ANNUAL REPORT 2013

SMPC

SMPC CORPORATION BHD.

(79082-V)

SMPC CORPORATION BHD.
(79082-V)

Contents

SMPC
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(79082-V)

Corporate Information

Board of Directors	Sudesh a/l K. V. Sankaran	*(Independent Non-Executive Director/Chairman)*
	Ooi Chieng Sim	*(Executive Director/Vice Chairman)*
	Machendran a/l Pitchai Chetty	*(Group Managing Director)*
	Mohd Shahril Fitri Bin Hashim	*(Executive Director)*
	Ng Chin Nam	*(Executive Director)*
	Sanmarkan a/l T S Ganapathi	*(Independent Non-Executive Director)*
	Lim Ghim Chai	*(Independent Non-Executive Director)*
	Dato' Lee Hean Guan	*(Non-Independent Non-Executive Director)*

Company Secretaries
Chan Yoke Yin (MAICSA 7043743)
Chiew Cindy (MAICSA 7057923)

Registered Office
55, Medan Ipoh 1A,
Medan Ipoh Bistari,
31400 Ipoh, Perak.
Tel No. : 605-5474833
Fax No. : 605-5474363

Auditors
Grant Thornton
Chartered Accountants
51-8-A, Menara BHL Bank
Jalan Sultan Ahmad Shah,
10050 Penang

Principal Bankers
Affin Bank Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
Ambank (M) Berhad
HSBC Bank Malaysia Berhad
AmIslamic Bank Berhad
OCBC Al-Amin Bank Berhad
Indian Overseas Bank

Share Registrars
Symphony Share Registrars Sdn Bhd
55, Medan Ipoh 1A,
Medan Ipoh Bistari,
31400 Ipoh, Perak.
Tel No. : 605-5474833
Fax No. : 605-5474363

Stock Exchange Listing
Bursa Malaysia Securities Berhad Main Market
Stock Name : SMPC
Stock Code : 7099

SMPC
SMPC CORPORATION BHD.
(79082-V)

Corporate Structure

SMPC
SMPC CORPORATION BHD.
(79082-V)

SMPC INDUSTRIES SDN. BHD.
- Shearing
- Slitted Flat Bars
- Slitting
- Reshearing
- Trading

DURO METAL INDUSTRIAL (M) SDN. BHD.
DURO STRUCTURAL PRODUCTS (M) SDN. BHD.
DURO MARKETING (M) SDN. BHD.
- Steel Roofing
- Wall Cladding
- Structural Floor Decking

PROGEREX SDN. BHD. (Ferrous and Non-Ferrous)
- Compressed Scrap
- Shearing
- Shredding

SMPC MARKETING SDN. BHD.
- Trading in Steel Furniture

METAL PERFORATORS (MALAYSIA) SDN. BHD.
- Manufacturing & Marketing of Perforated metal, Cables support systems & screen plates
- Hardware Items

SMPC DEXON SDN. BHD.
- Manufacturing Steel Furniture
- Trading Steel Furniture

SMPC INDUSTRIES (INDIA) PRIVATE LIMITED
- Shearing
- Reshearing
- Slitting

SYARIKAT PERKILANGAN BESI GAYA SDN. BHD.
(Dormant)

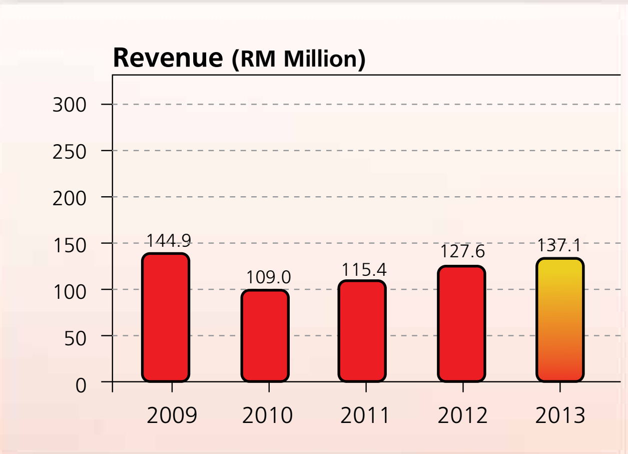
EDIT SYSTEMS (M) SDN. BHD.
(Dormant)

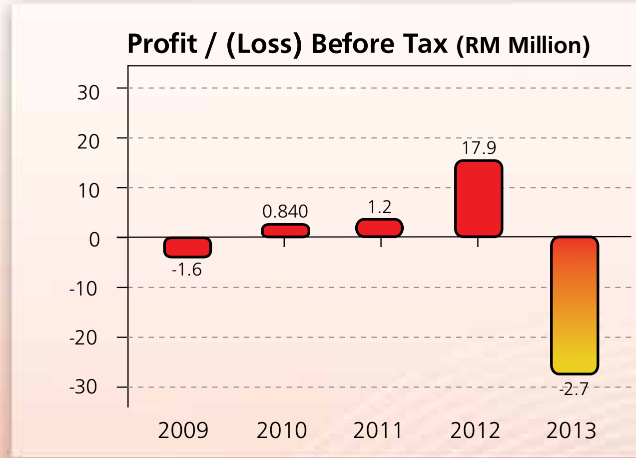
PARK AVENUE CONSTRUCTION SDN. BHD.
(Investment holding)

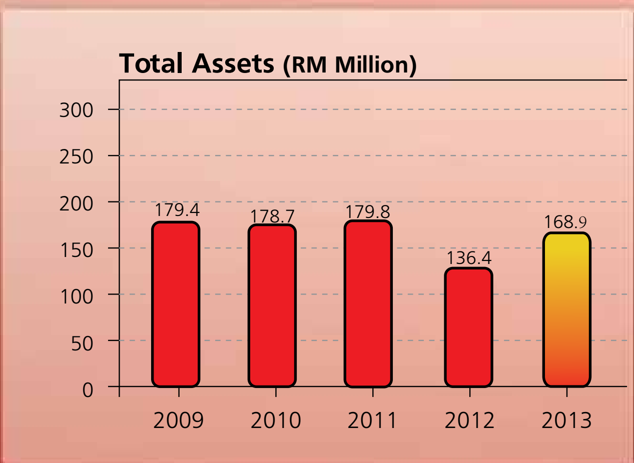
SMPC STEEL MILL SDN. BHD.
(Dormant)

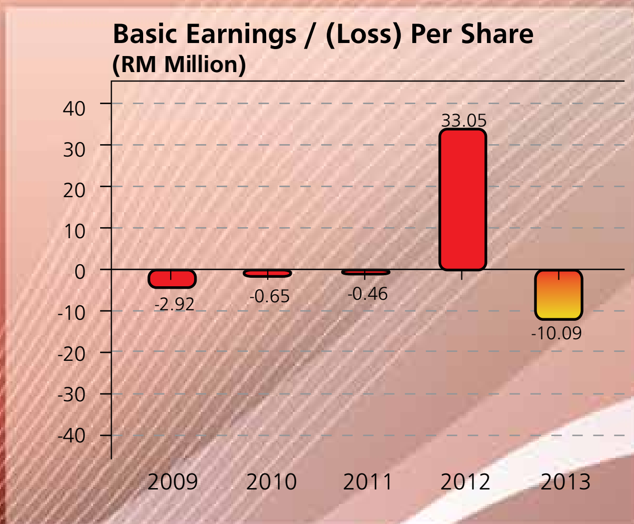
KEMBANG KARTIKA SDN. BHD.
(Property Development)

Financial Highlights









Chairman's Statement

Dear Valued Shareholders,

On behalf of the Board of Directors ("the Board"), it is my pleasure to present to you the Annual Report and Audited Financial Statements of SMPC Corporation Bhd ("SMPC") for the financial year ended 31 March 2013.

FINANCIAL PERFORMANCE

For the financial year ended 31 March 2013, SMPC registered a revenue of RM137.1 million, a 7.4% increase against previous financial year. Despite an increase in the revenue, the Group has incurred a loss before tax of RM2.7 million which is mainly due to the impairment made on plant and machineries as a result of the relocation of steel furniture manufacturing facilities from Gurun, Kedah to Klang, Selangor. This relocation exercise was part of our post restructuring initiatives to consolidate our business and optimise the assets and manpower utilisation.

INDUSTRY TREND

In 2013, the steel industry will continue to face headwinds in the form of overcapacity and surge of imports. Global steel demand is expected to improve gradually in 2013 as compared to year 2012 levels.

Steel selling prices will improve hand-in-hand with improved demand across most regions, due to higher raw material prices and an end to the destocking that was observed during the fourth quarter of year 2012. In addition to raw materials prices, the sustainability of higher steel prices will continue to depend on an increase in sustainable real demand, and no further worsening of the Euro-zone debt crisis.

PROSPECT

Global steel related industry is expected to continue facing uncertainty in demand and volatility in selling prices.

In the domestic market, demand is expected to improve from the implementation of various infrastructure and oil and gas projects initiated by the government as part of the government transformation programmes.

In this relation, we anticipate that our metal roofing, perforated cable support systems and recycling divisions will be the major contributors to the Group's profitability in 2014.

Our overseas operation in Southern India is expected to contribute positively to the Group with the completion of the capacity expansion exercise.

CORPORATE GOVERNANCE

The Board is committed to observing the Malaysian Code of Corporate Governance 2012 and Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and has ensured that a high standard of corporate governance is practiced throughout the whole Group to safeguard the Group's operations, assets and stakeholder value. Our statement on corporate governance can be found on page 10 to 16.

There were no sanctions or penalties imposed on the Group, Directors or management by the relevant regulatory bodies in 2013.

WORDS OF APPRECIATION

On behalf of the Board, I would like to express my appreciation and thanks to the Directors, Management and all employees of the Group for their dedicated services, commitment, loyalty and contribution during 2013. The year 2014 will continue to be very challenging but I have no doubt in the Group's ability to overcome whatever possibilities and difficulties that may present themselves.

I would also like to take this opportunity to thank the Regulatory Authorities, shareholders, customers, business associates, bankers, sub-contractors and suppliers for their continuing support, trust and confidence to the Group.

I look forward to your continuous support in the years ahead.

Sudesh a/l K. V. Sankaran
Chairman

Date: 2 September 2013

Profile of the Board of Directors

SUDESH A/L K.V. SANKARAN
Chairman/Independent Non-Executive Director

Sudesh a/l K.V. Sankaran, aged 63, a Malaysian citizen, is an Independent Non-Executive Director of SMPC. He was appointed to the Board of SMPC on 20 December 2004. He is also a member of the Audit, Remuneration and Nomination Committees of the Company. Subsequent to the financial year ended 31 March 2013, he was appointed as Chairman of the Company with effect from 29 July 2013 and was re-designated as Independent Non-Executive Director/Chairman on even date.

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

OOI CHIENG SIM
Vice Chairman/Executive Director

Ooi Chieng Sim, aged 44, a Malaysian citizen, is the Vice Chairman and Executive Director of SMPC. He was appointed to the Board of SMPC on 1 June 2012.

He was the founder of Hock Lok Siew Realty Sdn. Bhd. and Skylitech Resources Sdn. Bhd. which were set up by him in 1989. He had served as a Chairman and Executive Director of Hock Lock Siew Corporation Bhd from 2006 till his resignation in 2012.

He did his secondary education at Chung Ling High School and has more than twenty years of experience in plantation, trading in foodstuff, construction and engineering sector. His immense experience had led him to manage his companies successfully over the years.

He is a substantial shareholder of SMPC by virtue of his deemed interest held through Hock Lok Siew Realty Sdn. Bhd. and Skylitech Resources Sdn. Bhd. in the Company.

MACHENDRAN A/L PITCHAI CHETTY
Group Managing Director

Machendran a/l Pitchai Chetty, aged 54, a Malaysian citizen, is the Group Managing Director of SMPC. He was appointed to the Board of SMPC on 14 December 1981.

He holds a Malaysian Certificate of Education. He started his career with the Company and over the years he has gained wide knowledge and experience in the management of steel business.

MOHD SHAHRIL FITRI BIN HASHIM
Executive Director

Mohd Shahril Fitri Bin Hashim, aged 38, a Malaysian citizen. He was appointed as an Executive Director of SMPC on 27 September 2007. He was appointed as Non-Independent Non-Executive Director of the Company on 20 December 2004 and subsequently re-designated as Executive Director on 3 January 2006. In conjunction with the withdrawal of his appointment as a nominee by Perbadanan Nasional Berhad ("PNS"), a substantial shareholder of the Company on 7 August 2007, he had resigned as an Executive Director and member of the Audit Committee of the Company with effect thereof. However, he has subsequently left PNS and joined SMPC as Executive Director on 27 September 2007 after receiving an offer from the Company for the said position.

He holds a Diploma in Accountancy from Universiti Teknologi Mara and a Bachelor in Accountancy (Hons) from University of Stirling. He started his career with Messrs. Shamsir Jasani Grant Thornton in 1997. In 2000, he joined PNS until he was seconded to SMPC in January 2006.

NG CHIN NAM
Executive Director

Ng Chin Nam, age 43, a Malaysian citizen, is an Executive Director of the Company through his re-designation effective 1 June 2012. He was appointed to the Board of SMPC on 29 January 2012. He was previously an Independent Non-Executive Director and a member of the Company's Audit Committee till his re-designation in June 2012.

Ng has more than 20 years of experience in the fields of accounting, auditing, taxation and corporate finance. He started his career in 1992, in a manufacturing environment. He joined an international audit firm as an Audit Senior in 1997 after obtaining his professional qualification from Chartered Institute of Management Accountants (CIMA). He then left the audit firm as Assistant Manager in 2000 to join a listed company as Finance Manager. In 2007, he left to assume the role as Head of MIS, Human Resource and Finance in another listed company.

Presently, he also sits on the Board of Luster Industries Berhad, Niche Capital Emas Holdings Berhad and Asia File Corporation Bhd.

SANMARKAN A/L T S GANAPATHI
Independent Non-Executive Director

Sanmarkan a/l T S Ganapathi, aged 75, a Malaysian citizen, is an Independent Non-Executive Director of SMPC. He was appointed to the Board on 18 January 2002. He is also the Chairman of the Audit, Remuneration and Nomination Committees of the Company.

He graduated from Malayan Teachers College in 1958 and was conferred the Barrister-at-Law Middle Temple London in 1977. He joined Karpal Singh & Co. in 1978 and in the following year became a partner of Farid Ariffin & Associates. He started his own legal practice, SAN & Associates in 1995 and was the Consultant of this firm until 31 December 2006 and with effect from 1 January 2007, he was appointed as the Consultant with Messrs. Mohd. Hussain Ibrahim & Co., a legal firm in Penang. He is an associate member of the Chartered Institute of Arbitrators London and was appointed as a Notary Public in 2002. He was an Independent Non-Executive Director of Modular Techcorp Holdings Berhad, a company listed on ACE Market of Bursa Securities prior to his retirement at their Annual General Meeting held on 24 June 2008.

He was appointed as a member of the Penang State Land Appeals Board effective 1 March 2011 for a term of three years.

LIM GHIM CHAI
Independent Non-Executive Director

Lim Ghim Chai, aged 38, a Malaysian citizen, is an Independent Non-Executive Director of SMPC. He was appointed to the Board of SMPC on 27 June 2013. He was also appointed as a member of the Audit Committee of the Company on even date.

He graduated with a Bachelor of Commerce (Accounting), La Trobe University, Melbourne, Australia. He is also a member of the Malaysian Institute of Accountant, Australian Chartered Accountant and Malaysian Insurance Institute.

He has more than 16 years experience in the field of Finance and Accounting which includes corporate tax planning, company business planning, accounting system set-up and etc. He served as a Financial Accountant of Acer Technologies (M) Sdn Bhd from year 2000 to 2001. He also served as a Financial Analyst of Agilent Technologies (M) Sdn Bhd in year 2001. Thereafter, he worked as an Accountant of Lorry Commercial Logistic Sdn Bhd in year 2002. He was a Partner in a professional firm providing services of taxation, business planning consultancy, company accounting and company secretarial from year 2003 to 2006.

Presently, he is a Managing Director and Executive Director of a few companies in the businesses of interior design, property development, investment holdings, motorbike assembly and recycling. He also sits on the Board of AsiaEP Resources Berhad and K-Star Sports Limited.

DATO' LEE HEAN GUAN
Non Independent Non-Executive Director

Dato' Lee Hean Guan, aged 71, a Malaysian citizen is a Non-Independent Non-Executive Director of SMPC. He was appointed to the Board of SMPC on 3 March 2011. He joined See Hup Group in 1965 after completing his secondary education. He formed the pioneer management team of See Hup and was the person responsible for the growth of the Group through strategic business planning, executive management and operational review.

He was the former Group Managing Director of See Hup Consolidated Berhad, a company listed on the Main Market of Bursa Securities from 18 November 1997 till 29 May 2007. Presently, he is the advisor to See Hup Consolidated Berhad and sits on the Board of Directors for the subsidiaries of See Hup Group.

He is also actively involved in various businesses, communities and charitable organisations and holds honorary positions in various committees.

Notes:

i. **Family Relationships with any Director and/or major shareholders**
All Directors of the Company do not have any family relationships with any Director and/or major shareholders of the Company.

ii. **Conflict of Interest**
All Directors of the Company do not have any conflict of interest with the Company.

iii. **Non-conviction of Offences**
All the Directors have not been convicted of any offences within the past 10 years.

Corporate Governance Statement

The Board of Directors ("the Board") of SMPC Corporation Bhd. ("SMPC" or "the Company") recognises the importance of good corporate governance and is committed to ensure that the Principles and Best Practices in Corporate Governance, as set out in Part 1 and Part 2 respectively of the Malaysian Code on Corporate Governance ("the Code") pursuant to Paragraph 15.25 of the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad ("the Listing Requirements") are practised by the Company and its subsidiaries ("the Group") as part of discharging its responsibilities to protect and enhance shareholder value. This statement also provides investors with an insight into the Corporate Governance practices of the Company under the leadership of the Board.

THE BOARD OF DIRECTORS

Principal Responsibilities

The Board assumes full responsibilities for the Group's overall performance with its strategic plans, business performance, succession planning, risk management, investor relations, internal control and management information systems. All Board members bring an independent judgment to bear on issues of strategy, performance resources and standards of conduct.

Board Balance

The Board of the Company comprises eight (8) Directors, three (3) of whom are Independent Non-Executive Directors, four (4) Executive Directors and a balance of one (1) Non-Independent Non-Executive Director. The composition of the Board was maintained so that not less than one-third (1/3) are Independent Directors. The Directors contributed greatly to the Company through their business acumen, a wide range of functional knowledge and skills from their long-standing experience, drawn from differing backgrounds in business, accountancy, regulatory and technical experience.

The profile of each Director is set out in the Board of Directors' Profile on pages 7 to 9 of the Annual Report.

Board Committee Meetings

During the financial year ended 31 March 2013, a total of five (5) meetings, 25 May 2012, 27 July 2012, 28 August 2012, 29 November 2012 and 25 February 2013 were held. Details of each Directors at the Board Meetings are as follows:

Name of Director			**No. of Meetings Attended**
*Dato' Seri Ismail Bin Shahudin	-	*Independent Non-Executive Director/Chairman*	5 out of 5
Ooi Chieng Sim	-	*Executive Director/Vice Chairman*	4 out of 4
Machendran a/l Pitchai Chetty	-	*Group Managing Director*	4 out of 5
Mohd Shahril Fitri Bin Hashim	-	*Executive Director*	5 out of 5
Sanmarkan a/l T S Ganapathi	-	*Independent Non-Executive Director*	5 out of 5
**Sudesh a/l K.V. Sankaran	-	*Independent Non-Executive Director/Chairman*	4 out of 5
Ng Chin Nam	-	*Executive Director*	5 out of 5
Dato' Lee Hean Guan	-	*Non-Independent Non-Executive Director*	4 out of 5
Lim Ghim Chai	-	*Independent Non-Executive Director*	***

* Dato' Seri Ismail Bin Shahudin had resigned with effect from 31 March 2013.

** Mr Sudesh a/l K.V. Sankaran was appointed as Chairman of the Company with effect from 29 July 2013 and was re-designated as Independent Non-Executive Director/Chairman on even date.

*** Subsequent to the financial year ended 31 March 2013, Mr Lim Ghim Chai was appointed as Independent Non-Executive Director with effect from 27 June 2013.

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

Board Committees

The Board is assisted by the following Sub-Committees in the discharge of its duties and responsibilities:

- Audit Committee

  The Audit Committee provides a forum for effective communication between the Board, internal auditors and the external auditors. The terms of reference of the Committee had been revised on 25 May 2009 to conform to the revamped Listing Requirements. Details of the composition, terms of reference and activities of the Audit Committee are set out in the Audit Committee Report on pages 17 to 18 of this Annual Report.

- Nomination Committee

  The Nomination Committee was established on 18 January 2002. The Nomination Committee comprises the following:

Sanmarkan a/l T S Ganapathi *(Independent Non-Executive Director)*	-	Chairman
Sudesh a/l K.V. Sankaran *(Independent Non-Executive Director/Chairman)*	-	Member

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

  a) To recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board. In making its recommendations, the following would be considered by the Committee:

     - Skills, knowledge, expertise and experience;
     - Professionalism;
     - Integrity; and
     - In the case of candidates for the position of independent non-executive, the Committee evaluates the candidates' ability to discharge such responsibilities/functions.

  b) To consider, in making recommendations, candidates for directorships proposed by Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any director or shareholder;

  c) To recommend to the Board, directors to fill the seats on Board committees;

  d) To assist the Board to annually review its required mix of skills and experience and other qualities, including core competencies which Directors of the Company should bring to the Board;

  e) To assess the effectiveness of the Board as a whole, the committees of the Board and assess the contribution of each individual director, including the independent non-executive directors, as well as the chief executive officer. All assessment and evaluations carried out by the Nomination Committee in discharge of all its functions shall be properly documented.

  f) To consider and examine such other matters as the Nomination Committee considers appropriate.

