost - in Malaysia	62,557,293	62,557,293
Accumulated impairment losses	(15,468,660)	(15,468,660)
	47,088,633	47,088,633

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 2015	2014	Principal Activities
Winsheng Plastic Industry Sdn. Bhd.	Malaysia	100%	100%	Plastic injection moulding and high precision plastic parts
Lean Teik Soon Sdn. Bhd.	Malaysia	100%	100%	Wholesaler/retailer of foodstuff and consumer goods
Denko Management Service Sdn. Bhd.	Malaysia	100%	100%	Provision of management services
Winsheng Plastic Marketing Sdn. Bhd.	Malaysia	100%	100%	Dormant
Subsidiary of WSP				
PT. Winsheng Plastic and Tooling Industry*	Indonesia	100%	-	Tooling fabrication and plastic part manufacture

* This subsidiary is audited by other firm of chartered accountants.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

6. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	At 1.4.2014 RM	Reclassification RM	Revaluation RM	Classified as held for sale RM	Additions RM	Disposals RM	Impairment losses RM	Translation difference RM	Depreciation charge RM	At 31.3.2015 RM
Net book value										
Freehold land	8,120,000	-	5,790,000	-	-	-	-	-	-	13,910,000
Freehold buildings	18,036,150	1,267,232	8,582,418	-	-	-	-	-	(385,800)	27,500,000
Leasehold land	975,716	-	1,248,376	(2,200,000)	-	-	-	-	(24,092)	-
Leasehold buildings	1,347,418	-	1,985,850	(3,300,000)	-	-	-	-	(33,268)	-
Cargo lift	215,460	(228,000)	17,100	-	-	-	-	-	(4,560)	-
Plant and machinery	10,528,075	-	-	-	2,372,565	-	(343,465)	-	(3,229,358)	9,327,817
Motor vehicles	361,357	-	-	-	-	(2)	-	-	(98,673)	262,682
Other property, plant and equipment*	4,798,498	(1,039,232)	-	-	191,469	(3,772)	-	(137)	(1,392,685)	2,554,141
Building under construction	-	-	-	-	726,581	-	-	-	-	726,581
	44,382,674	-	17,623,744	(5,500,000)	3,290,615	(3,774)	(343,465)	(137)	(5,168,436)	54,281,221

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

THE GROUP	At 1.4.2013 RM	Additions RM	Disposals RM	Impairment losses RM	Written off RM .	Disposal of a subsidiary RM	Depreciation charge RM	At 31.3.2014 RM
Net book value								
Freehold land	8,120,000	-	-	-	-	-	-	8,120,000
Freehold buildings	18,421,949	-	-	-	-	-	(385,799)	18,036,150
Leasehold land	999,808	-	-	-	-	-	(24,092)	975,716
Leasehold buildings	1,380,688	-	-	-	-	-	(33,270)	1,347,418
Cargo lift	220,020	-	-	-	-	-	(4,560)	215,460
Plant and machinery	14,538,291	583,585	(1)	(183,750)	-	(521,206)	(3,888,844)	10,528,075
Motor vehicles	481,657	-	-	-	-	(12,173)	(108,127)	361,357
Other property, plant and equipment*	5,193,156	1,202,172	-	-	(5,975)	(42,273)	(1,548,582)	4,798,498
	49,355,569	1,785,757	(1)	(183,750)	(5,975)	(575,652)	(5,993,274)	44,382,674

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

THE GROUP	At Cost RM	At Valuation RM	Accumulated Depreciation RM	Accumulated Impairment Losses RM	Net Book Value RM
2015					
Freehold land	-	13,910,000	-	-	13,910,000
Freehold buildings	-	27,500,000	-	-	27,500,000
Plant and machinery	60,679,642	-	(49,260,091)	(2,091,734)	9,327,817
Motor vehicles	2,087,574	-	(1,824,892)	-	262,682
Other property, plant and equipment*	19,655,585	-	(16,715,454)	(385,990)	2,554,141
Building under construction	726,581	-	-	-	726,581
	83,149,382	41,410,000	(67,800,437)	(2,477,724)	54,281,221
2014					
Freehold land	-	8,749,302	-	(629,302)	8,120,000
Freehold buildings	-	19,290,000	(1,253,850)	-	18,036,150
Leasehold land	-	1,050,000	(74,284)	-	975,716
Leasehold buildings	-	1,450,000	(102,582)	-	1,347,418
Cargo lift	228,000	-	(12,540)	-	215,460
Plant and machinery	58,307,077	-	(46,030,734)	(1,748,268)	10,528,075
Motor vehicles	2,221,785	-	(1,860,428)	-	361,357
Other property, plant and equipment*	24,947,498	-	(19,742,125)	(406,875)	4,798,498
	85,704,360	30,539,302	(69,076,543)	(2,784,445)	44,382,674

* Other property, plant and equipment comprise electrical installation, furniture and fittings, renovation, office equipment, air conditioners, tooling equipment, forklift and crane, computers, signboard and fire-fighting equipment.

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

(a) Included in property, plant and equipment of the Group are the following assets acquired under hire purchase terms:-

	THE GROUP 2015 RM	2014 RM
Motor vehicles	185,552	302,452
Plant and machinery	1,872,267	1,301,481
Other property, plant and equipment	487,500	637,500
	2,545,319	2,241,433

(b) As at 31 March 2015, the entire property, plant and equipment of the Group have been pledged as security for banking facilities granted to the Group (Note 19).

(c) During the financial year, the Group has recognised impairment losses of RM343,465 (2014: RM183,750) for plant and equipment, which are idle and no longer in use.

(d) The Group's freehold land and buildings have been revalued by an independent professional valuer in March 2015. The surpluses arising from the revaluations, net of deferred taxation, have been credited to other comprehensive income and accumulated in equity under the revaluation reserve.

