



安達環球集團有限公司

ATTA GLOBAL GROUP BERHAD

(79082-V)

Exploring possibilities for
expansion

ANNUAL REPORT 2018



CONSTRUCTION OF A BRIGHTER FUTURE

Operating with a vision to expand its business globally in the steel industry since 1981, ATTA Global Group Berhad promote passions of continuous technological explorations and unwavering determinations to overcome challenges. As shown in the visual where a metropolis is being built, ATTA Global Group Berhad slowly diversified its business into the property segment. Setting its corporate visions in a whole new horizon, the Company advances towards a greater height with confidence to succeed.



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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Thirty-Seventh (37th) Annual General Meeting (“37th AGM and/or “AGM”) of the Company will be held at Terrace, Level 2, Sunway Hotel Seberang Jaya, 11, Lebuh Tenggiri Dua, Pusat Bandar Seberang Jaya, 13700 Prai, Penang on Tuesday, 28 August 2018 at 12.00 noon.

A G E N D A	ORDINARY RESOLUTION
AS ORDINARY BUSINESS:	
1. To receive the Audited Financial Statements for the year ended 31 March 2018, together with the Directors’ and Auditors’ Reports thereon.	(Please refer to Note 2)
2. To approve payment of the Directors’ fees of RM36,000 in respect of the financial year ended 31 March 2018.	1
3. To approve the payment of Directors’ benefits to Non-Executive Directors up to an amount of RM24,000 from 29 August 2018 until the next AGM of the Company.	2
4. To re-elect Mr. Tan Kim Hee who was appointed during the year and retires in accordance with the Company’s Articles of Association.	3
5. To re-elect the following Directors retiring in accordance with the Company’s Articles of Association:	
5.1 Mr. Ooi Chieng Sim	4
5.2 Mr. Ng Chin Nam	5
5.3 Mr. Chow Choon Hoong	6
6. To re-appoint Messrs Grant Thornton as Auditors of the Company for the financial year ending 31 March 2019 and to authorise the Directors to fix their remuneration.	7
As SPECIAL BUSINESS:	
7. To consider and, if thought fit, pass the following Resolutions:	
7.1 RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR - Mr. Sudesh a/l K.V. Sankaran	8
“That, Mr. Sudesh a/l K.V. Sankaran, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be retained, to continue to act as an Independent Non-Executive Director of the Company”.	
7.2 AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTION 75 OF THE COMPANIES ACT, 2016	9
“That, subject to the Companies Act, 2016 and the Articles of Association of the Company and approvals from Bursa Malaysia Securities Berhad (“Bursa Securities”) and other relevant governmental or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 75 of the Companies Act, 2016 to allot and issue shares in the capital of the Company from time to time upon such terms and conditions and for such purposes as the Directors may in their discretion deemed fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.”	

Notice of Annual General Meeting (Cont'd)



7. To consider and, if thought fit, pass the following Resolutions: (Cont'd)

7.2 AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTION 75 OF THE COMPANIES ACT, 2016 (Cont'd) 9

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

7.3 Proposed Renewal of Share Buy Back Authority 10

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

- i) the aggregate number of shares purchased does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;
- ii) the maximum amount of funds to be allocated by the Company pursuant to the Proposed Share Buy Back shall not exceed the sum of the Retained Profits of the Company based on its latest audited financial statements available up to the date of a transaction pursuant to the Proposed Share Buy Back. The Retained Profits of the Company based on its audited financial statements as at 31 March 2018 is RM1,042,970.
- 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/or
 - d) in any other manner as may be prescribed by applicable law and/or the regulations and guidelines applied from time to time by Bursa Securities and/or any other relevant authority for the time being in force.

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.

Notice of Annual General Meeting (Cont'd)

7. To consider and, if thought fit, pass the following Resolutions: (Cont'd)

7.3 Proposed Renewal of Share Buy Back Authority (Cont'd)

10

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

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

FURTHER NOTICE IS HEREBY GIVEN THAT only members whose names appear on the Record of Depositors as at 20 August 2018 shall be entitled to attend the AGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.

By Order of the Board

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

Chartered Secretaries

Ipoh, Perak Darul Ridzuan, Malaysia

31 July 2018

NOTES:

1. PROXY

A member entitled to attend and vote at the Meeting is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him. A proxy must be 18 years and above and need not be a member of the Company.

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

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

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

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

Notice of Annual General Meeting (Cont'd)



NOTES: (Cont'd)

1. PROXY (Cont'd)

For verification purposes, members and proxies are required to produce their original identity card at the registration counter. No person will be allowed to register on behalf of another person even with the original identity card of that other person.

Personal Data Privacy – By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company hereby agree and consent that any of your personal data in our possession shall be processed by us in accordance with the Personal Data Protection Act 2010. Further, you hereby warrant that relevant consent has been obtained by you for us to process any third party's personal data in accordance with the said Act.

2. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

3. DIRECTORS' FEES AND BENEFIT

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

Resolution 1: Payment of Directors' fees in respect of the financial year ended 31 March 2018

Resolution 2: Payment of Directors' benefits from 29 August 2018 until the next AGM

The Directors' benefits payable to the Non-Executive Directors for the period from 29 August 2018 until the next AGM of the Company are calculated based on the current composition of the Board and Board Committees and the number of meetings scheduled for the Board and Board Committees.

4. RE-ELECTION OF DIRECTORS – ORDINARY RESOLUTIONS 3, 4, 5 AND 6

Mr. Tan Kim Hee, Mr. Ooi Chieng Sim, Mr. Ng Chin Nam and Mr. Chow Choon Hoong are standing for re-election as Directors of the Company and being eligible have offered themselves for re-election at this 37th AGM.

The Board has via the Nominating Committee conducted an assessment on the effectiveness and contributions of the said retiring Directors including their skills, experience, competency and commitment, and has recommended for them to be re-elected to the Board. The profile of the retiring Directors is set out in the Profile of Directors on page 9} to page 11} of the Annual Report 2018.

5. RE-APPOINTMENT OF AUDITORS

The Audit Committee ("AC") has carried out an assessment of the suitability and independence of the external auditors, Grant Thornton and was satisfied with the suitability of Grant Thornton based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group. The AC in its assessment also found Grant Thornton to be sufficiently objective and independent.

The Board therefore approved the AC's recommendation that the re-appointment of Grant Thornton as external auditors of the Company be put forward for the shareholders' approval at the 37th AGM.

Notice of Annual General Meeting (Cont'd)

NOTES: (Cont'd)

6. RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Ordinary Resolution 8 proposed under item 7.1, if passed, will allow Mr. Sudesh a/l K.V. Sankaran to continue to hold office as an Independent Non-Executive Director of the Company.

In line with the Malaysian Code on Corporate Governance, the Board on the recommendation of the Nominating Committee who has carried out an assessment of the Director has recommended that Mr. Sudesh a/l K.V. Sankaran who has served as Director of the Company for a cumulative term of fourteen (14) years, be retained as Independent Non-Executive Director of the Company based on the following justifications:

- (i) He has fulfilled the criteria under the definition of Independent Director pursuant to paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as he is independent from management and free from any business or other relationship which could interfere with his independent judgment or ability to act objectively;
- (ii) He remains independent and actively participate in board discussions and decision making of the Board and Board Committees. He remains objective and independent in expressing his views and voice on the Board.
- (iii) He possesses insight and in depth knowledge of the Company's business operations and he is committed to devote sufficient time and attention to the Company.
- (iv) He acts in the best interest of all shareholders and will provide the check and balance to the Board.

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

The Ordinary Resolution 9 proposed under item 7.2, if passed, will empower the Directors of the Company, from the date of the above 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 total issued share capital of the Company ("Share Mandate") for the time being for such purposes as the Directors consider would be in the interests of the Company.

This Share Mandate will expire at the conclusion of the next AGM of the Company, unless revoked or varied at a general meeting. With this Share Mandate, the Company will be able to raise capital from the equity market in a shorter period of time compared to a situation without the Share Mandate. The Share Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment projects, working capital and/or acquisitions, or strategic opportunities involving equity deals, which may require the allotment and issuance of new shares.

In addition, any delay arising from and cost involved in convening an Extraordinary General Meeting ("EGM") to approve such issuance of shares should be eliminated. However, the Company will have to seek shareholders' approval at an EGM to be convened in the event that the proposed issuance of shares exceeds the 10% threshold contained in the Share Mandate.

This Share Mandate is a renewal of the mandate obtained from the shareholders of the Company at the AGM held on 16 August 2017. The Company did not utilise the mandate obtained at the last AGM and thus no proceeds were raised from the previous mandate.

8. PROPOSED RENEWAL OF SHARE BUY BACK AUTHORITY

The Ordinary Resolution 10 proposed under item 7.3, if passed, will empower Directors to buy back the Company's own shares. This authority will expire at the next Annual General Meeting of the Company unless earlier revoked or varied by ordinary resolution of the Company at a general meeting.

Further information on the above Ordinary Resolution is set out in the Statement to Shareholders of the Company, which is sent out together with the Company's 2018 Annual Report.

Corporate Information



BOARD OF DIRECTORS

Ooi Chieng Sim
(Executive Chairman)

Ng Chin Nam
(Executive Director)

Chow Choon Hoong
(Executive Director)

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

Dato' Dennis Chuah
(Independent Non-Executive Director)

Loh Yee Sing
(Independent Non-Executive Director)

Tan Kim Hee *(Appointed on 28/03/2018)*
(Non-Independent Non-Executive Director)

AUDIT COMMITTEE

Dato' Dennis Chuah
(Chairman)

Sudesh a/l K.V. Sankaran

Loh Yee Sing

NOMINATING COMMITTEE

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

Dato' Dennis Chuah

Loh Yee Sing

REMUNERATION COMMITTEE

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

Dato' Dennis Chuah

Ooi Chieng Sim

ESOS COMMITTEE

Ooi Chieng Sim
(Chairman)

Ng Chin Nam

Siva Raman a/l S. Ramasamy

Parimala Devi a/p Mailvaganam

CORPORATE / OPERATIONAL OFFICE

ATTA Global Group Berhad (79082-V)
No. 2521 Tingkat Perusahaan 6
Prai Industrial Estate
13600 Prai
Pulai Pinang
Tel No. : 604-3972324
Fax No. : 604-3997324

SHARE REGISTRARS

Symphony Share Registrars Sdn. Bhd.
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel No. : 603-78490777
Fax No. : 603-78418151

REGISTERED OFFICE

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

COMPANY SECRETARIES

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

AUDITORS

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

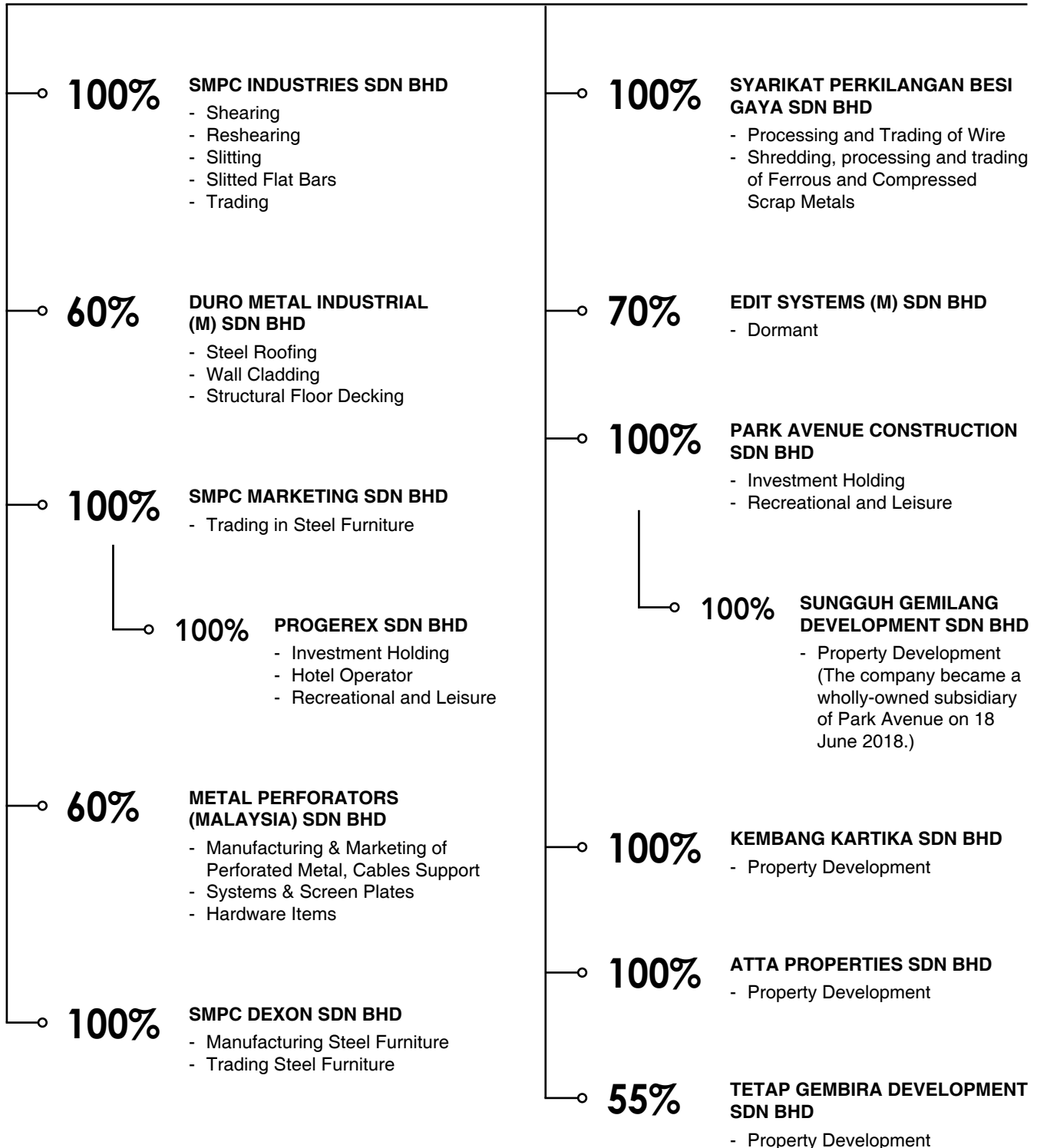
PRINCIPAL BANKERS

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

STOCK EXCHANGE LISTING

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

Corporate Structure



Profile of the Board of Directors



Ooi Chieng Sim (Chairman/Executive Director)
Male, Malaysian, aged 49

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

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

He is a substantial shareholder of ATTA.

Ng Chin Nam (Executive Director)
Male, Malaysian, aged 48

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

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

Chow Choon Hoong (Executive Director)
Male, Malaysian, aged 54

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

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

Profile of the Board of Directors (Cont'd)

Sudesh a/l K.V. Sankaran (Independent Non-Executive Director)
Male, Malaysian, aged 68

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

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

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

Dato' Dennis Chuah (Independent Non-Executive Director)
Male, Malaysian, aged 45

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

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

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

Loh Yee Sing (Independent Non-Executive Director)
Female, Malaysian, aged 43

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

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

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

Profile of the Board of Directors (Cont'd)



Tan Kim Hee (Non-Independent Non-Executive Director)
Male, Malaysian, aged 54

Tan Kim Hee is a Non-Independent Non-Executive Director of ATTA. He was appointed to the Board of ATTA on 28 March 2018.