- Remuneration Committee

  The Remuneration Committee was established on 18 January 2002. The Remuneration Committee comprises the following:

Sanmarkan a/l T S Ganapathi *(Independent Non-Executive Director)*	-	Chairman
Sudesh a/l K. V. Sankaran *(Independent Non-Executive Director/Chairman)*	-	Member
Ooi Chieng Sim *(Executive Director/Vice Chairman)*	-	Member

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

  a) To review, deliberate and recommend the annual salaries, incentive arrangements, service arrangements and other employment condition for the executive directors;

  b) To determine the company's remuneration policy and arrangements on executive directors;

  c) To review such a policy on a yearly basis and make any adjustments as deemed necessary to ensure the Group can attract and retain executives of the necessary quality in a highly and increasingly marketplace;

  d) To review, with the executive directors if necessary, their job functions and to ensure that any remuneration commensurate with performance and the executive director does not participate in decisions in his own remuneration packages;

  e) To review the remuneration arrangements of the executive directors to be in line with the Group's overall practice on pay and benefits in order to reward them competitively after taking into account performance, market comparisons and competitive pressures in the industry; and

  f) To consider and examine such other matters as the Board and Remuneration Committee considers as appropriate.

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

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

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

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

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

Training for Directors

The Company provides a dedicated training budget for Directors' continuing education. Relevant training programmes are arranged by the Company Secretary and Management. All the Directors of the Company have completed the Mandatory Accreditation Programme as prescribed by Listing Requirements. The following courses were attended by the Directors during the financial year ended 31 March 2013:

- MFRS/IFRS guide for Audit Committees, Independent Directors & Internal Auditors
- Sustainability Training for Directors and Practitioners
- Malaysian Code on Corporate Governance 2012
- Latest updates on Listing Requirements of Bursa Malaysia Securities Berhad
- Guidelines on Statement of Risk Management & Internal Control by the Institute of Internal Auditors Malaysia
- Understanding the concept of Corporate Governance and the Malaysian Code of Corporate Governance
- Transfer Pricing

Supply of Information

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

Appointments to the Board

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

Re-election of Directors

Pursuant to Article 29.1 of the Articles of Association of the Company, an election of Directors shall take place each year at the Annual General Meeting (AGM) of the Company where one third of the Directors who are subject to retirement by rotation or, if their number is not three (3) or a multiple of three (3), the number nearest to 1/3 shall retire provided always that all Directors shall retire from office once in every three (3) years and shall be eligible for re-election.

DIRECTORS' REMUNERATION

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

The remuneration and fee structure for the Directors for the financial year is as follows:

Type of Remuneration	Executive Directors RM	Non-Executive Directors RM
Fee	-	88,000
Salaries and allowances	905,300	117,000
Bonus	-	-
Other benefits	108,636	-

The analysis of remuneration as follows:

	Number of Directors	
Remuneration	**Executive Directors**	**Non-Executive Directors**
Below RM50,000	-	5
RM100,000 – RM200,000	2	-
RM200,000 – RM300,000	1	-
RM350,000 – RM400,000	1	-
RM450,000 – RM500,000	-	-
RM600,000 – RM650,000	-	-

SHAREHOLDERS

Dialogue between the Company and Investors

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

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

Annual General Meeting

The Annual General Meeting serves as an ideal opportunity for dialogue and interaction with both institutional and individual shareholders. Shareholders will be given the opportunity to seek clarification on any matters pertaining to the Company's affairs and performance at the AGM and all Directors are available to provide responses.

ACCOUNTABILITY AND AUDIT

Financial Reporting

In addition to providing financial reports on an annual basis, the Board also ensures that shareholders are provided with a balanced and meaningful evaluation of the Company's performance and future prospects through the quarterly financial results and corporate announcements on significant developments affecting the Company in accordance with the Listing Requirements.

Risk Management and Internal Control

The Company continues to maintain and review its internal control procedures to ensure, as far as possible, the protection of its assets and its shareholders' investments. The Statement on Risk Management and Internal Control is set out on pages 19 to 20 of this Annual Report.

Relationship with Auditors

The Company's relationship with its external auditors is primarily maintained through the Audit Committee and the Board where formal and transparent arrangement with them to meet their professional requirements is established. Further details on the Audit Committee in relation to the external auditors are set out in the Audit Committee Report on pages 17 to 18 of the Annual Report.

COMPLIANCE STATEMENT

The Board is satisfied that the Company has complied with the Best Practices in Corporate Governance Code and relevant principle and recommendations as set out in the Malaysian Code on Corporate Governance 2012 ("the Code") save for those exceptions set out below:

a) the disclosure of Directors' remuneration which has not been made in detail for each Director. However, the remuneration are categorised into the appropriate components and in compliance with the Listing Requirements.

b) The tenure of an independent director should not exceed a cumulative term of nine (9) years. However, the Nomination Committee and the Board have determined at the annual assessment carried out that Mr Sanmarkan a/l T S Ganapathi, who has served on the Board for more than nine (9) years, remain objective and independent in expressing his views and in participating in the deliberations and decision making of the Board and the Board Committee. The length of his service on the Board does not in any way interfere with the exercising of his independent judgement and his ability to act in the best interests of the Group.

   Sanmarkan a/l T S Ganapathi has been demonstrably independent in carrying out his roles as member of the Board and Board Committees, notably in fulfilling his role as the Chairman of the Audit Committee, Nomination Committee and Remuneration Committee respectively.

   The Board has also determined not to seek shareholders' approval and retained Sanmarkan a/l T S Ganapathi to continue to act as Independent Non-Executive Director of the Company in that he fulfilled the criteria under the definition of an Independent Director as stated in the Listing Requirements of Bursa Malaysia Securities Berhad, and thus he would be able to function as check and balance, to provide a broader view and brings an element of objectivity to the Board. He has performed his duty diligently and in the best interest of the Company as required by the Code as an Independent Director and his vast experience as a qualified lawyer enable him to provide good to advise to the Board and Board Committees on legal matters in addition to providing a broader view, independent and balanced assessment of proposals from the management.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their results and cash flows for the financial year then ended.

In preparing the financial statements, the Directors have:

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

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and Group and to enable them to ensure that the financial statements comply with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia. They are responsible for taking reasonable steps in safeguarding the assets of the Company and Group for the prevention and detection of fraud and other irregularities.

This Statement is made in accordance with the resolution of the Board dated 29 July 2013.

Audit Committee Report

TERMS OF REFERENCE

Compositions and Meetings

The Audit Committee comprises three members, all of whom are Independent Non-Executive Directors.

During the financial year ended 31 March 2013, a total of five (5) Audit Committee Meetings were held on 25 May 2012, 27 July 2012, 28 August 2012, 29 November 2012 and 25 February 2013 respectively. The details of the Audit Committee members and their attendance at the meetings were as follows:

Name of Member		No. of Meetings Attended
Sanmarkan a/ T. S. Ganapathi (Chairman)	*Independent Non-Executive Director*	5 out of 5
Sudesh a/l K. V. Sankaran	*Independent Non- Executive Director*	5 out of 5
*Dato' Seri Ismail Bin Shahudin	*Independent Non-Executive Director*	3 out of 3
Lim Ghim Chai	*Independent Non-Executive Director*	**

* *Dato' Seri Ismail Bin Shahudin had resigned with effect from 31 March 2013.*

** *Subsequent to the financial year ended 31 March 2013, Lim Ghim Chai was appointed as a Member of the Audit Committee with effect from 27 June 2013.*

The Audit Committee Chairman meets regularly with senior management to be kept informed of matters affecting the Group. The Group's external auditors were in attendance at two (2) meetings during the financial year. Discussions between the Audit Committee and the external auditors were held in two (2) of the said meetings without the presence of any Group executives.

Lim Ghim Chai who was appointed on 27 June 2013 as a Member of the Audit Committee to meet the requirement of Paragraph 15.09 (c)(iii) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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

Functions

The functions of the Audit Committee shall include the following:

(a) to review the audit plan, evaluation of the system of internal controls and audit report with the external auditors and report the same to the Board;
(b) to review the assistance given by the employees of the Company to the external auditors;
(c) to review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
(d) to review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

(e) to review the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:
   (i) changes in or implementation of major accounting policy changes;
   (ii) significant and unusual events; and
   (iii) compliance with accounting standards and other legal requirements;
(f) to monitor any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity; and
(g) to review resignation (if any) and re-appointments of external auditors and recommend the nomination of a person/persons as external auditors.

SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE

In line with the terms of reference of the Audit Committee, the following activities were carried out by the Audit Committee during the financial year ended 31 March 2013 in the discharge of its duties and responsibilities:

- Reviewed and approved the Internal Audit plan, strategy and scope of work;
- Reviewed and deliberated on the Internal Audit reports, recommendations and management responses;
- Reviewed the audit strategy and scope for the statutory audits of the Group accounts for the financial year ended 31 March 2013 with the external auditors prior to the commencement of audit;
- Reviewed and discussed the external auditors' management letter for issues noted in the course of the audit;
- Reviewed the annual audited financial statements of the Group prior to submission to the Board for consideration and approval;
- Reviewed the unaudited quarterly reports to Bursa Malaysia Securities Berhad before recommending to the Board for approval; and
- Reviewed the related party transactions and conflict of interest situations which arose within the Group during the year.

INTERNAL AUDIT FUNCTION

The Internal Audit function of the Group was outsourced to a professional internal audit service provider firm which undertakes independent, objective and systematic reviews of the risk management, internal controls system and corporate governance. The outsourced internal auditors reports directly to the Audit Committee and assists the Board in reviewing the adequacy and integrity of the internal control systems to manage risks exposures over key processes within the Group. The functions and responsibilities of the Internal Audit function are embodied in the Internal Audit Charter which has been revised and approved by the Board during the financial year. The costs incurred by the Group in relation to the Internal Audit functions for the financial year ended 31 March 2013 amounted to approximately RM30,000.

During the financial year ended 31 March 2013, the following activities were carried out by the Internal Auditors:

- Reviewed and assessed the adequacy and integrity of internal control systems of the Group;
- Reported on findings of assessment on internal control system and recommended improvements to the control weaknesses found;
- Reviewed and reported on the follow-up of previous audit findings; and
- Presented the Internal Audit Plan to the Audit Committee for approval

Statement on Risk Management and Internal Control

INTRODUCTION

Pursuant to paragraph 15.26 (b) of the Listing Requirements ("LR") of Bursa Securities for the MAIN Market and as guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines"), the Board of Directors of SMPC Corporation Berhad ("SMPC" or "the Group") is pleased to include a statement on the state of the Group's internal controls in this annual report.

BOARD'S RESPONSIBILITIES

The Board recognises the importance of good risk management practices and sound internal controls as a platform to good corporate governance. The Board acknowledges its overall responsibility for maintaining a sound system of risk management and internal control, and for reviewing its adequacy and integrity. In addition, the Board has also received assurance from the Executive Directors, who is primarily responsible for the management of the Group's financial affairs, that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.

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

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

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

1. RISK MANAGEMENT SYSTEM

   The Board is dedicated to strengthening the Group's risk management to manage its key business risks within the Group and to implement appropriate controls to manage its key risks. The Risk Management Committee which is made up of key management staff and Executive Directors meet up to review the risk profiles of the Group. During the year, the Risk Management Committee reviews the existence of new risks and assesses the relevance of the Group's existing risk profile. Significant risks that may affect the Group's business objectives have been continually monitored and any new significant risk identified are subsequently evaluated and managed.

   Whilst the Board maintains ultimate control over risk and control issues, it has been delegated to the executive management the implementation of the risk management and internal control within an established framework. The responsibility of managing the risks of each department lies with the respective Heads of Department and it is during the monthly management meetings, implemented risk management activities that manage the significant risks identified are communicated to Executive Directors and Senior Management.

   Management Meetings are held to discuss key risks and the appropriate mitigating controls. Significant risks affecting the Group's strategic and business plans are escalated to the Board at their scheduled meetings.

2. INTERNAL CONTROL SYSTEM

- Organisation Structure & Authorisation Procedures

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

- Periodical and/or Annual Budget

  An annual budget is prepared by management and tabled to the Board for approval. Periodic monitoring is carried out to measure the actual performance against budget to identify significant variances and devise remedial action plans.

- Group Policies and Procedures

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

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

- Information and Communication

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

- Monitoring and Review

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

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

3. INTERNAL AUDIT FUNCTION

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

During the financial year ended 31 March 2013, an internal audit was carried out and the findings of the internal audit, including the recommended corrective actions, were presented directly to the Audit Committee.

CONCLUSION

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

This statement was approved by the Board of Directors on [TBD by Client]

Additional Compliance Information

UTILISATION OF PROCEEDS

On 25 January 2012, the Company's Proposed Restructuring Scheme ("PRS") was approved by the shareholders at the Extraordinary General Meeting held on even date.

The status of utilisation of proceeds from the PRS is as follows:

	RM
Proceeds raised from PRS	**32,702,905**
Less: Amount Utilised	
Working capital	**(21,397,155)**
Estimated expenses in relation to PRS	**(2,305,750)**
Total amount utilised	**23,702,905**
Balance yet to be utilised	**9,000,000**

SHARE BUY BACK

On 28 September 2012, the Company's Share Buy Back Authority was approved by the Shareholders at the Extraordinary General Meeting held on even date.

During the financial year ended 31 March 2013, the Company did not enter into any share buy back transaction.

EMPLOYEES SHARE OPTION SCHEME ("ESOS")

On 28 September 2012, the Company's ESOS was approved by the shareholders at the Extraordinary General Meeting held on even date.

Other than as disclosed in Note 36 to the Financial Statements, during the financial year ended 31 March 2013, there was no shares option granted.

WARRANTS OR CONVERTIBLE SECURITIES

Other than as disclosed in Note 15 and 16.1 respectively to the Financial Statements, during the financial year ended 31 March 2013, there was no warrant or convertible securities were exercised.

DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any Depository Receipt Programme during the financial year.

SANCTIONS AND/OR PENALTIES

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

NON-AUDIT FEES

During the financial year ended 31 March 2013, the Company has paid non-audit fees amounting to RM18,500 to a company in which certain partners of the audit firm are shareholders and directors for professional fees on tax advisory.

VARIATION IN RESULTS

There was no material variance between the audited results for the financial year ended 31 March 2013 and unaudited results previously released for the financial quarter ended 31 March 2013.

PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial year.

MATERIAL CONTRACTS

Other than contracts entered into and disclosed as Related Party Transactions in Note 29 to the Financial Statements, there are no other material contracts entered into by the Company and its subsidiaries involving directors and major shareholders' interests, either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

REVALUATION POLICY ON LANDED PROPERTIES

There was no revaluation of landed properties during the financial year.

RECURRENT RELATED PARTY TRANSACTIONS (RRPT) OF A REVENUE OR TRADING NATURE

The aggregate value of the RRPT conducted between the Company and its subsidiaries with the related parties during the financial year is as follows:

Name of Related Party	Relationship with Company–- Interested Director, Major Shareholder and Person Connected	Type of Recurrent Related Party Transaction	Actual value transacted from 28 September 2012 to 31 March 2013 (RM)	Aggregate Value (RM)
SHPioneer	Dato' Lee Hean Guan *(being Interested Director and shareholder)*	Rental of warehouse, at a monthly rental of RM55,000 (approximately 80,000 sq ft) to SHPioneer at No. 2521 Tingkat Perusahaan 6, Kawasan Perusahaan Perai, 13600 Seberang Perai Tengah	120,540	120,540
Limsa	Dato' Lee Hean Guan *(being Interested Director and shareholder)*	Rental of warehouse and open yard, at a monthly rental of RM30,000 (approximately 217,800 sq ft) from Limsa at No. 1702 MK 14 Kampung Tok Suboh, Bukit Minyak, 14100 Simpang Ampat, Seberang Perai Selatan	210,000	210,000

Corporate Social Responsibility

SMPC Group believes that good management of corporate social responsibility ("CSR") is considered a mandatory requirement to meet the evolving needs in a fast-paced business environment. The rising expectations for a sustainable business practices from our stakeholders always propel us to ensure social responsibilities are not being ignored in the course of pursuing business growth. We use economic, social and environmental criterion as the basis for our action. In line with these expectations, SMPC CSR framework covers three areas namely the workplace, community and environment.

From a workplace perspective, CSR principles are shared with our employees to ensure their duties are performed with an awareness of social responsibilities. In addition to our ongoing CSR initiatives undertaken within the organization, we are committed to developing and supporting the initiatives, which will have a positive impact on the local communities. As part of our commitment to staff development we had conducted various learning and development programs throughout the year.

Being a caring Corporate Organization, The Group provided assistance to charitable organization, Schools and temples in Penang, donations of company manufactured furniture to orphanages and the enrolment of students from polytechnic and universities for the purpose of industrial trainings are some of our initiatives that demonstrate our commitment towards the community. With reference to the industrial training, our industry experts have been, more than willingly, sharing their years of experience in various filed with the young aspiring students with a hope of providing them with a better pathway to the corporate industrial world.

From an environmental point of view, we devote resource to conduct periodical environmental audit to minimize environmental impact arising from our operations, thus increasing our social leadership towards environmental responsibility.

Directors' Report
for the financial year ended 31 March 2013

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 2013.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding, letting of industrial and commercial assets and management consultancy. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	GROUP RM	COMPANY RM
Loss after taxation for the year	(4,349,214)	(1,299,619)
Attributable to:		
Owners of the parent	(4,415,293)	(1,299,619)
Non-controlling interests	66,079	-
	(4,349,214)	(1,299,619)

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial year ended 31 March 2013 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report other than the following items which have been recognised in the Group's profit or loss for the financial year under review:

	GROUP RM
Bad debts	(226,936)
Bargain purchase of subsidiary	2,742,709
Impairment loss on receivables	(943,135)
Inventories written off	(754,122)
Property, plant and equipment written off	(2,092,816)

DIVIDENDS

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

The directors do not recommend any dividend payment for the financial year.

RESERVES AND PROVISIONS

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

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company had increased its issued and paid-up ordinary share capital from RM6,464,496 to RM48,489,059 by way of issuance of:

(i) 13,228,877 new ordinary shares of RM1 each pursuant to the Rights Issue;
(ii) 7,500,000 new ordinary shares of RM1 each pursuant to the Creditor Settlement;
(iii) 19,134,575 new ordinary shares of RM1 each pursuant to the Debt Restructuring; and
(iv) 2,161,111 ordinary shares of RM1 each arising from the conversion of 2,161,111 10-year 0% Irredeemable Convertible Unsecured Loan Stocks of RM0.10 nominal value each by surrendering ten ICULS of RM0.10 each for one new ordinary share and by surrendering for cancellation one ICULS of RM0.10 each and paying the difference between the nominal value of ICULS and conversion price of RM1 each.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

The changes to the issued and paid-up share capital are pursuant to the implementation of the Company's revised Restructuring Scheme as detailed in Note 35 to the financial statements.

WARRANTS

During the financial year, the Company issued 20,338,187 warrants pursuant to the implementation of its revised Restructuring Scheme. There are no warrants exercised during this period.

The salient features of the warrants are disclosed in Note 16.1 to the financial statements.

10-YEAR 0% IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS")

During the financial year, the Company issued 230,934,880 nominal value of ICULS (or equivalent to RM23,093,488) by way of:

(i) Issuance of 193,934,880 nominal value of ICULS of RM0.10 each pursuant to the Rights ICULS; and
(ii) Issuance of 37,000,000 nominal value of ICULS of RM0.10 each pursuant to the Creditor Settlement.

The salient features of the ICULS are disclosed in Note 15 to the financial statements.

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

At an Extraordinary General Meeting on 26 September 2012, the shareholders approved the ESOS for the granting of options to the eligible directors (including non-executive directors) of the Company and eligible employees of the Group. The ESOS was implemented on 19 November 2012 and is to be in force for a period of 3 years from the date of its implementation.

The salient features of the ESOS are disclosed in Note 36 to the financial statements.

There are no share options granted during this period.

DIRECTORS

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

Ooi Chieng Sim
Machendran a/l Pitchai Chetty
Mohd Shahril Fitri Bin Hashim
Ng Chin Nam
Sanmarkan a/l T S Ganapathi
Sudesh a/l K.V. Sankaran
Dato' Lee Hean Guan
Lim Ghim Chai (appointed on 27.6.2013)
Y. Bhg. Dato' Seri Ismail Bin Shahudin *(resigned on 31.3.2013)*

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in 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 RM1 each ------------|			
	Balance at 1.4.2012	**Bought**	**Sold**	**Balance at 31.3.2013**
The Company				
Direct Interest:				
Machendran a/l Pitchai Chetty	34,744	1,789,652	(747,000)	1,077,396
Ng Chin Nam	6,000	18,000	-	24,000
Dato' Lee Hean Guan	32,270	456,810	-	489,080
Deemed Interest:				
① Ooi Chieng Sim	-	9,600,000	-	9,600,000
② Machendran a/l Pitchai Chetty	827,769	2,582,733	(2,087,340)	1,323,162
③ Dato' Lee Hean Guan	612,627	231,692	-	844,319
Other Interest:				
④ Ng Chin Nam	3,000	-	-	3,000
④ Dato' Lee Hean Guan	200,800	602,400	-	803,200

	Balance at 1.4.2012	Bought	Sold	Balance at 31.3.2013
	|------------- Number of 10-year 0% ICULS of RM0.10 nominal value each			-------------|
The Company				
Direct Interest:				
Machendran a/l Pitchai Chetty	-	48,120	(48,120)	-
Ng Chin Nam	-	320,000	-	320,000
Dato' Lee Hean Guan	-	968,100	-	968,100
Deemed Interest:				
① Ooi Chieng Sim	-	37,000,000	-	37,000,000
② Machendran a/l Pitchai Chetty	-	57,900	(38,400)	19,500
③ Dato' Lee Hean Guan	-	1,359,300	-	1,359,300
Other Interest:				
④ Dato' Lee Hean Guan	-	6,024,000	-	6,024,000

	Balance at 1.4.2012	Bought	Sold	Balance at 31.3.2013
	|-------------------------- Number of Warrants			--------------------------|
The Company				
Direct Interest:				
Machendran a/l Pitchai Chetty	-	42,812	(42,800)	12
Dato' Lee Hean Guan	-	276,810	-	276,810
Ng Chin Nam	-	25,000	-	25,000
Deemed Interest:				
① Ooi Chieng Sim	-	149,968	-	149,968
② Machendran a/l Pitchai Chetty	-	2,078,927	(2,077,221)	1,706
③ Dato' Lee Hean Guan	-	183,811	-	183,811
Other Interest:				
④ Dato' Lee Hean Guan	-	602,400	-	602,400

Notes:

① By virtue of his interest in Hock Lok Siew Realty Sdn. Bhd. ("HLSR") and Skylitech Resources Sdn. Bhd. ("SRSB"), he is deemed to have interest in the shares of the Company that are held by HLSR and SRSB. Both companies are incorporated in Malaysia.