THE GROUP	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2015				
Freehold land	-	13,910,000	-	13,910,000
Freehold buildings	-	27,500,000	-	27,500,000
	-	41,410,000	-	41,410,000

The fair values of the freehold land and buildings are analysed as follows:-

The level 2 fair values have been determined based on the market comparison approach that reflects recent transaction prices for similar properties. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

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

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

(e) If the freehold land, leasehold land and buildings were measured using the cost model, the carrying amounts would be as follows:-

THE GROUP	Freehold land RM	Freehold buildings RM	Total RM
2015			
Cost	7,686,000	16,549,149	24,235,149
Accumulated depreciation	-	(2,855,722)	(2,855,722)
At 31 March 2015	7,686,000	13,693,427	21,379,427

	Freehold land RM	Leasehold land RM	Buildings RM	Total RM
2014				
Cost	7,686,000	805,860	18,043,289	26,535,149
Accumulated depreciation	-	(57,011)	(2,630,443)	(2,687,454)
At 31 March 2014	7,686,000	748,849	15,412,846	23,847,695

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

7. INVENTORIES

	THE GROUP 2015 RM	THE GROUP 2014 RM
At cost:-		
Raw materials	3,759,341	2,592,571
Work-in-progress		
- Plastic parts	2,121,963	1,907,709
- Toolings	543,103	2,688,591
Packaging materials	529,765	342,302
Finished goods	8,113,968	4,916,178
	15,068,140	12,447,351
At net realisable value:-		
Finished goods	35,015	-
	15,103,155	12,447,351

8. TRADE RECEIVABLES

	THE GROUP 2015 RM	THE GROUP 2014 RM
Trade receivables	22,589,322	15,666,304
Allowance for impairment losses	(428,962)	(234,631)
	22,160,360	15,431,673
Allowance for impairment losses:-		
At 1 April	234,631	420,313
Addition for the financial year	237,251	206,168
Reversal during the financial year	(42,920)	(342,279)
Written off during the financial year	-	(19,732)
Transferred to assets of disposal group	-	(29,839)
At 31 March	428,962	234,631

The Group's normal trade credit terms range from 30 to 90 (2014: 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

8. TRADE RECEIVABLES (CONT'D)

Included in trade receivables of the Group is an amount of RM2,400 (2014: Nil) owing by a Company in which the family members of a key management personnel have interests.

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Other receivables	721,880	577,843	131,444	131,444
Deposits	855,320	127,440	1,000	1,000
Prepayments	286,351	223,672	6,254	24,430
	1,863,551	928,955	138,698	156,874
Allowance for impairment losses	(241,023)	(218,323)	(131,444)	(131,444)
	1,622,528	710,632	7,254	25,430
Allowance for impairment losses:-				
At 1 April	218,323	254,906	131,444	131,444
Addition for the financial year	38,700	-	-	-
Reversal during the financial year	(16,000)	(36,583)	-	-
At 31 March	241,023	218,323	131,444	131,444

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

10. AMOUNT OWING BY/(TO) SUBSIDIARIES

	THE COMPANY	
	2015	2014
	RM	RM
Amount owing by:-		
Non-trade		
- subsidiaries	2,829,975	3,428,650
Amount owing to-		
Non-trade		
- subsidiaries	(3,023,108)	(3,666,883)
At 31 March	(193,133)	(238,233)

The non-trade balances represent unsecured interest-free advances and payments made on behalf. The amounts owing are repayable on demand and to be settled in cash.

11. ASSETS CLASSIFIED AS HELD FOR SALES

On 4 June 2015, Lean Teik Soon, a wholly owned subsidiary of Denko Industrial Corporation Berhad had entered into a Sale and Purchase Agreement ("SPA") for the disposal of a piece of leasehold land and buildings for a total cash consideration of RM7,650,000 plus 6% Goods and Services Tax. The sale is expected to be completed within nine (9) months from the date of the SPA, which is on 3 March 2016.

At the end of the current reporting period, the leasehold land and building have been presented in the consolidated statement of financial position as "Assets classified as held for sale".

The assets classified as held for sales, measured at the lower of their carrying amount and fair value less cost to sell, are as follows:-

	THE GROUP
	2015
	RM
Leasehold land	2,200,000
Leasehold building	3,300,000
Assets classified as held for sales	5,500,000

The leasehold land and building have been pledged as security for banking facilities granted to the subsidiary (Note 19).

11. ASSETS CLASSIFIED AS HELD FOR SALES (CONT'D)

The cumulative income recognised in other comprehensive income relating to the assets classified as held for sales is as below:-

	THE GROUP 2015 RM
Revaluation surplus of leasehold land and building	2,719,092

12. SHARE CAPITAL

	THE COMPANY			
	2015	2014	2015	2014
	Number Of Shares		RM	RM
ORDINARY SHARES OF RM0.40 EACH:-				
AUTHORISED	179,000,000	179,000,000	71,600,000	71,600,000
ISSUED AND FULLY PAID-UP	104,468,851	104,468,851	41,787,540	41,787,540

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

13. RESERVES

THE GROUP	Share Premium RM	Revaluation Reserve RM	Foreign Currency Translation Reserve RM	Accumulated Losses RM	Total RM
Balance at 1.4.2013	1,566,419	3,790,334	-	(7,805,079)	(2,448,326)
Loss after tax for the financial year	-	-	-	(3,102,843)	(3,102,843)
Other comprehensive income for the financial year (Note 28) - Remeasurement of deferred tax on revalued properties	-	65,045	-	-	65,045
Total comprehensive expenses for the financial year	-	65,045	-	(3,102,843)	(3,037,798)
Balance at 31.3.2014	1,566,419	3,855,379	-	(10,907,922)	(5,486,124)

13. RESERVES (CONT'D)

THE GROUP	Share Premium RM	Revaluation Reserve RM	Foreign Currency Translation Reserve RM	Accumulated Losses RM	Total RM
Balance at 1.4.2014	1,566,419	3,855,379	-	(10,907,922)	(5,486,124)
Profit after tax for the financial year	-	-	-	2,844,877	2,844,877
Other comprehensive income for the financial year (Note 28)					
- Revaluation of properties	-	14,103,808	-	-	14,103,808
- Foreign currency translation differences	-	-	(3,049)	-	(3,049)
Total comprehensive income for the financial year	-	14,103,808	(3,049)	2,844,877	16,945,636
Balance at 31.3.2015	1,566,419	17,959,187	(3,049)	(8,063,045)	11,459,512

13. RESERVES (CONT'D)

THE COMPANY	Share Premium RM	Retained Profits RM	Total RM
Balance at 1.4.2013	1,566,419	4,997,267	6,563,686
Loss after tax for the financial year	-	(1,645,085)	(1,645,085)
Balance at 31.3.2014/1.4.2014	1,566,419	3,352,182	4,918,601
Loss after tax for the financial year	-	(777,833)	(777,833)
Balance at 31.3.2015	1,566,419	2,574,349	4,140,768

The nature and purposes of reserves are as below:-

(a) Share Premium

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

(b) Revaluation Reserve

The revaluation reserve represents the increase in the fair value of freehold land, leasehold land and buildings of the Group (net of deferred tax, where applicable).