After graduated from University Kebangsaan Malaysia (UKM), he involved in the telecommunication industry by joining Sapura Group. He builds up his customer network and maintained good relationship with most of the major suppliers during this period. After gaining enough experience, he decided to venture into the telecommunication business on his own strength establishing One Touch Mobile Sdn Bhd in year 1998, has over eighteen (18) years of experience in telecommunication industry. Through his commitment and effort, he has successfully gained a foothold in the telecommunication industry. After a few years of determined effort and hard work, he gained his reputation as reliable and efficient businessmen in the market and the company is expanding rapidly under his leadership.

He is also a substantial shareholder of ATTA.

Notes:

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

Ooi Chieng Sim and Tan Kim Hee are the substantial shareholders of the Company. Apart from this, all the other Directors of the Company do not have any family relationship with any Director and/or major shareholders of the Company.

ii. Conflict of Interest

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

iii. Non-conviction of Offences

All the Directors have not been convicted of any offences within the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year.

Profile of Key Senior Management

Ooi Chieng Sim (Chairman/Executive Director)
Male, Malaysian, aged 49

➤ Refer to the Profile of Directors on page 9}.

Ng Chin Nam (Executive Director)
Male, Malaysian, aged 48

➤ Refer to the Profile of Directors on page 9}.

Chow Choon Hoong (Executive Director)
Male, Malaysian, aged 54

➤ Refer to the Profile of Directors on page 9}.

R Siva Raman a/l S. Ramasamy Pattar (Group Financial Controller)
Male, Malaysian, aged 55

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

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

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

Management Discussion & Analysis

31 March 2018



OVERVIEW

ATTA Global Group Berhad, formerly known as SMPC Metal Industries Sdn Bhd (“SMPC”) was incorporated on 14 December 1981. Pursuant to the listing exercise, SMPC was converted to a Public Limited Company on 18 February 1995 and was subsequently listed on the second board of Kuala Lumpur Stock Exchange on 15 February 1996. The Company’s name was changed to SMPC Corporation Bhd on 10 July 1996. On 25 September 2015, the Company changed its name to ATTA Global Group Berhad (“ATTA”) and thereby assumed this name henceforth.

The Group is involved in iron & steel industry, with subsidiaries operating in Prai, Kapar, Klang and Shah Alam, involving in Upstream and Downstream sectors which are principally involved in the process of shearing, re-shearing, slitting of Steel Coil, slitted flat bars, steel roofing, wall cladding structural floor decking, manufacturing and marketing of perforated metal, cables support, systems and screen plate, steel furniture and the industrial recycling of scrap metal.

Other businesses, including letting of industrial and commercial assets, provision of management consultancy.

The group also diversify into other viable business such as property development, hotel and leisure, construction and property investment of which the Management believes shall further enhance the shareholders’ value.

REVIEW OF FINANCIAL PERFORMANCE

Financial Year Ended (“FYE”) 31 March 2018

For the financial year ended 31 March 2018, ATTA generated revenue of approximately RM155.86 million, which represented an increase of approximately RM27.93 million or 21.83% as compared to the revenue generated for the preceding FYE of approximately RM127.93 million. This was mainly contributed by cable support system and metal processing division.

The Group recorded profit after tax of approximately RM27.8 million as compared to the profit after tax incurred for the preceding FYE of approximately RM18.03 million. The current financial year profit increased by RM9.77 million or 54.2%. The higher profit is contributed by other operating income of RM31.17 million. Other Income (refer audited account’s other income notes 24 page 65).

The Management is confident that, barring unforeseen circumstances, ATTA Group shall be able to deliver positive result.

Our financial position as at 31 March 2018 is as follows:

1. ASSETS:

- A. Property, plant and equipment (“PPE”) increased to RM73.738 million from RM72.281 million, the increase in PPE was due to purchase of additional machineries at material processing division. The machineries purchase will increase the productivity; couple with the improvement in efficiency currently, some of the existing equipment/machines breakdown frequently due to the wear and tear over the operating life cycle.
- B. Investment properties increased to RM49.220 million from RM45.512 million. The Group’s carrying amount of investment properties increased by RM3.708 million (8.15%). The Group had valued its investment properties to mark with the current market price in accordance to the accounting policy adopted by the Group. This one-time gain arising from the valuation done on Gurun Factory and Bukit Minyak Property.
- C. The inventories decreased by RM2.960 or about 17.74 % to RM13.728 million from RM 16,688 million. This was due to the Group’s prudent management practice of carrying stock in view of weaker market conditions.
- D. Other investment increased to RM42.32 million from RM0.62 million. The Company has invested RM27.1 million in quoted securities and RM15.1 million in loan stocks quoted in Malaysia.
- E. Receivables, deposits and prepayments increased to RM67 million as compared to RM33 million in the previous financial year. This was primarily due to overall increase in turnover and inclusive of RM12 million paid to San and Associates for acquisition of Sungguh Gemilang Development Sdn. Bhd. equity and RM8 million deposit paid for acquisition of 10 units bungalow.
- F. The Group’s cash and bank balances rose significantly to RM131 million from RM8 million due to fund raising exercise and as well as healthy collection of trade receivables.

Management Discussion & Analysis (Cont'd)

REVIEW OF FINANCIAL PERFORMANCE (Cont'd)

Financial Year Ended ("FYE") 31 March 2018 (Cont'd)

2. LIABILITIES:

Trade and other payables

- A. The Group's trade and other payables increased from RM19.918 million to RM23.685 million. This was mainly due to the overall increase in raw material purchases.
- B. The Group Bank borrowings reduced to RM9.92 million from RM15.33 million. The reduce was primarily due to monthly settlement of Term Loan and Hire Purchase.

REVIEW OF OPERATIONS

ATTA GLOBAL GROUP BERHAD

MAJOR ACTIVE SUBSIDIARIES

- **Duro Metal Industries Sdn Bhd**
- **Syarikat Perkilangan Besi Gaya Sdn Bhd**
- **Metal Perforators (M) Sdn Bhd**
- **SMPC Industries Sdn Bhd**
- **SMPC Dexon Sdn Bhd**

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

Duro's products are manufactured to international standards, such as, ASTM, AS and BS. All the products are tested and verified by independent third party test labs in accordance with the required local and international standards.

On 22 December 2017, pursuant to the Shareholders Agreement entered between ATTA and Shree Dhana Holdings Sdn. Bhd. ("SDH"), Duro have allotted 7,200,000 ordinary shares to SDH on 3 January 2018 at an issue price of RM0.50 per share. Subsequent to the allotments, ATTA's interest in Duro were diluted to 60%.

The rationale for the Subscription of Shares are Mr. Dhanabalan representing SDH is a very vast experience person in manufacturing of steel roofing & wall cladding sheets. Mr. Dhanabalan also has very good connections in overseas especially in India. ATTA expects with his experience and steel market connections, Duro will grow and contribute positively to the Group with increase in turnover and profit.

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

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



REVIEW OF OPERATIONS (Cont'd)

ATTA GLOBAL GROUP BERHAD (Cont'd)

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

On 22 December 2017, pursuant to the Shareholders Agreement entered between ATTA and Shree Dhana Holdings Sdn. Bhd. (“SDH”), MPM have allotted 7,200,000 ordinary shares to SDH on 3 January 2018 at an issue price of RM0.50 per share. Subsequent to the allotments ATTA’s interest in MPM were diluted to 60%

The rationale for the Subscription of Shares are Mr. Dhanabalan representing SDH is a very vast experience person in manufacturing and marketing of perforated metals, cables support systems and screen plates. Mr. Dhanabalan also has very good connections in overseas especially in India. ATTA expects with his experience and steel market connections, MPM will grow and contribute positively to the Group with increase in turnover and profit. ATTA anticipate that MPM manufactured cable support systems, perforated metal for multiple applications, screen plate for the mining industry, metal splices for reinforced bar.

- **SMPC Industries Sdn Bhd** is a steel processor and it has state of the art metal coil processing centres in Klang, Malaysia. The processing centre core operation compromise the shearing, re-shearing and slitting metal coil.
- **SMPC Dexon Sdn Bhd (“DEXON”)** is one of the manufacturers – exporter of steel furniture specialising in various ranges such as office, university, school, hostel, laboratory, military and marine along with solutions for Special Projects.

DEXON’s products such as filing cabinets, cupboards, storage lockers, tables, beds and other products are exported to more than 50 countries worldwide across Asia, Middle East, Europe, Africa, America and Australia.

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

STRATEGIES AND EXPANSION PLANS

The Board has been reviewing potential opportunities to enhance the revenue sources of the Group which includes diversification into other viable business such as property development, hotel and leisure, construction and property investment of which the Management believes shall further enhance the shareholders’ value.

The Property Projects will serve to facilitate as an entry point for ATTA into the property development and property investment sectors. The Board expects that the Group would be able to capitalise on such opportunity in longer term when the property market recovers in the future. Barring any unforeseen circumstances, the Board is optimistic that the future development of the Property Projects and property market will contribute positively to the future financial performance of the Group.

The Group invested into 2 development projects during the year ended 31 March 2018 of which the Management believes that they will yield positively to the Group’s earnings in future. The Property Projects of the Group are expected to contribute 25% or more of the net profits of the Group.

The Board opines that the Group’s venture into the property development, construction and property investment businesses would auger well with the Group’s long term growth strategy of diversifying and expanding its earnings base and deliver greater value to the shareholders of the Company.

INDUSTRY OVERVIEW, OUTLOOK AND FUTURE PROSPECTS

Overview and outlook of the Malaysian economy

The Malaysian economy will remain resilient in 2018, with real Gross Domestic Product ("GDP") expanding between 5% and 5.5%, led by domestic demand. Private sector expenditure continues to be the primary driver of growth with private investment and consumption growing 8.9% and 6.8%, respectively. Meanwhile, public sector expenditure is forecast to decline, in line with lower capital outlays by public corporations. On the supply side, growth is expected to be broad based, with all sectors registering positive growth. Malaysia's external position is forecast to remain favourable supported by global growth and trade. Against this backdrop, the nominal Gross National Income ("GNI") per capita is expected to increase 5.1% from RM40,713 in 2017 to RM42,777 in 2018. With investment growing at a faster pace, the savings-investment gap will narrow to 2.3% of GNI.

The economy will continue to operate under conditions of full employment with an unemployment rate of below 4%, while inflation remains benign. In line with fiscal consolidation efforts, the fiscal deficit will further decline to 2.8% of GDP in 2018 (2017: 3%). Accordingly, the Federal Government debt remains sustainable within the prudent limit of 55% of GDP. These developments will further strengthen the nation's economic fundamentals and resilience to further propel the country towards the milestones of an advanced and high-income nation by 2020, doubling the size of the economy to RM2 trillion in 2025 and joining the ranks of top 20 countries by 2050.

(Source: 2018 Economic Report, Ministry of Finance, Malaysia)

RISK FACTORS

The potential risk factors relating to the Diversification, which may not be exhaustive, are as follows:

Business risk

The Diversification is subject to certain risks inherent in the property development, construction and property investment industry. These may include, inter-alia, timely commencement or completion of the Property Development Project, obtaining the timely approvals from the regulatory authorities, satisfactory performance of contractors, availability of labour and building materials, fluctuations in prices of building materials, general economic downturn, changes in demand and oversupply of properties, changes in credit conditions such as availability of end finance and changes in the legal and environmental framework within which the industry operates.

The Group seeks to limit these risks through, inter-alia, effective human resource development strategies, market research and feasibility studies, keeping abreast with the latest developments in the property market including monitoring the consumers' preference and lifestyle, careful planning, continuous review and close supervision on the progress of the project.

Although the Board believes that the Group may derive significant benefits from the development of the Property Development Project and steps will be taken to mitigate these business risks, no assurance can be given that any changes in these factors will not have any material adverse effect on the Group.

Investment risks

The Group will be subject to investment risks, which include, amongst others, general economic downturn in the global and Malaysian economy, changes in the demand and supply of real estates, inability to secure tenants, increased competition from other properties in the vicinity area, changes in the credit and interest rate conditions. The ability to generate future rental earnings is dependent on, amongst others, the ability to attract and retain suitable tenants at reasonable rental rates. Further, the value of the Property Units may either be enhanced or diminished depending on factors such as the development and rental yields within the vicinity of the Property Units, as well as the local and global market conditions. In view of this, the Group may be adversely affected by the relatively illiquid nature of real estate investments whereby the Group may be unable to sell the Property Units on short notice given the potential change in value of the Property Units or to meet future cash flows requirements of the Group.

Although the Group seeks to limit these risks through, inter-alia, appointing a property agent to source for suitable tenants for the Property Units, keeping abreast with the latest rental rates and property values in the surrounding areas of the Property Units such as providing competitive rental rates and to actively engage the tenants. However, no assurance can be given that the Group would be able to secure any tenants to rent the Property Units and that any change in these factors will not have an adverse effect on the Group's financial performance in the future.

Management Discussion & Analysis (Cont'd)



RISK FACTORS (Cont'd)

Business diversification risk

The Group is principally engaged in metal processing (processing of scrap metals), manufacturing and trading of metal related products. As the implementation of the Diversification would result in the Group's business to include property development, construction and property investment, the Group will be subject to new challenges and risks arising from such business in which the Group has not been directly participating in the past. Although the Group seeks to limit these risks by, inter-alia, effective resource management, effective cost-control and prudent investment strategy, no assurance can be given that any changes in these factors will not have a material adverse impact on the Group.

Political, economic and environmental considerations

The property market can be characterized as cyclical in nature and is somewhat correlated to the general economic conditions of Malaysia. Adverse changes in political, economic and regulatory conditions in Malaysia could materially affect the financial and prospects of the property development, construction and property investment business. Political, regulatory and economic uncertainties include changes in labour laws, interest rates, fiscal and monetary policies, risks of expropriation of land by authorities and methods of taxation.

In mitigating such risks, the Company will continue to review its business development strategies in response to the changes in political, monetary, fiscal and economic conditions. Nonetheless, no assurance can be given that any changes to the political, regulatory and economic conditions would not have any material impact on the Proposed Diversification thus affecting the Group's financial performance in the future.

Competition risk

Pursuant to the Diversification, the Group will face direct competition from both new entrants and existing players in the property development, construction and property investment sector. The Group may also face disadvantages as a new entrant in the industry as it lacks of relevant track record and brand name as compared to the existing players which enjoy the privilege of their established brand name and reputation in the industry.

The Group's competitiveness will largely depend on, amongst others, its sales and marketing strategies, product design, location of the development and its ability to price and differentiate its development to meet the needs of the target markets in future. However, there can be no assurance that these efforts will enable the Group to compete successfully and effectively with current and new entrants in the property development, construction and property investment sector.