② By virtue of his interest in Kumpulan Pitchai Sdn. Bhd. ("KPSB") and S.M. Pitchai Chettiar Sdn. Bhd. ("SMPCSB"), he is deemed to have interest in the shares of the Company that are held by KPSB and SMPCSB. Both companies are incorporated in Malaysia.

③ By virtue of his interest in Hean Brothers Holdings Sdn. Bhd. ("HBHSB") and Lagenda Perdana Sdn. Bhd. ("LPSB"), he is deemed to have interest in the shares of the Company that are held by HBHSB and LPSB. Both companies are incorporated in Malaysia.

④ By virtue of the spouse's interest.

By virtue of his interest in the shares of the Company, **Mr. Ooi Chieng Sim** is also deemed interested in the shares of all the subsidiaries, to the extent that the Company has interests.

Other than the above, none of the other directors have any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial statements) by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest, other than those related party transactions disclosed in the notes to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

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

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts, and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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

(i) that would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the Group and in the Company inadequate to any substantial extent, and

(ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, and

(iii) that would render any amount stated in the financial statements of the Group and of the Company misleading, and

(iv) which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person other than those disclosed in the notes to the financial statements, and

(ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

SIGNIFICANT EVENTS

Significant events during the financial year are disclosed in Note 35 to the financial statements.

AUDITORS

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

Signed in accordance with a resolution of the directors:

Machendran a/l Pitchai Chetty **Ng Chin Nam**

Penang,

Date: 29 July 2013

Directors' Statement

We, **Machendran a/l Pitchai Chetty** and **Ng Chin Nam**, being two of the directors of SMPC Corporation Bhd. state that in the opinion of the directors, the financial statements set out on pages 34 to 109 are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 March 2013** and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 38 on page 110 to the financial statements has been compiled in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors:

Machendran a/l Pitchai Chetty **Ng Chin Nam**

Date: 29 July 2013

Statutory Declaration

I, **Ng Chin Nam**, the director primarily responsible for the financial management of SMPC Corporation Bhd. do solemnly and sincerely declare that the financial statements set out on pages 34 to 109 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Penang, this **29th**)
day of **July 2013**.)

Ng Chin Nam

Before me,

Goh Suan Bee
(No. P 125)
Commissioner for Oaths

Independent Auditors' Report

to the Members of SMPC Corporation Bhd.
Company No. 79082-V
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **SMPC Corporation Bhd**., which comprise the statements of financial position as at 31 March 2013 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 34 to 109.

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.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2013 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.

Independent Auditors' Report

to the Members of SMPC Corporation Bhd. (cont'd)
Company No. 79082-V
(Incorporated in Malaysia)

Report on Other Legal and Regulatory Requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act,
(b) We have considered the accounts and the auditors' report of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 to the financial statements,
(c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes, and
(d) The auditors' reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 38, on page 110 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

1. As stated in Note 2.4 to the financial statements, the Company adopted Malaysian Financial Reporting Standards on 1 April 2012 with a transition date of 1 April 2011. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 31 March 2012 and 1 April 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 March 2012 and related disclosures. We were not engaged to report on the restated comparative information, and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial year ended 31 March 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2012 do not contain misstatements that materially affect the financial position as at 31 March 2013 and financial performance and cash flows for the financial year then ended.

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

Grant Thornton
No. AF: 0042
Chartered Accountants

John Lau Tiang Hua, DJN
No. 1107/03/14 (J)
Chartered Accountant

Date: 29 July 2013

Penang

SMPC
SMPC CORPORATION BHD.
(79082-V)

Statements of Financial Position
as at 31 March 2013

	NOTE	GROUP 31.3.2013 RM	GROUP 31.3.2012 RM	GROUP 1.4.2011 RM	COMPANY 31.3.2013 RM	COMPANY 31.3.2012 RM	COMPANY 1.4.2011 RM
ASSETS							
Non-current assets							
Property, plant and equipment	4	74,801,719	67,802,073	91,938,152	306,692	378,785	21,737,647
Investment properties	5	28,904,102	21,278,083	334,567	20,943,516	20,943,516	-
Investment in subsidiaries	6	-	-	-	26,228,955	21,227,955	23,761,792
Other investments	7	5,864,125	2,165,621	-	-	-	-
Goodwill	8	-	-	1,875,643	-	-	-
		109,569,946	91,245,777	94,148,362	47,479,163	42,550,256	45,499,439
Current assets							
Inventories	9	11,251,033	12,646,697	26,601,094	-	-	-
Trade and other receivables	10	34,261,371	27,776,743	37,156,316	65,731,740	25,445,394	21,309,274
Tax recoverable		386,167	383,233	457,023	23,951	23,951	32,565
Other investments	7	-	-	54,236	-	-	-
Fixed deposits with licensed banks	11	9,506,183	453,000	42,000	506,183	453,000	-
Cash and bank balances	12	3,920,135	3,926,379	9,321,376	177,751	265,714	50,081
		59,324,889	45,186,052	73,632,045	66,439,625	26,188,059	21,391,920
Non-current assets held for sale	13	-	-	12,068,914	-	-	-
		59,324,8892	45,186,052	85,700,959	66,439,625	26,188,059	21,391,920
TOTAL ASSETS		168,894,835	136,431,829	179,849,321	113,918,788	68,738,315	66,891,359
EQUITY AND LIABILITIES							
Equity attributable to owners of the parent							
Share capital	14	48,489,059	6,464,496	64,644,965	48,489,059	6,464,496	64,644,965
Irredeemable Convertible Unsecured Loan Stocks	15	22,832,377	-	-	22,832,377	-	-
Other reserves	16	36,583,560	43,581,105	(32,056,527)	28,949,053	32,473,882	(19,422,779)
		107,904,996	50,045,601	32,588,438	100,270,489	38,938,378	45,222,186
Non-controlling interests		8,516,471	751,629	904,365	-	-	-
Total equity		116,421,467	50,797,230	33,492,803	100,270,489	38,938,378	45,222,186
Non-current liabilities							
Trade and other payables	17	1,197,268	1,409,398	-	358,272	327,096	-
Borrowings	18	23,319,482	12,717,036	2,302,132	10,009,933	10,932,616	611,050
Deferred tax liabilities	19	4,163,469	3,826,643	4,233,085	1,151,329	1,199,890	928,451
		28,680,219	17,953,077	6,535,217	11,519,534	12,459,602	1,539,501
Current liabilities							
Trade and other payables	17	20,232,563	33,528,346	43,187,687	1,239,727	15,595,090	19,792,711
Borrowings	18	2,919,553	33,881,966	96,306,014	889,038	1,745,245	336,961
Provision for taxation		641,033	271,210	327,600	-	-	-
		23,793,149	67,681,522	139,821,301	2,128,765	17,340,335	20,129,672
Total liabilities		52,473,368	85,634,599	146,356,518	13,648,299	29,799,937	21,669,173
TOTAL EQUITY AND LIABILITIES		168,894,835	136,431,829	179,849,321	113,918,788	68,738,315	66,891,359

The notes set out on pages 41 to 109 form an integral part of these financial statements.

Statements of Comprehensive Income

for the financial year ended 31 March 2013

	NOTE	GROUP 2013 RM	GROUP 2012 RM	COMPANY 2013 RM	COMPANY 2012 RM
Revenue	20	137,074,391	127,607,713	3,344,913	3,153,756
Other income	21	3,686,346	65,510,046	243,315	-
Changes in inventories of work in progress, trading inventories and finished goods		(831,196)	(13,778,722)	-	-
Raw materials and consumables used		(56,511,922)	(47,820,875)	-	-
Trading goods purchased		(50,410,209)	(60,569,975)	-	-
Employee benefits expense	22	(11,989,990)	(12,510,687)	(2,102,308)	(1,939,640)
Depreciation		(3,588,229)	(4,592,316)	(90,191)	(708,164)
Other operating expenses		(17,861,306)	(29,158,052)	(1,833,388)	(6,047,855)
Operating (loss)/profit		(432,115)	24,687,132	(437,659)	(5,541,903)
Finance costs	24	(2,321,873)	(6,767,018)	(882,054)	(470,466)
(Loss)/Profit before taxation	25	(2,753,988)	17,920,114	(1,319,713)	(6,012,369)
Taxation	26	(1,595,226)	32,096	20,094	(271,439)
(Loss)/Profit for the year		(4,349,214)	17,952,210	(1,299,619)	(6,283,808)
Other comprehensive loss, net of tax:					
Foreign currency translation differences for foreign operation		(160,958)	(641,391)	-	-
Fair value adjustment on available-for-sale financial assets		(237,933)	(6,392)	-	-
Other comprehensive loss for the year		(398,891)	(647,783)	-	-
Total comprehensive (loss) / income for the year		(4,748,105)	17,304,427	(1,299,619)	(6,283,808)
(Loss)/Profit attributable to:					
Owners of the parent		(4,415,293)	17,886,088	(1,299,619)	(6,283,808)
Non-controlling interests		66,079	66,122	-	-
		(4,349,214)	17,952,210	(1,299,619)	(6,283,808)
Total comprehensive (loss)/income attributable to:					
Owners of the parent		(4,772,335)	17,457,163	(1,299,619)	(6,283,808)
Non-controlling interests		24,230	(152,736)	-	-
		(4,748,105)	17,304,427	(1,299,619)	(6,283,808)
(Loss)/Earnings per share attributable to owners of the parent (sen)					
- Basic	27	(10.09)	33.05		
- Diluted	27	(9.59)	-		

The notes set out on pages 41 to 109 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity
for the financial year ended 31 March 2013

	Attributable to Owners of the Parent										
		Non-distributable									
	Share Capital RM	Irredeemable Convertible Unsecured Loan Stocks RM	Share Premium RM	Warrants Reserve RM	Discount on Shares RM	Fair Value Reserve RM	Exchange Translation Reserve RM	Retained Profits RM	Total RM	Non-controlling Interests RM	Total Equity RM
2013											
At 1 April 2012	6,464,496	-	23,751,705	-	-	(1,562)	(422,533)	20,253,495	50,045,601	751,629	50,797,230
Transactions with owners:											
Issuance of shares pursuant to:											-
Rights issue	13,228,877	-	-	-	-	-	-	-	13,228,877	-	13,228,877
- Creditor settlement	7,500,000	-	-	-	-	-	-	-	7,500,000	-	7,500,000
- Debt restructuring	19,134,575	-	-	-	-	-	-	-	19,134,575	-	19,134,575
Issuance of ICULS pursuant to:											-
Rights issue	-	19,393,488	-	-	-	-	-	-	19,393,488	-	19,393,488
- Creditor settlement	-	3,700,000	-	-	-	-	-	-	3,700,000	-	3,700,000
Issuance of shares pursuant to conversion of ICULS	2,161,111	(261,111)	-	-	-	-	-	-	1,900,000	-	1,900,000
Issuance of warrants	-	-	-	3,186,005	(3,105,465)	-	-	-	80,540	-	80,540
Restructuring expenses	-	-	(2,305,750)	-	-	-	-	-	(2,305,750)	-	(2,305,750)
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	7,740,612	7,740,612
Total transactions with owners	42,024,563	22,832,377	(2,305,750)	3,186,005	(3,105,465)	-	-	-	62,631,730	7,740,612	70,372,342
Total comprehensive loss	-	-	-	-	-	(237,933)	(119,109)	(4,415,293)	(4,772,335)	24,230	(4,748,105)
At 31 March 2013	48,489,059	22,832,377	21,445,955	3,186,005	(3,105,465)	(239,495)	(541,642)	15,838,202	107,904,996	8,516,471	116,421,467
2012											
At 1 April 2011	64,644,965	-	23,751,705	-	-	4,830	-	(55,813,062)	32,588,438	904,365	33,492,803
Transactions with owners:											
Capital reduction and consolidation	(58,180,469)	-	-	-	-	-	-	58,180,469	-	-	-
Total comprehensive income	-	-	-	-	-	(6,392)	(422,533)	17,886,088	17,457,163	(152,736)	17,304,427
At 31 March 2012	6,464,496	-	23,751,705	-	-	(1,562)	(422,533)	20,253,495	50,045,601	751,629	50,797,230

The notes set out on pages 41 to 109 form an integral part of these financial statements.

Statement of Changes in Equity
for the financial year ended 31 March 2013

	Share Capital RM	Non-distributable: Irredeemable Convertible Unsecured Loan Stocks RM	Share Premium RM	Warrants Reserve RM	Discount on Shares RM	Capital Reserve RM	(Accumulated Losses)/ Retained Profits RM	Total Equity RM
2013								
At 1 April 2012	6,464,496	-	23,751,705	-	-	7,445,000	1,277,177	38,938,378
Transactions with owners:								
Issuance of shares pursuant to:								
- Rights issue	13,228,877	-	-	-	-	-	-	13,228,877
- Creditor settlement	7,500,000	-	-	-	-	-	-	7,500,000
- Debt restructuring	19,134,575	-	-	-	-	-	-	19,134,575
Issuance of ICULS pursuant to:								
- Rights issue	-	19,393,488	-	-	-	-	-	19,393,488
- Creditor settlement	-	3,700,000	-	-	-	-	-	3,700,000
Issuance of shares pursuant to conversion of ICULS	2,161,111	(261,111)	-	-	-	-	-	1,900,000
Issuance of warrants	-	-	-	3,186,005	(3,105,465)	-	-	80,540
Restructuring expenses	-	-	(2,305,750)	-	-	-	-	(2,305,750)
Total transactions with owners	42,024,563	22,832,377	(2,305,750)	3,186,005	(3,105,465)	-	-	62,631,730
Total comprehensive loss	-	-	-	-	-	-	(1,299,619)	(1,299,619)
At 31 March 2013	48,489,059	22,832,377	21,445,955	3,186,005	(3,105,465)	7,445,000	(22,442)	100,270,489
2012								
At 1 April 2011	64,644,965	-	23,751,705	-	-	7,445,000	(50,619,484)	45,222,186
Transactions with owners:								
Capital reduction and consolidation	(58,180,469)	-	-	-	-	-	58,180,469	-
Total comprehensive loss	-	-	-	-	-	-	(6,283,808)	(6,283,808)
At 31 March 2012	6,464,496	-	23,751,705	-	-	7,445,000	1,277,177	38,938,378

The notes set out on pages 41 to 109 form an integral part of these financial statements.

Statements of Cash Flows

for the financial year ended 31 March 2013

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/Profit before taxation	(2,753,988)	17,920,114	(1,319,713)	(6,012,369)
Adjustments for:				
Bad debts	226,936	101,540	-	-
Bargain purchase on a subsidiary	(2,742,709)	-	-	-
Depreciation	3,588,229	4,592,316	90,191	708,164
Dividend income	(45,916)	(1,560)	-	-
Gain on disposal of non-current assets held for sale	-	(141,328)	-	-
(Gain)/Loss on disposal of property, plant and equipment	(112,463)	(328,486)	45	-
Goodwill written off	-	1,875,643	-	-
Impairment loss on investment in subsidiaries	-	-	-	2,533,837
Impairment loss on other investment	-	582,223	-	-
Impairment loss on property, plant and equipment	-	1,248,801	-	-
Impairment loss on receivables	943,135	5,230,125	-	-
Reversal of impairment loss on receivables	-	(16,337)	-	-
Interest expense	2,294,961	6,734,156	882,054	470,466
Interest income	(231,460)	(17,253)	(224,233)	-
Inventories written down	9,738	1,871,282	-	-
Inventories written off	754,122	12,006,064	-	-
Loss on disposal of other investments	25,490	-	-	-
Property, plant and equipment written off	2,092,816	136,317	774	-
Unrealised loss/(gain) on foreign exchange	9,513	(125,229)	-	-
Waiver of debts	-	(64,541,524)	-	-
Operating profit/(loss) before working capital changes	4,058,404	(12,873,136)	(570,882)	(2,299,902)
Decrease in inventories	629,456	63,032	-	-
(Increase)/Decrease in receivables	(7,092,538)	2,182,508	242,772	(551,745)
(Decrease)/Increase in payables	(1,974,348)	15,243,781	(3,102,295)	2,557,848
(Decrease)/Increase in retirement benefit obligations	(177,390)	1,510,885	21,188	387,084
Cash (used in)/generated from operations	(4,556,416)	6,127,070	(3,409,217)	93,285
Income tax paid	(957,415)	(284,978)	(28,467)	(11,451)
Income tax refund	112,174	20,065	-	20,065
Interest received	6,488	-	-	-
Interest paid	(1,540,803)	(2,729,338)	(882,054)	(470,466)
Net cash (used in)/from operating activities/Balance carried forward	(6,935,972)	3,132,819	(4,319,738)	(368,567)

The notes set out on pages 41 to 109 form an integral part of these financial statements.

Statements of Cash Flows
for the financial year ended 31 March 2013 (cont'd)

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
Balance brought forward	(6,935, 972)	3,132,819	(4,319,738)	(368,567)
CASH FLOWS FROM INVESTING ACTIVITIES				
*Cash outflow on acquisition of a subsidiary	(4,902,272)	-	-	-
Dividend received	45,916	1,560	-	-
Interest received	201,789	17,253	201,050	-
Investment in a subsidiary	-	-	(5,001,000)	-
Placement of fixed deposit	(24,530,000)	(411,000)	(30,000)	(453,000)
Withdrawal of fixed deposits	24,500,000	-	-	-
Proceeds from disposal of other investments	402,899	-	-	-
Proceeds from disposal of non-current assets held for sale	-	12,210,242	-	-
Proceeds from disposal of property, plant and equipment	331,056	351,585	1,986	-
Subsequent expenditure on investment properties	-	(87,003)	-	(87,003)
Purchase of equity investments	(4,364,826)	-	-	-
Purchase of property, plant and equipment	(5,317,146)	(4,161,626)	(20,903)	(205,815)
Net cash (used in)/from investing activities	(13,632,584)	7,921,011	(4,848,867)	(745,818)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid	-	(305,484)	-	-
Issuance of warrants	80,540	-	80,540	-
Net change in subsidiaries' balances	-	-	(23,585,303)	(10,399,832)
Payment of restructuring expenses	(158,070)	-	(158,070)	-
Proceeds from rights issue	13,228,877	-	13,228,877	-
Proceeds from issuance of Irredeemable Convertible Unsecured Loan Stocks	19,393,488	-	19,393,488	-
Proceeds from issuance of shares pursuant to conversion of Irredeemable Convertible Unsecured Loan Stocks	1,900,000	-	1,900,000	-
Proceeds from term loans	-	13,500,000	-	12,000,000
Repayment of bankers acceptance	(219,000)	(16,103,000)	-	-
Repayment of finance lease	(37,767)	(84,761)	-	(22,361)
Repayment of term loans	(2,496,270)	(6,231,971)	(1,778,890)	(247,789)
Net cash from/(used in) financing activities	31,691,798	(9,225,216)	9,080,642	1,330,018
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	11,123,242	1,828,614	(87,963)	215,633

The notes set out on pages 41 to 109 form an integral part of these financial statements.

Statements of Cash Flows
for the financial year ended 31 March 2013 (cont'd)

	GROUP		COMPANY	
	2013	2012	**2013**	2012
	RM	RM	**RM**	RM
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	11,123,242	1,828,614	(87,963)	215,633
Effects of exchange rate changes	(157)	(9,978)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING	1,310,960	(507,676)	265,714	50,081
CASH AND CASH EQUIVALENTS AT END	12,434,045	1,310,960	177,751	265,714
Represented by:				
Cash and bank balances	3,920,135	3,926,379	177,751	265,714
Fixed deposits with a licensed bank	9,000,000	-	-	-
Bank overdrafts	(486,090)	(2,615,419)	-	-
	12,434,045	1,310,960	177,751	265,714
* **Cash outflow on acquisition of a subsidiary**				
Property, plant and equipment	15,500,000	-	-	-
Cash and bank balances	98,728	-	-	-
Payables	(114,407)	-	-	-
Fair value of net assets	15,484,321	-	-	-
Non-controlling interest	(7,740,612)	-	-	-
Share of net assets acquired	7,743,709	-	-	-
Bargain purchase gain	(2,742,709)	-	-	-
Total acquisition cost	5,001,000	-	-	-
Less: Cash and bank balances	(98,728)	-	-	-
Net cash outflow on acquisition of a subsidiary	4,902,272	-	-	-

The notes set out on pages 41 to 109 form an integral part of these financial statements.

Notes to the Financial Statements
– 31 March 2013

1. **CORPORATE INFORMATION**

General

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

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

The principal place of business of the Company is located at No. 1702 Mukim 14, Kampung Tok Suboh, Bukit Minyak, 14100 Simpang Ampat, Seberang Perai Selatan, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 July 2013.

Principal Activities

The principal activities of the Company consist of investment holding, letting of industrial and commercial assets and management consultancy.

The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

2. **BASIS OF PREPARATION**

2.1 **Statement of Compliance**

The financial statements of the Group and of the Company have been prepared in accordance with applicable Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the Companies Act, 1965 in Malaysia.

2.2 **Basic of measurement**

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

2.3 **Functional and presentation currency**

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

2.4 **First-time Adoption of MFRSs**

In the previous financial years, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standards ("FRSs"). These are the Group's and the Company's first financial statements prepared in accordance with MFRSs and MFRS 1 - First-time Adoption of Malaysian Financial Reporting Standards has been applied.

2. **BASIS OF PREPARATION** (cont'd)

2.4 **First-time Adoption of MFRSs** (cont'd)

The following accounting policies have been applied in preparing the financial statements of the Group and of the Company for the financial year ended 31 March 2013, the comparative information presented in these financial statements for the financial year ended 31 March 2013 and in the preparation of the opening MFRS statement of financial position at 1 April 2011 (the Group's date of transition to MFRSs).

The explanation and financial impacts on transition to MFRSs are disclosed in Note 37.