(c) Foreign Exchange Translation Reserve

The foreign exchange translation reserve arose from the translation of the financial statements of foreign subsidiary and is not distributable by way of dividends.

(d) Retained Profits

Under the single tier tax system, tax on the Company's profits is a final tax, and dividends distributed to the shareholders will be exempted from tax.

14. LONG-TERM BORROWINGS

	THE GROUP	
	2015	2014
	RM	RM
Hire purchase payables (Note 20)	1,389,576	1,335,915
Term loans (Note 21)	1,564,110	2,460,510
	2,953,686	3,796,425

15. DEFERRED TAX LIABILITIES

	THE GROUP	
	2015	2014
	RM	RM
At 1 December	4,107,000	5,281,064
Recognised in profit or loss (Note 26)	(857,100)	(967,019)
Recognised in other comprehensive income (Note 28)	2,890,634	(65,045)
Transferred to assets of disposal group	-	(142,000)
At 31 March	6,140,534	4,107,000

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

15. DEFERRED TAX LIABILITIES (CONT'D)

(a) The deferred tax assets and liabilities are attributable to the following:-

	THE GROUP	
	2015	2014
	RM	RM
Deferred tax assets:-		
- Unabsorbed capital allowances	-	(237,000)
- Unutilised tax losses	-	(1,000)
- Other temporary differences	(359,200)	(114,000)
	(359,200)	(352,000)
Deferred tax liabilities:-		
- Accelerated capital allowances	2,527,100	3,379,000
- Unrealised foreign exchange gain	52,000	-
- Revaluation of land and buildings	3,920,634	1,080,000
	6,499,734	4,459,000
Net deferred tax liabilities	6,140,534	4,107,000

(b) The components and movements of deferred tax assets and liabilities during the year prior to offsetting are as follows:-

THE GROUP Deferred tax assets:-	Unabsorbed capital allowances RM	Unutilised tax losses RM	Other temporary differences RM	Total RM
Balance at 1.4.2014	(237,000)	(1,000)	(114,000)	(352,000)
Recognised in profit or loss	237,000	1,000	(245,200)	(7,200)
Balance at 31.3.2015	-	-	(359,200)	(359,200)
Balance at 1.4.2013	(208,827)	-	(11,000)	(219,827)
Recognised in profit or loss	(28,173)	(1,000)	(103,000)	(132,173)
Balance at 31.3.2014	(237,000)	(1,000)	(114,000)	(352,000)

15. DEFERRED TAX LIABILITIES (CONT'D)

(b) The components and movements of deferred tax assets and liabilities during the year prior to offsetting are as follows (cont'd):-

THE GROUP Deferred tax liability:-	Unrealised foreign exchange gain RM	Accelerated capital allowances RM	Revaluation of land and buildings RM	Total RM
Balance at 1.4.2014	-	3,379,000	1,080,000	4,459,000
Recognised in profit or loss	52,000	(851,900)	2,840,634	2,040,734
Balance at 31.3.2015	52,000	2,527,100	3,920,634	6,499,734
Balance at 1.4.2013		4,246,530	1,254,361	5,500,891
Recognised in profit or loss		(867,530)	(174,361)	(1,041,891)
Balance at 31.3.2014		3,379,000	1,080,000	4,459,000

16. AMOUNT OWING TO DIRECTORS

The amount owing to directors is unsecured, interest-free and repayable on demand, except for the amount classified in non-current which is not repayable within the next 12 months. The amount owing is to be settled in cash.

17. TRADE PAYABLES

	THE GROUP 2015 RM	 2014 RM
Current		
- Third parties	9,468,127	6,141,863
- Related parties	-	2,787
	9,468,127	6,144,650

The normal trade credit terms granted to the Group range from 60 to 90 (2014: 30 to 90) days.

18. OTHER PAYABLES AND ACCRUALS

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Other payables	2,026,765	1,706,164	124,433	473,224
Accrued expenses	5,002,388	3,838,441	98,624	105,500
Progress billings on toolings	884,729	3,430,952	-	-
Amount owing to a related party	-	1,478	-	-
	7,913,882	8,977,035	223,057	578,724

19. SHORT-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Bankers' acceptances	8,958,000	9,079,000	-	-
Revolving credit	2,000,000	2,000,000	-	-
Hire purchase payables (Note 20)	702,207	542,565	-	25,491
Term loans (Note 21)	980,999	1,124,752	-	-
	12,641,206	12,746,317	-	25,491

Bankers' acceptance and bills payable are drawn for a period of up to 110 days (2014: 114 days) and bear interest range from 5.28% to 5.70% (2014: 4.80% to 6.06%) per annum.

The revolving credit, bankers' acceptances and bank overdraft are secured by:-

(i) first and second legal charges over all the freehold land, leasehold land and buildings of the Group as disclosed in Notes 6 and 11 to the financial statements;

(ii) fixed and floating charge over all the present and future assets of the assets of a subsidiary as disclosed in Note 6 to the financial statements; and

(iii) corporate guarantee from the Company.

20. HIRE PURCHASE PAYABLES

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Minimum hire purchase payments:				
- not later than one year	824,400	663,679	-	35,643
- later than one year and not later than five years	1,522,580	1,463,423	-	-
	2,346,980	2,127,102	-	35,643
Less: Future finance charges	(255,197)	(248,622)	-	(10,152)
Present value of hire purchase payables	2,091,783	1,878,480	-	25,491
Current				
Not later than one year (Note 19)	702,207	542,565	-	25,491
Non-Current				
Later than one year and not later than five years (Note 14)	1,389,576	1,335,915	-	-
	2,091,783	1,878,480	-	25,491

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

21. TERM LOANS

	THE GROUP	
	2015	2014
	RM	RM
Current (Note 19)		
Not later than one year	980,999	1,124,752
Non-Current (Note 14)		
Later than one year and not later than five years	1,564,110	2,460,510
	2,545,109	3,585,262

The term loans are secured by a first party legal charge over the subsidiary's freehold land and buildings and corporate guarantee provided by the Company.

The repayment terms of the term loans are as follows:-

Term loan 1 [at Base Lending Rate ("BLR") + 1.75% per annum]	Repayable in 144 monthly instalments of RM41,671, effective from January 2002.
Term loan 2 [at Base Lending Rate ("BLR") + 0.30% per annum]	Repayable in 120 monthly instalments of RM94,315, effective from May 2007.

22. BANK OVERDRAFT

Bank overdraft to a limit of RM1,000,000 (2014: RM1,000,000) is payable on demand and secured in the same manner as disclosed in Note 19 to the financial statements.