Sustainability Statement

CORPORATE SUSTAINABILITY STATEMENT

The Board of Directors of ATTA is pleased to present the Sustainability Statement of the Group according to the requirement of Bursa Malaysia.

The group recognises the importance and benefits of integrating Economic, Environmental and Social (EES) concerns, to mitigate business risk, apply new and innovative technologies, manage our resources and environment as well as support Corporate Social Responsibility (CSR) Sustainability into its business to sustain its business for long-term. These include working within the law in order to be innovative and demonstrating initiative to meet requirement of various stakeholders including customers, employees, shareholders.

GOVERNANCE STRUCTURE

The Group sustainability efforts will enable the group and its subsidiaries to chart the way forward through the local and global challenges and risks – now and the future.

The Governance structure of the Group's Sustainability is as per below:-

Board of Directors	The Board is responsible for setting the Group's sustainability strategies set the key elements of the Group's practices with respect to economic, environmental and social sustainability matters.
Risk Management Committee	The Risk Management Committee oversees the implementation of sustainability strategy, evaluates overall sustainability risks and opportunities. The Risk Management Committee recognises that the steel industries operating environment has changed bringing with it new risks and opportunities.
Head of Departments	The Head of Departments support implementation of sustainability strategies and reports on the key Sustainability indicators.

SCOPE

The Group applies a sound corporate governance framework throughout the organization, environmentally responsible practices and community centric social policies continues with this commitment for the protection and interest of our shareholders and our stakeholders.

STAKEHOLDER'S ENGAGEMENT

One of the core principles driving sustainability is effective stakeholder engagement. Stake holders are those entities who are effected by or can influence a company's operations and performance. The Board of Directors recognises that the Directors can make better progress in their sustainability journey by collaborating with the stakeholders. The Group continuously engages the stakeholders to identify and respond to their concerns.

We strive to improve our stakeholders' engagement approach by identifying the sustainability stakeholders as follows:-

Key Stakeholders	Engagement Objectives	Stakeholders Interest
Shareholders and Investors	to assist in making informed investment decisions by providing timely financial performance, to ensure accurate, clear timely and complete disclosure of material information.	- Strong Financial Performance - Sustainability Reporting
Employees	to create a safe and healthy workplace and provide training programs.	- Employee Welfare - Training and Development
Customers	to create stronger market integrity.	- Operational Concerns - Customer Satisfaction
Suppliers	To drive sustainability across the board.	- Sustainable Practises

Sustainability Statement (Cont'd)



STAKEHOLDER'S ENGAGEMENT (Cont'd)

We strive to improve our stakeholders' engagement approach by identifying the sustainability stakeholders as follows:- (Cont'd)

Key Stakeholders	Engagement Objectives	Stakeholders Interest
Government and Regulators	To comply with applicable laws and regulations across all operations.	- Regulatory Compliance - Annual Reporting - Sustainability Reporting
Local Communities	To support local communities in economic, environmental and social development.	- Financial Contributions

MATERIAL SUSTAINABILITY MATTERS

ATTA is an investment holding company whilst its subsidiary companies are principally involved in the process of steel coil, tube, strapping, steel furniture, metal roofing, floor decking, perforated metal and the industrial recycling of scrap metal. We have diversified into property development. Workplace safety is key social concern in steel industry and project development. In view of this, the Group place high priority for occupational safety and health centric labour practices. The group organise a health and safety campaign to increase awareness among employees.

The Board has identified the Material Sustainability Matters ("EES") of the group as follows:

Economic

We recognise the value brought to our stakeholders by building sustainable relationship with stakeholders and utilising our resources to contribute to economic growth.

Customers

We place high priority on customer engagement with timely delivery, improve the effectiveness of quality management and ensure customers satisfaction in our product and services

Employees

The group understands that its employee are its most valuable asset. Our hiring practises are based on capability and suitability and there is no discrimination in our hiring policies. The wellbeing of our employees remains priority as their strength and contributions are the group's result. We create and maintain a safe and healthy work place.

Environment

The Group continues to place great importance on the need to protect our environment also maintain good manufacturing practices and adhere to the government environmental policies at all times. All manufacturing facilities are pursuing their own waste reduction programmes.

Social

The Group is committed to Corporate Social Responsibility ("CSR") by integrating it into the business operations. The Group is always looking for any opportunity to assist charitable organisations and schools by providing products manufactured by the Group such as furniture and roofing. The Group is also providing practical industrial training to students from the public and private institutions of higher learning.

KEY SUSTAINABILITY INDICATORS

The Risk Management Committee has identified the Key Sustainability Indicators (KSI) for each of the above Material Sustainability Matters. The KSI will be complied for reporting at the forthcoming Board/Audit Committee Meeting.

Corporate Governance Overview Statement

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

This overview statement sets out the Group’s application of the principles of the MCCG and extent of compliance with the best practices throughout the financial year ended 31 March 2018. Furthermore, it also provides investors with an insight into the Corporate Governance practices of the Company under the leadership of the Board.

The following are the three (3) principles which are set out in the MCCG during the financial year 2018:

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

The Principal Responsibilities of the Board

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

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

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

Board Charter

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

In promoting good governance practices and in order to enhance transparency and accountability, the Board has established and put in place the following policies and procedures, full details of which will be available on the Company’s website:

- Code of Conduct
- Whistleblowing Policy and Procedures

Board Composition and Independence

The Board of the Company consists of seven (7) Directors comprising three (3) Executive Directors, three (3) Independent Non-Executive Directors and one (1) Non Independent Non-Executive Director. The current Board not only appropriately reflects the interests of substantial shareholders but also fairly represents the interests of the minority shareholders in the Company.

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

Corporate Governance Overview Statement

(Cont'd)



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Board Meetings

The Board meets six (6) times a year on a scheduled basis with additional meetings held when specific urgent or important matters are required to be considered and decided between the scheduled meetings.

A total of six (6) Board Meetings were held during the financial year ended 31 March 2018. All the Directors have complied with the minimum attendance at Board Meetings as stipulated by Bursa Securities during the financial year.

Name of Directors	No. of Meetings Attended
Ooi Chieng Sim - <i>Executive Chairman</i>	6 out of 6
Ng Chin Nam - <i>Executive Director</i>	6 out of 6
Chow Choon Hoong - <i>Executive Director</i>	6 out of 6
Dato'Dennis Chuah - <i>Independent Non-Executive Director</i>	6 out of 6
Sudesh a/l K.V.Sankaran - <i>Independent Non-Executive Director</i>	6 out of 6
Loh Yee Sing - <i>Independent Non-Executive Director</i>	6 out of 6

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

Gender Diversity Policy

The Board endeavours to have at least one woman Director participating on the Board at all times. The Board also endeavours to have diversity in its workforce in terms of experience, qualification, ethnicity and age. Currently, the Board has one female Director, Ms. Loh Yee Sing.

Re-appointment and Re-election of Directors

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

Training for Directors

The Directors recognise the need to develop and update themselves and the Company provides a dedicated training budget for Directors' continuing education. The following courses were attended by the Directors during the financial year ended 31 March 2018:

Name of Course

- Malaysian Budget 2018 Seminar
- Training of Internal Quality Audit For ISO 22000 : 2005
- Companies Act, 2016

However, every Director is encouraged to evaluate their own training needs and undergo continuous training to equip himself with enhanced knowledge and effectively contribute his duties to the Board. The Company Secretary circulated from time to time the relevant guidelines on statutory and regulatory requirements to the Directors.

Board Committees

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

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Board Committees (Cont'd)

The Board Committees are as follows:

- **Audit Committee**

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

Details of the composition and the activities of the Audit Committee during the financial year are set out under the Audit Committee Report on pages 31} to 32}.

- **Nominating Committee**

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

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

The Nominating Committee meets as and when necessary. One (1) meeting was held during the financial year ended 31 March 2018. The role of the Nominating Committee is set out in its terms of reference and available for reference on the Company's website at www.attaglobalgroup.com.

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

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

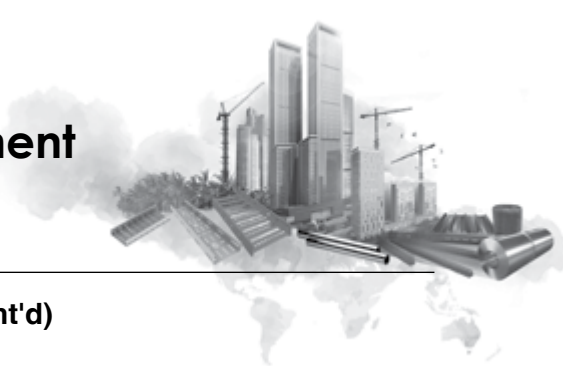
Board of Directors	Audit Committee
Board Structure	Quality and Composition
Board Operations	Skills and Competencies
Board Roles and Responsibilities	

The results of the self-assessment by Directors and Board's effectiveness as a whole and the same would be tabled to the Board for review and deliberation. The Nominating Committee upon its assessment carried out for the financial year ended 31 March 2018 was satisfied:

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

Corporate Governance Overview Statement

(Cont'd)



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Board Committees (Cont'd)

• Remuneration Committee

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

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

The Remuneration Committee meets as and when necessary. One (1) meeting was held during the financial year ended 31 March 2018. The role of the Remuneration Committee is set out in its terms of reference and available for reference on the Company's website at www.attaglobalgroup.com.

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

Remuneration of Directors

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

Executive Directors' Remuneration

Company

	OOI CHIENG SIM				
RM	Salary	Fee	Other Emoluments	Defined Contribution	Benefits in Kind
RM0 – RM50,000				√	
RM50,001 – RM100,000					
RM100,001 – RM200,000					
RM200,001 – RM300,000	√				

Group

	OOI CHIENG SIM				
RM	Salary	Fee	Other Emoluments	Defined Contribution	Benefits in Kind
RM0 – RM50,000				√	
RM50,001 – RM100,000					
RM100,001 – RM200,000					
RM200,001 – RM300,000	√				

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Remuneration of Directors (Cont'd)

Group (Cont'd)

	NG CHIN NAM				
RM	Salary	Fee	Other Emoluments	Defined Contribution	Benefits in Kind
RM0 – RM50,000				√	
RM50,001 – RM100,000					
RM100,001 – RM200,000	√				
RM200,001 – RM300,000					

	CHOW CHOON HOONG				
RM	Salary	Fee	Other Emoluments	Defined Contribution	Benefits in Kind
RM0 – RM50,000				√	
RM50,001 – RM100,000					
RM100,001 – RM200,000	√				
RM200,001 – RM300,000					

	MOHD SHAHRIL FITRI BIN HASHIM				
RM	Salary	Fee	Other Emoluments	Defined Contribution	Benefits in Kind
RM0 – RM50,000				√	
RM50,001 – RM100,000	√				
RM100,001 – RM200,000					
RM200,001 – RM300,000					

Non-Executive Directors' Remuneration

Company

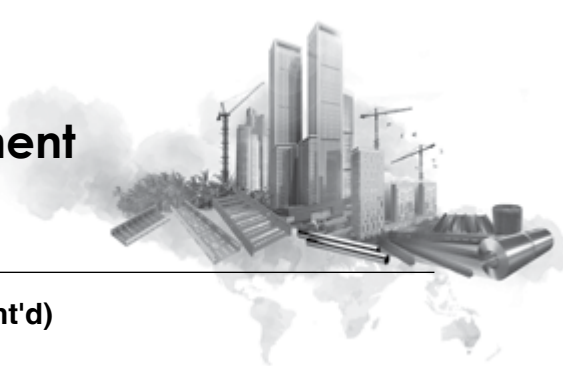
	SUDESH A/L K.V SANKARAN				
RM	Salary	Fee	Other Emoluments	Defined Contribution	Benefits in Kind
RM0 – RM50,000		√			
RM50,001 – RM100,000					

	DATO DENNIS CHUAH				
RM	Salary	Fee	Other Emoluments	Defined Contribution	Benefits in Kind
RM0 – RM50,000		√			
RM50,001 – RM100,000					

	LOY YEE SING				
RM	Salary	Fee	Other Emoluments	Defined Contribution	Benefits in Kind
RM0 – RM50,000		√			
RM50,001 – RM100,000					

Corporate Governance Overview Statement

(Cont'd)



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Remuneration of Directors (Cont'd)

Non-Executive Directors' Remuneration

Group

SUDESH A/L K.V SANKARAN					
RM	Salary	Fee	Other Emoluments	Defined Contribution	Benefits in Kind
RM0 – RM50,000		√			
RM50,001 – RM100,000					

DATO DENNIS CHUAH					
RM	Salary	Fee	Other Emoluments	Defined Contribution	Benefits in Kind
RM0 – RM50,000		√			
RM50,001 – RM100,000					

LOY YEE SING					
RM	Salary	Fee	Other Emoluments	Defined Contribution	Benefits in Kind
RM0 – RM50,000		√			
RM50,001 – RM100,000					

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

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 29) to 30) of this Annual Report

Assessment of Suitability and Independence of External Auditors (EA)

The Audit Committee had on 11 July 2018 deliberated the outcome of the annual assessment of the EA, which included an assessment of the engagement teams' qualifications, credentials and experience, particularly in the financial services sector, their audit work approach, and their ability to provide value added advice and services, as well as to perform the work within the Group's timeline. The Audit Committee then decided to recommend for the Board's approval the re-appointment of Messrs. Grant Thornton as EA of the Company for the financial year ending 31 March 2019. At the same time, the Audit Committee further undertook an annual assessment of the quality of audit, which encompassed the performance of the EA, Grant Thornton, and the quality of their communications with the AC and the Group, based on the feedback obtained via assessment questionnaires from the Company's personnel who had regular contact with the EA team, Grant Thornton throughout the year. The Audit Committee also took into account the openness in communication and interaction with the lead audit engagement team through discussion at private meetings, which demonstrated their independence, objectivity and professionalism. Grant Thornton had also confirmed their independence throughout the conduct of their audit engagement with ATTA Group in accordance with the independence criteria set.

The Audit Committee was satisfied with the suitability of Grant Thornton based on their quality of service and sufficiency of resources. Having regard to the outcome of the evaluations and the annual assessment of EA which supported the Audit Committee's recommendation on the suitability and independence of the EA, the Board approved the Audit Committee's recommendation for the shareholders' approval to be sought at the Annual General Meeting on the appointment of Grant Thornton as EA of the Company for the financial year ending 31 March 2019.

A statement by the Directors on their responsibilities in preparing the financial statements is set out on this Annual Report.

Corporate Governance Overview Statement

(Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

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 31} to 32} of the Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Investor Relations and Communication

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

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

Poll Voting

As stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting of all resolutions at general meetings shall be carried by way of poll.

COMPLIANCE WITH THE CODE

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

- Practice 1.3 - The positions of Chairman and CEO are held by different individuals.
- Practice 4.1 - At least half of the board comprises independent directors.
- Practice 4.5 - The board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the board must have at least 30% women directors.
- Practice 7.2 - The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.
- Practice 12.3 - Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate –
 - including voting in absentia; and
 - remote shareholders' participation at General Meetings.