2.5 **Standards Issued But Not Yet Effective**

The Group and the Company have not applied the following new MFRSs, amendments to MFRSs and IC Interpretations ("IC Int") that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and for the Company:

Amendments to MFRS effective 1 July 2012

MFRS 101	Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income

MFRSs effective 1 January 2013

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (International Accounting Standards ("IAS") 19 as amended by International Accounting Standards Board ("IASB") in June 2011)
MFRS 127	Separate Financial Statements (IAS 27 as amended by IASB in May 2011)
MFRS 128	Investments in Associates and Joint Ventures (IAS 28 as amended by IASB in May 2011)
IC Int 20	Stripping Costs in the Production of A Surface Mine

Amendments to MFRSs effective 1 January 2013

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards - Government Loans
MFRS 7	Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
MFRS 10, 11 and 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
	Annual Improvements 2009 - 2011 Cycle issued in July 2012

Amendments to MFRSs effective 1 January 2014

MFRS 10, 12 and 127	Consolidated Financial Statements, Disclosure of Interests in Other Entities and Separate Financial Statements: Investment Entities
MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities

2. **BASIS OF PREPARATION** (cont'd)

2.5 **Standards Issued But Not Yet Effective** (cont'd)

MFRSs effective 1 January 2015

MFRS 7	Financial Instruments: Disclosures-Mandatory Date of MFRS 9 and Transition Disclosures
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009)
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010)

The initial application of the above standards is not expected to have any financial impacts to the financial statements upon the first adoption, except for:

MFRS 9 Financial Instruments

MFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement. MFRS 9 requires financial assets to be classified into two measurement categories: fair value and amortised cost, determined at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. Most of the requirements for financial liabilities are retained, except for cases where the fair value option is taken, the part of a fair value change due to an entity's own risk is recorded in other comprehensive income rather than profit or loss, unless this creates an accounting mismatch.

The adoption of MFRS 9 will result in a change in accounting policy. The Group is currently examining the financial impact of adopting MFRS 9.

MFRS 10 Consolidated Financial Statements

MFRS 10 introduces a new single control model to determine which investees should be consolidated. MFRS 10 supersedes MFRS 127 Consolidated and Separate Financial Statements and IC Interpretation 112 Consolidation - Special Purpose Entities. There are three elements to the definition of control in MFRS 10: (i) power by investor over an investee, (ii) exposure, or rights, to variable returns from investor's involvement with the investee, and (iii) investor's ability to affect those returns through its power over the investee.

MFRS 13 Fair Value Measurement

MFRS 13 does not affect which items are required to be fair-valued, but clarifies the definition of fair value and provides related guidance and enhance disclosures about fair value measurements. It replaces the existing fair value guidance in different MFRSs.

The adoption of MFRS 13 will result in a change in accounting policy for the items measured at fair value in the financial statements. The Group is currently examining the financial impact of adopting MFRS 13.

2.6 **Significant Accounting Estimates and Judgements**

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

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

2. **BASIS OF PREPARATION** (cont'd)

2.6 **Significant Accounting Estimates and Judgements** (cont'd)

2.6.1 **Critical judgements made in applying accounting policies**

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

(i) **Classification between investment properties and property, plant and equipment**
The Group has developed certain criteria based on MFRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

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

2.6.2 **Key sources of estimation uncertainty**

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

(i) **Useful lives of depreciable assets**
The cost of plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of the plant and equipment to be within 2 to 50 years. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation charges could be revised.

(ii) **Impairment of property, plant and equipment**
The Group and the Company perform an impairment review as and when there are impairment indicators to ensure that the carrying value of the plant and equipment does not exceed its recoverable amount. The recoverable amount represents the present value of the estimated future cash flows expected to arise from operations. Therefore, in arriving at the recoverable amount, management exercise judgement in estimating the future cash flows, growth rate and discount rate.

2. **BASIS OF PREPARATION** (cont'd)

2.6 **Significant Accounting Estimates and Judgements** (cont'd)

2.6.2 **Key sources of estimation uncertainty** (cont'd)

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

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

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

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

3. **SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and in preparing the opening MFRSs statements of financial position of the Group and of the Company at 1 April 2011 (the transition date to MFRSs), unless otherwise stated.

3.1 **Basis of Consolidation**

(i) **Subsidiaries**

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Control exists when the Company has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investment in subsidiaries is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.1 **Basis of Consolidation** (cont'd)

(ii) **Business combination**

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

Acquisition on or after 1 April 2011

For acquisitions on or after 1 April 2011, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred, plus
- the recognised amount of any non-controlling interest in the acquiree, plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree, less
- the net recognised amount at fair value of the identifiable assets acquired and liabilities assumed

When the excess is negative, a bargain purchase gain is recognised in profit or loss.

For each business combination, the Group elects whether to recognise non-controlling interest in the acquiree at fair value, or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Acquisitions before 1 April 2011

As part of its transition to MFRSs, the Group elected not to restate those business combinations that occurred before the date of transition to MFRSs, i.e. 1 April 2011.

(iii) **Acquisition of non-controlling interests**

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserve.

(iv) **Loss of control**

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.1 **Basis of Consolidation** (cont'd)

(v) **Non-controlling interests**

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vi) **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

3.2 **Property, Plant and Equipment**

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses during the financial year in which they are incurred.

Property, plant and equipment are depreciated on the straight line method to write off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

Long leasehold land	Amortised over lease period of 99 years
Buildings	2%
Plant and machinery	5% to 15%
Fittings, equipment, office equipment, motor vehicles and renovation	2% to 33%

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

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

Long leasehold land refers to land with remaining lease period of more than 50 years determined as at the end of the reporting period.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.2 **Property, Plant and Equipment** (cont'd)

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

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

3.3 **Investment Properties**

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is derived based on directors' valuation by reference to the existing market condition.

Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group and the Company hold it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year in which they arise.

3.4 **Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

For arrangements entered into prior to 1 April 2011, the date of inception is deemed to be 1 April 2011 in accordance with MFRS 1.

Finance lease

Leases in terms of which the Group or the Company assume substantially all the risks and rewards of ownership, which include hire purchase arrangement, are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.4 **Leases** (cont'd)

Finance lease (cont'd)

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group or the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment.

Operating leases

Leases, where the Group and the Company do not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid land lease payments.

3.5 **Impairment of Non-Financial Assets**

The Group and the Company assess at the end of each reporting period whether there is an indication that an asset may be impaired.

For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the profit or loss.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.5 **Impairment of Non-Financial Assets** (cont'd)

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

3.6 **Financial Instruments**

3.6.1 **Initial recognition and measurement**

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

3.6.2 **Financial instrument categories and subsequent measurement**

The Group and the Company categorise financial instruments as follows:

Financial assets

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

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

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

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.6 **Financial Instruments** (cont'd)

3.6.2 **Financial instrument categories and subsequent measurement** (cont'd)

(b) **Available-for-sale financial assets**
Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

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

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

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

Financial assets categorised as held-to-maturity investments are subsequently measured at amortised cost using the effective interest method.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with the gain or loss recognised in profit or loss.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.6 **Financial Instruments** (cont'd)

3.6.3 **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

3.6.4 **Derecognition**

A financial asset or part of it is derecognised, when and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.7 **Impairment of Financial Assets**

All financial assets (except for financial assets categorised as fair value through profit or loss and investment in subsidiaries) are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.7 **Impairment of Financial Assets** (cont'd)

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

3.8 **Cash and Cash Equivalents**

Cash comprises cash in hand, cash at bank and demand deposits. Cash equivalents are short term and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value against which bank overdraft balances, if any, are deducted.

3.9 **Inventories**

Inventories are stated at the lower of cost and net realisable value.

Cost of trading inventories of building materials, hardware items and scrap materials is determined using the weighted average basis. Cost of other inventories is determined using the first in, first out method. The cost of raw materials comprises costs of purchase. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity.

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

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.10 Provisions

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

3.11 Borrowing Costs

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

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

3.12 Income Recognition

Sale of goods
Revenue is recognised net of discounts and upon transfer of significant risks and rewards of ownership to the buyer.

Rental income
Rental income is recognised on a straight-line basis over the term of the lease.

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

Management consultancy fees
Management consultancy fees are recognised when services are rendered.

Dividend income
Dividend income is recognised when the right to receive payment is established.

3.13 Employee Benefits

Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.13 **Employee Benefits** (cont'd)

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

The Group's foreign subsidiary also makes contribution to its country's statutory pension scheme.

Employee share options schemes

Employees of certain subsidiaries of the Group received remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the subsidiaries' best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of the period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon market or non-vesting condition, which are tested as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained profits/accumulated losses upon expiry of the share options.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Defined benefit plans

The Company and certain subsidiaries have an unfunded non-contributory defined contribution plan for eligible employees. Benefits are determined based on the length of service and last drawn wages and are payable to employees upon retirement.

The Schemes are described as follows:

Scheme I

The Company's and certain subsidiaries' obligation under Scheme 1, calculated using the Projected Unit Credit Method, is determined internally based on certain actuarial assumptions where the amount of benefits that employees have earned in return for their service in the current and prior years is estimated. Based on this assumption, the directors are of the opinion that the present value of the benefits will not be materially different from the amount of provision made in the financial statements.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.13 **Employee Benefits** (cont'd)

Scheme II

Provision for retirement benefits is computed at half a month's salary for each year of service for the first seven years of service. Upon completion of seven years of service by an employee, the subsidiary makes a contribution of this provision to EPF and thereafter provides for retirement benefits annually based on a certain percentage of annual salaries of the employees.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and the Company recognise termination benefits as a liability and an expense when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal of providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of the reporting period are discounted to present value.

3.14 **Income Tax**

Income tax on the profit or loss 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 year and is measured using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is provided for, using the liability method, on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and 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 taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is 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 tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in the profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

3.15 Foreign Currency Translations

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currency) are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of the reporting period, foreign currency monetary items are translated into functional currency on the exchange rates ruling at that date. All exchange gains or losses are recognised in profit or loss.

The financial statements of the foreign subsidiary are translated into RM at the approximate rate of exchange ruling at the end of the reporting period for assets and liabilities and at the approximate average rate of exchange ruling on transaction dates for income and expenses. Exchange differences due to such currency translations are taken directly to exchange translation reserve.

Upon disposal of a foreign operation which resulted in a loss of control, the cumulative translation differences recognised in equity (the foreign translation reserve) are reclassified to profit or loss and recognised as part of the gain or loss on disposal. On partial disposal of a foreign operation, the proportionate share of the cumulative translation differences recognised in equity shall be re-attributed to the non-controlling interests in that foreign operation.

3.16 Irredeemable Convertible Unsecured Loan Stocks ("ICULS")

ICULS which were issued after the effective date of MFRS 132: Financial Instruments: Disclosure and Presentation are regarded as compound instruments, consisting of an equity component and a liability component.

ICULS which have a 0% coupon rate are considered to have only the equity component, as there is no obligation for payment of interest, principal or for re-purchase.

3.17 Warrants

Warrants are classified as equity instruments and its value is allocated based on the Black-Scholes model upon issuance. The issuance of the ordinary shares upon exercise of warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

Upon exercise of warrants, the proceeds are credited to share capital and share premium. The warrants reserve in relation to the unexercised warrants at the expiry of the warrants will be reversed.

3. **SIGNIFICANT ACCOUNTING POLICIES** (cont'd)

3.18 **Share Capital and Share Issuance Expenses**

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Share premium includes any premiums received upon issuance of share capital. Any transaction costs associated with the issuing shares are deducted from share premium, net of any related income tax benefits.

3.19 **Segment Reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case are the Executive Directors of the Company, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3.20 **Contingencies**

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

4. **PROPERTY, PLANT AND EQUIPMENT**

GROUP

	Long leasehold land RM	Freehold land and buildings RM	Plant and machinery RM	Fittings, equipment, motor vehicles and renovation RM	Capital expenditure in progress RM	Total RM
At cost						
At 1 April 2011	10,309,804	72,451,233	63,848,436	14,891,671	2,193,142	163,694,286
Additions	-	472,082	2,421,065	892,500	375,979	4,161,626
Disposals	-	-	(744,298)	(390,720)	-	(1,135,018)
Written off	-	-	(223,907)	(20,250)	-	(244,157)
Reclassified to investment properties (Note 5)	(8,209,804)	(21,557,478)	-	-	-	(29,767,282)
Reclassification	-	1,515,009	-	8,431	(1,523,440)	-
Exchange differences	-	(718,034)	(865,666)	(36,450)	(93,492)	(1,713,642)
At 31 March 2012/ 1 April 2012	2,100,000	52,162,812	64,435,630	15,345,182	952,189	134,995,813
Acquisition of subsidiary	-	15,500,000	-	-	-	15,500,000
Additions	-	2,040,102	2,476,964	855,632	4,500	5,377,198
Disposals	-	-	(1,275,427)	(251,641)	(32,161)	(1,559,229)
Written off	-	-	(5,230,619)	(3,056,279)	(102,544)	(8,389,442)
Reclassified to investment properties (Note 5)	-	(9,396,141)	-	-	-	(9,396,141)
Reclassification	-	(89,365)	350,998	89,365	(350,998)	-
Exchange differences	-	(169,577)	(229,189)	(10,416)	(21,684)	(430,866)
At 31 March 2013	2,100,000	60,047,831	60,528,357	12,971,843	449,302	136,097,333
Accumulated depreciation						
At 1 April 2011	3,785,565	11,937,675	43,571,846	12,461,048	-	71,756,134
Current charge	162,491	1,450,279	2,400,989	578,557	-	4,592,316
Disposals	-	-	(722,320)	(389,599)	-	(1,111,919)
Written off	-	-	(87,597)	(20,243)	-	(107,840)
Reclassified to investment properties (Note 5)	(3,798,144)	(5,112,625)	-	-	-	(8,910,769)
Exchange differences	-	(55,041)	(205,330)	(12,612)	-	(272,983)
At 31 March 2012/ 1 April 2012	149,912	8,220,288	44,957,588	12,617,151	-	65,944,939
Current charge	26,210	805,032	2,213,545	543,442	-	3,588,229
Disposals	-	-	(1,085,294)	(220,617)	-	(1,305,911)
Written off	-	-	(3,799,067)	(2,497,559)	-	(6,296,626)
Reclassified to investment properties (Note 5)	-	(1,770,122)	-	-	-	(1,770,122)
Reclassification	-	(3,426)	-	3,426	-	-
Exchange differences	-	(16,758)	(58,693)	(3,520)	-	(78,971)
At 31 March 2013	176,122	7,235,014	42,228,079	10,442,323	-	60,081,538

4. **PROPERTY, PLANT AND EQUIPMENT** (cont'd)

GROUP

	Long leasehold land RM	Freehold land and buildings RM	Plant and machinery RM	Fittings, equipment, motor vehicles and renovation RM	Capital expenditure in progress RM	Total RM
Accumulated impairment loss						
Addition/31 March 2012/ 1 April 2012	-	-	-	1,248,801	-	1,248,801
Disposals	-	-	-	(34,725)	-	(34,725)
At 31 March 2013	-	-	-	1,214,076	-	1,214,076
Carrying amount						
At 1 April 2011	6,524,239	60,513,558	20,276,590	2,430,623	2,193,142	91,938,152
At 31 March 2012	1,950,088	43,942,524	19,478,042	1,479,230	952,189	67,802,073
At 31 March 2013	1,923,878	52,812,817	18,300,278	1,315,444	449,302	74,801,719

4. **PROPERTY, PLANT AND EQUIPMENT** (cont'd)

COMPANY

	Buildings RM	Long leasehold land RM	Fittings, equipment, and office equipment RM	Motor vehicles RM	Total RM
At cost					
At 1 April 2011	21,646,843	8,209,804	3,907,506	1,399,172	35,163,325
Additions	-	-	43,544	162,271	205,815
Reclassified to investment properties (Note 5)	(21,557,478)	(8,209,804)	-	-	(29,767,282)
At 31 March 2012/ 1 April 2012	89,365	-	3,951,050	1,561,443	5,601,858
Additions	-	-	20,903	-	20,903
Disposal	-	-	(2,166)	-	(2,166)
Reclassification	(89,365)	-	89,365	-	-
Written off	-	-	(542,590)	-	(542,590)
At 31 March 2013	-	-	3,516,562	1,561,443	5,078,005
Accumulated depreciation					
At 1 April 2011	4,653,184	3,661,863	3,716,245	1,394,386	13,425,678
Additions	461,228	136,281	76,125	34,530	708,164
Reclassified to investment properties (Note 5)	(5,112,625)	(3,798,144)	-	-	(8,910,769)
At 31 March 2012/ 1 April 2012	1,787	-	3,792,370	1,428,916	5,223,073
Current charge	1,639	-	32,454	56,098	90,191
Disposal	-	-	(135)	-	(135)
Reclassification	(3,426)	-	3,426	-	-
Written off	-	-	(541,816)	-	(541,816)
At 31 March 2013	-	-	3,286,299	1,485,014	4,771,313
Carrying amount					
At 1 April 2011	16,993,659	4,547,941	191,261	4,786	21,737,647
At 31 March 2012	87,578	-	158,680	132,527	378,785
At 31 March 2013	-	-	230,263	76,429	306,692

4. **PROPERTY, PLANT AND EQUIPMENT** (cont'd)

(i) The Group has previously adopted a revaluation policy for its property, plant and equipment.

Upon transition to MFRSs, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116 Property, Plant and Equipment. At the date of transition to MFRSs, the Company elected to regard the valuation of the leasehold land, buildings and plant and machinery as at July 2005 as the deemed cost as this amount was broadly comparable to fair value at that date.

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

		GROUP	
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Long leasehold land and buildings	1,923,878	1,950,088	6,524,239
Freehold land and buildings	30,366,705	38,440,164	60,385,558
	32,290,583	40,390,252	66,909,797

		COMPANY	
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Long leasehold land and buildings	-	-	21,541,600

(iii) The carrying amount of the Group's and of the Company's motor vehicles acquired under finance lease is **RM62,464** (31.3.2012: RM127,114; 1.4.2011: RM187,857) and **RM Nil** (31.3.2012: RM **Nil**; 1.4.2011: RM4,782) respectively.

The leased assets are pledged as security for the related finance lease liabilities (Note 18).

5. INVESTMENT PROPERITES

	Freehold land RM	Long leasehold land RM	Buildings RM	Total RM
GROUP				
At fair value				
At 1 April 2011	334,567	-	-	334,567
Reclassified from property, plant and equipment (Note 4)	-	4,411,660	16,444,853	20,856,513
Additions	-	-	87,003	87,003
At 31 March 2012/ 1 April 2012	334,567	4,411,660	16,531,856	21,278,083
Reclassified from property, plant and equipment (Note 4)	-	-	7,626,019	7,626,019
At 31 March 2013	334,567	4,411,660	24,157,875	28,904,102
COMPANY				
At fair value				
Reclassified from property, plant and equipment (Note 4)	-	4,411,660	16,444,853	20,856,513
Additions	-	-	87,003	87,003
At 31 March 2012/ 31 March 2013	-	4,411,660	16,531,856	20,943,516

(i) The investment properties are pledged to licensed banks for banking facilities granted to the Company and certain subsidiaries.

(ii) Long leasehold land refers to land with remaining lease period of more fifty years or more as at the end of the reporting period.

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

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Rental income from rental generating properties	1,645,356	1,774,104	1,585,008	1,713,756
Direct operating expenses arising from rental generating properties	265,487	230,648	261,435	222,141

6. **INVESTMENT IN SUBSIDIARIES**

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Unquoted shares, at cost	83,014,643	78,013,643	78,013,643
Less: Impairment loss			
Balance at beginning	(56,785,688)	(54,251,851)	(54,251,851)
Current year	-	(2,533,837)	-
Balance at end	(56,785,688)	(56,785,688)	(54,251,851)
	26,228,955	21,227,955	23,761,792

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

Name of Subsidiaries	Effective Equity Interest **31.3.2013**	31.3.2012	1.4.2011	Principal Activities
Direct subsidiaries				
SMPC Industries Sdn. Bhd.	100%	100%	100%	Metal sheet and coil processing centre with main services in shearing and reshearing.
SMPC Marketing Sdn. Bhd.	100%	100%	100%	Trading in steel furniture.
Edit Systems (M) Sdn. Bhd.	70%	70%	70%	Dormant.
Syarikat Perkilangan Besi Gaya Sdn. Bhd.	100%	100%	100%	Dormant.
Duro Metal Industrial (M) Sdn. Bhd.	100%	100%	100%	Manufacturing of steel roofing, wall cladding sheets and other steel related products and provision of related services.
* SMPC Industries (India) Private Limited (Incorporated in India)	74%	74%	74%	Metal sheet and coil processing centre with main services in shearing and reshearing.
Park Avenue Construction Sdn. Bhd.	100%	100%	100%	Investment holding.
SMPC Dexon Sdn. Bhd.	100%	100%	100%	Manufacturing and trading of steel and other types of furniture and the provision of related services.

6. **INVESTMENT IN SUBSIDIARIES** (cont'd)

Name of Subsidiaries	**Effective Equity Interest** **31.3.2013**	31.3.2012	1.4.2011	**Principal Activities**
SMPC Steel Mill Sdn. Bhd.	100%	100%	100%	Dormant.
Metal Perforators (Malaysia) Sdn. Bhd.	100%	100%	100%	Manufacturing and marketing of perforated metals, cable support systems and screen plates.
* Kembang Kartika Sdn. Bhd.	50.01%	-	-	Property development.
Indirect - held through SMPC Marketing Sdn. Bhd.				
Progerex Sdn. Bhd.	100%	100%	100%	Shredding, processing and trading of ferrous and non-ferrous scrap metals.
Indirect - held through Duro Metal Industrial (M) Sdn. Bhd.				
Duro Marketing (M) Sdn. Bhd.	100%	100%	100%	Dormant.
Duro Structural Products (M) Sdn. Bhd.	70%	70%	70%	Dormant.

* Not audited by Grant Thornton.

31.3.2013

On 11 December 2012, the Company acquired 5,001 ordinary shares of RM1 each, which represents 50.01% equity interest in Kembang Kartika Sdn. Bhd. for a total cash consideration of RM5,001,000.