23. REVENUE

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Sale of goods	80,076,714	74,445,086	-	-
Dividend income	-	-	-	920,000
	80,076,714	74,445,086	-	920,000

24. EMPLOYEE BENEFITS

	THE GROUP	
	2015	2014
	RM	RM
Short-term employee benefits	20,806,514	19,585,725
Contributions to defined contribution plans	1,183,424	1,144,877
	21,989,938	20,730,602

Included in employee benefits is key management personnel compensation as disclosed in Note 33 to the financial statements.

25. PROFIT/(LOSS) BEFORE TAX

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Profit/(Loss) before tax is arrived at after charging:-				
Audit fee				
- current year	94,000	85,000	43,000	43,000
- over-provision in the previous financial year	-	(10,296)	-	(7,700)
Bad debts written off	22,417	24,377	-	-
Depreciation of property, plant and equipment	5,168,436	5,905,141	-	-
Directors' remuneration:-				
- EPF contributions	185,175	183,230	-	-
- fees	240,000	240,000	240,000	240,000
- other emoluments	1,288,250	1,252,891	28,000	33,000
Impairment losses on				
- property, plant and equipment	343,465	183,750	-	-
- other receivables	38,700	-	-	-
- trade receivables	237,251	206,168	-	-

25. PROFIT/(LOSS) BEFORE TAX (CONT'D)

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Profit/(Loss) before tax is arrived at after charging:-				
Interest expenses on				
- banker acceptances	105,512	422,862	-	-
- bank overdraft	313,720	8,611	-	-
- hire purchases	143,612	132,239	11,009	-
- revolving credit	157,160	159,584	-	-
- term loans	213,926	299,771	-	-
- others	-	(173,049)	-	-
Inventory written off	115,634	168,004	-	-
Loss on disposal of a subsidiary	-	1,802,838	-	1,100,000
Loss on foreign exchange				
- realised	-	24,524	-	-
- unrealised	-	65,777	-	-
Property, plant and equipment written off	-	5,975	-	-
Rental expenses on				
- hostel	335,388	335,517	-	-
- office	33,240	-	12,000	12,000
and crediting:-				
Bad debts recovered	-	321	-	-
Dividend income	-	-	-	920,000

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

25. PROFIT/(LOSS) BEFORE TAX (CONT'D)

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
and crediting (cont'd):-				
Gain on disposal of property, plant and equipment	28,026	799	-	-
Gain on foreign exchange				
- realised	340,889	99,768	-	-
- unrealised	208,327	-	-	-
Interest income	4,242	2,509	1,954	-
Over provision of directors' fees	253,000	-	253,000	-
Rental income from premises	9,000	-	-	-
Reversal of impairment losses on				
- freehold land and buildings	629,302	-	-	-
- other receivables	16,000	36,583	-	-
- trade receivables	42,920	233,934	-	-
Reversal of inventory written off	880,745	-	-	-

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

26. TAX (INCOME)/EXPENSE

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Income tax				
- current tax	410,000	3,000	-	230,000
- (over)/under provision in the previous financial year	(52,207)	40,859	(52,207)	-
	357,793	43,859	(52,207)	230,000
Deferred tax (Note 15)				
- relating to origination or reversal of temporary differences	(276,500)	(557,000)	-	-
- effect of change in corporate income tax rate from 25% to 24% on deferred tax	(102,000)	(99,955)	-	-
- over provision in the previous financial year	(478,600)	(310,064)	-	-
	(857,100)	(967,019)	-	-
	(499,307)	(923,160)	(52,207)	230,000

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

A reconciliation of tax expense/(income) applicable to the profit/(loss) before tax at the statutory tax rate to tax (income)/expense at the effective tax rate of the Group and the Company is as follows:-

	THE GROUP 2015 RM	THE GROUP 2014 RM	THE COMPANY 2015 RM	THE COMPANY 2014 RM
Profit/(Loss) before tax	2,345,570	(4,533,365)	(830,040)	(1,415,085)
Tax at the statutory tax rate of 25% (2014 - 25%)	586,393	(1,133,341)	(207,510)	(353,771)
Tax effects of:-				
Non-deductible expenses	798,744	966,807	271,249	583,771
Non-taxable income	(70,739)	(87,766)	(63,739)	-
Tax incentives - reinvestment allowance	(950,000)	-	-	-
Reversal of deferred tax assets previously not recognised	-	(299,700)	-	-
Deferred tax asset not recognised in current financial year	(230,898)	-	-	-
Effect of change in corporate income tax rate from 25% to 24% on deferred tax	(102,000)	(99,955)	-	-
(Over)/Under provision of income tax expense in the previous financial year	(52,207)	40,859	(52,207)	-
Over provision of deferred tax in the previous financial year	(478,600)	(310,064)	-	-
Tax (income)/expense for the financial year	(499,307)	(923,160)	(52,207)	230,000

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

The statutory tax rate will be reduced from the current financial year's rate of 25% to 24%, with effective from year of assessment 2016.

Subject to the agreement with the tax authorities, at the end of the reporting period, the unabsorbed capital allowances, unutilised reinvestment allowances and unutilised tax losses of the Group are as follows:-

	THE GROUP	
	2015	2014
	RM	RM
Unabsorbed capital allowances	-	787,000
Unutilised reinvestment allowance	20,571,000	24,785,000
Unabsorbed tax losses	659,000	1,772,000
	21,230,000	27,344,000

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

27. PROFIT AFTER TAX FROM DISCONTINUED OPERATIONS

In previous financial year, the Company disposed of its entire investment in Denko IPC Sdn. Bhd. for a cash consideration of RM1,900,000 and the disposal was completed in September 2013. Denko IPC Sdn. Bhd. was involved in the production of packaging material and vacuum foam.