The explanation for departure is further disclosed in the Corporate Governance Report.

This statement is prepared in compliance with Bursa Malaysia Securities Berhad Main Market Listing Requirements and it is read together with the CG Report which is available on the Company's website, www.attaglobalgroup.com.

The CG Overview Statement was approved by the Board of Directors of ATTA Global Group Berhad on 11 July 2018.

Corporate Social Responsibility



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

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

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

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

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

Statement of Directors' Responsibility

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

In preparing the financial statements, the Directors have:

- selected appropriate accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- 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; and
- prepared the financial statements on the going concern basis.

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

Statement on Risk Management and Internal Control



Introduction

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

Board’s Responsibilities

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

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

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

Key Features of The Group’s Risk Management and Internal Control System

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

1. Risk Management System

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

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

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

2. Internal Control System

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

- Organisation Structure & Authorisation Procedures

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

- Periodical and/or Annual Budget

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

Statement on Risk Management and Internal Control (Cont'd)

Key Features of The Group's Risk Management and Internal Control System (Cont'd)

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: (Cont'd)

2. Internal Control System (Cont'd)

Other elements of the Group's internal control system include: (Cont'd)

- Group Policies and Procedures

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

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

- Information and Communication

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

- Monitoring and Review

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

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

3. Internal Audit Function

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

Based on the Audit Committee's assessment of risks faced by ATTA, the Audit Committee has appointed a service provider to conduct a specific scope assessment of the sales, credit and collection processes of SMPC Dexon Sdn Bhd, a subsidiary of ATTA. The results of the assessment will be discussed with Senior Management and subsequently, the findings, including the recommendations for improvement will be reported to the Audit Committee at their next scheduled meeting. The total professional fees for the abovementioned specific scope assessment is RM20,000.

REVIEW OF THIS STATEMENT

Pursuant to paragraph 15.23 of the Main Market Listing Requirements, the external auditors have reviewed this Statement for inclusion in the 2018 Annual Report. This Statement is reviewed in accordance with Recommended Practice Guide 5 (Revised) issued by the Malaysian Institute of Accountants. The external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal control.

Conclusion

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

This Statement is made in accordance with the resolution of the Board dated 11 July 2018.

Audit Committee Report



Compositions and Meetings

The Audit Committee comprises three members, all of whom are Independent Non-Executive Directors; and has complied with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) which require the Audit Committee to have no fewer than 3 members, all members to be Non-Executive Directors. The Audit Committee also meets the requirement of Paragraph 15.09(c)(i) of the Main Market Listing Requirements of Bursa Securities in that one of its members is a fellow member of the Malaysian Institute of Accountants and Australian Chartered Accountants.

During the financial year ended 31 March 2018, a total of five (5) Audit Committee Meetings were held on 30 May 2017, 22 June 2017, 16 August 2017, 21 November 2017 and 26 February 2018 respectively. Representatives of the external and internal auditors were present by invitation at the meetings.

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

Name of Member	No. of Meetings Attended
Dato’ Dennis Chuah - <i>Independent Non-Executive Director</i> (Chairman)	5 out of 5
Sudesh a/l K.V. Sankaran - <i>Independent Non-Executive Director</i> (Member)	5 out of 5
Loh Yee Sing - <i>Independent Non-Executive Director</i> (Member)	5 out of 5

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.

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

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

SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE

In line with the terms of reference of the Audit Committee, the following activities were carried out by the Audit Committee during the financial year ended 31 March 2018 in the discharge of its duties and responsibilities:

a) External Audit

- (i) Reviewed the scope of work and the Audit Planning Memorandum of the External Auditors which includes reporting responsibilities and deliverables, audit approach, scope and audit and non-audit fees for statutory audits of the Group account and their proposed fees for the statutory audit in respect of the audit for financial year ended 31 March 2018 prior to recommending to the Board for approval.
- (ii) Reviewed and discuss the results of their audit report and management letter together with management’s responses to their audit findings, including corrective actions taken by the management on outstanding audit issues highlighted in the previous audit.
- (iii) Reviewed and evaluated the performance of the External Auditors and their independence, objectivity and professionalism and assessment questionnaires were used as a tool for the assessment and made recommendations to the Board on their re-appointment. The External Auditors provided assurance that they were and had been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Audit Committee Report (Cont'd)

SUMMARY OF ACTIVITIES OF AUDIT COMMITTEE (Cont'd)

b) Financial Reporting

- (i) Reviewed the Group's quarterly financial statements before recommending them to the Board for approval.
- (ii) Reviewed the audited financial statements of the Company and Group with External Auditors to ensure compliance with the provisions of the Companies Act, 2016 and the applicable accounting standards prior to submission to the Board for approval.
- (iii) To safeguard the integrity of information, the Chief Financial Officer had given assurance to the Audit Committee that:
 - appropriate accounting policies had been adopted and applied consistently;
 - the going concern basis applied in the Annual Financial Statement was appropriate;
 - prudent judgements and reasonable estimates had been made in accordance with the Malaysian Financial Reporting Standards (MFRS 134);
 - the Audited Financial Statement and Quarterly consolidated financial statements did not contain material misstatements and gave a true and fair view of the financial position of the Group and its subsidiaries for year 2018.

c) Internal Audit

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

d) Related Party Transactions

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

e) Annual Report

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

INTERNAL AUDIT FUNCTION

The Internal Audit function of the Group was outsourced to a professional internal audit service provider firm which undertakes independent, objective and systematic reviews of the risk management, internal controls system and corporate governance. The outsourced internal auditors report directly to the Audit Committee and assist the Board in reviewing the adequacy and integrity of the internal control systems to manage risks exposures over key processes within the Group. The functions and responsibilities of the Internal Audit function are embodied in the Internal Audit Charter. The costs incurred by the Group in relation to the Internal Audit function for the financial year ended 31 March 2018 amounted to approximately RM16,000.

During the financial year ended 31 March 2018, the following activities were carried out by the Internal Audit function:

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

Additional Compliance Information



DETAILS OF THE RECURRENT RELATED PARTY TRANSACTIONS

There was no related party transaction during the financial year.

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

The Company received proceeds amounting to RM97.794million from the issuance of 1,222,426,720 Irredeemable Convertible Preference Shares ("ICPS") at an issue price of RM0.08 per ICPS in December 2017. The proceeds have been utilized in the following manner as at 30 June 2018:

Purpose	Approved Utilisation RM'000	Amount Utilised RM'000	Balance Unutilized RM'000
Purchase of new equipment/machineries	6,550	4,078	2,472
Investment in new business	30,000	28,099	1,901
Upgrading of building	10,000	1,148	8,852
Working capital	50,244	31,000	19,244
Expenses in relation to the Proposal (ICPS)	1,000	763	237
Total:	<u>97,794</u>	<u>65,088</u>	<u>32,706</u>

SANCTIONS AND/OR PENALTIES

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

AUDIT AND NON-AUDIT FEES

During the financial year, the audit fees paid or payable to the External Auditors by the Group and ATTA were RM137,500 and RM33,000 respectively.

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

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

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

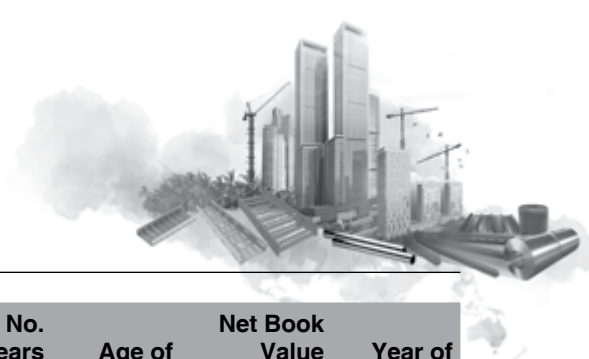
Properties Owned by the Group

as at 31 March 2018

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	35	32	20,488,999	2018
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	22	27	20,511,001	2018
Lot 717, 5 1/2 Miles Jalan Kapar, Klang Selangor Darul Ehsan	Factory Office	Freehold	8.16875 acres	22	21	27,684,289	2009
Lot 1501, 1502, Mukim 14, Kampung To' Suboh, Bukit Minyak, Simpang Ampat Seberang Perai Selatan, Penang	Land/ Rented	Freehold	2.259 acres	24	22	4,286,160	2018
Lot 176, Tempat Macang Kudung Mukim Jabi Daerah Pokok Sena, Kedah	Vacant Land	Freehold	2.257 acres	17	-	128,000	
2 nd Floor Unit of 4 Storey Shop Office in Taman Kinrara, Puchong, H.S. (M) 22709, PT 19499 Mukim Petaling, Selangor	Office	99 years lease to 2098	1,114sf	18	18	143,837	
Zone 5A, Parcel 2, Lot 5418, Mukim Senai-Kulai, Johor Darul Takzim	Apartment	Freehold	885sf	18	18	52,205	
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	46 & 48	36	2,481,872	2005
Lot Nos. 228 and 1697 Mukim of Pekula, District of Kuala Muda, State of Kedah.	Vacant Land	Freehold	10.4444 4.444 hectares	5		15,500,000	2012
Lot No. 410, Mukim 2, Daerah Barat Daya, Penang.	Vacant Land	Freehold	23,725sf	5		1,924,592	2010
No. Lot 3793, Mukim 6, Daerah Seberang Perai Tengah, Penang	6 units of Apartment	Freehold		4	-	300,000	2018

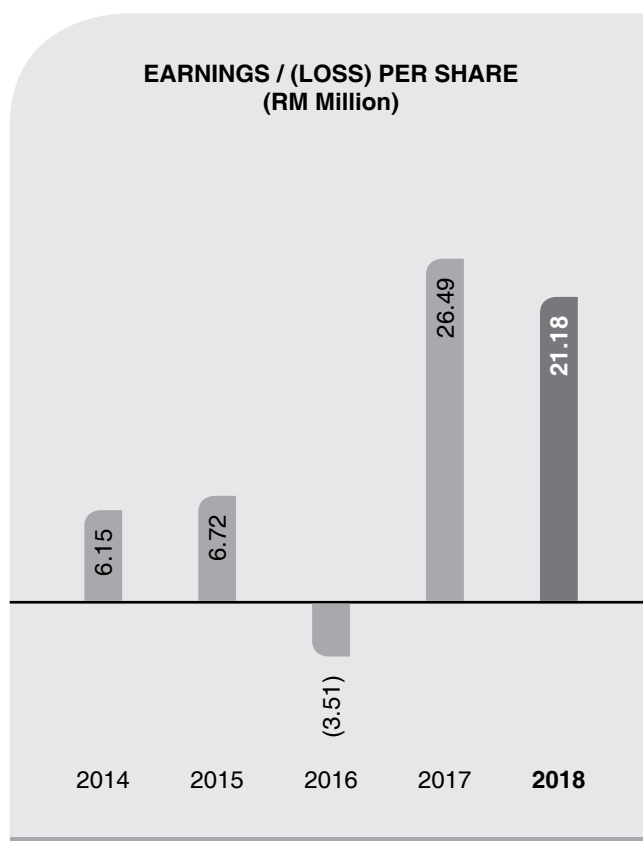
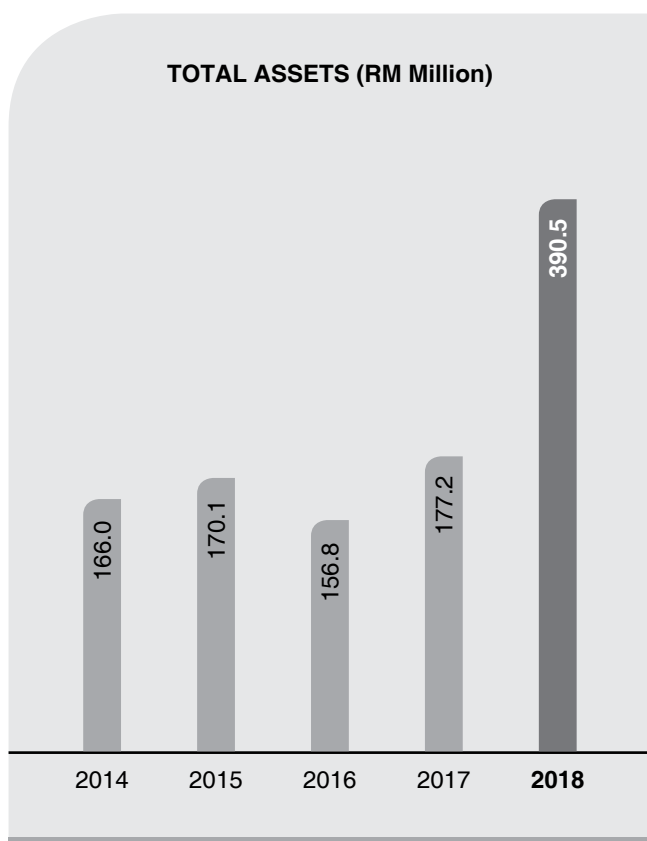
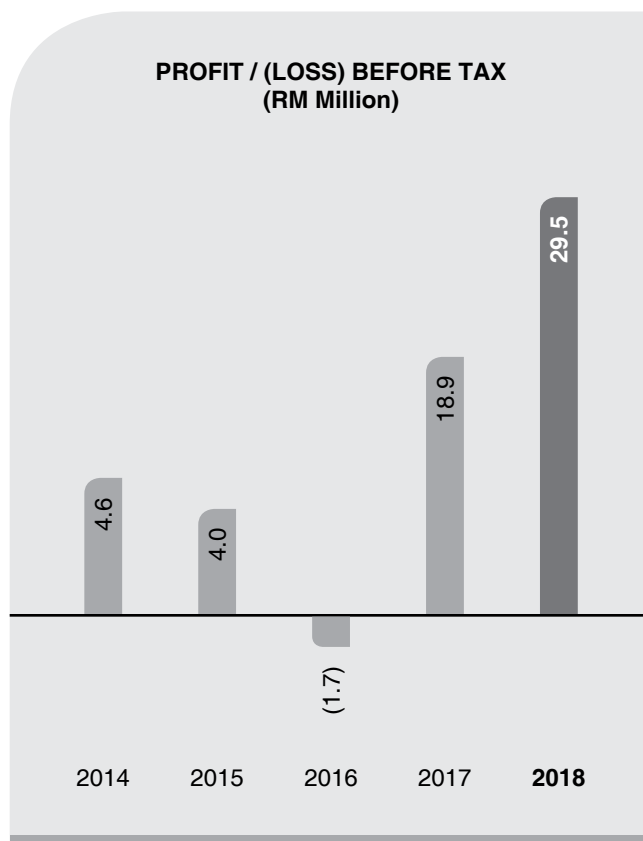
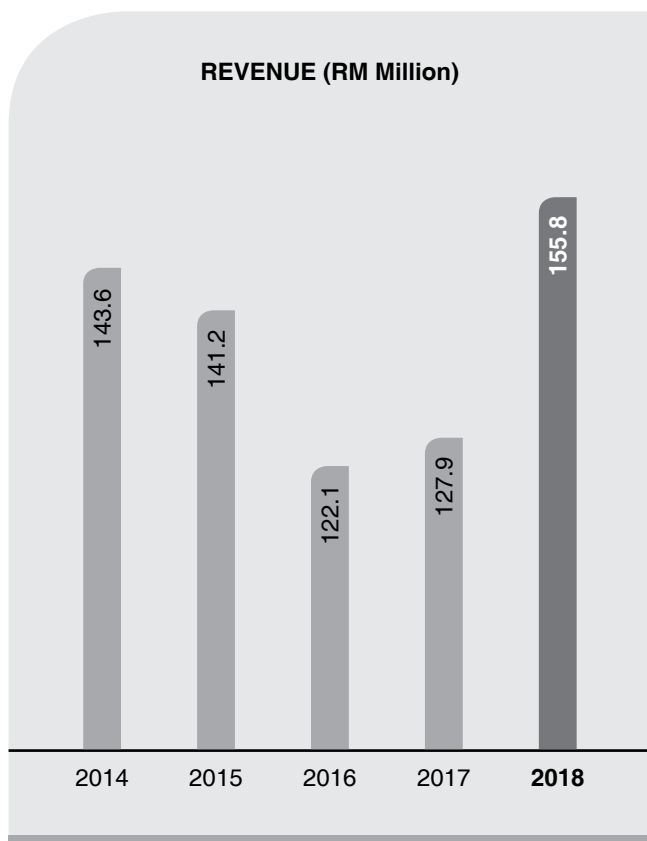
Properties Owned by the Group (Cont'd)