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

The fair values of the identifiable assets and liabilities of the acquisition as at the date of acquisition is as follows:

	RM
Non-current assets	15,500,000
Current assets	98,728
	15,598,728
Current liabilities	114,407
Fair value of net assets	15,484,321
Less: Non-controlling interests	(7,740,612)
Group's share of net assets	7,743,709
Bargain purchase gain	(2,742,709)
Total acquisition cost	5,001,000

7. OTHER INVESTMENTS

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Non-current			
Available-for-sale financial assets:			
- Shares quoted in Malaysia, at fair value	2,226,970	-	-
- Quoted unit trusts in Malaysia, at fair value	19,378	-	-
- Unquoted shares, at cost	2,999,838	2,999,838	299,838
Less: Accumulated impairment losses*	(882,061)	(882,061)	(299,838)
	2,117,777	2,117,777	-
	4,364,125	2,117,777	-
Held-to-maturity investments:			
- Loan stocks quoted in Malaysia, at cost	1,500,000	-	-
	5,864,125	2,117,777	-
Current			
Available-for-sale financial assets:			
- Shares quoted in Malaysia, at fair value	-	31,200	46,160
- Quoted unit trusts in Malaysia, at fair value	-	16,644	8,076
	-	47,844	54,236
Total investments	5,864,125	2,165,621	54,236
Market value of:			
- Shares quoted in Malaysia	2,226,970	31,200	46,160
- Quoted unit trusts	19,378	16,644	8,076
- Loan stocks quoted in Malaysia^	900,006	-	-

* The movement of accumulated impairment losses is as follows:

	2013 RM	2012 RM
Balance at beginning	882,061	299,838
Current year	-	582,223
Balance at end	882,061	882,061

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

8. GOODWILL

	GROUP		
	31.3.2013	31.3.2012	1.4.2011
	RM	RM	RM
At cost:			
Balance at beginning	-	1,875,643	1,875,643
Less: Impairment loss	-	(1,875,643)	-
Balance at end	-	-	1,875,643

Impairment tests for goodwill

(a) **Key assumptions used in value-in-use calculations**

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a period of not more than 10 years. Key assumptions and management's approach to determine the values assigned to each key assumption are as follow:

(i) Budgeted gross margin
The basis used to determine the value assigned to the budgeted gross margin is the average gross margins achieved in the year immediately before the budgeted year revised for expected demand of their products.

(ii) Growth rate
The average growth rates used are based on management's estimate of average growth rate based on the past and current trends of the industry.

(iii) Discount rate
The discount rate used is pre-tax and reflect specific risks relating to the relevant business operations.

(b) **Sensitivity to changes in assumptions**

With regards to the assessment of value-in-use of all CGUs, management believes that no reasonable change in any of the above key assumptions would cause the carrying value of the units to materially exceed their recoverable amounts.

In the previous financial year, the goodwill was fully impaired as the carrying value of the units was less than its recoverable amount.

9. INVENTORIES

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Raw materials	7,682,968	8,398,748	8,368,093
Work-in-progress	96,623	71,134	40,107
Finished goods	2,104,414	2,091,828	2,905,579
Trading goods	1,367,028	2,084,987	15,199,357
Consumables	-	-	87,958
	11,251,033	12,646,697	26,601,094

The cost of inventories recognised in profit or loss is as follows:

	GROUP	
	2013 RM	2012 RM
Inventories recognised as costs of sales	107,753,327	121,971,816
Inventories written down	9,738	1,871,282
Inventories written off	754,122	12,006,064

10. TRADE AND OTHER RECEIVABLES

	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
GROUP			
Trade receivables (Note 10.1)			
Third parties	34,614,856	25,269,657	26,150,105
Less: Accumulated impairment loss	(4,694,766)	(4,528,253)	(632,928)
Trade receivables, net	29,920,090	20,741,404	25,517,177
Other receivables			
Third parties	4,495,928	4,883,905	8,956,021
Less: Accumulated impairment loss	(2,125,725)	(1,390,962)	(85,933)
Sundry receivables, net (Note 10.2)	2,370,203	3,492,943	8,870,088
Deposits (Note 10.3)	722,994	976,793	1,378,514
Prepayments (Note 10.4)	1,248,084	2,565,603	1,390,537
	4,341,281	7,035,339	11,639,139
Total trade and other receivables	34,261,371	27,776,743	37,156,316
COMPANY			
Other receivables			
Third parties	150,183	88,278	687,973
Deposits (Note 10.3)	17,832	317,441	318,671
Prepayments	42,785	2,195,533	1,042,863
Amount due from subsidiaries (Note 10.5)	65,520,940	22,844,142	19,259,767
	65,731,740	25,445,394	21,309,274

10. **TRADE AND OTHER RECEIVABLES** (cont'd)

The currency profile is as follow:

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Ringgit Malaysia	39,652,170	27,599,151	32,225,156
US Dollar	719,886	3,573,613	2,494,222
Indian Rupee	708,120	2,390,993	3,036,243
Singapore Dollar	1,686	96,881	53,812
Euro	-	34,146	38,488
Australian Dollar	-	1,174	27,256
	41,081,862	33,695,958	37,875,177

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Ringgit Malaysia	65,731,740	25,142,894	21,006,774
US Dollar	-	302,500	302,500
	65,731,740	25,445,394	21,309,274

10.1 **Trade receivables**

Included herein is retention sum of **RM595,210** (31.3.2012: RM251,906; 1.4.2011: RM364,286) relating to the supply of steel roofing, metal perforators and its related accessories.

Trade receivables are non-interest bearing and are generally on **14 to 90 days** (31.3.2012: 14 to 90 days; 1.4.2011: 14 to 90 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The movement of accumulated impairment loss is as follows:

	2013 RM	2012 RM
Balance at beginning	4,528,253	632,928
Current year	208,372	3,925,096
Reversal of impairment loss	-	(16,337)
Recovered	(41,859)	(13,434)
Balance at end	4,694,766	4,528,253

10. TRADE AND OTHER RECEIVABLES (cont'd)

10.2 Other receivables

Included herein are the following:

(i) An amount of **RM2,610,057** (31.3.2012: RM2,610,057; 1.4.2011: RM2,610,057) due from a buyer of a subsidiary's plant and machinery. The subsidiary has cumulatively provided an impairment loss of **RM1,955,028** (31.3.2012: RM1,305,028; 1.4.2011: RM Nil) as at the end of the reporting period.

(ii) As at 1 April 2011, there is an amount of RM2,700,000 contributed by the Group pursuant to a proposed joint venture between the Group and High Q Pack Industries Co. Ltd. ("HQPI"). On 3 March 2007, the Group had entered into a Shareholders' Agreement with HQPI for the purpose of setting up a new company under the name of Thai Strapping Ltd. ("TSL") as the joint venture vehicle to undertake the manufacturing and sale of metal/steel strapping and steel component activities in Thailand. The shares were allocated to the Group and the said amount was transferred to other investment.

(iii) An amount of **RM29,111** (31.3.2012: RM Nil; 1.4.2011: RM Nil) which is interest bearing at 2% per month. Interest is computed on the month end outstanding balance.

The movement of accumulated impairment loss is as follows:

	2013 RM	2012 RM
Balance at beginning	1,390,962	85,933
Current year	734,763	1,305,029
Balance at end	2,125,725	1,390,962

10.3 Deposits

Included herein is a deposit amounting to **USD Nil** (31.3.2012: USD100,000; 1.4.2011: USD100,000) held by a lender as security for a term loan. Upon full settlement of the term loan during the financial year, the deposit has been refunded.

10.4 Prepayments

Included herein is prepaid settlement interest to a bank amounting to **RM750,873** (31.3.2012: RM Nil; 1.4.2011: RM Nil). Refer Note 18.

10.5 Amount due from subsidiaries

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

11. FIXED DEPOSITS WITH LICENSED BANKS

GROUP

Included herein are fixed deposits amounting to **RM506,183** (31.3.2012: RM453,000; 1.4.2011: RM42,000) which are pledged to licensed banks for term loan and bank guarantee facilities granted to the Company and a subsidiary respectively.

COMPANY

The fixed deposits are pledged to licensed banks as securities for term loan and bank guarantee facilities granted to the Company and a subsidiary respectively.

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

	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
GROUP			
- Interest rates per annum	3.00% - 3.31%	3.00%	3.00%
- Maturities	1 - 3 months	1 month	12 months
COMPANY			
- Interest rate per annum	3.00%	3.00%	-
- Maturity	1 month	1 month	-

12. CASH AND BANK BALANCES

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

		GROUP	
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Ringgit Malaysia	3,899,873	3,922,710	9,251,030
Indian Rupee	20,262	3,669	70,346
	3,920,135	3,926,379	9,321,376

The Company's cash and bank balances are denominated in Ringgit Malaysia.

13. NON-CURRENT ASSETS HELD FOR SALE

	GROUP		
	31.3.2013	31.3.2012	1.4.2011
	RM	RM	RM
Freehold land and buildings, at cost			
Balance at beginning	-	12,068,914	12,777,762
Additions	-	-	128,451
Disposals	-	(12,068,914)	(837,299)
Balance at end	-	-	12,068,914

On 28 September 2007, a subsidiary had entered into a sales and purchase agreement with a third party for the sale of the freehold land and buildings. The disposal was completed on 31 October 2011.

The freehold land and buildings were pledged to a licensed bank for banking facilities granted to the subsidiary.

14. SHARE CAPITAL

	Number of Ordinary Shares of RM1 each		Amount	
	2013	2012	**2013**	2012
			RM	RM
Authorised:				
Balance at beginning	800,000,000	100,000,000	800,000,000	100,000,000
Creation	-	700,000,000	-	700,000,000
Balance at end	800,000,000	800,000,000	800,000,000	800,000,000
Issued and fully paid:				
Balance at beginning	6,464,496	64,644,965	6,464,496	64,644,965
Adjustment due to capital reduction and consolidation	-	(58,180,469)	-	(58,180,469)
Issued during the year pursuant to:				
- Rights issue	13,228,877	-	13,228,877	-
- Creditor settlement	7,500,000	-	7,500,000	-
- Debt restructuring	19,134,575	-	19,134,575	-
- Conversion of ICULS	2,161,111	-	2,161,111	-
Balance at end	48,489,059	6,464,496	48,489,059	6,464,496

The changes to the authorised share capital and issued and paid-up share capital are pursuant to the implementation of the Company's revised Restructuring Scheme as detailed in Note 35 to the financial statements.

15. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS

	Number of ICULS of RM0.10 each RM	**Amount RM**
Issued during the year pursuant to:		
- Rights issue with warrants	193,934,880	19,393,488
- Creditor settlement	37,000,000	3,700,000
Converted to ordinary shares during the year	(2,161,111)	(261,111)
	228,773,769	22,832,377

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

During the financial year, the Company issued and allotted:

(i) Renounceable rights issue of RM19,393,488 nominal value of ICULS at 100% of its nominal value on the basis of RM6.00 nominal value of ICULS for every two existing ordinary shares of RM1.00 each held in the Company together with 9,696,744 free warrants on the basis of one warrant for every two ICULS subscribed for; and

(ii) RM3,700,000 nominal value of ICULS pursuant to the creditor settlement.

The salient features of the ICULS are as follows:

(i) The ICULS shall be convertible into fully paid-up ordinary shares at any time during the tenure of the ICULS from the date of issue of the ICULS up to and including the maturity date of 15 April 2022 by surrendering ten ICULS of RM0.10 each for one new ordinary share or by surrendering for cancellation one ICULS of RM0.10 each and paying the difference between the nominal value of ICULS and conversion price of RM1.00 each.

(ii) The ICULS have a tenure period of 10 years from the date of issue and will not be redeemable in cash. All outstanding ICULS will be mandatorily converted by the Company into new ordinary shares at the conversion price of RM1.00 each on the maturity date, with any fractional new shares arising from the mandatory conversion of the ICULS and the maturity date shall be disregarded.

(iii) Upon conversion of the ICULS into new ordinary shares, such shares would rank pari passu in all respects with the existing ordinary shares of the Company in issue except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date is before the new shares allotment.

16. OTHER RESERVES

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Share premium	21,445,955	23,751,705	23,751,705
Warrants reserve (Note 16.1)	3,186,005	-	-
Discount on shares (Note 16.1)	(3,105,465)	-	-
Fair value reserve (Note 16.2)	(239,495)	(1,562)	4,830
Foreign exchange translation reserve (Note 16.3)	(541,642)	(422,533)	-
	20,745,358	23,327,610	23,756,535
Retained profits/(Accumulated losses)	15,838,202	20,253,495	(55,813,062)
	36,583,560	43,581,105	(32,056,527)

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Share premium	21,445,955	23,751,705	23,751,705
Warrants reserve (Note 16.1)	3,186,005	-	-
Discount on shares (Note 16.1)	(3,105,465)	-	-
Capital reserve (Note 16.4)	7,445,000	7,445,000	7,445,000
	28,971,495	31,196,705	31,196,705
(Accumulated losses)/Retained profits	(22,442)	1,277,177	(50,619,484)
	28,949,053	32,473,882	(19,422,779)

16.1 Warrants reserve and Discount on shares

The warrants reserve is in respect of the allocated fair value of the 20,338,187 warrants issued in the following manner:

(i) Issued 13,228,877 new ordinary shares of RM1.00 each together with 6,614,439 free warrants on the basis of one free warrant for every two ordinary shares.
(ii) Issued 193,934,880 ICULS at the nominal value of RM0.10 each, together with 9,696,744 free warrants on the basis of one warrant for every two ICULS subscribed.
(iii) Issued 4,027,004 warrants at an issue price of RM0.02 per rights warrants.

The discount on shares is a reserve account that is created to preserve the par value of the ordinary shares.

Each warrant entitles the registered holder of warrant to subscribe for one new ordinary share in the Company at any time on or after 16 May 2012 up to the date of expiry on 15 May 2022, at an exercise price of RM1.00 per share or such adjusted price in accordance with the provisions in the Deed Poll dated 28 March 2012.

During the financial year ended 31 March 2013, no warrants were exercised. As at end of reporting period, 20,338,187 warrants remain unexercised.

16. **OTHER RESERVES** (cont'd)

16.2 **Fair value reserve**

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

16.3 **Foreign exchange translation reserve**

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

16.4 **Capital reserve**

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

17. **TRADE AND OTHER PAYABLES**

	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
GROUP			
Non-current			
Retirement benefit obligations (Note 17.1)	1,197,268	1,409,398	-
Current			
Trade payables (Note 17.2)			
Third parties	14,774,303	12,059,600	8,400,704
Other payables			
Retirement benefit obligations (Note 17.1)	134,854	101,487	-
Sundry payables (Note 17.3)	2,253,543	16,091,222	19,168,796
Advances from customers	246,308	-	-
Accruals	1,564,940	4,122,246	14,086,840
Prepayment and deposits received for letting of properties	1,258,615	1,153,791	1,531,347
	5,458,260	21,468,746	34,786,983
	20,232,563	33,528,346	43,187,687
Total trade and other payables	21,429,831	34,937,744	43,187,687

17. **TRADE AND OTHER PAYABLES** (cont'd)

	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
COMPANY			
Non-current			
Retirement benefit obligations (Note 17.1)	358,272	327,096	-
Current			
Other payables			
Retirement benefit obligations (Note 17.1)	50,000	59,988	-
Sundry payables	20,111	372,734	339,960
Accruals	265,881	3,180,725	338,443
Prepayment and deposits received for letting of properties	524,275	359,103	676,311
Amount due to subsidiaries (Note 17.4)	379,460	11,622,540	18,437,997
	1,239,727	15,595,090	19,792,711
Total other payables	1,597,999	15,922,186	19,792,711

The currency profile of the Group's trade and other payables is as follows:

	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Ringgit Malaysia	20,115,563	34,598,851	41,036,642
Indian Rupee	1,054,045	338,893	2,146,288
US Dollar	260,223	-	4,757
	21,429,831	34,937,744	43,187,687

The Company's other payables are denominated in Ringgit Malaysia.

17. **TRADE AND OTHER PAYABLES** (cont'd)

17.1 **Retirement benefit obligations**

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

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Balance at beginning	1,510,885	-	-
Foreign currency translation	(1,373)	-	-
Addition	398,684	1,822,023	-
Lapse due to resignation	(355,083)	-	-
Utilised during the year	(220,991)	(311,138)	-
Balance at end	1,332,122	1,510,885	-
Analysed as:			
Current	134,854	101,487	-
Non-current:			
Later than 1 year but not later than 2 years	104,964	58,821	-
Later than 2 years but not later than 5 years	185,158	110,966	-
Later than 5 years	907,146	1,239,611	-
	1,197,268	1,409,398	-
	1,332,122	1,510,885	-

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Balance at beginning	387,084	-	-
Addition	212,885	531,707	-
Lapse due to resignation	(24,909)	-	-
Utilised during the year	(166,788)	(144,623)	-
Balance at end	408,272	387,084	-
Analysed as:			
Current	50,000	59,988	-
Non-current:			
Later than 1 year but not later than 2 years	-	8,068	-
Later than 2 years but not later than 5 years	147,762	-	-
Later than 5 years	210,510	319,028	-
	358,272	327,096	-
	408,272	387,084	-

17. **TRADE AND OTHER PAYABLES** (cont'd)

17.2 **Trade payables**

The trade payables are non-interest bearing and are normally settled within **14 to 90 days** (31.3.2012: 14 to 90 days; 1.4.2011: 14 to 90 days) credit terms.

17.3 **Sundry payables**

		GROUP	
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Interest bearing:			
- Skylitech Resources Sdn. Bhd. (6.20% to 6.80% per annum) *	-	11,200,000	16,000,000
- Others (18.00% per annum)	-	1,230,415	-
	-	12,430,415	16,000,000
Non-interest bearing #	2,253,543	3,660,807	3,168,796
	2,253,543	16,091,222	19,168,796

* During the financial year ended 31 March 2012, upon the approval of the Company's revised Proposed Restructuring Scheme by the relevant authorities, the interest portion due to Skylitech Resources Sdn. Bhd. of RM4,800,000 is waived. The outstanding balance of RM11,200,000 is settled during the financial year ended 31 March 2013 by the issuance of 7,500,000 of the Company's shares at RM1.00 each and the issuance of 37,000,000 nominal value of 10-year 0% Irredeemable Convertible Secured Loan Stocks of RM0.10 each.

The amount was secured by corporate guarantee given by the Company and a debenture over the fixed and floating charge over the present and future assets of a subsidiary.

\# Included herein is an amount of **RM Nil** (31.3.2012: RM523,000; 1.4.2011: RM Nil) due to a company in which a director of the Company has interest.

17.4 **Amount due to subsidiaries**

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

18. **BORROWINGS**

		GROUP	
	31.3.2013	31.3.2012	1.4.2011
	RM	RM	RM
Non-current liabilities			
Finance lease liabilities			
Minimum payments:			
Within one year	42,945	42,478	99,993
Later than one year but not later than two years	42,945	29,904	38,569
Later than two years but not later than five years	41,425	37,360	67,264
	127,315	109,542	205,826
Future finance charges	(4,326)	(8,838)	(20,361)
	122,989	100,704	185,465
Amount due within one year included under current liabilities	(39,897)	(37,468)	(87,944)
	83,092	63,236	97,521
Term loans			
Total amount repayable	24,876,956	27,808,043	43,083,279
Amount due within one year included under current liabilities	(1,640,566)	(15,154,243)	(40,878,668)
	23,236,390	12,653,800	2,204,611
	23,319,482	12,717,036	2,302,132
Current liabilities			
Bank overdrafts	486,090	2,615,419	9,829,052
Bankers acceptance	753,000	12,078,340	33,131,000
Revolving credits	-	3,996,496	12,250,000
Trust receipts	-	-	129,350
Finance lease liabilities	39,897	37,468	87,944
Term loans	1,640,566	15,154,243	40,878,668
	2,919,553	33,881,966	96,306,014
Total borrowings	26,239,035	46,559,002	98,608,146
The currency profile of the Group's borrowings is as follows:			
Ringgit Malaysia	25,994,243	46,403,785	98,311,850
Indian Rupee	244,792	195,217	296,296
	26,239,035	46,599,002	98,608,146

18. **BORROWINGS** (cont'd)

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Non-current liabilities			
Finance lease liabilities			
Minimum payments:			
Within one year	-	-	26,835
Future finance charges	-	-	(4,474)
	-	-	22,361
Amount due within one year included under current liabilities	-	-	(22,361)
	-	-	-
Term loans			
Total amount repayable	10,898,971	12,677,861	925,650
Amount due within one year included under current liabilities	(889,038)	(1,745,245)	(314,600)
	10,009,933	10,932,616	611,050
	10,009,933	10,932,616	611,050
Current liabilities			
Finance lease liabilities	-	-	22,361
Term loans	889,038	1,745,245	314,600
	889,038	1,745,245	336,961
Total borrowings	10,898,971	12,677,861	948,011

The Company's borrowings are denominated in Ringgit Malaysia.

31.3.2013

Pursuant to the Company's revised Proposed Restructuring Scheme (PRS), the Company has to issue 1,287,813 ordinary shares of RM1 each to the bank as settlement of interests for a term loan facilities of a subsidiary. Interest is calculated at 5% per annum for two years to be paid upfront in one lump sum upon implementation of the revised PRS on 16 May 2012 ("implementation date").

Further, the Group has to pay the bank a further differential interest for two years, estimated to be RM299,966 payable over 24 monthly instalments of RM12,499 each, commencing immediately upon implementation date.

The outstanding term loan is to be settled at the end of the second year after the implementation date and the repayment term is to be determined at a later date. Consequently, the term loan of RM11,992,158 is reclassified to non-current liabilities.

18. **BORROWINGS** (cont'd)

31.3.2012

The Company's revised PRS has been approved by the relevant authorities. As a result, the amount of RM59,741,524 (principal and interest) owing to the affected banks are waived and the balance due will be settled via issuance of the Company's shares which will take place after the end of the reporting period.

The borrowings (except for finance lease liabilities) of the Group and of the Company are secured by way of:

(i) Legal charges and deed of assignment over certain land and buildings of the Company and subsidiaries,
(ii) Negative pledge on assets of the Company and certain subsidiaries,
(iii) Corporate guarantee of the Company and its subsidiaries,
(iv) Pledge of fixed deposits, and
(v) Joint and several guarantees by certain directors of the Company.