An analysis of the results of the discontinued operations is as follows:-

	THE GROUP	
	2015	2014
	RM	RM
Revenue	-	2,853,927
Cost of sales	-	(2,013,640)
Gross profit	-	840,287
Other income	-	328,423
Distribution costs	-	(297,985)
Administrative expenses	-	(277,562)
Other operating expenses	-	(3,464)
Profit before tax	-	589,699
Tax expense	-	(82,337)
Profit after tax from discontinued operations	-	507,362

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

27. PROFIT AFTER TAX FROM DISCONTINUED OPERATIONS (CONT'D)

(a) Included in profit before taxation from the discontinued operations are the following:-

	THE GROUP 2015 RM	2014 RM
Profit before tax is arrived at after charging:		
Audit fee	-	7,140
Depreciation of property, plant and equipment	-	88,133
Directors' non-fee emoluments	-	60,480
Rental of equipment	-	1,267
Rental of hostel	-	7,930
Rental of factory	-	81,000
Loss on foreign exchange - unrealised	-	3,464
Staff costs:		
- defined contribution plan	-	45,593
- salaries and others	-	477,687
And crediting:		
Interest income from deposits with licensed bank	-	2,509
Reversal of impairment losses on		
- trade receivables	-	108,345
Gain on foreign exchange - realised	-	15,399

(b) The cash flows attributable to the discontinued operations are the following:-

	THE GROUP 2015 RM	2014 RM
Net cash for operating activities	-	(1,047,855)
Net cash for investing activities	-	(7,794)
Net cash from financing activities	-	2,065,569
Net cash from discontinued operations	-	1,009,920

27. PROFIT AFTER TAX FROM DISCONTINUED OPERATIONS (CONT'D)

(c) The effect of disposal of the discontinued operations on the financial position is as follows:-

	THE GROUP 2014 RM	THE COMPANY 2014 RM
Investment in a subsidiary	-	3,000,000
Property, plant and equipment	575,652	-
Inventories	836,441	-
Trade receivables	1,098,679	-
Other receivables	1,637,264	-
Cash and cash equivalents	1,326,424	-
Trade payables	(442,719)	-
Other payables	(561,362)	-
Tax payable	(625,541)	-
Deferred tax liabilities	(142,000)	-
Net assets	3,702,838	3,000,000
Loss on disposal of discontinued operations	(1,802,838)	(1,100,000)
Consideration received, satisfied in cash	1,900,000	1,900,000
Cash and cash equivalents disposed of	(1,326,424)	-
Net cash inflow on disposal	573,576	1,900,000

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

28. OTHER COMPREHENSIVE INCOME

	THE GROUP 2015 RM	2014 RM
Item that will not be reclassified subsequently to profit or loss		
Foreign currency translation differences	(3,049)	-
Revaluation of properties	16,994,442	-
Less: deferred tax	(2,890,634)	-
	14,103,808	-
Remeasurement of deferred tax on revalued properties arising from change in statutory tax rate	-	65,045
	14,100,759	65,045

29. EARNINGS PER SHARE (SEN)

	THE GROUP 2015 RM	2014 RM
Continuing operations		
Profit/(Loss) attributable to owners of the Company (RM)	2,844,877	(3,610,205)
Weighted average number of ordinary shares at 31 March	104,468,851	104,468,851
Basic earnings/(loss) per share (sen)	2.72	(3.46)
Discontinued operations		
Profit attributable to owners of the Company (RM)	-	507,362
Weighted average number of ordinary shares at 31 March	-	104,468,851
Basic earnings per share (sen)	-	0.49

The diluted earnings per share was not applicable as there were no dilutive potential ordinary shares outstanding at the end of the financial year.

30. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	THE GROUP	
	2015	2014
	RM	RM
Cost of property, plant and equipment purchased	3,290,615	1,785,757
Amount financed through hire purchase	(671,366)	(1,032,943)
Cash disbursed for purchase of property, plant and equipment	2,619,249	752,814

31. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Cash and bank balances	2,334,908	378,167	411	17,616
Bank overdraft (Note 22)	(513,535)	(593,088)	-	-
	1,821,373	(214,921)	411	17,616

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

32. DIRECTORS' REMUNERATION

(a) The aggregate amount of remuneration received and receivable by the directors of the Group and of the Company during the financial year are as follows:-

	THE GROUP		THE COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Executive directors				
- Non-fee emoluments	1,445,425	1,463,601	-	-
Non-Executive directors				
- Fee	240,000	240,000	240,000	240,000
- Non-fee emoluments	28,000	33,000	28,000	33,000
Total	1,713,425	1,736,601	268,000	273,000

	THE GROUP Number of Directors		THE COMPANY Number of Directors	
	2015	2014	2015	2014
Non-Executive directors				
Below RM50,000	5	5	5	5
RM50,000 - RM100,000	1	1	1	1
Executive directors				
RM50,000 - RM100,000	-	1	-	-
RM500,001 - RM600,000	-	1	-	-
RM600,001 - RM650,000	1	-	-	-
RM800,001 - RM850,000	1	1	-	-
	8	9	6	6

33. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Subsidiaries				
Dividend received	-	-	-	(920,000)
Rental paid/payable	-	-	12,000	12,000
Management fee paid/ payable	-	-	600,000	600,000
Company related by common key management personnel				
Sub-contractor fee paid/payable	-	18,470	-	-
Sales of plastic parts and toolings	22,026	111,483	-	-

(c) Key management personnel compensation:

Short-term employee benefits	6,126,235	5,807,056	268,000	273,000
Post-employment benefits				
- Defined contribution plan	678,884	614,665	-	-
	6,805,119	6,421,721	268,000	273,000

34. CONTINGENT LIABILITIES

	THE COMPANY	
	2015	2014
	RM	RM
Corporate guarantees given to licensed banks for banking facilities granted to subsidiaries:-	15,967,000	16,896,000

35. CAPITAL COMMITMENT

	THE GROUP	
	2015	2014
	RM	RM
Authorised but not contracted for		
Purchase of property, plant and equipment	3,145,888	6,602,857
Contracted but not provided for		
Purchase of property, plant and equipment	2,971,241	-

36. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Executive Committee as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into the 2 reportable business segments as follows:-

(i) Manufacturing – Manufacture and sale of consumer and industrial products.

(ii) Trading – Wholesaler/retailer of foodstuff.

Other operating segments that do not constitute reportable segments comprise investment holding and management services.

The Group Executive Committee assesses the performance of the operating segments based on operating profit or loss which is measured differently from those disclosed in the consolidated financial statements.

36. OPERATING SEGMENTS (CONT'D)

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly tax assets and liabilities, corporate assets (primarily the Company's headquarters) and head office expenses. Even though loans and borrowings arise from financing activities rather than operating activities, they are allocated to the segments based on relevant factors (eg. funding requirements).

Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties.