as at 31 March 2018



Location	Description	Tenure	Area	No. of Years Held	Age of Building	Net Book Value RM	Year of Valuation
Lot No. 4661, Mukim 07, Daerah Seberang Perai Utara, Pulau Pinang	Vacant Land	Freehold	0.5708 hectares	4		300,000	2018
Lot No. 4707, Mukim 03, Daerah Seberang Perai Utara, Pulau Pinang	Vacant Land	Freehold	0.5837 hectares	4		250,000	2018
No. Lot 10084, Bandar Gurun, Daerah Kuala Mudah, Negeri Kedah	Factory Office	Freehold	7,041sm	2	-	3,200,000	2018
97-1-13A, The Palazia, Jalan Bukit Gambier, 11700 Penang	Under Development	Freehold	2,918 sm			10,740,486	

Financial Highlights



Statistics on Shareholdings

as at 29 June 2018



Total Number of Shares Issued : 208,318,162 (Excluding 774 Treasury Shares)
Class of Shares : Ordinary Shares
Voting Rights : One vote per Ordinary Shares

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	280	9.23	8,688	0.00
100 - 1,000	1,057	34.83	348,690	0.17
1,001 - 10,000	1,077	35.48	5,568,870	2.67
10,001 - 100,000	552	18.19	17,384,799	8.35
100,001 - 10,415,907 (*)	66	2.17	70,839,947	34.01
10,415,908 (**)	3	0.10	114,167,168	54.80
Total	3,035	100.00	208,318,162	100.00

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

DIRECTORS' SHAREHOLDINGS

No.	Name of Directors	Direct Interest (A)	%	Deemed Interest (B)	%	Total Interest (A+B)	%
1	OOI CHIENG SIM	21,980,985	10.55	-	-	21,980,985	10.55
2	NG CHIN NAM	187,193	0.09	3,583 ¹	0.00	190,776	0.09
3	SUDESH A/L K.V. SANKARAN	52,000	0.02	-	-	52,000	0.02
4	TAN KIM HEE	46,500,000	22.32	-	-	46,500,000	22.32

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

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

Note:

1. Deemed interested by virtue of his spouse's interest pursuant to Section 59(11)(c) of the Companies Act, 2016.

SUBSTANTIAL SHAREHOLDERS

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

SUBSTANTIAL SHAREHOLDINGS

No.	Name of Substantial Shareholders	Direct Interest (A)	%	Deemed Interest (B)	%	Total Interest (A+B)	%
1	G REKA PERUNDING SDN BHD	50,020,000	24.01	-	-	50,020,000	24.01
2	TAN KIM HEE	46,500,000	22.32	-	-	46,500,000	22.32
3	OOI CHIENG SIM	21,980,985	10.55	-	-	21,980,985	10.55

Statistics on Shareholdings (Cont'd)

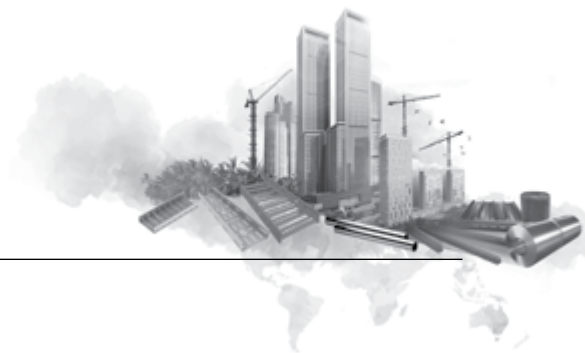
as at 29 June 2018

LIST OF TOP 30 SHAREHOLDERS AS AT 29 JUNE 2018

No.	Name of Shareholders	No. of Shares	%
1	G REKA PERUNDING SDN. BHD.	50,020,000	24.01
2	TAN KIM HEE	42,500,000	20.40
3	OOI CHIENG SIM	21,647,168	10.39
4	A1 CAPITAL SDN. BHD.	9,509,100	4.56
5	HLS PROPERTIES SDN. BHD.	8,765,900	4.21
6	MONT PRISTINE DEVELOPMENT SDN. BHD.	7,480,000	3.59
7	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING	6,000,000	2.88
8	LIM KEAN WAH	5,500,000	2.64
9	TAN KIM HEE	4,000,000	1.92
10	KANG KHOON SENG	3,969,500	1.91
11	BOEY CHEE KUN	1,475,900	0.71
12	UOB KAY HIAN NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR UOB KAY HIAN PTE. LTD.	1,400,000	0.67
13	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHAI KOK KHEANG	1,380,119	0.66
14	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN ING KIONG	1,334,872	0.64
15	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. TAN SOON TANG	1,203,600	0.58
16	KANG KHOON HUA	901,000	0.43
17	ONG CHIN KANG	900,000	0.43
18	TEH SWEE KIM @ OOI SWEE KIM	772,000	0.37
19	NG KWENG CHAN	770,000	0.37
20	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING	747,700	0.36
21	HLS PROPERTIES SDN. BHD.	734,100	0.35
22	OON PENG KENG	707,625	0.34
23	KHOON WENG REALTY SDN. BHD.	651,300	0.31
24	KANG KHOON SENG	613,900	0.29
25	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEH MOOI CHOO	588,073	0.28
26	TEH KIM CHYE	580,000	0.28
27	GOH LEE HIAN	570,663	0.27
28	METALINK INDUSTRIES SDN. BHD.	570,000	0.27
29	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GAN BOON GUAT	521,800	0.25
30	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KWONG MING KWEI	485,500	0.23
	TOTAL	176,299,820	84.63

Analysis of Warrants B Holdings

as at 29 June 2018



Class of Securities : Warrant B 2012/2022
No. of Outstanding Warrant B : 24,619,674
Voting Rights : 1 vote per Warrant B in respect of a meeting of Warrant B holders

ANALYSIS OF WARRANTS B HOLDINGS AS AT 29 JUNE 2018

Size of Warrant Holdings	No. of Warrant B Holders	% of Warrant B Holders	No. of Warrant B	% of Warrant B Issued
Less than 100	218	25.80	8,435	0.03
100 - 1,000	125	14.79	59,553	0.24
1,001 - 10,000	174	20.59	802,863	3.26
10,001 - 100,000	280	33.14	9,613,148	39.05
100,001 - 1,230,982 (*)	48	5.68	14,135,675	57.42
1,230,983 and above (**)	-	-	-	-
Total	845	100.00	24,619,674	100.00

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

DIRECTORS' INTERESTS AS AT 29 JUNE 2018

No.	Name of Directors	No. of Shares		Deemed	
		No. of Warrant B	%	No. of Warrant B	%
1	OOI CHIENG SIM	-	-	81 ¹	0.00
2	NG CHIN NAM	3,979	0.02	-	-
3	CHOW CHOON HOONG	-	-	-	-
4	SUDESH A/L K.V. SANKARAN	-	-	-	-
5	DATO' DENNIS CHUAH	-	-	-	-
6	LOH YEE SING	-	-	-	-
7	TAN KIM HEE	-	-	-	-

Note:

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

Analysis of Warrants B Holdings (Cont'd)

as at 29 June 2018

LIST OF TOP 30 SHAREHOLDERS AS AT 29 JUNE 2018

No.	Name of Shareholders	No. of Shares	%
1	UOB KAY HIAN NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR UOB KAY HIAN PTE. LTD.	1,151,387	4.68
2	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHEW KIM HWA	884,900	3.59
3	LIM CHIN PO	787,166	3.20
4	SAW GUAT NGOH	740,300	3.01
5	LEONG HON WAH	725,411	2.95
6	EE CHAI CHAI	631,902	2.57
7	TAN KHENG BOON @ TAN KHENG CHENG	626,974	2.55
8	KANAJAYA SDN. BHD.	575,693	2.34
9	NG WEI CHIEN	524,141	2.13
10	LIM KAM YOKE	515,694	2.09
11	LEE POO TECK	500,000	2.03
12	TAN KHENG HUAT	440,000	1.79
13	UOB KAY HIAN NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR UOB KAY HIAN PTE. LTD.	402,985	1.64
14	RAYMOND TAN HOCK SENG	383,054	1.56
15	SITI MARIAM BINTI HASAN	300,000	1.22
16	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. KOW WENG CHEANG	268,138	1.09
17	CHU YEE LIM	265,700	1.08
18	CHAN KWANG YEW	254,019	1.03
19	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEONG HON WAH	250,038	1.02
20	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. LIM KAH ENG	177,738	0.72
21	TAN EE HUNG	170,600	0.69
22	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR NG KOK KUAN	170,489	0.69
23	TEH KOK MING	169,330	0.69
24	PANG CHOON HUA	160,155	0.65
25	KUMPULAN PITCHAI SDN. BHD.	157,504	0.64
26	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. NG AH CHUAN	155,437	0.63
27	CHAN KOK WENG	150,000	0.61
28	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK FOR CHEW KIM HWA	150,000	0.61
29	TAN JIAN PING	150,000	0.61
30	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT LEONG AH NGOW @ LEONG YOKE CHOONG	140,600	0.57
	TOTAL	11,979,355	48.66

Analysis of Warrants C Holdings

as at 29 June 2018



Class of Securities : Warrant C 2014/2024
No. of Outstanding Warrant C : 4,837,053
Voting Rights : 1 vote per Warrant C in respect of a meeting of Warrant C holders

ANALYSIS OF WARRANTS C HOLDINGS AS AT 29 JUNE 2018

Size of Warrant Holdings	No. of Warrant C Holders	% of Warrant C Holders	No. of Warrant C	% of Warrant C Issued
Less than 100	29	14.29	1,108	0.02
100 - 1,000	28	13.79	12,854	0.27
1,001 - 10,000	58	28.57	250,679	5.18
10,001 - 100,000	79	38.91	2,890,948	59.77
100,001 - 241,851 (*)	7	3.45	904,165	18.69
241,852 and above (**)	2	0.99	777,299	16.07
Total	203	100.00	4,837,053	100.00

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

DIRECTORS' INTERESTS AS AT 29 JUNE 2018

No.	Name of Directors	Direct		Deemed	
		No. of Warrant C	%	No. of Warrant C	%
1	OOI CHIENG SIM	-	-	-	-
2	NG CHIN NAM	2,787	0.06	-	-
3	CHOW CHOON HOONG	-	-	-	-
4	SUDESH A/L K.V. SANKARAN	-	-	-	-
5	DATO' DENNIS CHUAH	-	-	-	-
6	LOH YEE SING	-	-	-	-
7	TAN KIM HEE	-	-	-	-

Analysis of Warrants C Holdings (Cont'd)

as at 29 June 2018

LIST OF TOP 30 SHAREHOLDERS AS AT 29 JUNE 2018

No.	Name of Shareholders	No. of Shares	%
1	LIEW JIEW CHOO	418,299	8.65
2	TAN SEE EAN	359,000	7.42
3	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB FOR CHEAH CHEE SIONG	175,000	3.62
4	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHEW KIM HWA	158,942	3.29
5	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN VI LANG	123,337	2.55
6	OOI HUNG HOCK	115,138	2.38
7	POH CHONG JOO	115,138	2.38
8	OOI CHEE MIN	109,777	2.27
9	LOH CHEE KONG	106,833	2.21
10	TEE HOCK SENG	97,569	2.02
11	KHOO POH CHYE	94,413	1.95
12	TAN EE HUNG	92,569	1.91
13	LEONG HON WAH	86,354	1.79
14	CHU YEE LIM	85,756	1.77
15	WU SONG SEE @ GOH SONG SEE	82,111	1.70
16	LEE FOOK ON	79,990	1.65
17	HO YEW KONG	79,872	1.65
18	SJ SEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHAN BOON YOK	77,585	1.60
19	LEE FOONG SIEN	69,083	1.43
20	SAW GUAT NGOH	65,000	1.34
21	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KHOO AH KHOW	57,569	1.19
22	YONG SWEE KOON	56,533	1.17
23	CHAI SAD LIAN	56,000	1.16
24	TEY CHAI SENG	50,661	1.05
25	SITI MARIAM BINTI HASAN	50,000	1.03
26	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. CHEONG CHUNG WAI	48,128	0.99
27	LOH CHEE KONG	47,897	0.99
28	HLIB NOMINEES (TEMPATAN) SDN. BHD. HONG LEONG BANK BHD FOR EWE HONG KHOON	46,150	0.95
29	GAN SOO HONG	46,055	0.95
30	LIM MOOI TEAN	46,055	0.95
	TOTAL	3,096,814	64.02

Analysis of ICULS Holdings

as at 29 June 2018



Class of Securities	: Zero Coupon, 10-Year, Irredeemable Convertible Unsecured Loan Stock ("ICULS")
No. of ICULS Issued	: 230,934,880
No. of Outstanding ICULS	: 123,489,869
Voting Rights	: 1 vote per ICULS holder in respect of a meeting of ICULS holders

ANALYSIS OF ICULS HOLDINGS AS AT 29 JUNE 2018

Size of ICULS Holdings	No. of ICULS Holders	% of ICULS Holders	No. of ICULS	% of ICULS Issued
Less than 100	2	0.21	180	0.00
100 - 1,000	32	3.31	16,091	0.01
1,001 - 10,000	246	25.44	1,630,498	1.32
10,001 - 100,000	514	53.15	20,973,900	16.98
100,001 - 6,174,492 (*)	171	17.68	78,511,600	63.58
6,174,493 and above (**)	2	0.21	22,357,600	18.11
Total	967	100.00	123,489,869	100.00