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

GROUP	Average effective interest rate per annum (%)	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
31.3.2013						
Bank overdrafts	8.60	486,090	486,090	-	-	-
Bankers acceptance	5.38	753,000	753,00	-	-	-
Finance lease liabilities	3.00	122,989	39,897	41,730	41,362	-
Term loans	2.06 to 8.60	24,876,956	1,640,566	14,038,030	3,529,462	5,668,898
31.3.2012						
Bank overdrafts	8.10 to 8.60	2,615,419	2,615,419	-	-	-
Bankers acceptance	5.50 to 7.00	12,078,340	12,078,340	-	-	-
Revolving credits	8.00 to 8.50	3,996,496	3,996,496	-	-	-
Finance lease liabilities	2.33 to 4.10	100,704	37,468	27,155	36,081	-
Term loans	2.06 to 8.60	27,808,043	15,154,243	1,833,045	3,890,097	6,930,658
1.4.2011						
Bank overdrafts	7.30 to 8.00	9,829,052	9,829,052	-	-	-
Bankers acceptance	3.00 to 7.80	33,131,000	33,131,000	-	-	-
Revolving credits	8.00 to 8.50	12,250,000	12,250,000	-	-	-
Trust receipts	3.00	129,350	129,350	-	-	-
Finance lease liabilities	2.33 to 4.10	185,465	87,944	34,285	63,236	-
Term loans	1.79 to 9.05	43,083,279	40,878,668	1,417,553	787,058	-

18. **BORROWINGS** (cont'd)

COMPANY	Average effective interest rate per annum %	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
31.3.2013						
Term loans	2.06 to 7.85	10,898,971	889,038	961,394	3,379,641	5,668,898
31.3.2012						
Term loans	2.06 to 7.85	12,677,861	1,745,245	886,300	3,115,658	6,930,658
1.4.2011						
Finance lease liabilities	2.55 to 4.10	22,361	22,361	-	-	-
Term loans	1.79	925,650	314,600	314,600	296,450	-

19. **DEFERRED TAX LIABILITIES**

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Revaluation surplus			
Balance at beginning	2,495,231	2,588,243	2,681,255
Transfer to profit or loss	(93,012)	(93,012)	(93,012)
Balance at end	2,402,219	2,495,231	2,588,243
Excess of capital allowances over depreciation on property, plant and equipment			
Balance at beginning	1,331,412	1,644,842	366,080
Exchange translation difference	(31,638)	(92,280)	(51,214)
Transfer from/(to) profit or loss	277,476	(1,084,150)	693,131
	1,577,250	468,412	1,007,997
Under provision in prior year	184,000	863,000	636,845
Balance at end	1,761,250	1,331,412	1,644,842
	4,163,469	3,826,643	4,233,085

19. **DEFERRED TAX LIABILITIES** (cont'd)

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

		GROUP	
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Revaluation surplus	2,402,219	2,495,231	2,588,243
Property, plant and equipment	1,801,250	1,331,412	2,740,842
Unabsorbed tax losses	-	-	(126,000)
Unabsorbed capital allowances	-	-	(476,000)
Unabsorbed allowance for increase in export	-	-	(494,000)
Retirement benefit obligations	(40,000)	-	-
	4,163,469	3,826,643	4,233,085

		COMPANY	
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Revaluation surplus			
Balance at beginning	1,199,890	1,248,451	1,297,012
Transfer to profit or loss	(48,561)	(48,561)	(48,561)
Balance at end	1,151,329	1,199,890	1,248,451
Excess of capital allowances over depreciation on property, plant and equipment			
Balance at beginning	-	(320,000)	(320,000)
Transfer from profit or loss	-	92,000	-
	-	(228,000)	(320,000)
Under provision in prior year	-	228,000	-
Balance at end	-	-	(320,000)
	1,151,329	1,199,890	928,451

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

		COMPANY	
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Revaluation surplus	1,151,329	1,199,890	1,248,451
Unabsorbed capital allowances	-	-	(320,000)
	1,151,329	1,199,890	928,451

20. REVENUE

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Sale of goods	135,489,383	125,893,957	-	-
Rental of industrial and commercial assets	1,585,008	1,713,756	1,585,008	1,713,756
Management fee from subsidiaries	-	-	1,759,905	1,440,000
	137,074,391	127,607,713	3,344,913	3,153,756

21. OTHER INCOME

Included in the previous financial year was waiver of debts which consisted of principal and interest owing to the affected banks and a creditor amounting to RM59,741,524 and RM4,800,000 respectively which were waived subsequent to the approval of the Company's revised Restructuring Scheme by the relevant authorities. See Note 17.3 and 18.

22. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Wages and salaries	10,214,561	9,418,999	1,611,762	1,250,247
Contributions to defined contribution plan	812,696	729,098	197,063	87,888
Social security contributions	86,234	112,956	9,667	9,353
Increase in liability for defined benefit plan (Note 17.1)	43,601	1,822,023	187,976	531,707
Other benefits	832,898	427,611	95,840	60,445
	11,989,990	12,510,687	2,102,308	1,939,640

23. DIRECTORS' REMUNERATION

Included in the employee benefits expense of the Group and of the Company are directors' emoluments as shown below:

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Directors of the Company				
Executive:				
- Salaries and other emoluments	1,110,961	582,000	905,300	-
- Defined contribution plans	108,636	69,840	108,636	-
Balance carried forward	1,219,597	651,840	1,013,936	-

23. **DIRECTORS' REMUNERATION** (cont'd)

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Balance brought forward	1,219,597	651,840	1,013,936	-
Non-executive:				
- Other emoluments	117,000	234,000	117,000	234,000
- Fees	88,000	168,000	88,000	168,000
	205,000	402,000	205,000	402,000
Directors of subsidiaries:				
Executive:				
- Salaries and other emoluments	376,648	234,021	-	-
- Defined contribution plans	32,112	18,720	-	-
	408,760	252,741	-	-
Non-executive:				
- Fees	120,000	-	120,000	-
Total directors' remuneration	1,953,357	1,306,581	1,338,936	402,000
Analysed as:				
Total executive directors' remuneration (Note 22)	1,628,357	904,581	1,013,936	-
Total non-executive directors' remuneration (Note 25)	325,000	402,000	325,000	402,000
	1,953,357	1,306,581	1,338,936	402,000
Represented by:				
Present directors	1,803,357	1,306,581	1,248,936	402,000
Past directors	150,000	-	90,000	-
	1,953,357	1,306,581	1,338,936	402,000

24. FINANCE COSTS

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Interest expense on:				
- Borrowings	2,218,283	6,417,149	882,054	465,992
- Finance lease	11,176	11,523	-	4,474
- Loan from third parties (Note 17.3)	65,502	305,484	-	-
	2,294,961	6,734,156	882,054	470,466
Bank charges	26,912	32,862	-	-
	2,321,873	6,767,018	882,054	470,466

25. (LOSS)/PROFIT BEFORE TAXATION

This is arrived at:

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
After charging:				
Auditors' remuneration				
- Company's auditors				
- statutory audit				
- current year	105,900	98,000	28,000	24,000
- under provision in prior year	(4,060)	(15,400)	(1,800)	-
- Other auditors				
- statutory audit	7,183	3,190	-	-
Bad debts	226,936	101,540	-	-
Provision for impairment loss on:				
- Goodwill	-	1,875,643	-	-
- Investment in subsidiaries	-	-	-	2,533,837
- Plant and equipment	-	1,248,801	-	-
- Trade receivables				
- current year	208,372	3,925,096	-	-
- over provision in prior year	-	(16,337)	-	-
- Other receivables	734,763	1,305,029	-	-
- Other investment	-	582,223	-	-

25. **(LOSS)/PROFIT BEFORE TAXATION** (cont'd)

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Inventories written off	754,122	12,006,064	-	-
Inventories written down	9,738	1,871,282	-	-
Loss on:				
- Disposal of property, plant and equipment	-	-	45	-
- Disposal of investment	25,490	-	-	-
Non-executive directors' remuneration (Note 23)	325,000	402,000	325,000	402,000
Property, plant and equipment written off	2,092,816	136,317	774	-
Realised loss on foreign exchange	-	-	18,540	-
Rental expenses:				
- Premises	1,125,707	699,397	75,300	138,000
- Plant and machinery	35,872	3,614	-	-
- Others	5,823	15,600	-	-
Unrealised loss on foreign exchange	9,513	-	-	-
And crediting:				
Bad debts recovered	700	-	-	-
Gain on:				
- Bargain purchase of a subsidiary	2,742,709	-	-	-
- Disposal of non-current assets held for sale	-	141,328	-	-
- Disposal of property, plant and equipment	112,463	328,486	-	-
Gross dividend from investments quoted in Malaysia	45,916	1,560	-	-
Impairment loss on trade receivables recovered	41,859	13,434	-	-
Interest income	231,460	17,253	224,233	-
Realised gain on foreign exchange	87,177	97,686	-	-
Rental income	77,848	60,348	-	-
Unrealised gain on foreign exchange	-	125,229	-	-
Waiver of debts	-	64,541,524	-	-

26. TAXATION

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Current tax:				
Based on results for the year				
- Malaysian income tax	(250,000)	(97,000)	-	-
- Foreign tax	(71,752)	(150,761)	-	-
	(321,752)	(247,761)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences				
- Malaysia	(141,988)	1,451,012	48,561	(43,439)
- Foreign subsidiary	(42,476)	(273,850)	-	-
	(184,464)	1,177,162	48,561	(43,439)
	(506,216)	929,401	48,561	(43,439)
Under provision in prior year				
- Current tax	(905,010)	(34,305)	(28,467)	-
- Deferred tax	(184,000)	(863,000)	-	(228,000)
	(1,089,010)	(897,305)	(28,467)	(228,000)
	(1,595,226)	32,096	20,094	(271,439)

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

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
(Loss)/Profit before taxation	(2,753,988)	17,920,114	(1,319,713)	(6,012,369)
Income tax at Malaysian statutory tax rate of 25%	688,497	(4,480,029)	329,928	1,503,092
Tax rates differences in foreign jurisdiction	(18,827)	(37,676)	-	-
Income not subject to tax	699,656	39,587	-	-
Waiver of debts received	-	16,135,381	-	-
Double deduction for promotion of exports	11,529	11,678	-	-
Expenses not deductible for tax purposes	(1,091,503)	(6,739,024)	(310,381)	(1,221,928)
Balance carried forward	289,352	4,929,917	19,547	281,164

26. **TAXATION** (cont'd)

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Balance brought forward	289,352	4,929,917	19,547	281,164
Deferred tax movements not recognised	(888,580)	(4,093,528)	(19,547)	(373,164)
Annual crystallisation of deferred tax on revaluation	93,012	93,012	48,561	48,561
	(506,216)	929,401	48,561	(43,439)
Under provision in prior years	(1,089,010)	(897,305)	(28,467)	(228,000)
	(1,595,226)	32,096	20,094	(271,439)

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

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Property, plant and equipment	21,905,000	22,455,000	4,812,000	4,257,000
Unabsorbed tax losses	(68,360,000)	(65,663,000)	(1,183,000)	(601,000)
Unabsorbed capital allowances	(11,300,000)	(10,680,000)	(3,942,000)	(3,911,000)
Unabsorbed reinvestment allowance	(8,838,000)	(8,838,000)	-	-
Unabsorbed allowance for increase in exports	(1,978,000)	(1,978,000)	-	-
Retirement benefit obligations	(1,148,000)	(1,207,000)	(408,000)	(387,000)
	(69,719,000)	(65,911,000)	(721,000)	(642,000)

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

26. TAXATION (cont'd)

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

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Unabsorbed tax losses	68,360,000	66,206,000	1,183,000	601,000
Unabsorbed capital allowances	11,300,000	11,487,000	3,942,000	3,911,000
Unabsorbed reinvestment allowance	8,838,000	8,838,000	-	-
Unabsorbed allowance for increase in exports	1,978,000	1,978,000	-	-

27. (LOSS)/EARNINGS PER SHARE

27.1 Basic

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

	GROUP	
	2013	2012
(Loss)/Profit for the year (RM)	(4,415,293)	17,886,088
Weighted average number of shares		
Issued shares at 1 April	6,464,496	64,644,965
Capital reduction and consolidation	-	(10,520,313)
Effect of shares issued pursuant to the implementation of the Company's Restructuring Scheme	35,494,855	-
Conversion of ICULS	1,782,983	-
Weighted average number of shares at 31 March	43,742,334	54,124,652
Basic (loss)/earnings per share (sen)	(10.09)	33.05

27. (LOSS)/EARNINGS PER SHARE (cont'd)

27.2 Diluted

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

	GROUP	
	2013	2012
(Loss)/Profit attributable to owners of the parent (diluted) (RM)	(4,415,293)	17,886,088
Weighted average number of ordinary shares above	43,742,334	54,124,652
Effects on conversion of ICULS	2,309,349	-
Weighted average number of shares assumed to be in issue	46,051,683	54,124,652
Diluted (loss)/earnings per share (sen)	(9.59)	-*

* There is no diluted loss per share in the previous financial year as the Company did not have any convertible financial instruments as at 31 March 2012.

28. SEGMENTAL INFORMATION

Reporting format

The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. Secondary information is reported geographically. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Business segments

The Group comprises the following main business segments:

(i)	Manufacturing	Manufacturing of metal related products,
(ii)	Trading	Trading, shredding and processing of metal related products, and
(iii)	Others	Letting of industrial and commercial assets and provision of management consultancy and corporate services.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

28. SEGMENTAL INFORMATION (cont'd)

By business segments

	Manufacturing		Trading		Others		Elimination			Total	
	31.3.2013 RM	31.3.2012 RM	**31.3.2013 RM**	31.3.2012 RM	**31.3.2013 RM**	31.3.2012 RM	**31.3.2013 RM**	31.3.2012 RM	**Note**	**31.3.2013 RM**	31.3.2012 RM
Revenue											
External sales	78,733,792	63,137,562	56,755,591	62,756,395	1,585,008	1,713,756	-	-		137,074,391	127,607,713
Inter-segment sales	2,748,543	1,332,133	252,673	312,068	1,759,905	1,440,000	(4,761,121)	(3,084,201)	A	-	-
Total revenue	81,482,335	64,469,695	57,008,264	63,068,463	3,344,913	3,153,756	(4,761,121)	(3,084,201)		137,074,391	127,607,713
Results											
Segment results	91,472	(5,771,221)	(2,681,901)	35,597,389	(815,855)	(5,156,289)	2,742,709	-		(663,575)	24,669,879
Interest income	1,947	2,595	5,280	14,658	224,233	-	-	-		231,460	17,253
Interest expense	(1,329,066)	(1,444,979)	(110,603)	(4,851,390)	(882,204)	(470,649)	-	-		(2,321,873)	(6,767,018)
Taxation	(1,615,320)	(355,661)	-	716,968	20,094	(329,211)	-	-		(1,595,226)	32,096
(Loss)/Profit for the year	(2,850,967)	(7,569,266)	(2,787,224)	31,477,625	(1,453,732)	(5,956,149)	2,742,709	-		(4,349,214)	17,952,210
Assets											
Segment assets	100,805,848	99,625,676	38,080,123	49,043,463	133,804,594	77,490,154	(117,608,215)	(94,490,076)		155,082,350	131,669,217
Tax recoverable	190,112	11,665	172,104	205,949	23,951	165,619	-	-		386,167	383,233
Fixed deposits with licensed banks	-	-	9,000,000	-	506,183	453,000	-	-		9,506,183	453,000
Cash and bank balances	2,525,353	2,728,209	1,006,882	863,761	387,900	334,409	-	-		3,920,135	3,926,379
Total assets	103,521,313	102,365,550	48,259,109	50,113,173	134,722,628	78,443,182	(117,608,215)	(94,490,076)		168,894,835	136,431,829
Liabilities											
Segment liabilities	41,734,301	29,716,368	54,118,567	43,171,753	25,264,020	29,634,886	(99,687,057)	(67,585,263)		21,429,831	34,937,744
Deferred tax liabilities	3,012,140	2,626,753	-	-	1,151,329	1,199,890	-	-		4,163,469	3,826,643
Provision for taxation	641,033	271,210	-	-	-	-	-	-		641,033	271,210
Borrowings	3,130,088	4,978,792	12,209,976	28,942,349	10,898,971	12,677,861	-	-		26,239,035	46,599,002
Total liabilities	48,517,562	37,593,123	66,328,543	72,114,102	37,314,320	43,512,637	(99,687,057)	(67,585,263)		52,473,368	85,634,599
Other information											
Addition to non-current assets	2,549,165	3,535,852	1,157,130	419,959	1,670,903	292,818	-	-	B	5,377,198	4,248,629
Depreciation	3,066,724	2,960,274	383,842	825,343	137,663	806,699	-	-		3,588,229	4,592,316
Non-cash expenses/(income) other than depreciation	2,124,497	834,648	1,765,585	(44,953,240)	(2,683,504)	2,017,683	-	-	C	1,206,578	(42,100,909)

28. **SEGMENTAL INFORMATION** (cont'd)

Notes to segment information:

A Inter-segment revenues are eliminated on consolidation.

B Additions to non-current assets consist of property, plant and equipment and investment properties.

C Other non-cash expenses/(income) consist of the following items:

	2013 RM	2012 RM
Bad debts	226,936	101,540
Bargain purchase gain	(2,742,709)	-
Gain on disposal of non-current assets held for sale	-	(141,328)
Gain on disposal of property, plant and equipment	(112,463)	(328,486)
Goodwill written off	-	1,875,643
Impairment loss on plant and equipment	-	1,248,801
Impairment loss on trade receivables		
- current year	208,372	3,925,096
- over provision in prior year	-	(16,337)
Impairment loss on other receivables	734,763	1,305,029
Impairment loss on other investment	-	582,223
Inventories written down	9,738	1,871,282
Inventories written off	754,122	12,006,064
Loss of disposal of investment	25,490	-
Property, plant and equipment written off	2,092,816	136,317
Unrealised loss/(gain) on foreign exchange	9,513	(125,229)
Waiver of debts	-	(64,541,524)
	1,206,578	(42,100,909)

Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on geographical location of its customers. In Malaysia, its home country, the Group's areas of operation are principally manufacturing and trading of metal related products. In India, the Group is principally involved in manufacturing of metal related products.

	Revenue		Non-current assets	
	2013 RM	2012 RM	2013 RM	2012 RM
Malaysia	131,194,855	119,287,520	96,561,927	82,483,071
India	3,418,099	3,639,053	7,143,894	6,597,085
Others	2,461,437	4,681,140	-	-
	137,074,391	127,607,713	103,705,821	89,080,156

28. **SEGMENTAL INFORMATION** (cont'd)

Non-current assets information presented above which excludes financial assets, consist of the following items as presented in the Group's statement of financial position.

	2013 RM	2012 RM
Property, plant and equipment	74,801,719	67,802,073
Investment properties	28,904,102	21,278,083
	103,705,821	89,080,156

Information about major customer

Total revenue from a major customer which contributed more than 10% of the Group's revenue amounted to **RM49,447,262** (2012: RM57,808,141).

29. **RELATED PARTY DISCLOSURES**

(i) **Related party transactions**

	GROUP		**COMPANY**	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Commission paid to a director of a subsidiary	-	85,000	-	85,000
Rental of premises paid to a director of the Company	35,300	66,000	15,300	18,000
Rental of premises paid to a subsidiary	-	-	60,000	120,000
Rental of warehouse and open yard paid to a company in which a director of the Company has interest	420,000	-	-	-
Rental of warehouse received from a company in which a director of the Company has interest	266,640	254,760	266,640	254,760

29. RELATED PARTY DISCLOSURES

(i) Related party transactions

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Management consultancy fee paid to a shareholder of a subsidiary	85,240	-	-	-
Management fee received from subsidiaries	-	-	1,759,905	1,440,000
Investments in quoted equity instruments of a company in which a director of the Company has interest	1,508,624	-	-	-

(ii) Compensation of key management personnel

Key management personnel comprise the Board of Directors of the Company and of its subsidiaries of which their remuneration is disclosed in Note 23.

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, directly or indirectly.

30. CONTINGENT LIABILITIES

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Corporate guarantee for loan facilities given to Vinanic Steel Processing Company (Vietnam), an investee company			
- Limit	-	817,043	807,322
- Amount utilised	-	817,043	807,322

30. CONTINGENT LIABILITIES (cont'd)

	COMPANY		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
Unsecured:			
Corporate guarantee for banking facilities given to subsidiaries			
- Limit	20,758,000	116,152,654	116,152,654
- Amount utilised	14,130,062	32,382,335	96,937,387
Corporate guarantee to trade payables of subsidiaries			
- Limit	11,815,000	25,591,557	25,591,557
- Amount utilised	7,630,008	15,184,059	16,563,561
Secured:			
Banking facilities granted to a subsidiary secured by way of legal charges over the Company's leasehold land and building			
- Limit	1,500,000	1,500,000	-
- Amount utilised	1,025,448	1,437,497	-

The corporate guarantees do not have a determinable effect on the terms of the credit facilities due to the financial institutions requiring parent guarantee as a pre-condition for approving the credit facilities granted to its subsidiaries. The actual terms of the credit facilities are likely to be the best indicator of "at market" terms and hence the fair value of the credit facilities are equal to the credit facilities amount received by its subsidiaries. As such, there is no value on the corporate guarantee to be recognised in the financial statements.

31. COMMITMENTS

	GROUP		
	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
(i) **Capital commitment**			
Contracted but not provided for:			
- Property, plant and equipment	1,820,766	36,000	215,898
(ii) **Cancellable operating lease commitment**			
Future minimum rental payable:			
- Later than 1 year	360,000	-	-
- Later than 1 year but not later than 2 years	360,000	-	-
	720,000	-	-

32. CATEGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as:
(i) Available-for-sale financial assets ("AFS");
(ii) Held-to-maturity investments ("HTM");
(iii) Loans and receivables ("L&R"); and
(iv) Other liabilities measured at amortised cost ("FL").