Business Segments

	MANUFACTURING RM	TRADING RM	OTHERS RM	GROUP RM
2015				
Revenue				
External revenue	70,966,218	9,110,496	-	80,076,714
Inter-segment revenue	4,020	-	1,274,328	1,278,348
Total revenue	70,970,238	9,110,496	1,274,328	81,355,062
Eliminations				(1,278,348)
Consolidated revenue				80,076,714

36. OPERATING SEGMENTS (CONT'D)

Business Segments (Cont'd)

	MANUFACTURING RM	TRADING RM	OTHERS RM	GROUP RM
2015				
Results				
Segment results	7,611,810	(468,869)	1,113,877	8,256,818
Adjustments and eliminations	882,287	(207,959)	(674,328)	-
Finance costs	(781,322)	(158,609)	(11,010)	(950,941)
Tax income/(expense)	290,100	157,000	52,207	499,307
	8,002,875	(678,437)	480,746	7,805,184
Other material items of income	399,809	9,000	253,000	661,809
Depreciation of property, plant and equipment	(4,923,440)	(244,996)	-	(5,168,436)
Other material items of expenses	(350,628)	(18,000)	-	(368,628)
Other non-cash income/(expenses)	1,136,152	(147,219)	-	988,933
	4,264,768	(1,079,652)	733,746	3,918,862
Unallocated expenses				(1,073,985)
Consolidated profit after tax				2,844,877

36. OPERATING SEGMENTS (CONT'D)

Business Segments (Cont'd)

	MANUFACTURING RM	TRADING RM	OTHERS RM	GROUP RM
2015				
Assets				
Segment assets	86,504,662	14,488,897	8,613	101,002,172
Tax recoverable				182,857
Consolidated total assets				101,185,029
Liabilities				
Segment liabilities	33,940,799	5,449,531	2,407,113	41,797,443
Deferred tax liabilities				6,140,534
Consolidated total liabilities				47,937,977
Other Segment Items				
Additions to non-current assets other than financial instruments:				
- Property, plant and equipment	3,272,965	17,650	-	3,290,615

36. OPERATING SEGMENTS (CONT'D)

Business Segments (Cont'd)

	CONTINUING OPERATIONS				DISCONTINUED OPERATIONS	
	MANUFACTURING	TRADING	OTHERS	GROUP	MANUFACTURING	TOTAL OPERATIONS
	RM	RM	RM	RM	RM	RM
2014						
Revenue						
External revenue	59,484,387	14,960,699	-	74,445,086	2,853,927	77,299,013
Inter-segment revenue	-	6,666	1,362,385	1,369,051	98,213	1,467,264
Dividend income	-	-	920,000	920,000	-	920,000
Total revenue	59,484,387	14,967,365	2,282,385	76,734,137	2,952,140	79,686,277
Eliminations				(2,289,051)	(98,213)	(2,387,264)
Consolidated revenue				74,445,086	2,853,927	77,299,013

36. OPERATING SEGMENTS (CONT'D)

Business Segments (Cont'd)

	CONTINUING OPERATIONS				DISCONTINUED OPERATIONS	TOTAL
	MANUFACTURING RM	TRADING RM	OTHERS RM	GROUP RM	MANUFACTURING RM	OPERATIONS RM
2014						
Results						
Segment results	4,314,017	270,450	2,208,570	6,793,037	710,673	7,503,710
Adjustments and eliminations	831,546	(18,237)	(1,682,385)	(869,076)	(62,924)	(932,000)
Finance costs	(713,677)	(157,577)	-	(871,254)	-	(871,254)
Tax income/(expense)	1,041,360	(118,200)	-	923,160	(82,337)	840,823
	5,473,246	(23,564)	526,185	5,975,867	565,412	6,541,279
Other material items of income	370,285	-	-	370,285	123,744	494,029
Depreciation of property, plant and equipment	(5,690,814)	(214,327)	-	(5,905,141)	(88,133)	(5,993,274)
Other material items of expenses	(317,217)	(42,824)	-	(360,041)	(90,197)	(450,238)
Other non-cash expenses	(514,126)	(139,126)	(1,802,838)	(2,456,090)	(3,464)	(2,459,554)
	(678,626)	(419,841)	(1,276,653)	(2,375,120)	507,362	(1,867,758)
Unallocated expenses						(1,235,085)
Consolidated loss after tax						(3,102,843)

36. OPERATING SEGMENTS (CONT'D)

Business Segments (Cont'd)

	CONTINUING OPERATIONS				DISCONTINUED OPERATIONS	
	MANUFACTURING	TRADING	OTHERS	GROUP	MANUFACTURING	TOTAL OPERATIONS
	RM	RM	RM	RM	RM	RM
2014						
Assets						
Segment assets	64,340,400	8,965,851	44,246	73,350,497	-	73,350,497
Tax recoverable						1,272,232
Consolidated total assets						74,622,729
Liabilities						
Segment liabilities	27,282,146	4,345,220	2,586,947	34,214,313	-	34,214,313
Deferred tax liabilities						4,107,000
Consolidated total liabilities						38,321,313
Other Segment Items						
Additions to non-current assets other than financial instruments:						
- Property, plant and equipment	1,028,289	755,598	-	1,783,887	1,870	1,785,757

36. OPERATING SEGMENT (CONT'D)

Business Segments (Cont'd)

(a) Other material items of income consist of the following:-

	THE GROUP	
	2015	2014
	RM	RM
Gain on foreign currency - realised	340,889	115,167
Over provision of directors' fees	253,000	-
Reversal of impairment losses on		
- other receivables	16,000	36,583
- trade receivables	42,920	342,279
Rental income from premises	9,000	-
	661,809	494,029

(b) Other material items of expenses consist of the following:-

	THE GROUP	
	2015	2014
	RM	RM
Loss on foreign currency - realised	-	24,524
Rental expenses		
- equipment	-	1,267
- factory	-	81,000
- hostel	335,388	343,447
- office	33,240	-
	368,628	450,238

36. OPERATING SEGMENTS (CONT'D)

Business Segments (Cont'd)

(c) Other material non-cash income/(expenses) consist of the following:-

	THE GROUP 2015 RM	THE GROUP 2014 RM
Bad debt written off	(22,417)	(24,377)
Gain on disposal of property, plant and equipment	28,026	799
Gain on foreign currency - unrealised	208,327	-
Impairment losses on		
- other receivables	(38,700)	-
- property, plant and equipment	(343,465)	(183,750)
- trade receivables	(237,251)	(206,168)
Inventory written off	(115,634)	(168,004)
Loss on disposal of a subsidiary	-	(1,802,838)
Loss on foreign currency - unrealised	-	(69,241)
Property, plant and equipment written off	-	(5,975)
Reversal of impairment losses for freehold land and buildings	629,302	-
Reversal of inventory written off	880,745	-
	988,933	(2,459,554)