Note: * - Less than 5% of issued holdings

** - 5% and above of issued holdings

DIRECTORS' INTERESTS AS AT 29 JUNE 2018

No.	Name of Directors	No. of ICULS	Direct		Deemed	
			%	%	No. of ICULS	%
1	OOI CHIENG SIM	-	-	-	-	
2	NG CHIN NAM	-	-	-	-	
3	CHOW CHOON HOONG	-	-	-	-	
4	SUDESH A/L K.V. SANKARAN	-	-	-	-	
5	DATO' DENNIS CHUAH	-	-	-	-	
6	LOH YEE SING	-	-	-	-	
7	TAN KIM HEE	-	-	-	-	

Analysis of ICULS Holdings (Cont'd)

as at 29 June 2018

LIST OF TOP 30 SHAREHOLDERS AS AT 29 JUNE 2018

No.	Name of Shareholders	No. of Shares	%
1	RHB CAPITAL NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SHER KHAN BIN KHAN MOHAMAD	15,557,600	12.60
2	UOB KAY HIAN NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR UOB KAY HIAN PTE. LTD.	6,800,000	5.51
3	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING	5,015,000	4.06
4	LIM SEOW CHIN	3,854,500	3.12
5	HLS PROPERTIES SDN. BHD.	3,298,200	2.67
6	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. TAN ING KIONG	3,288,000	2.66
7	POH HONG SWEE	3,000,000	2.43
8	TOO LENG NGO	2,400,000	1.94
9	CHEW SAW BEE	2,139,100	1.73
10	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. CIMB BANK FOR CHEAH CHEE SIONG	1,964,900	1.59
11	LIM CHIN PO	1,790,700	1.45
12	LIM SHIOU GHAY	1,500,000	1.21
13	TOH BOK PIEW	1,380,200	1.12
14	LIEW JIEW CHOO	1,355,000	1.10
15	A1 CAPITAL SDN. BHD.	1,350,000	1.09
16	UOB KAY HIAN NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR UOB KAY HIAN PTE. LTD.	1,300,000	1.05
17	CHIOK KIAN CHAU	1,119,400	0.91
18	KHOW ENG GUAN	1,085,000	0.88
19	A1 CAPITAL SDN BHD	1,000,000	0.81
20	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE KAM HOONG	1,000,000	0.81
21	LIM YEE YIK	900,000	0.73
22	WONG SOK YENG	895,000	0.72
23	YEAP LEONG CHIN	779,700	0.63
24	LE CHANG LOW	710,000	0.57
25	LEE QUEE CHIOW	631,900	0.51
26	ON TECK SIANG	621,000	0.50
27	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. TUANG YUET HWA	585,000	0.47
28	PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEOU CHOR NAM	577,600	0.47
29	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEO KEE AIK	570,000	0.46
30	ONG CHIN KANG	560,000	0.45
	TOTAL	67,027,800	54.28

Analysis of ICPS Holdings

as at 29 June 2018



Class of Securities	: Irredeemable Convertible Preference Shares (“ICPS”) 2017/2022
No. of ICPS Issued	: 1,222,426,720
No. of Outstanding ICPS	: 1,176,961,720
Voting Rights	: 1 vote per ICPS holder in respect of a meeting of ICPS holders
	: The ICPS holders are not entitled to any voting rights or participation in any rights, allotments and/or other distribution in the Company except in the following circumstances until and unless such holders convert their ICPS into new Shares:
	(aa) on a proposal for the winding-up, liquidation, compromise and/or arrangement of the Company for the winding-up, liquidation, compromise and/or arrangement of the Company and during the winding-up, liquidation, compromise and/or arrangement of the Company;
	(bb) any resolution which varies or is deemed to vary the rights and privileges attached to the ICPS;
	(cc) any resolution to reduce the share capital of the Company;
	(dd) any resolution for the purposes of sanctioning the disposal of the whole or a substantial part (as defined in Section 223 of the Companies Act, 2016) of the property, business, or undertaking of the Company; and
	(ee) other circumstances as may be provided under law and applicable to preference shares and/or preference shareholders from time to time.

ANALYSIS OF ICPS HOLDINGS AS AT 29 JUNE 2018

Size of ICPS Holdings	No. of ICPS Holders	% of ICPS Holders	No. of ICPS	% of ICPS Issued
Less than 100	12	1.97	700	0.00
100 - 1,000	29	4.76	18,080	0.00
1,001 - 10,000	103	16.91	597,528	0.05
10,001 - 100,000	273	44.83	11,658,436	0.99
100,001 - 58,848,085 (*)	187	30.71	439,847,476	37.37
58,848,086 and above (**)	5	0.82	724,839,500	61.59
Total	609	100.00	1,176,961,720	100.00

Note: * - Less than 5% of issued holdings

** - 5% and above of issued holdings

DIRECTORS' INTERESTS AS AT 29 JUNE 2018

No.	Name of Directors	No. of ICPS	Direct		Deemed	
			%	No. of ICPS	%	
1	OOI CHIENG SIM	81,227,100	6.90	162,000,000 ¹	13.76	
2	NG CHIN NAM	-	-	30,000 ²	0.02	
3	CHOW CHOON HOONG	-	-	-	-	
4	SUDESH A/L K.V. SANKARAN	-	-	-	-	
5	DATO' DENNIS CHUAH	-	-	-	-	
6	LOH YEE SING	-	-	-	-	
7	TAN KIM HEE	-	-	-	-	

Notes:

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

2. Deemed interested by virtue of his spouse's interest pursuant to Section 59(11)(c) of the Companies Act, 2016.

Analysis of ICPS Holdings (Cont'd)

as at 29 June 2018

LIST OF TOP 30 SHAREHOLDERS AS AT 29 JUNE 2018

No.	Name of Shareholders	No. of Shares	%
1	LIM SEOW CHIN	376,652,400	32.00
2	SKYLITECH RESOURCES SDN. BHD.	120,000,000	10.20
3	OOI CHIENG SIM	81,227,100	6.90
4	HLS PROPERTIES SDN. BHD.	79,765,900	6.78
5	A1 CAPITAL SDN. BHD.	67,194,100	5.71
6	LIM KEAN WAH	47,309,000	4.02
7	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING	46,644,880	3.96
8	SKYLITECH RESOURCES SDN. BHD.	42,000,000	3.57
9	A1 CAPITAL SDN. BHD.	33,833,300	2.87
10	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. TAN SOON TANG	24,390,000	2.07
11	KANG KHOON SENG	20,500,000	1.74
12	HLS PROPERTIES SDN. BHD.	20,000,000	1.70
13	A1 CAPITAL SDN. BHD.	16,314,000	1.39
14	TA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SUN PING	14,300,076	1.21
15	LIM SHIOU GHAY	13,921,100	1.18
16	LIM KEAN WAH	12,762,000	1.08
17	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN ING KIONG	11,700,076	0.99
18	KHOON WENG REALTY SDN. BHD.	10,000,000	0.85
19	TAWAKAR ENTERPRISE SDN. BHD.	10,000,000	0.85
20	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. KELVIN TAN CHYE HOCK	9,000,000	0.76
21	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHAI KOK KHEANG	7,750,052	0.66
22	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED	7,500,000	0.64
23	TAWAKAR ENTERPRISE SDN. BHD.	5,700,000	0.48
24	LAU SENG KHIANG	4,000,000	0.34
25	TAN FOOK CHIN	3,570,000	0.30
26	NG SIEW FONG	3,550,000	0.30
27	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. TAN ING KIONG	3,500,000	0.30
28	SAW LAI SIM	2,555,000	0.22
29	CITIGROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED	2,550,000	0.22
30	KANG KHOON SENG	2,080,000	0.18
	TOTAL	1,100,268,984	93.48



Report and Financial Statements

31 March 2018

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Directors' Report

for the financial year ended 31 March 2018



The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended **31 March 2018**.

PRINCIPAL ACTIVITIES

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

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

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

RESULTS

	GROUP RM	COMPANY RM
Profit after tax for the financial year	<u>27,800,556</u>	<u>5,913,815</u>
Attributable to:		
Owners of the Company	28,403,667	5,913,815
Non-controlling interests	<u>(603,111)</u>	-
	<u>27,800,556</u>	<u>5,913,815</u>

DIVIDENDS

Since the end of the previous financial year, the Company has declared and/or paid the following dividends:

	RM
In respect of the financial year ended 31 March 2018:	
- An interim single tier dividend of 2 sen per ordinary share paid on 3 January 2018	3,056,067
- A special single tier dividend of 3 sen per ordinary share paid on 3 January 2018	4,584,100
- An interim single tier dividend of 0.24 sen per Irredeemable Convertible Preference Shares ("ICPS") paid on 8 February 2018	2,929,108
In respect of the financial year ended 31 March 2017:	
- A final single tier dividend of 2 sen per ordinary share paid on 27 October 2017	3,056,067
- A special single tier dividend of 8 sen per ordinary share paid on 27 October 2017	12,224,267
	<u>25,849,609</u>

On 30 April 2018, the Company has declared an interim single tier dividend of 2 sen per ordinary share amounting to RM4,166,363 and an interim single tier dividend of 0.16 sen per ICPS amounting to RM1,883,139 in respect of the financial year ended 31 March 2018 which was paid on 25 May 2018 respectively.

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

Directors' Report (Cont'd)

for the financial year ended 31 March 2018

RESERVES AND PROVISIONS

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

SHARE CAPITAL AND DEBENTURE

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

- (i) Issuance of 74,807,100 new ordinary shares pursuant to the conversion of 74,807,100 10-year 0% Irredeemable Convertible Unsecured Loan Stocks ("ICULS") at a conversion price of RM0.87 each; and
- (ii) Issuance of 1,298,461 and 540,722 new ordinary shares for cash arising from the exercise of employees' share options at an exercise price of RM1 and RM0.87 each respectively; and
- (iii) Issuance of 6,510,400 new ordinary shares pursuant to the conversion of 6,510,400 10-year free detachable warrants 2014/2024 ("Warrant C") at an exercise price of RM1 each; and
- (iv) Issuance of 45,465,000 new ordinary shares pursuant to the conversion of 45,465,000 5-year 0% Irredeemable Convertible Preference Shares ("ICPS") at a conversion price of RM0.80 each.

TREASURY SHARES

During the financial year, the Company repurchased 518,100 ordinary shares of its issued share capital from the open market. The average price paid for the shares repurchased was RM1.10 per share and the repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares in accordance with Section 127 of the Companies Act 2016.

On 30 May 2017, the Company has distributed 4,475,526 treasury shares as share dividend on the basis of one treasury share for every twenty ordinary shares held amounting to RM3,167,088.

As at 31 March 2018, the Company held a total of 774 treasury shares out of its 208,318,936 issued ordinary shares. Further relevant details are disclosed in Note 18.1 to the financial statements.

10-YEAR 0% IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS ("ICULS"), 5-YEAR IRREDEEMABLE CONVERTIBLE PREFERENCE SHARE ("ICPS") AND WARRANTS

During the financial year, renounceable rights issue of 1,222,426,720 new irredeemable convertible preference shares ("ICPS") at an issue price of RM0.08 per ICPS on the basis of eight ICPS for every one existing ordinary share held in the Company were issued.

The salient features of the ICULS, ICPS and Warrants are disclosed in Notes 16, 17 and 18 to the financial statements respectively.

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

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company's ESOS is governed by the By-Laws which were approved by the shareholders at an Extraordinary General Meeting held on 28 September 2012. The ESOS which expired on 18 October 2015 was extended for another seven years expiring on 18 October 2022.

Directors' Report (Cont'd)

for the financial year ended 31 March 2018



EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (Cont'd)

The details of options over unissued ordinary shares of the Company granted under the ESOS during the financial year are as follows:

Grant date	Exercise Price*	Balance at 1.4.2017	Number of share options over ordinary shares				Balance at 31.3.2018
			Re-allocation	Effect of Rights Issue*	Exercised	Lapsed	
9.10.13	RM0.87	1,874,375	-	-	(829,486)	(307,085)	737,804
14.10.14	RM0.87	411,500	-	-	(93,855)	(45,000)	272,645
15.2.16	RM0.87	2,005,000	677,917	453,015	(915,842)	(385,000)	1,835,090

* Adjustment to the exercise price and number of options pursuant to the Company's ICPS Rights Issue.

The salient features of the ESOS are disclosed in Note 40 to the financial statements.

Details of options granted to directors are disclosed in the section on directors' interests in this report.

DIRECTORS

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

Directors of the Company:

Ooi Chieng Sim
Ng Chin Nam
Chow Choon Hoong
Dato' Dennis Chuah
Sudesh a/l K.V. Sankaran
Loh Yee Sing
Tan Kim Hee (appointed on 28.3.18)
Mohd Shahril Fitri Bin Hashim (retired on 16.8.17)

Directors of the subsidiaries:

Rajandran a/l Visvalingam
Law Bee Jian
Leong Ka Hon
Eric Yew Khee Boon
Parimala Devi a/p Mailvaganam (appointed on 14.8.17)
Dhanabalan a/l M. Pitchai Chetty (appointed on 8.2.18)

Directors' Report (Cont'd)

for the financial year ended 31 March 2018

DIRECTORS' INTERESTS

According to the register of directors' shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares of the Company and of its related corporations during the financial year are as follows:

	Number of ordinary shares			Balance at 31.3.2018
	Balance at 1.4.2017	Bought	Sold	
The Company				
Direct Interest:				
Ooi Chieng Sim	1,033,800	564,890	(1,598,690)	-
Ng Chin Nam	77,349	191,060	(81,216)	187,193
Chow Choon Hoong	-	150,000	(150,000)	-
Sudesh a/l K.V. Sankaran	-	102,000	(50,000)	52,000
Tan Kim Hee	42,500,000 *	-	-	42,500,000

	Number of ordinary shares			Balance at 31.3.2018
	Balance at 1.4.2017	Bought	Sold	
Deemed Interest:				
¹ Ooi Chieng Sim	18,857,860	942,893	(19,800,753)	-
Other Interest:				
² Ng Chin Nam	3,412	170	-	3,582

	Number of 10-year 0% ICULS			Balance at 31.3.2018
	Balance at 1.4.2017	Bought	Sold	
The Company				
Direct Interest:				
Ng Chin Nam	320,000	-	(320,000)	-
Deemed Interest:				
¹ Ooi Chieng Sim	35,000,000	-	(35,000,000)	-

Directors' Report (Cont'd)

for the financial year ended 31 March 2018



DIRECTORS' INTERESTS (Cont'd)

According to the register of directors' shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares of the Company and of its related corporations during the financial year are as follows: (Cont'd)

	Number of 5-year 0% ICPS			
	Balance at 1.4.2017	Bought	Sold	Balance at 31.3.2018

The Company

Direct Interest:

Ooi Chieng Sim	-	81,227,100	-	81,227,100
Ng Chin Nam	-	1,090,400	(1,090,400)	-

Deemed Interest:

¹ Ooi Chieng Sim	-	162,000,000	-	162,000,000
² Ng Chin Nam	-	30,000	-	30,000

	Number of Warrants B			
	Balance at 1.4.2017	Effect of Rights Issue ³	Sold	Balance at 31.3.2018

The Company

Direct Interest:

Ng Chin Nam	26,284	3,979	(26,284)	3,979
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Deemed Interest:

¹ Ooi Chieng Sim	299,714	10	(299,643)	81
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	Number of Warrants C			
	Balance at 1.4.2017	Effect of Rights Issue ³	Sold	Balance at 31.3.2018

The Company

Direct Interest:

Ooi Chieng Sim	750,000	-	(750,000)	-
Ng Chin Nam	18,416	2,787	(18,416)	2,787

	Number of options over ordinary shares					
	Balance at 1.4.17	Re-allocation	Effect of Rights Issue ³	Exercised	Lapsed	Balance at 31.3.18

Ooi Chieng Sim	-	-	89,000	(89,000)	-	-
Ng Chin Nam	147,193	-	40,000	(187,193)	-	-
Chow Choon Hoong	184,624	-	40,000	(150,000)	-	74,624
Sudesh a/l K.V. Sankaran	102,569	-	-	(102,000)	-	569

Directors' Report (Cont'd)

for the financial year ended 31 March 2018

DIRECTORS' INTERESTS (Cont'd)

Notes:

- ¹ By virtue of his interest in Skylitech Resources Sdn. Bhd. ("SRSB"), he is deemed to have interest in the shares of the Company that are held by SRSB.
 - ² By virtue of the spouse's interest.
 - ³ Adjustment to the number of warrants and share options pursuant to the Company's ICPS Rights Issue during the year.
- * At date of appointment

By virtue of his interest in the shares of the Company, Mr. Tan Kim Hee is also deemed interested in the shares of all the subsidiaries, to the extent that the Company has interests.