GROUP	Carrying amount RM	AFS RM	HTM RM	L&R RM	FL RM
31.3.2013					
Financial assets					
Other investments (Note 7)	5,864,125	4,364,125	1,500,000	-	-
Trade and other receivables (Note 10)	32,913,005	-	-	32,913,005	-
Fixed deposits with licensed banks (Note 11)	9,506,183	-	-	9,506,183	-
Cash and bank balances (Note 12)	3,920,135	-	-	3,920,135	-
	52,203,448	4,364,125	1,500,000	46,339,323	-
Financial liabilities					
Trade and other payables (Note 17)	18,592,786	-	-	-	18,592,786
Borrowings (Note 18)	26,239,035	-	-	-	26,239,035
	44,831,821	-	-	-	44,831,821
31.3.2012					
Financial assets					
Other investments (Note 7)	2,165,621	2,165,621	-	-	-
Trade and other receivables (Note 10)	25,211,140	-	-	25,211,140	-
Fixed deposit with a licensed bank (Note 11)	453,000	-	-	453,000	-
Cash and bank balances (Note 12)	3,926,379	-	-	3,926,379	-
	31,756,140	2,165,621	-	29,590,519	-
Financial liabilities					
Trade and other payables (Note 17)	32,273,068	-	-	-	32,273,068
Borrowings (Note 18)	46,599,002	-	-	-	46,599,002
	78,872,070	-	-	-	78,872,070

32. **CATEGORIES OF FINANCIAL INSTRUMENTS** (cont'd)

	Carrying amount RM	AFS RM	HTM RM	L&R RM	FL RM
1.4.2011					
Financial assets					
Other investments (Note 7)	54,236	54,236	-	-	-
Trade and other receivables (Note 10)	35,765,779	-	-	35,765,779	-
Fixed deposit with a licensed bank (Note 11)	42,000	-	-	42,000	-
Cash and bank balances (Note 12)	9,321,376	-	-	9,321,376	-
	45,183,391	54,236	-	45,129,155	-
Financial liabilities					
Trade and other payables (Note 17)	41,656,340	-	-	-	41,656,340
Borrowings (Note 18)	98,608,146	-	-	-	98,608,146
	140,264,486	-	-	-	140,264,486
COMPANY					
31.3.2013					
Financial assets					
Other receivables (Note 10)	65,686,064	-	-	65,686,064	-
Fixed deposits with licensed banks (Note 11)	506,183	-	-	506,183	-
Cash and bank balances (Note 12)	177,751	-	-	177,751	-
	66,369,998	-	-	66,369,998	-
Financial liabilities					
Other payables (Note 17)	665,452	-	-	-	665,452
Borrowings (Note 18)	10,898,971	-	-	-	10,898,971
	11,564,423	-	-	-	11,564,423
31.3.2012					
Financial assets					
Other receivables (Note 10)	23,249,861	-	-	23,249,861	-
Fixed deposits with licensed banks (Note 11)	453,000	-	-	453,000	-
Cash and bank balances (Note 12)	265,714	-	-	265,714	-
	23,968,575	-	-	23,968,575	-
Financial liabilities					
Other payables (Note 17)	15,175,999	-	-	-	15,175,999
Borrowings (Note 18)	12,677,861	-	-	-	12,677,861
	27,853,860	-	-	-	27,853,860

32. **CATEGORIES OF FINANCIAL INSTRUMENTS** (cont'd)

1.4.2011	Carrying amount RM	AFS RM	HTM RM	L&R RM	FL RM
Financial assets					
Other receivables (Note 10)	20,266,411	-	-	20,266,411	-
Cash and bank balances (Note 12)	50,081	-	-	50,081	-
	20,316,492	-	-	20,316,492	-
Financial liabilities					
Other payables (Note 17)	19,116,400	-	-	-	19,116,400
Borrowings (Note 18)	948,011	-	-	-	948,011
	20,064,411	-	-	-	20,064,411

33. **FINANCIAL RISK MANAGEMENT**

The Group and the Company are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative activities.

33.1 **Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade receivables whilst the Company's exposure to credit risk arises principally from advances its subsidiaries and financial guarantees provided to financial institutions in respect of credit facilities granted to certain subsidiaries.

33.1.1 **Trade receivables**

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

33. **FINANCIAL RISK MANAGEMENT** (cont'd)

33.1 **Credit risk** (cont'd)

33.1.1 **Trade receivables** (cont'd)

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

	Gross RM	Individual impairment RM	Net RM
31.3.2013			
Not past due	16,489,827	-	16,489,827
Past due 0 - 30 days	7,203,994	-	7,203,994
Past due 31 - 60 days	4,311,152	-	4,311,152
Past due 61 - 90 days	1,386,411	-	1,386,411
Past due more than 90 days	5,223,472	(4,694,766)	528,706
	18,125,029	(4,694,766)	13,430,263
	34,614,856	(4,694,766)	29,920,090
31.3.2012			
Not past due	13,703,033	-	13,703,033
Past due 0 - 30 days	4,628,570	-	4,628,570
Past due 31 - 60 days	1,563,126	-	1,563,126
Past due 61 - 90 days	466,602	-	466,602
Past due more than 90 days	4,908,326	(4,528,253)	380,073
	11,566,624	(4,528,253)	7,038,371
	25,269,657	(4,528,253)	20,741,404
1.4.2011			
Not past due	16,320,885	-	16,320,885
Past due 0 - 30 days	2,921,384	-	2,921,384
ast due 31 - 60 days	2,836,594	-	2,836,594
Past due 61 - 90 days	182,007	-	182,007
Past due more than 90 days	3,889,235	(632,928)	3,256,307
	9,829,220	(632,928)	9,196,292
	26,150,105	(632,928)	25,517,177

33. FINANCIAL RISK MANAGEMENT (cont'd)

33.1 Credit risk (cont'd)

33.1.1 Trade receivables (cont'd)

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither pass due nor impaired has been renegotiated during the financial year.

The Group has trade receivables amounting to **RM13,430,263** (31.3.2012 : RM7,038,371; 1.4.2011: RM9,196,292) that are past due as at the end of the reporting period but not impaired as the management is of the view that these past due amounts will be collected in due course.

The Group has significant concentration of credit risk in the form of outstanding balance due from **1** (31.3.2012: Nil; 1.4.2011: Nil) customer representing **10%** (31.3.2012: Nil; 1.4.2011: Nil) of the total trade receivables.

33.1.2 Intercompany balances

The Company obtains and provides advances to its subsidiaries and monitors the result of the subsidiaries regularly.

As at the end of the reporting period, there was no indication that the advances to its subsidiaries are not recoverable. The Company does not specifically monitor the ageing of the advances to its subsidiaries.

33.1.3 Financial guarantees

The Company provides unsecured corporate guarantee to banks, financial institutions and creditors in respect of credit facilities granted to certain subsidiaries and an investee.

The maximum exposure to credit risk is disclosed in Note 30, representing the outstanding credit facilities of the said subsidiaries and the investee as at the end of the reporting period. The Company monitors on an ongoing basis the results of the subsidiaries and investee and repayments made by them.

33.2 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintains sufficient level of cash and cash equivalents to meet its working capital requirements.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

33. FINANCIAL RISK MANAGEMENT (cont'd)

33.2 Liquidity risk (cont'd)

	Carrying amount RM	Contractual cash flow RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
GROUP						
31.3.2013						
Interest bearing borrowings	26,239,035	30,669,374	3,869,078	14,875,933	5,338,692	6,585,671
Trade and other payables	18,592,786	18,592,786	18,592,786	-	-	-
	44,831,821	49,262,160	22,461,864	14,875,933	5,338,692	6,585,671
31.3.2012						
Interest bearing borrowings	46,599,002	52,156,227	34,990,271	2,807,107	5,992,510	8,366,339
Trade and other payables	32,273,068	32,273,068	32,273,068	-	-	-
	78,872,070	84,429,295	67,263,339	2,807,107	5,992,510	8,366,339
1.4.2011						
Interest bearing borrowings	98,608,146	98,930,442	96,506,173	1,526,487	897,782	-
Trade and other payables	41,656,340	41,656,340	41,656,340	-	-	-
	140,264,486	140,586,782	138,162,513	1,526,487	897,782	-
COMPANY						
31.3.2013						
Interest bearing borrowings	10,898,971	15,151,031	1,713,072	1,713,072	5,139,216	6,585,671
Other payables	665,452	665,452	665,452	-	-	-
	11,564,423	15,816,483	2,378,524	1,713,072	5,139,216	6,585,671
31.3.2012						
Interest bearing borrowings	12,677,861	17,857,349	2,638,722	1,713,072	5,139,216	8,366,339
Other payables	15,175,999	15,175,999	15,175,999	-	-	-
	27,853,860	33,033,348	17,814,721	1,713,072	5,139,216	8,366,339
1.4.2011						
Interest bearing borrowings	948,011	952,485	341,435	314,600	296,450	-
Other payables	19,116,400	19,116,400	19,116,400	-	-	-
	20,064,411	20,068,885	19,457,835	314,600	296,450	-

33. **FINANCIAL RISK MANAGEMENT** (cont'd)

33.3 Interest rate risk

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

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

	31.3.2013 RM	31.3.2012 RM	1.4.2011 RM
GROUP			
Fixed rate instruments			
Financial assets	9,535,294	453,000	42,000
Financial liabilities	122,989	12,531,119	16,481,761
Floating rate instruments			
Financial liabilities	26,116,046	46,498,298	98,126,385
COMPANY			
Fixed rate instruments			
Financial assets	506,183	453,000	-
Financial liabilities	-	-	22,361
Floating rate instruments			
Financial liabilities	10,898,971	12,677,861	925,650

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and financial liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

An increase of 25 basis point at the end of the reporting period would have increased loss before taxation by the amount shown below and a corresponding decrease would have an equal but opposite effect. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	GROUP		**COMPANY**	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Increase in loss before taxation	79,090	256,547	44,458	14,841

33. **FINANCIAL RISK MANAGEMENT** (cont'd)

33.4 Foreign currency risk

The Group is exposed to foreign currency risk on sales that are denominated in currencies other than the respective functional currencies of the Group entities. The currencies giving rise to this risk is US Dollar ("USD"), Euro ("EUR"), Australian Dollar ("AUD") and Singapore Dollar ("SGD").

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period is as follows:

	USD RM	**EUR RM**	**AUD RM**	**SGD RM**
GROUP				
31.3.2013				
Trade and other receivables	719,886	-	-	1,686
Trade and other payables	(260,223)	-	-	-
Net exposure	459,633	-	-	1,686
31.3.2012				
Trade and other receivables	3,156,042	34,146	1,174	96,881
1.4.2011				
Trade and other receivables	2,191,722	38,488	27,256	53,812

Sensitivity analysis for foreign currency risk

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

	2013 RM	2012 RM
USD	45,963	315,604
Others	169	13,220
Increase in loss before taxation	46,132	328,824

33. **FINANCIAL RISK MANAGEMENT** (cont'd)

33.5 **Capital management**

The primary objective of the Group's and the Company's capital management policy is to maintain a strong capital base to support their business and to maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it in the light of changes in economic conditions or expansion of the Group and the Company. The Group and the Company may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts.

34. **FAIR VALUE OF FINANCIAL INSTRUMENTS**

GROUP AND COMPANY

The carrying amounts of the financial assets (except for quoted shares and unit trusts) and financial liabilities of the Group and of the Company as at the end of the reporting period approximate their fair values due to their short-term nature.

The investment in quoted equity instruments (Note 7) have been adjusted to their fair values by reference to their published market bid price at the end of the reporting period. The unquoted shares are carried at cost as it is not practicable to reasonably estimate their fair values due to lack of comparable quoted market prices and available market data for valuation. Therefore, these investments are carried at their original costs less any impairment losses.

34.1 **Fair value hierarchy**

The table below analyses financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 Inputs for the asset and liability that are not based on observable market data (unobservable inputs).

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
GROUP				
31.3.2013				
Available-for-sale financial assets:				
Quoted shares, at fair value	2,226,970	-	-	2,226,970
Quoted unit trust, at fair value	19,378	-	-	19,378
31.3.2012				
Available-for-sale financial assets:				
Quoted shares, at fair value	31,200	-	-	31,200
Quoted unit trust, at fair value	16,644	-	-	16,644

34. **FAIR VALUE OF FINANCIAL INSTRUMENTS** (cont'd)

34.1 **Fair value hierarchy** (cont'd)

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
1.4.2011				
Available-for-sale financial assets:				
Quoted shares, at fair value	46,160	-	-	46,160
Quoted unit trust, at fair value	8,076	-	-	8,076

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

As at the end of the reporting period, the Group does not have any financial instruments classified as Level 3.

35. **SIGNIFICANT EVENTS**

On 16 May 2012, the Company had completed its revised Restructuring Scheme in respect of debt and equity restructuring. The revised Restructuring Scheme entails the following:

Capital Reduction and Consolidation*

(i) The issued and paid-up share capital of the Company was reduced from RM64,644,965 comprising 64,644,965 ordinary shares of RM1.00 each to RM6,464,496 comprising 64,644,965 ordinary shares of RM0.10 each, via the cancellation of RM0.90 of the par value of each existing ordinary shares of the Company. The credit of RM58,180,469 arising from the share capital reduction of the Company was applied to eliminate the accumulated losses of the Company.

(ii) Subsequent to the aforementioned share capital reduction, the issued and paid-up share capital of the Company was consolidated on the basis of 10 ordinary shares of RM0.10 each into 1 ordinary share of RM1.00 each, thereby consolidating 64,644,965 ordinary shares of RM0.10 each into 6,464,496 ordinary shares of RM1.00 each.

Increase in Authorised Share Capital*

(iii) The authorised share capital of the Company was increased from RM100,000,000 to RM800,000,000 by the creation of an additional 700,000,000 ordinary shares of RM1.00 each.

Rights Issue

(iv) Renounceable rights issue of up to 13,228,877 new ordinary shares of RM1.00 each ("Rights Share") together with up to 6,614,439 free Warrants at an issue price of RM1.00 per Rights Share on the basis of six (6) Rights Shares together with three (3) free Warrants for every two (2) existing ordinary shares of RM1.00 each.

35. **SIGNIFICANT EVENTS** (cont'd)

Rights ICULS

(v) Renounceable rights issue of up to RM19,393,488 nominal value of 10-year 0% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") ("Rights ICULS") at 100% of the nominal value of RM0.10 each together with up to 9,696,744 free Warrants on the basis of RM6.00 nominal value of Rights ICULS together with three (3) free Warrants for every two (2) existing ordinary shares of RM1.00 each.

Rights Warrants

(vi) Issuance of 4,027,004 new Warrants ("Rights Warrants") to the holders of the unexercised 2000/2010 Warrants ("Unexercised Warrants") on 19 November 2010, being the market day immediately preceding the expiry date of the 2000/2010 Warrants ("Expiry Date") at an issue price of RM0.02 per Rights Warrant on the basis of two (2) Right Warrants for every five (5) Unexercised Warrants held at the Expiry Date.

Creditor Settlement

(vii) Settlement to a creditor involving the issuance of 7,500,000 new ordinary shares of RM1.00 each at an issue price of RM1.00 per ordinary share and RM3,700,000 nominal value of ICULS at 100% nominal value of RM0.10 each.

Debt Restructuring

(viii) Restructuring of debts owing to certain financial institution creditors by the Company and its subsidiaries involving the issuance of 19,134,575 new ordinary shares of RM1.00 each.

* Implemented during the financial year ended 31 March 2012.

36. **EMPLOYEE SHARE OPTIONS SCHEME ("ESOS")**

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

The salient features of the ESOS are as follows:

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

(b) Any employee or director of any company comprised in the Group shall be eligible to participate in the ESOS if, as at the date of offer, the employee is at least eighteen (18) years of age or above; and is employed on a continuous full-time basis for a period of not less than six (6) months and, he/she must be a confirmed employee.

(c) The allocation of the options will be staggered over the duration of the ESOS and no further options shall be allocated after the first two (2) years of the ESOS. The maximum allocation available for each of the first two (2) years of the Scheme is 50% of the shares available under the ESOS.

36. **EMPLOYEE SHARE OPTIONS SCHEME ("ESOS")** (cont'd)

(d) The option price for each share shall be the higher of the following:

(i) at a discount of not more than 10% from the weighted average market quotation of the shares of the Company as shown in the daily official list issued by Bursa Malaysia Securities Berhad for the five trading days preceding the date of the offer; or

(ii) the par value of the shares.

(e) The shares under option shall remain unissued until the options are exercised and shall, on allotment, rank pari passu in all respects with the existing shares of the Company at the time of allotment save that they will not entitle the holders thereof to receive any rights and bonus issues announced or to any dividend or other distribution declared to the shareholders of the Company as at a date which precedes the date of the exercise of the options.

(f) The Board of Directors has the absolute discretion, without the approval of the Company's shareholders in the general meeting to extend the duration of the ESOS for up to further seven (7) years.

37. **EXPLANATION OF TRANSITION TO MFRSs**

As stated in Note 2.4 to the financial statements, this is the first financial statements of the Group and of the Company prepared in accordance with MFRSs.

The accounting policies set out in Note 3 have been applied in preparing the financial statements of the Group and of the Company for the financial year ended 31 March 2013, the comparative information presented in these financial statements for the financial year ended 31 March 2012 and in the preparation of the opening MFRS statements of financial position at 1 April 2011.

In preparing the opening statements of financial position at 1 April 2011, the Group and the Company have adjusted amounts reported previously in financial statements prepared in accordance with previous Financial Reporting Standards ("FRSs"). An explanation of how the transition from previous FRSs to MFRSs has affected the Group's and the Company's financial position is set out as follows:

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

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

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

37. **EXPLANATION OF TRANSITION TO MFRSs** (cont'd)

(ii) **Foreign currency translation differences**

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

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

The total impact arising from the changes are summarised as follows:

	FRSs RM	Effect of transition to MFRSs RM	MFRSs RM
Consolidated Statement of Financial Position			
At 1 April 2011			
Asset revaluation reserve	6,009,053	(6,009,053)	-
Foreign translation reserve	(333,513)	333,513	-
Accumulated losses	(61,488,602)	5,675,540	(55,813,062)
At 31 March 2012			
Asset revaluation reserve	6,009,053	(6,009,053)	-
Foreign translation reserve	(756,046)	333,513	(422,533)
Retained profits	14,577,955	5,675,540	20,253,495
Statement of Financial Position			
At 1 April 2011			
Asset revaluation reserve	5,934,344	(5,934,344)	-
Accumulated losses	(56,553,828)	5,934,344	(50,619,484)
At 31 March 2012			
Asset revaluation reserve	5,934,344	(5,934,344)	-
(Accumulated losses)/ Retained profits	(4,657,167)	5,934,344	1,277,177

Other than the above, the transition to MFRSs did not have any other impact to the comparative amounts reported in the Group's and the Company's financial statements for the current financial year.

38. DISCLOSURE OF REALISED AND UNREALISED (LOSSES)/PROFITS

The breakdown of retained profits and accumulated losses of the Group and of the Company as at the end of the reporting period has been prepared by the Directors in accordance with the directives from Bursa Malaysia Securities Berhad stated above and the Guidance on Special Matter No. 1 - Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants are as follows:

	GROUP		COMPANY	
	2013 RM	2012 RM	**2013 RM**	2012 RM
Total retained profits/ (accumulated losses) of the Company and its subsidiaries				
- Realised	(26,586,870)	(21,334,434)	1,128,887	2,477,067
- Unrealised	(4,172,982)	(3,701,414)	(1,151,329)	(1,199,890)
	(30,759,852)	(25,035,848)	(22,442)	1,277,177
Less: Consolidation adjustments	46,598,054	45,289,343	-	-
	15,838,202	20,253,495	(22,442)	1,277,177

Properties owned by the Group
as at 31 March 2013

Location	Description	Tenure	Area	No. of Years Held	Age of Building	Net Book Value RM	Year of Valuation
P.T. No. 1451 H.S. (D) No. 4696 Mukim 1, Province Wellesley Central, Penang	Factory	60 years lease to 2044	6.22247 acres	30	27	15,938,256	1999
P.T. Nos. 1460 & 1444 H.S. (D) Nos. 2719 & 2706 Mukim 1, Province Wellesley Central, Penang	Factory/ Office	60 years lease to 2045	4.01338 acres	17	22	12,318,457	2011
Lot 717, 5 1/2 Miles Jalan Kapar, Klang Selangor Darul Ehsan	Factory/ Office	Freehold	8.16875 acres	17	16	30,366,705	2009
Lot 1501 & 1502, Mukim 14, Kampung Tok Suboh, Bukit Minyak Simpang Ampat Seberang Perai Selatan, Penang	Land/ Rented	Freehold	2.259 acres	19	17	1,426,391	1994
Lot 176, Tempat Macang Kudung Mukim Jabi Daerah Pokok Sena, Kedah	Vacant Land	Freehold	2.257 acres	12	-	128,000	-
2nd Floor Unit of 4 Storey Shop Office in Taman Kinrara, Puchong, HS (M) 22709, PT 19499 Mukim Petaling, Selangor	Office	99 years lease to 2098	1,114sf	13	13	165,896	-
Zone 5A, Parcel 2, Lot 5418, Mukim Senai-Kulai, Johor Darul Takzim	Apartment	Freehold	885sf	13	13	60,155	-
Lot 5 & 7 Jalan Tukang 16/4, P.O Box 7045, 40700 Shah Alam, Selangor	Leasehold land Factory/ Office	99 years lease to 2071 & 2069	32,000sf 24,500sf	41 & 43	31	3,486,666	2005
Lot Nos. 228 and 1697 Mukim of Pekula District of Kuala Muda State of Kedah	Vacant Land	Freehold	10.4444 4.444 hektar	3 mths	-	15,500,000	2012
Lot No.410, Mukim 2, Daerah Barat Daya, Penang	Vacant Land	Freehold	23,725sf	6 mths	-	1,650,000	2010
Plot No. D-10/N SIPCOT Industrial Complex Gummidipoondi - 601201 Chennai India	Factory/ Office	N/A	N/A	-	-	2,600,271	-

Analysis of Shareholdings
as at 13 August 2013

Authorised Capital	:	RM800,000,000.00
Issued and Fully Paid-up Capital	:	RM45,241,859.00 (Excluding 3,247,200 Treasury Shares)
Class of Securities	:	Ordinary shares of RM1.00 each fully paid
Voting Rights	:	One vote per RM1.00 share

ANALYSIS OF SHAREHOLDINGS

Range of Shareholdings	No. of Holders	% of Holders	No. of RM1.00 Shares	% of Issued Capital
Less than 100	106	5.65	1,978	0.00
100 – 1,000	1,286	68.51	406,626	0.90
1,001 – 10,000	316	16.84	1,195,234	2.64
10,001 – 100,000	133	7.09	4,179,460	9.24
100,001 – 2,262,091(*)	32	1.70	21,185,257	46.83
2,262,092 and above (**)	4	0.21	18,273,304	40.39
Total	**1,877**	**100.00**	**45,241,859**	**100.00**

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

THIRTY LARGEST SHAREHOLDERS as at 13 AUGUST 2013

No.	Name	Holdings	%
1	Skylitech Resources Sdn Bhd	7,500,000	16.58
2	Southeast Asia Special Asset Management Berhad	5,625,304	12.43
3	Lim Kean Wah	2,724,000	6.02
4	Siti Mariam Binti Hasan	2,424,000	5.36
5	A1 Capital Sdn Bhd	2,154,400	4.76
6	Hock Lok Siew Realty Sdn Bhd	2,100,000	4.64
7	HLS Properties Sdn Bhd	1,929,400	4.26
8	Norani Binti Hassim	1,918,406	4.24
9	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Tan Sun Ping)	1,878,900	4.15
10	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Chai Kok Kheang)	1,393,480	3.08
11	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Teh Mooi Choo)	861,400	1.90
12	Lagenda Perdana Sdn Bhd	803,839	1.78
13	ECML Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Leong Pooi Sang)	730,000	1.61
14	Wong Chok Chiw	603,800	1.33
15	Norani Binti Hassim	500,056	1.11
16	Cheng Sook Fun	500,000	1.11
17	ECML Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Chee Sze Hsien @ Chee Ah Kow)	500,000	1.11