Geographical Segments

	REVENUE 2015 RM	REVENUE 2014 RM	NON-CURRENT ASSETS 2015 RM	NON-CURRENT ASSETS 2014 RM
Africa	-	83,895	-	-
America	3,849,290	6,632,631	-	-
Asia-pacific	13,081,877	11,913,331	2,440,248	-
Europe	363,713	429,214	-	-
Malaysia	62,781,834	55,386,015	51,840,973	44,382,674
	80,076,714	74,445,086	54,281,221	44,382,674

36. OPERATING SEGMENTS (CONT'D)

Major Customers

The following are major customers with revenue equal to or more than 10% of Group revenue:-

	REVENUE 2015 RM	REVENUE 2014 RM	SEGMENT
Customer A	15,089,414	19,897,203	Manufacturing segment
Customer B	16,796,916	-	Manufacturing segment
	31,886,330	19,897,203	

37. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

37.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily, United States Dollar ("USD"), Euro Dollar ("EURO") and Singapore Dollar ("SGD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency exposure

THE GROUP	USD RM	EURO RM	SGD RM
2015			
Financial Assets			
Trade receivables	7,874,390	72,918	170,434
Cash and bank balances	4,205	35,862	113,862
	7,878,595	108,780	284,296
Financial Liabilities			
Trade payables	2,318,715	8,075	136,687
Other payables	40,135	-	121,112
	2,358,850	8,075	257,799
Net currency exposure	5,519,745	100,705	26,497

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency exposure

THE GROUP	USD RM	EURO RM	SGD RM
2014			
Financial Assets			
Trade receivables	2,854,424	84,948	61,836
Cash and bank balances	3,546	4,220	46,333
	2,857,970	89,168	108,169
Financial Liabilities			
Trade payables	1,190,140	133,503	163,711
Other payables	11,295	-	172,829
	1,201,435	133,503	336,540
Net currency exposure	1,656,535	(44,335)	(228,371)

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the financial year, with all other variables held constant:-

	THE GROUP	
	2015	2014
	RM	RM
Effects on profit after tax		
USD/RM - strengthened by 16% (2014: 12%)	645,945	119,482
- weakened by 16% (2014: 12%)	(645,945)	(119,482)
SGD/RM - strengthened by 7% (2014: 9%)	1,121	(18,326)
- weakened by 7% (2014: 9%)	(1,121)	18,326
EURO/RM - strengthened by 16% (2014: 18%)	21,428	(11,324)
- weakened by 16% (2014: 18%)	(21,428)	11,324

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 37.1 (c) to the financial statements.

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	THE GROUP	
	2015	2014
	RM	RM
Effects on profit after tax		
Increase of 25 basis points (bp) (2014: 30 bp)	(21,683)	(30,603)
Decrease of 25 bp (2014: 30 bp)	21,683	30,603

(iii) Equity Price Risk

The Company does not have any quoted investments and hence is not exposed to price risk.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

(i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by 3 (2014: 3) customers which constituted approximately 53% (2014: 46%) of its trade receivables as at the end of the reporting period.

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(ii) Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the end of the reporting period.

The carrying amount of trade receivables represents the Group maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

The exposure of credit risk for trade receivables (including amount owing by related parties) by geographical region is as follows:-

	THE GROUP	
	2015	2014
	RM	RM
Asia-pacific	3,637,655	1,853,223
Malaysia	17,764,246	12,567,844
North America	665,607	898,033
Others	92,852	112,573
Total	22,160,360	15,431,673

(iii) Ageing analysis

The ageing analysis of the Group's trade receivables as at end of the reporting period is as follows:-

THE GROUP	GROSS AMOUNT RM	INDIVIDUAL IMPAIRMENT RM	CARRYING VALUE RM
2015			
Not past due	15,200,597	-	15,200,597
Past due:			
- less than 3 months	5,378,722	(26,099)	5,352,623
- 3 to 6 months	1,703,921	(185,953)	1,517,968
- over 6 months	306,082	(216,910)	89,172
	22,589,322	(428,962)	22,160,360

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Ageing analysis (Cont'd)

THE GROUP	GROSS AMOUNT RM	INDIVIDUAL IMPAIRMENT RM	CARRYING VALUE RM
2014			
Not past due	9,194,596	-	9,194,596
Past due:			
- less than 3 months	5,939,750	-	5,939,750
- 3 to 6 months	503,118	(205,791)	297,327
- over 6 months	28,840	(28,840)	-
	15,666,304	(234,631)	15,431,673

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 90 days, which are deemed to have higher credit risk, are monitored individually.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

THE GROUP	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM
2015					
Trade payables	-	9,468,127	9,468,127	9,468,127	-
Other payables and accruals	-	7,913,882	7,913,882	7,913,882	-
Amount owing to directors	-	8,307,007	8,307,007	8,307,007	-
Bankers' acceptances	5.28 - 5.70	8,958,000	8,958,000	8,958,000	-
Revolving credit	8.10	2,000,000	2,000,000	2,000,000	-
Hire purchase payables	5.23 - 6.98	2,091,783	2,346,980	824,400	1,522,580
Term loans	7.15 - 8.10	2,545,109	2,779,425	1,131,780	1,647,645
Bank overdraft	8.50	513,535	513,535	513,535	-
		41,797,443	42,286,956	39,116,731	3,170,225

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

THE GROUP	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
2014						
Trade payables	-	6,144,650	6,144,650	6,144,650	-	-
Other payables and accruals	-	8,977,035	8,977,035	8,977,035	-	-
Amount owing to directors	-	1,956,798	1,956,798	543,800	1,412,998	-
Bankers' acceptances	3.50 - 6.06	9,079,000	9,079,000	9,079,000	-	-
Revolving credit	8.10	2,000,000	2,000,000	2,000,000	-	-
Hire purchase payables	5.23 - 7.26	1,878,480	2,127,102	663,679	1,451,217	12,206
Term loans	6.90 - 8.35	3,585,262	4,003,355	1,333,217	2,670,138	-
Bank overdraft	8.35	593,088	593,088	593,088	-	-
		34,214,313	34,881,028	29,334,469	5,534,353	12,206

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

THE COMPANY	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2015				
Other payables and accruals	-	223,057	223,057	223,057
Amount owing to subsidiaries	-	3,023,108	3,023,108	3,023,108
Amount owing to directors	-	751,800	751,800	751,800
		3,997,965	3,997,965	3,997,965
2014				
Other payables and accruals	-	578,724	578,724	578,724
Amount owing to subsidiaries	-	3,666,883	3,666,883	3,666,883
Amount owing to directors	-	543,800	543,800	543,800
Hire purchase payables	3.51	25,491	35,643	35,643
		4,814,898	4,825,050	4,825,050

37.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholder(s) value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as total net borrowings from financial institutions divided by total equity.