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

DIRECTORS' REMUNERATION

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

	GROUP RM	COMPANY RM
Fees	36,000	36,000
Salaries and allowances	693,900	264,000
Defined contribution plans	81,402	31,680
Indemnity given or insurance effected	22,679	22,679
	<u>833,981</u>	<u>354,359</u>

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

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than as disclosed above) 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 STATUTORY INFORMATION

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

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts, and
- (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

Directors' Report (Cont'd)

for the financial year ended 31 March 2018



OTHER STATUTORY INFORMATION (Cont'd)

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

- (i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, and
- (ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, and
- (iii) that would render any amount stated in the financial statements of the Group and of the Company misleading, and
- (iv) which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

In the opinion of directors:

- (i) no contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due,
- (ii) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, and
- (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

There was no indemnity given to or insurance effected for any officer of the Group and of the Company.

SIGNIFICANT EVENT

The details of significant event during the financial year are disclosed in the Note 41 to the financial statements.

SUBSEQUENT EVENTS

The subsequent events are disclosed in the Note 42 to the financial statements.

Directors' Report (Cont'd)

for the financial year ended 31 March 2018

AUDITORS

The total amount of fees receivable by the auditors, **Grant Thornton**, as remuneration for their services as auditors of the Group and of the Company for the financial year ended 31 March 2018 are RM137,500 and RM33,000 respectively.

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

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

Signed in accordance with a resolution of the directors:

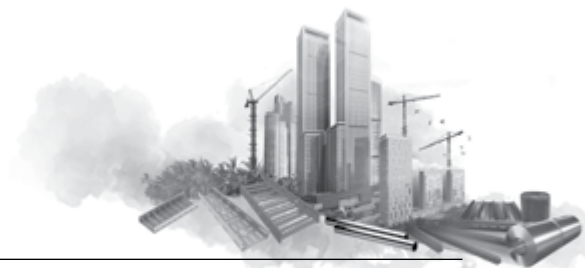
Ooi Chieng Sim

Penang,

Date: 30 July 2018

Ng Chin Nam

Directors' Statement



In the opinion of the directors, the financial statements set out on pages 14 to 86 are properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at **31 March 2018** and of their financial performance and cash flows for the financial year then ended.

Signed in accordance with a resolution of the directors:

Ooi Chieng Sim

Ng Chin Nam

Date: 30 July 2018

Statutory Declaration

I, **Siva Raman a/l S. Ramasamy Pattar**, the officer primarily responsible for the financial management of **Atta Global Group Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 14 to 86 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 **30th**)
day of **July 2018**.)

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

Before me,

Goh Suan Bee (P125)
Commissioner for Oaths

Independent Auditors' Report

to the members of ATTA Global Group Berhad

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of **Atta Global Group Berhad**, which comprise the statements of financial position as at **31 March 2018** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 14 to 86.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at **31 March 2018** and of their financial performance and of their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

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

Independent Auditors' Report (Cont'd)

to the members of ATTA Global Group Berhad



Key Audit Matters (Cont'd)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Net valuation for inventories <i>(Note 9 to the financial statements)</i></p> <p>The Group holds significant amount of inventories which exposed the Group to a risk that the inventories may become slow moving or obsolete and eventually non-saleable or selling below their carrying value.</p> <p>There is inherent subjectivity and estimation involved in determining the accuracy of provision for inventory obsolescence and in assessing the adequacy of inventory not stated at the lower of cost or market value.</p>	<p>Our audit procedures in relation to the valuation of inventories included the following:</p> <ul style="list-style-type: none">• Obtaining an understanding of:<ul style="list-style-type: none">- the Group's inventory management process.- how the Group identifies and assesses inventory write downs.- how the Group makes the accounting estimates for inventory write downs.• Examining the perpetual records for inventory movements and to identify slow moving aged items.• Making inquiries of management regarding the action plans to clear slow moving aged and obsolete inventories.• Reviewing the net realisable value of inventories on sampling basis.• Evaluating the reasonableness and adequacy of the allowance for inventories recognised in the financial statements.
<p>Impairment of trade receivables <i>(Note 11 to the financial statements)</i></p> <p>The Group has significant trade receivables as at 31 March 2018 and it is subject to credit risk exposure. The determination of impairment for the past due receivables requires management's judgement in assessing the collectability of the debts after considering their ageing and historical loss experience for receivables with similar characteristics.</p>	<p>Our audit procedures in relation to impairment of trade receivables included the following:</p> <ul style="list-style-type: none">• Obtaining an understanding of:<ul style="list-style-type: none">- the Group's control over the trade receivables' collection process.- how the Group identifies and assesses the impairment of receivables; and- how the Group makes the accounting estimates for impairment.• Reviewing the consistency of the application of management's methodology for calculating the impairment from year to year.• Considering the ageing of the trade receivables.• Reviewing collections received after the financial year end.• Reviewing the adequacy of the impairment.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Independent Auditors' Report (Cont'd)

to the members of ATTA Global Group Berhad

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in these financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Group and of the Company financial statements, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

Independent Auditors' Report (Cont'd)

to the members of ATTA Global Group Berhad



Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Grant Thornton
No. AF: 0042
Chartered Accountants

Penang

Date: 30 July 2018

John Lau Tiang Hua
No. 01107/03/2020 J
Chartered Accountant

Statements of Financial Position

as at 31 March 2018

	NOTE	GROUP		COMPANY	
		2018 RM	2017 RM	2018 RM	2017 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	73,737,683	72,281,212	769,959	1,283,329
Investment properties	5	49,219,999	45,511,800	30,603,296	29,856,875
Investment in subsidiaries	6	-	-	55,474,544	35,364,293
Goodwill on consolidation	7	909,220	-	-	-
Other investments	8	42,318,838	617,936	-	-
		166,185,740	118,410,948	86,847,799	66,504,497
Current assets					
Inventories	9	13,727,930	16,687,697	-	-
Property development costs	10	10,740,486	-	-	-
Receivables, deposits and prepayments	11	67,012,564	33,103,898	202,869,669	83,686,066
Current tax assets		408,185	917,057	26,005	-
Fixed deposits with licensed banks	12	79,826,785	572,016	589,243	572,016
Cash and bank balances	13	51,111,882	7,570,009	41,897,494	985,377
		222,827,832	58,850,677	245,382,411	85,243,459
Non-current assets held for sale	14	1,500,000	-	-	-
		224,327,832	58,850,677	245,382,411	85,243,459
TOTAL ASSETS		390,513,572	177,261,625	332,230,210	151,747,956
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	15	208,203,372	93,787,046	208,203,372	93,787,046
Irredeemable Convertible Preference Shares ("ICPS")	16	94,156,938	-	94,156,938	-
Irredeemable Convertible Unsecured Loan Stocks ("ICULS")	17	12,348,987	19,829,697	12,348,987	19,829,697
Other reserves	18	3,837,370	(2,149,793)	7,681,732	4,990,351
Retained profits	19	23,377,485	26,635,848	1,042,970	20,930,090
		341,924,152	138,102,798	323,433,999	139,537,184
Non-controlling interests		10,523,025	(101,669)	-	-
Total equity		352,447,177	138,001,129	323,433,999	139,537,184

The notes set out on pages 23 to 86 form an integral part of these financial statements.

Statements of Financial Position (Cont'd)

as at 31 March 2018



	NOTE	GROUP		COMPANY	
		2018 RM	2017 RM	2018 RM	2017 RM
EQUITY AND LIABILITIES					
Non-current liabilities					
Borrowings	20	6,165,342	7,444,889	4,339,177	5,657,911
Deferred tax liabilities	21	4,411,078	3,885,755	1,736,804	1,669,544
		<u>10,576,420</u>	<u>11,330,644</u>	<u>6,075,981</u>	<u>7,327,455</u>
Current liabilities					
Trade and other payables	22	23,684,600	19,917,716	1,297,582	3,273,565
Borrowings	20	3,755,079	7,888,843	1,422,648	1,495,702
Current tax liabilities		50,296	123,293	-	114,050
		<u>27,489,975</u>	<u>27,929,852</u>	<u>2,720,230</u>	<u>4,883,317</u>
Total liabilities		<u>38,066,395</u>	<u>39,260,496</u>	<u>8,796,211</u>	<u>12,210,772</u>
TOTAL EQUITY AND LIABILITIES		<u>390,513,572</u>	<u>177,261,625</u>	<u>332,230,210</u>	<u>151,747,956</u>

The notes set out on pages 23 to 86 form an integral part of these financial statements.

Statements of Comprehensive Income

for the financial year ended 31 March 2018

	NOTE	GROUP		COMPANY	
		2018 RM	2017 RM	2018 RM	2017 RM
Revenue	23	155,857,852	127,928,331	8,925,682	8,302,874
Other income	24	31,167,115	17,590,126	1,067,523	5,848,098
Changes in inventories of work in progress, trading inventories and finished goods		647,318	1,218,783	-	-
Raw materials and consumables used		(42,617,609)	(37,140,173)	-	-
Trading goods purchased		(78,612,446)	(56,597,678)	-	-
Employee benefits expense	25	(10,208,156)	(9,866,186)	(741,279)	(673,180)
Depreciation		(4,280,667)	(4,324,861)	(377,814)	(450,629)
Other operating expenses		(21,158,335)	(18,999,390)	(2,206,326)	(961,408)
Operating profit		30,795,072	19,808,952	6,667,786	12,065,755
Finance costs	27	(987,469)	(951,746)	(460,330)	(560,080)
Profit before tax	28	29,807,603	18,857,206	6,207,456	11,505,675
Tax expense	29	(1,745,614)	(831,911)	(293,641)	(486,518)
Profit for the financial year		28,061,989	18,025,295	5,913,815	11,019,157
Other comprehensive income/ (loss), net of tax					
Items that will be reclassified subsequently to profit or loss:					
- Fair value of available-for-sale financial assets		3,835,264	289,336	-	-
- Reclassification to profit or loss upon disposal		(270,536)	(349,711)	-	-
Other comprehensive income/ (loss) for the financial year		3,564,728	(60,375)	-	-
Total comprehensive income for the financial year		31,626,717	17,964,920	5,913,815	11,019,157

The notes set out on pages 23 to 86 form an integral part of these financial statements.

Statements of Comprehensive Income (Cont'd)

for the financial year ended 31 March 2018



	NOTE	GROUP		COMPANY	
		2018 RM	2017 RM	2018 RM	2017 RM
Profit attributable to:					
Owners of the Company		28,403,667	18,026,487	5,913,815	11,019,157
Non-controlling interests		(341,678)	(1,192)	-	-
		<u>28,061,989</u>	<u>18,025,295</u>	<u>5,913,815</u>	<u>11,019,157</u>
Total comprehensive income attributable to:					
Owners of the Company		31,968,395	17,966,112	5,913,815	11,019,157
Non-controlling interests		(341,678)	(1,192)	-	-
		<u>31,626,717</u>	<u>17,964,920</u>	<u>5,913,815</u>	<u>11,019,157</u>
Earnings per share attributable to owners of the Company (sen)					
- Basic	30.1	<u>21.18</u>	26.49		
- Diluted	30.2	<u>6.58</u>	26.49		

The notes set out on pages 23 to 86 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

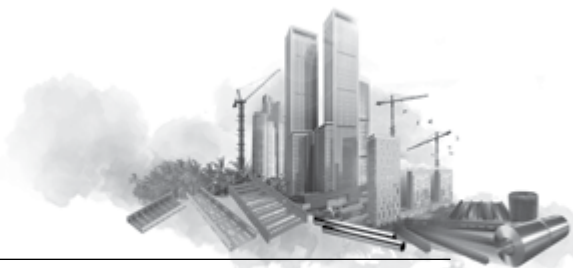
for the financial year ended 31 March 2018