THIRTY LARGEST SHAREHOLDERS as at 13 AUGUST 2013 (cont'd)

No.	Name	Holdings	%
18	RHB Nominees (Tempatan) Sdn Bhd (RHB Islamic Asset Management Sdn Bhd For Perbadanan Nasional Berhad)	490,530	1.08
19	Lee Hean Guan	489,080	1.08
20	Chee Sze Hsien @ Chee Ah Kow	460,000	1.02
21	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Tan Ing Kiong)	417,500	0.92
22	Chan Kooi Cheng	403,200	0.89
23	Siti Mariam Binti Hasan	400,062	0.88
24	Public Nominee (Tempatan) Sdn Bhd (Pledged Securities Account For Chan Kooi Cheng)	400,000	0.88
25	Lim Mooi Tean	318,300	0.70
26	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Chee Sze Hsien @ Chee Ah Kow)	300,000	0.66
27	Yeoh Ah Sim	300,000	0.66
28	Tan Fook Chin	252,200	0.56
29	HLIB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Bek Thiam Hong)	161,800	0.36
30	Lim Che Chai	161,500	0.36
	TOTAL	**38,701,157**	**85.52**

SUBSTANTIAL SHAREHOLDERS as at 13 AUGUST 2013

According to the Register of Substantial Shareholders required to be kept under Section 69L of the Companies Act, 1965, the following are the substantial shareholders of the Company:

Name of Substantial Shareholder	Direct Interest (A)	%	Deemed Interest (B)	%	Total Interest (A+B)	%
Ooi Chieng Sim	-	-	9,600,000 [1]	21.22	9,600,000	21.22
Lim Kean Wah	2,724,000	6.02	-	-	-	6.02
Southeast Asia Special Asset Management Berhad	5,625,304	12.43	-	-	5,625,304	12.43
Skylitech Resources Sdn Bhd	7,500,000	16.58	-	-	7,500,000	16.58
CIMB Group Holdings Berhad	-	-	5,625,304 [2]	12.43	5,625,304	12.43
CIMB Group Sdn Bhd	-	-	5,625,304 [2]	12.43	5,625,304	12.43
Khazanah Nasional Berhad	-	-	5,625,304 [2]	12.43	5,625,304	12.43

Notes:

1 *Deemed interested by virtue of his interest in Hock Lok Siew Realty Sdn Bhd and Skylitech Resources Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.*

2 *Deemed interested by virtue of their interest in Southeast Asia Special Asset Management Berhad pursuant to Section 6A of the Companies Act, 1965*

DIRECTORS' INTEREST IN SHARES as at 13 AUGUST 2013

According to the Register of Directors' Shareholdings required to be kept under Section 134 of the Companies Act, 1965, the Directors' interests in the ordinary share capital of RM1/- each of the Company and its related companies are as follows:

Name of Director	Direct Interest (A)	%	Deemed Interest (B)	%	Total Interest (A+B)	%
Sudesh a/l K. V. Sankaran	-	-	-	-	-	-
Ooi Chieng Sim	-	-	9,600,000 [3]	21.22	9,600,000	21.22
Machendran a/l Pitchai Chetty	32,916	0.07	43,600 [4]	0.10	76,516	0.17
Mohd Shahril Fitri Bin Hashim	-	-	-	-	-	-
Ng Chin Nam	24,000	0.05	3,000 [5]	0.01	27,000	0.06
Sanmarkan a/l T S Ganapathi	-	-	-	-	-	-
Dato' Lee Hean Guan	489,080	1.08	1,647,519 [6]	3.64	2,136,599	4.72
Lim Ghim Chai	-	-	-	-	-	-

Notes:

3 *Deemed interested by virtue of his interest in Hock Lok Siew Realty Sdn Bhd and Skylitech Resources Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.*

4 *Deemed interested by virtue of his interest in Kumpulan Pitchai Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.*

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

6 *Deemed interested by virtue of his interest in Hean Brothers Holdings Sdn Bhd and Lagenda Perdana Sdn Bhd pursuant to Section 6A of the Companies Act, 1965 and through his spouse's interest pursuant to Section 134(12)(c) of the Companies Act, 1965.*

Analysis of Warrant Holdings

as at 13 August 2013

Class of Securities	:	Warrants 2012/2022
No. of Warrants Issued	:	20,338,186
Issued Price of Warrants	:	RM0.02 each
Conversion of Warrants	:	One (1) unit of Warrant for one (1) ordinary share of RM1.00 each
Voting Rights	:	1 vote per warrant holder (on a poll) and 1 vote per warrant holder (on show of hands) in respect of a meeting of warrant holders

ANALYSIS OF WARRANT HOLDINGS as at 13 AUGUST 2013

Size of Warrant Holdings	No. of Warrant Holders	% of Warrant Holders	No. of Warrants	% of Warrant Issued
Less than 100	13	2.60	677	0.00
100 to 1,000	138	27.66	74,490	0.37
1,001 to 10,000	228	45.69	938,714	4.62
10,001 to 100,000	92	18.44	3,240,458	15.93
100,001 to 1,016,908 (*)	24	4.81	6,164,799	30.31
1,016,909 and above (**)	4	0.80	9,919,048	48.77
Total	**499**	**100.00**	**20,338,186**	**100.00**

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

DIRECTORS' INTERESTS as at 13 AUGUST 2013

Name of Directors	Direct		Deemed	
	No. of Warrants	%	No. of Warrants	%
Sudesh a/l K. V. Sankaran	-	-	-	-
Ooi Chieng Sim	-	-	149,968 [1]	0.74
Machendran a/l Pitchai Chetty	12	0.00	1,706 [2]	0.01
Mohd Shahril Fitri Bin Hashim	-	-	-	-
Ng Chin Nam	25,000	0.12	-	-
Sanmarkan a/l T S Ganapathi	-	-	-	-
Dato' Lee Hean Guan	276,810	1.36	786,211 [3]	3.87
Lim Ghim Chai	-	-	-	-

Notes:

1 *Deemed interested by virtue of his interest in Hock Lok Siew Realty Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.*

2 *Deemed interested by virtue of his interest in S. M. Pitchai Chettiar Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.*

3 *Deemed interested by virtue of his interest in Hean Brothers Holdings Sdn Bhd and Lagenda Perdana Sdn Bhd pursuant to Section 6A of the Companies Act, 1965 and through his spouse's interest pursuant to Section 134(12)(c) of the Companies Act, 1965.*

Analysis of Warrant Holdings

as at 13 August 2013 (cont'd)

30 LARGEST WARRANT HOLDERS as at 13 AUGUST 2013

No.	Name	No. of Warrants	%
1	A1 Capital Sdn Bhd	3,524,812	17.33
2	Lim Seow Chin	3,077,571	15.13
3	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Tan Sun Ping)	2,084,200	10.25
4	TA Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Tan Sun Ping)	1,232,465	6.06
5	Tan Fook Chin	603,000	2.96
6	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Phuah Gaik Sim)	593,400	2.92
7	ECML Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Leong Pooi Sang)	558,500	2.75
8	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Tan Fook Chin)	505,000	2.48
9	Chan Kooi Cheng	302,400	1.49
10	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Chan Kooi Cheng)	300,000	1.48
11	Wong Chok Chiw	292,000	1.44
12	Lee Hean Guan	276,810	1.36
13	Muniandy A/L R Krishnan	270,000	1.33
14	Cheng Sook Fun	250,000	1.23
15	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Chai Kok Kheang)	250,000	1.23
16	Mercsec Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Yong Swee Koon)	228,000	1.12
17	ECML Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Chia Yoon Ling)	200,000	0.98
18	Affin Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Thinagaran A/L Govindasamy)	176,060	0.87
19	HLIB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Bek Thiam Hong)	155,000	0.76
20	Lagenda Perdana Sdn Bhd	153,451	0.75
21	Hock Lok Siew Realty Sdn Bhd	149,968	0.74
22	Ng Siew Fong	146,100	0.72
23	Quek Phaik Im	137,500	0.68
24	Kumpulan Pitchai Sdn Bhd	130,110	0.64
25	ECML Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Tan Bee Yook)	127,500	0.63
26	Cimsec Nominees (Tempatan) Sdn Bhd (CIMB Bank For Meerabai A/P R. Krishna Rao)	120,000	0.59
27	Than Poo Ling	120,000	0.59
28	Yong Ki Lin	120,000	0.59
29	Amsec Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Muniandy A/L R Krishnan)	100,000	0.49
30	Maybank Securities Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Diong Mee)	98,800	0.49
	TOTAL	**16,282,647**	**80.08**

Analysis of ICULS Holdings

as at 13 August 2013

Class of Securities	:	Zero Coupon, 10-Year, Irredeemable Convertible Unsecured Loan Stocks ("ICULS")
No. of ICULS Issued	:	230,934,880
No. of Outstanding ICULS	:	228,323,769
Issued Price of ICULS	:	RM0.10 each
Conversion of ICULS	:	One (1) unit of ICULS for one (1) ordinary share of RM1.00 each
Voting Rights	:	1 vote per ICULS holder (on a poll) and 1 vote per ICULS holder (on show of hands) in respect of a meeting of ICULS holders

ANALYSIS OF ICULS HOLDINGS as at 13 AUGUST 2013

Size of ICULS Holdings	No. of ICULS Holders	% of ICULS Holders	No. of ICULS	% of ICULS Issued
Less than 100	1	0.31	30	0.00
100 to 1,000	11	3.47	5,090	0.00
1,001 to 10,000	92	29.02	491,500	0.22
10,001 to 100,000	124	39.12	4,751,590	2.08
100,001 to 11,416,187 (*)	84	26.50	82,878,520	36.30
11,416,188 and above (**)	5	1.58	140,197,039	61.40
Total	**317**	**100.00**	**228,323,769**	**100.00**

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

DIRECTORS' INTERESTS as at 13 AUGUST 2013

Name of Directors	Direct		Deemed	
	No. of ICULS	%	No. of ICULS	%
Sudesh a/l K. V. Sankaran	-	-	-	-
Ooi Chieng Sim	-	-	40,000,000 [1]	17.52
Machendran a/l Pitchai Chetty	-	-	19,500 [2]	0.01
Mohd Shahril Fitri Bin Hashim	-	-	-	-
Ng Chin Nam	320,000	0.14	-	-
Sanmarkan a/l T S Ganapathi	-	-	-	-
Dato' Lee Hean Guan	968,100	0.42	7,383,300 [3]	3.23
Lim Ghim Chai	-	-	-	-

Notes:

1 *Deemed interested by virtue of his interest in Skylitech Resources Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.*

2 *Deemed interested by virtue of his interest in Kumpulan Pitchai Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.*

3 *Deemed interested by virtue of his interest in Hean Brothers Holdings Sdn. Bhd. and Lagenda Perdana Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965 and through his spouse's interest pursuant to Section 134(12)(c) of the Companies Act, 1965.*

Analysis of ICULS Holdings
as at 13 August 2013 (cont'd)

30 LARGEST ICULS HOLDERS as at 13 AUGUST 2013

No.	Name	No. of ICULS	%
1	Skylitech Resources Sdn Bhd	40,000,000	17.52
2	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Tan Sun Ping)	34,467,000	15.10
3	HLS Properties Sdn Bhd	33,518,550	14.68
4	A1 Capital Sdn Bhd	19,927,289	8.73
5	Tan Yu Wei	12,284,200	5.38
6	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Chai Kok Kheang)	9,846,200	4.31
7	ECML Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Leong Pooi Sang)	7,600,000	3.33
8	Wong Lee Peng	6,489,000	2.84
9	Maybank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Tan Ing Kiong)	4,952,700	2.17
10	Toh Ean Hai	4,128,500	1.81
11	ECML Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Chia Yoon Ling)	4,000,000	1.75
12	Quek Phaik Im	3,700,000	1.62
13	Ang Bon Huan	3,348,900	1.47
14	Chan Kooi Cheng	3,024,000	1.32
15	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Chan Kooi Cheng)	3,000,000	1.31
16	Than Poo Ling	2,400,000	1.05
17	Ang Soh Mui	1,400,000	0.61
18	Chong Kok Choy	1,320,000	0.58
19	Chia Yoon Mei	1,200,000	0.53
20	Kong Yin Ching	1,200,000	0.53
21	ECML Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Cheah Pak Foo)	1,120,000	0.49
22	Lagenda Perdana Sdn Bhd	1,055,700	0.46
23	Ganesan A/L Shanmugam	1,000,000	0.44
24	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Quek Phaik Im)	1,000,000	0.44
25	Chia Yoon Kheng	1,000,000	0.44
26	Lee Hean Guan	968,100	0.42
27	Ang Soo Tin	900,000	0.39
28	ECML Nominees (Tempatan) Sdn Bhd (Pledged Securities Account For Michelle Looi Poh Gaik)	830,000	0.36
29	Tan Fook Chin	800,000	0.35
30	Leong Wai Seng	720,000	0.32
	TOTAL	**207,200,139**	**90.75**

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirty-Second (32nd) Annual General Meeting of the Company will be held at Function Room 4, 1st Floor, Ixora Hotel, Jalan Baru, Bandar Perai Jaya, 13600 Perai, Penang on Wednesday, 25 September 2013 at 11.30 a.m.

AGENDA

1. To receive the Audited Financial Statements for the year ended 31 March 2013, together with the Directors' and Auditors' Reports thereon.

2. To approve payment of the Directors' fee of RM88,000. **(Resolution 1)**

3. To re-elect the following Directors retiring in accordance with the Company's Articles of Association:

   Machendran a/l Pitchai Chetty **(Resolution 2)**
   Sudesh a/l K.V. Sankaran **(Resolution 3)**
   Lim Ghim Chai **(Resolution 4)**

4. To consider and, if thought fit, pass a resolution pursuant to Section 129 (6) of the Companies Act, 1965 to appoint the following persons as Directors of the Company to hold office until the next Annual General Meeting of the Company:

   Sanmarkan a/l T S Ganapathi **(Resolution 5)**
   Dato' Lee Hean Guan **(Resolution 6)**

5. To re-appoint Messrs Grant Thornton as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 7)**

6. To transact any other business appropriate to an Annual General Meeting.

7. As SPECIAL BUSINESS, to consider and, if thought fit, pass the following resolutions:-

   Ordinary Resolution No. 1 - **(Resolution 8)**
   Authority to Allot and Issue Shares in General Pursuant to Section 132D of the Companies Act, 1965

   "That, subject to the Companies Act, 1965 and the Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad and other relevant governmental or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the capital of the Company from time to time upon such terms and conditions and for such purposes as the Directors may in their discretion deemed fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

Ordinary Resolution No. 2 – **(Resolution 9)**
Proposed Renewal of Share Buy Back Authority

"That, subject to the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association, the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorized, to the fullest extent permitted by law, to purchase such amount of ordinary shares of RM1.00 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company ("the Proposed Share Buy Back") provided that:-

i) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;

ii) the maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy Back shall not exceed the sum of the Retained Profits and/or the Share Premium Accounts of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy Back. As at 30 June 2013, the unaudited Retained Profits and Share Premium Account of the Company are as follows:

	As at 31 March 2013	As at 30 June 2013
Retained Profits/ (Accumulated Losses)	(RM22,442.00)	RM15,838,202.00
Share Premium	RM21,445,955.00	RM21,445,955.00

iii) the shares purchased by the Company pursuant to the Proposed Share Buy Back may be dealt with in all or any of the following manner (as selected by the Company):-

a) the shares so purchased may be cancelled; and/or
b) the shares so purchased may be retained in treasury for distribution as dividend to the shareholders and/or resold on the market of Bursa Securities and/or subsequently cancelled; and/or
c) part of the shares so purchased may be retained as treasury shares with the remainder being cancelled.

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

i) the conclusion of the next Annual General Meeting of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;

ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or

iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting, whichever occurs first.

And that authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act, 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the purchased shares) in accordance with the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company and the Main LR and/or guidelines of the Bursa Securities and all other relevant governmental and/or regulatory authorities."

Ordinary Resolution No. 3 - **(Resolution 10)**
Proposed Renewal of Shareholders' Mandate And New Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature

"That, subject to the Companies Act, 1965 ("Act"), the Memorandum and Articles of Association of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies to enter into all arrangements and/or transactions involving the interests of Directors, major shareholders or person connected with Directors and/or major shareholders of the Company and/or its subsidiary companies ("Related Parties") as specified in Section 3 of Part B of the Circular to Shareholders dated 2 September 2013, provided that such arrangements and/or transactions are:

i) recurrent transactions of a revenue or trading nature;
ii) necessary for the day-to-day operations;
iii) carried out on an arm's length basis, in the ordinary course of business and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
iv) are not to the detriment of the minority shareholders.

And that the shareholders' mandate, unless revoked or varied by the Company in a general meeting, shall take effect from the date of the passing of this Ordinary Resolution and will continue in force until:

i) the conclusion of the next Annual General Meeting of the Company at which time it will lapse unless authority is renewed by a resolution passed at the next Annual General Meeting;

ii) the expiration of the period within which the next Annual General Meeting is to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

iii) revoked or varied by resolution passed by shareholders in a general meeting before the next Annual General Meeting

whichever is earlier.

Thereafter, approval from shareholders for a renewal of the recurrent related party transactions mandate will be sought at each subsequent Annual General Meeting of the Company;

And that the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

By Order of the Board

CHAN YOKE YIN (MAICSA 7043743)
CHIEW CINDY (MAICSA 7057923)
Company Secretaries

Ipoh, Perak Darul Ridzuan, Malaysia
2 September 2013

NOTES:

1. Only members whose names appear on the Record of Depositors as at 19 September 2013 shall be entitled to attend the Annual General Meeting or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.

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

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

4. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.

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

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

EXPLANATORY NOTES TO SPECIAL BUSINESS

1) Ordinary Resolution No. 1-
Authority to Allot and Issue Shares in General Pursuant to Section 132D of the Companies Act, 1965

The Ordinary Resolution No. 1 proposed under item 7 if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting ("AGM") until the next AGM to allot and issue shares in the Company up to and not exceeding in total ten per centum (10%) of the issued share capital of the Company ("Share Mandate"). This Share Mandate will expire at the conclusion of the next AGM of the Company, unless revoked or varied at a general meeting. With this Share Mandate, the Company will be able to raise capital from the equity market in a shorter period of time compared to a situation without the Share Mandate. The Share Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment projects, working capital and/or acquisitions, or strategic opportunities involving equity deals, which may require the allotment and issuance of new shares. In addition, any delay arising from and cost involved in convening an extraordinary general meeting ("EGM") to approve such issuance of shares should be eliminated. The Company will have to seek shareholders' approval at an EGM to be convened in the event that the proposed issuance of shares exceeds the 10% threshold contained in the Share Mandate.

This Share Mandate is a renewal of the mandate obtained from the shareholders of the Company at the AGM held on 28 September 2012. The Company did not utilise the mandate obtained at the last AGM and thus no proceeds were raised from the previous mandate.

2) Ordinary Resolution No. 2 -
Proposed Renewal of Share Buy Back Authority

Further information on the above Ordinary Resolution is set out in the Circular to Shareholders of the Company, which is sent out together with the Company's 2013 Annual Report.

3) Ordinary Resolution No. 3 -
Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of A Revenue or Trading Nature

Further information on the above Ordinary Resolution is set out in the Circular to Shareholders of the Company, which is sent out together with the Company's 2013 Annual Report.

Statement Accompanying the Notice of Annual General Meeting

Statement Accompanying Notice of Annual General Meeting of SMPC Corporation Bhd. pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities)

Further details of individual standing for election as Director is set out in the Profile of Directors and Statement of Shareholdings on Pages 7, 8, 9, 114, 115 and 117 respectively of this Annual Report.

SMPC
SMPC CORPORATION BHD.
(79082-V)

FORM OF PROXY

I/We, ______________________________ NRIC No./Company No. ______________
______________________________ of ______________________________
______________ being a member of SMPC Corporation Bhd. hereby appoint the following person(s):

	Name of proxy & NRIC No.	No. of shares	%
1.			
2.			

or failing him/her

1.			
2.			

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us and on my/our behalf at the Thirty-Second Annual General Meeting of the Company to be held on 25 September 2013 and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

Ordinary Business		**For**	**Against**
The payment of Directors' Fee	Resolution 1		
The re-election of Directors: Machendran a/l Pitchai Chetty	Resolution 2		
Sudesh a/l K.V. Sankaran	Resolution 3		
Lim Ghim Chai	Resolution 4		
The re-appointment of the following Directors in accordance with Section 129 (6) of the Companies Act, 1965 Sanmarkan a/l T S Ganapathi	Resolution 5		
Dato' Lee Hean Guan	Resolution 6		
The appointment of Auditors and their remuneration	Resolution 7		
Special Business			
Ordinary Resolution No.1 – Authority to Allot and Issue Shares in General Pursuant to Section 132D of the Companies Act, 1965	Resolution 8		
Ordinary Resolution No. 2 – Proposed Share Buy Back Authority	Resolution 9		
Ordinary Resolution No. 3 – Proposed Renewal of Shareholders' Mandate and New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	Resolution 10		

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

Date:

No. of shares held	
CDS A/C No.	

....
Signature of Shareholder

NOTES

1. Only members whose names appear on the Record of Depositors as at 19 September 2013 shall be entitled to attend the Annual General Meeting or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.
2. A member entitled to attend and vote at the Meeting is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
4. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy must be deposited at the Registered Office of the Company, 55 Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan, Malaysia not less than 48 hours before the time appointed for holding the Meeting.

PLEASE FOLD HERE

Affix 80 sen
Stamp
(within Malaysia)

The Company Secretary
SMPC CORPORATION BHD
55, Medan Ipoh 1A,
Medan Ipoh Bistari,
31400 Ipoh,
Perak.

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SMPC CORPORATION BHD. (79082-V)

1702, Mukim 14, Kampong Tok Suboh,
Bukit Minyak, 14100 Simpang Ampat,
Seberang Prai Selatan, Penang.
Tel: 04-5025017 Fax: 04-5025612