There was no change in the Group's approach to capital management during the financial year.

37. FINANCIAL INSTRUMENTS (CONT'D)

37.2 CAPITAL RISK MANAGEMENT (CONT'D)

The debt-to-equity ratio of the Group as at the end of the financial year was as follows:-

	THE GROUP	
	2015	2014
	RM	RM
Bankers' acceptances	8,958,000	9,079,000
Revolving credit	2,000,000	2,000,000
Hire purchase payables	2,091,783	1,878,480
Term loans	2,545,109	3,585,262
Bank overdraft	513,535	593,088
	16,108,427	17,135,830
Less: Cash and bank balances	(2,334,908)	(378,167)
Net debt	13,773,519	16,757,663
Total equity	53,247,052	36,301,416
Debt-to-equity ratio	25.87%	46.16%

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

[THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

37. FINANCIAL INSTRUMENTS (CONT'D)

37.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Financial Assets				
Loans and receivables financial assets				
Trade receivables	22,160,360	15,431,673	-	-
Other receivables and deposits	1,336,177	486,960	1,000	1,000
Amount owing by subsidiaries	-	-	2,829,975	3,428,650
Cash and bank balances	2,334,908	378,167	411	17,616
	25,831,445	16,296,800	2,831,386	3,447,266
Financial Liabilities				
Other financial liabilities				
Trade payables	9,468,127	6,144,650	-	-
Other payables and accruals	7,913,882	8,977,035	223,057	578,724
Amount owing to subsidiaries	-	-	3,023,108	3,666,883
Amount owing to directors	8,307,007	1,956,798	751,800	543,800
Bankers' acceptances	8,958,000	9,079,000	-	-
Revolving credit	2,000,000	2,000,000	-	-
Hire purchase payables	2,091,783	1,878,480	-	25,491
Term loans	2,545,109	3,585,262	-	-
Bank overdraft	513,535	593,088	-	-
	41,797,443	34,214,313	3,997,965	4,814,898

37. FINANCIAL INSTRUMENTS (CONT'D)

37.4 FAIR VALUES INFORMATION

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. These fair values are included in level 2 of the fair value hierarchy.

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
2015								
Financial Liabilities								
Hire purchase payables	-	-	-	-	2,104,998	-	2,104,998	2,091,783
Term loans	-	-	-	-	2,545,109	-	2,545,109	2,545,109
2014								
Financial Liabilities								
Hire purchase payables	-	-	-	-	1,871,089	-	1,871,089	1,878,480
Term loans	-	-	-	-	3,585,262	-	3,585,262	3,585,262

37. FINANCIAL INSTRUMENTS (CONT'D)

37.4 FAIR VALUES INFORMATION (CONT'D)

The fair values of level 2 above have been determined using the following basis:-

The fair values of hire purchase payables and term loans are determined by discounting the relevant cash flows using interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	2015 %	2014 %
Hire purchase payables	5.23 - 6.98	6.44 - 6.80
Term loans	7.15 - 8.10	6.90 - 8.35

38. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 5 May 2014, the Company through its wholly-owned subsidiary, Winsheng Plastic Industry Sdn. Bhd. incorporated a wholly owned subsidiary in Indonesia namely PT Winsheng Plastic and Tooling Industry ("PTWSP") with intended principal activities of tooling fabrication and plastic parts manufacture. The authorised share capital of PTWSP is IDR27,000,000,000 comprising 270,000 shares of IDR100,000 each of which 90,000 shares are issued and fully paid (equivalent to RM2,547,000).

39. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

On 4 June 2015, the Group announced that Lean Teik Soon Sdn. Bhd., a wholly owned subsidiary had entered into a Sale and Purchase Agreement ("SPA") for the disposal of a leasehold land and building for a total cash consideration of RM7,650,000 plus 6% Goods and Services Tax. The disposal is expected to be completed within nine (9) months from the date of the SPA, which is on 3 March 2016.

40. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED (LOSSES)/PROFITS

The breakdown of the (accumulated losses)/retained profits of the Group and of the Company as at the end of the reporting period into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared 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, as follows:-

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	RM	RM	RM	RM
Total (accumulated losses)/retained profits:				
- realised	(2,127,789)	(6,784,736)	2,574,349	3,352,182
- unrealised	(5,935,256)	(4,123,186)	-	-
At 31 March	(8,063,045)	(10,907,922)	2,574,349	3,352,182

DENKO INDUSTRIAL CORPORATION BERHAD

(Incorporated in Malaysia)
Company No: 190155-M

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

		2015 RM	2014 RM
REVENUE			
Dividend income		-	920,000
ADD: OTHER INCOME			
Other income		1,954	-
Over provision of directors' fees		253,000	-
		254,954	-
LESS: EXPENSES			
Administrative expenses	(SCHEDULE A)	1,073,984	1,235,085
Finance cost	(SCHEDULE B)	11,010	-
Other operating expense	(SCHEDULE C)	-	1,100,000
		1,084,994	2,335,085
LOSS BEFORE TAX		(830,040)	(1,415,085)

This statement is prepared for management purposes only and does not form part of the audited financial statements of the Company.

DENKO INDUSTRIAL CORPORATION BERHAD
(Incorporated in Malaysia)
Company No: 190155-M

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	2015 RM	2014 RM
SCHEDULE A		
ADMINISTRATIVE EXPENSES		
Advertisement	3,142	-
Annual listing fee	20,000	20,000
Audit fee		
- current year	43,000	43,000
- over provision in the previous financial year	-	(7,700)
Bank charges	16	124
Directors' fees	240,000	240,000
Directors' other emoluments	28,000	33,000
Insurance	24,996	20,981
Legal and professional fees	56,245	120,431
Management fee	600,000	600,000
Meeting expenses	2,498	-
Miscellaneous expenses	636	10
Office rental	12,000	12,000
Penalty	-	47,127
Postage and courier charges	191	7
Printing and stationery	10,504	78,836
Registration fee	7,507	5,009
Secretarial fee	12,410	12,000
Service tax	8,174	6,647
Staff welfare	3,800	1,615
Travelling expenses	865	1,998
	1,073,984	1,235,085
SCHEDULE B		
FINANCE COST		
Hire purchase interest	11,010	-
SCHEDULE C		
OTHER OPERATING EXPENSE		
Loss on disposal of a subsidiary	-	1,100,000

This statement is prepared for management purposes only and does not form part of the audited financial statements of the Company.