NOTE	Attributable to Owners of the Company										Total Equity RIM				
	Share Capital RIM	ICPS RIM	ICULS RIM	Share Premium RIM	Treasury Shares RIM	Warrants Reserve RIM	Discount on Shares RIM	Fair Value Reserve RIM	Capital Reserve RIM	ESOS Reserve RIM		Capital Redemption Reserve RIM	Retained Profits RIM	Total RIM	Non-controlling Interests RIM
2018															
Balance at beginning	93,787,046	-	19,829,697	-	(2,596,024)	5,779,334	(5,698,794)	298,656	(262,746)	329,781	-	26,635,848	138,102,798	(101,669)	138,001,129
Total comprehensive income for financial year	-	-	-	-	-	-	-	3,564,728	-	-	-	28,403,667	31,968,395	(341,678)	31,365,284
<i>Transactions with owners:</i>															
Issuance of ICPS pursuant to rights issue	97,794,138	-	-	-	-	-	-	-	-	-	-	-	97,794,138	-	97,794,138
Issuance of shares pursuant to - Conversion of ICULS	73,570,917	-	(7,480,710)	-	-	-	-	-	-	-	-	-	66,090,207	-	66,090,207
- Conversion of ICPS	36,372,000	(3,637,200)	-	-	-	-	-	-	-	-	-	-	32,734,800	-	32,734,800
- Share option exercised	1,893,398	-	-	-	-	-	-	-	(124,509)	-	-	-	1,768,889	-	1,768,889
- Warrants exercised	6,510,400	-	-	-	(1,576,204)	1,576,204	-	-	-	-	-	6,510,400	6,510,400	-	6,510,400
Acquisition of subsidiaries	-	-	-	-	(571,470)	-	-	-	-	-	-	(3,501,095)	10,966,372	-	7,726,710
Purchase of treasury shares	(763,301)	-	-	-	-	-	-	-	-	-	-	-	(571,470)	-	(571,470)
Rights issue expenses	-	-	-	-	-	-	-	-	(48,674)	-	-	48,674	-	-	-
Share based payment transactions	-	-	-	-	-	-	-	-	-	-	-	(28,209,609)	(28,209,609)	-	(28,209,609)
Dividends	(3,167,088)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share dividend	-	-	-	-	3,167,088	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	114,416,326	94,156,938	(7,480,710)	-	2,595,618	(1,576,204)	1,576,204	-	(173,183)	-	-	(31,662,030)	171,852,959	10,966,372	183,060,764
Balance at end	208,203,372	94,156,938	12,348,987	-	(406)	4,203,130	(4,122,590)	3,863,384	(262,746)	156,598	-	23,377,485	341,924,152	10,523,025	352,447,177
2017															
Balance at beginning	70,851,253	-	22,064,297	11,831,467	(2,236,069)	5,779,334	(5,698,794)	359,031	(262,746)	329,781	2,258,326	18,560,564	123,836,444	(127,479)	123,708,965
Total comprehensive loss for financial year	-	-	-	-	-	-	-	(60,375)	-	-	-	18,026,487	17,966,112	(1,192)	17,964,920
<i>Transactions with owners:</i>															
Issuance of shares pursuant to conversion of ICULS	8,846,000	-	(2,234,600)	-	-	-	-	-	-	-	-	-	6,611,400	-	6,611,400
Purchase of treasury shares	-	-	-	-	(359,955)	-	-	-	-	-	-	-	(359,955)	-	(359,955)
Dividends	-	-	-	-	-	-	-	-	-	-	-	(9,951,203)	(9,951,203)	-	(9,951,203)
Deconsolidation of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	27,002	27,002
Total transactions with owners	8,846,000	-	(2,234,600)	-	(359,955)	-	-	-	-	-	-	(9,951,203)	(3,695,756)	27,002	(3,672,756)
Transition to no-par value regime on 31 January 2017	14,089,793	-	-	(11,831,467)	-	-	-	-	-	-	(2,258,326)	-	-	-	-
Balance at end	93,787,046	-	19,829,697	-	(2,596,024)	5,779,334	(5,698,794)	298,656	(262,746)	329,781	-	26,635,848	138,102,798	(101,669)	138,001,129

The notes set out on pages 23 to 86 form an integral part of these financial statements.

Statement of Changes in Equity

for the financial year ended 31 March 2018



NOTE	Non-distributable					Distributable					Total Equity RIM	
	Share Capital RIM	ICPS RIM	ICULS RIM	Share Premium RIM	Treasury Shares RIM	Warrants Reserve RIM	Discount on Shares RIM	Capital Reserve RIM	ESOS Reserve RIM	Capital Reserve RIM		Retained Profits RIM
2018												
	Balance at beginning	-	19,829,697	-	(2,596,024)	5,779,334	(5,698,794)	7,445,000	60,835	-	20,930,090	139,537,184
	Total comprehensive income for the financial year	-	-	-	-	-	-	-	-	-	5,913,815	5,913,815
	<i>Transactions with owners:</i>											
	Issuance of ICPS pursuant to rights issue	97,794,138	-	-	-	-	-	-	-	-	-	97,794,138
	Issuance of shares pursuant to											
	- Conversion of ICULS	73,570,917	(7,480,710)	-	-	-	-	-	-	-	-	66,090,207
	- Conversion of ICPS	36,372,000	(3,637,200)	-	-	-	-	-	-	-	-	32,734,800
	- Share option exercised	1,893,398	-	-	-	-	-	-	(124,509)	-	-	1,768,889
	- Warrants exercised	6,510,400	-	-	-	(1,576,204)	1,576,204	-	-	-	-	6,510,400
	Purchase of treasury shares	-	-	-	(571,470)	-	-	-	-	-	-	(571,470)
	Rights issue expenses	(763,301)	-	-	-	-	-	-	-	-	-	(763,301)
	Share based payment transactions	-	-	-	-	-	-	-	220,272	-	48,674	268,946
	Dividends	-	-	-	-	-	-	-	-	-	(25,849,609)	(25,849,609)
31	Share dividend	(3,167,088)	-	-	-	3,167,088	-	-	-	-	-	-
	Total transactions with owners	114,416,326	94,156,938	(7,480,710)	-	2,595,618	(1,576,204)	-	95,763	-	(25,800,935)	177,983,000
	Balance at end	208,203,372	94,156,938	12,348,987	-	(406)	(4,122,590)	7,445,000	156,598	-	1,042,970	323,433,999
2017												
	Balance at beginning	70,851,253	-	22,064,297	11,831,467	(2,236,069)	(5,698,794)	7,445,000	60,835	2,258,326	19,862,136	132,217,785
	Total comprehensive income for the financial year	-	-	-	-	-	-	-	-	-	11,019,157	11,019,157
	<i>Transactions with owners:</i>											
	Issuance of shares pursuant to conversion of ICULS	8,846,000	(2,234,600)	-	-	-	-	-	-	-	-	6,611,400
	Purchase of treasury shares	-	-	-	(359,955)	-	-	-	-	-	-	(359,955)
	Dividends	-	-	-	-	-	-	-	-	-	(9,951,203)	(9,951,203)
	Total transactions with owners	8,846,000	(2,234,600)	-	(359,955)	-	-	-	-	-	(9,951,203)	(3,699,758)
	Transition to no-par value regime on 31 January 2017	14,089,793	-	-	(11,831,467)	-	-	(2,258,326)	-	-	-	-
	Balance at end	93,787,046	19,829,697	-	(2,596,024)	5,779,334	(5,698,794)	7,445,000	60,835	-	20,930,090	139,537,184

The notes set out on pages 23 to 86 form an integral part of these financial statements.

Statements of Cash Flows

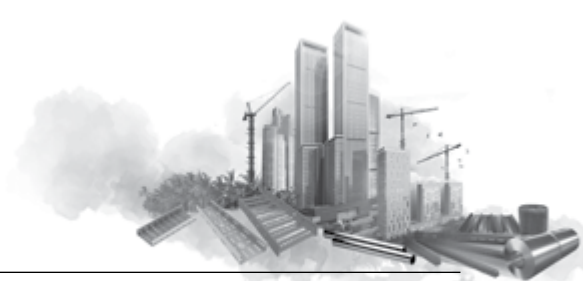
for the financial year ended 31 March 2018

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	29,807,603	18,857,206	6,207,456	11,505,675
Adjustments for:				
Allowance for impairment written back	-	(1,860,868)	-	(697,143)
Bad debts	2,238	145,649	-	14,793
Deemed gain on deconsolidation of a subsidiary	-	(83,473)	-	-
Depreciation	4,280,667	4,324,861	377,814	450,629
Dividend income	(51,084)	(45,735)	(5,790,000)	(5,036,594)
Fair value gain on investment properties	(3,507,649)	(6,871,686)	(746,421)	(5,129,177)
Loss on disposal of investment property	-	1,000	-	-
Gain on disposal of other investments	(20,786,911)	(6,871,027)	-	-
(Gain)/Loss on disposal of property, plant and equipment	(1,360,549)	10,182	(207,742)	-
Impairment loss on receivables	214,743	306,865	-	-
Interest expense	987,469	951,746	460,330	560,080
Interest income	(436,492)	(48,062)	(113,360)	(21,778)
Net fair value adjustment on available-for-sale financial assets realised upon disposal	(270,536)	(349,711)	-	-
Property, plant and equipment written off	2	-	2	-
Operating profit before working capital changes	8,879,501	8,466,947	188,079	1,646,485
(Decrease)/Increase in inventories	2,959,767	(3,951,160)	-	-
Increase in property development costs	(1,078,436)	-	-	-
(Increase)/Decrease in receivables	(33,154,406)	(4,847,693)	2,127,586	(1,326,076)
(Decrease)/Increase in payables	(6,549,645)	2,264,505	(2,577,237)	594,194
Increase in retirement benefit obligations	-	8,642	-	-
Cash (used in)/generated from operations	(28,943,219)	1,941,241	(261,572)	914,603
Income tax paid	(1,026,490)	(773,259)	(366,436)	(168,446)
Income tax refunded	242,238	-	-	-
Interest paid	(987,469)	(951,746)	(460,330)	(560,080)
Net cash (used in)/from operating activities	(30,714,940)	216,236	(1,088,338)	186,077

The notes set out on pages 23 to 86 form an integral part of these financial statements.

Statements of Cash Flows (Cont'd)

for the financial year ended 31 March 2018



	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Net cash (used in)/from operating activities	(30,714,940)	216,236	(1,088,338)	186,077
CASH FLOWS FROM INVESTING ACTIVITIES				
(i) Cash flows from acquisition of a subsidiary	(961,944)	-	-	-
(ii) Cash flows from deconsolidation of a subsidiary	-	21,529	-	-
Dividends received	51,084	45,735	5,790,000	5,036,594
Interest received	419,265	30,958	96,133	4,674
Investment in subsidiaries	-	-	(19,841,305)	-
Proceeds from disposal of investment property	950,000	299,000	-	-
Proceeds from disposal of other investments	20,003,486	9,171,765	-	-
Proceeds from disposal of property, plant and equipment	2,241,402	147,900	693,000	-
Purchase of equity investments	(37,082,213)	(296,040)	-	-
Purchase of investment properties	(1,150,550)	-	-	-
Purchase of non-current asset held for sales	(1,500,000)	-	-	-
(iii) Purchase of property, plant and equipment	(4,335,318)	(4,716,481)	(114,104)	(313,668)
Net cash (used in)/from investing activities	(21,364,788)	4,704,366	(13,376,276)	4,727,600
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(28,209,609)	(8,161,890)	(25,849,609)	(8,161,890)
Net change in subsidiaries' balances	-	-	(120,709,935)	(668,211)
Placement of fixed deposits	(1,043,000)	-	-	-
Proceeds from allotment of shares	7,200,000	-	-	-
Proceeds from issuance of shares pursuant to				
- conversion of ICULS	66,090,207	6,611,400	66,090,207	6,611,400
- conversion of ICPS	32,734,800	-	32,734,800	-
- exercised of ESOS	1,768,889	-	1,768,889	-
- exercised of warrants	6,510,400	-	6,510,400	-
Proceeds from ICPS rights issue	97,794,138	-	97,794,138	-
(Repayment)/Drawdown of bankers acceptance	(390,000)	222,000	-	-
(Repayment)/Drawdown of revolving credit	(4,000,000)	2,700,000	-	-
Repayment of finance lease	(2,076,734)	(1,633,790)	(344,829)	(359,015)
Repayment of term loan	(1,282,559)	(1,167,295)	(1,282,559)	(1,167,295)
Repurchase of treasury shares	(571,470)	(359,955)	(571,470)	(359,955)
Right issues expenses	(763,301)	-	(763,301)	-
Net cash from/(used in) financing activities	173,761,761	(1,789,530)	55,376,731	(4,104,966)

The notes set out on pages 23 to 86 form an integral part of these financial statements.

Statements of Cash Flows (Cont'd)

for the financial year ended 31 March 2018

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
NET INCREASE IN CASH AND CASH EQUIVALENTS	121,682,033	3,131,072	40,912,117	808,711
CASH AND CASH EQUIVALENTS AT BEGINNING	7,227,858	4,096,786	985,377	176,666
CASH AND CASH EQUIVALENTS AT END	128,909,891	7,227,858	41,897,494	985,377
Represented by:				
Fixed deposits with licensed bank	78,194,542	-	-	-
Cash and bank balances	51,111,882	7,570,009	41,897,494	985,377
Bank overdrafts	(396,533)	(342,151)	-	-
	128,909,891	7,227,858	41,897,494	985,377
(i) Cash flows from acquisition of a subsidiary				
Property, plant and equipment	1,075	-	-	-
Property development costs	9,662,050	-	-	-
Receivables	971,241	-	-	-
Cash at bank	275,556	-	-	-
Payables	(10,316,529)	-	-	-
Current tax assets	164	-	-	-
Net tangible assets	593,557	-	-	-
Non-controlling interests	(265,277)	-	-	-
Share of net assets acquired	328,280	-	-	-
Goodwill on consolidation	909,220	-	-	-
Total purchase consideration	1,237,500	-	-	-
(Less): Cash and cash equivalents	(275,556)	-	-	-
Net cash outflows from acquisition	961,944	-	-	-
(ii) Cash flows from deconsolidation of a subsidiary				
Bank balance	-	78	-	-
Other investment	-	28,813	-	-
Payables	-	(117,759)	-	-
Net liabilities deconsolidated	-	(88,868)	-	-
Deemed gain on deconsolidation	-	83,473	-	-
Non-controlling interest	-	27,002	-	-
Less: Cash and bank balances	-	(78)	-	-
Cash flows from deconsolidation	-	21,529	-	-
(iii) Purchase of property, plant and equipment				
Total acquisition cost	6,616,918	6,035,698	349,704	124,919
Acquired under finance lease	(2,281,600)	(1,319,217)	(235,600)	-
Total cash acquisition	4,335,318	4,716,481	114,104	124,919

The notes set out on pages 23 to 86 form an integral part of these financial statements.

Notes to the Financial Statements

- 31 March 2018



1. CORPORATE INFORMATION

General

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

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 July 2018.

Principal Activities

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

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

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in the summary of accounting policies as set out in Note 3.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial market takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

Notes to the Financial Statements (Cont'd)

- 31 March 2018

2. BASIS OF PREPARATION (Cont'd)

2.2 Basis of Measurement (Cont'd)

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

2.3 Functional and Presentation Currency

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

2.4 Adoption of Amendments/Improvements to MFRS

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

Effective for annual periods beginning on or after 1 January 2017

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

Amendments to MFRS 107 Statement of Cash Flows: Disclosure Initiatives

Amendments to MFRS 112 Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses

Initial application of the above standards did not have any material impact to the financial statements of the Group and of the Company except as mentioned below:

Amendments to MFRS 107 Statement of Cash Flows: Disclosure Initiatives

The Group and the Company have applied these amendments for the first time in the current financial year. The amendments require the Group and the Company to disclose a reconciliation between the opening and closing balances for liabilities arising from financing activities, including changes arising from both cash flows and non-cash changes, which is disclosed in Note 37.5 to the financial statements.

2.5 Standards Issued But Not Yet Effective

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

Effective for annual periods beginning on or after 1 January 2018

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)

MFRS 15 Revenue from Contracts with Customers

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

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

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

Amendments to MFRS 140 Investment Property: Transfers of Investment Property

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

IC Interpretation ("IC Int") 22 Foreign Currency Transactions and Advance Consideration

Effective for annual periods beginning on or after 1 January 2019

MFRS 16 Leases

Amendments to MFRS 9 Financial Instruments: Prepayment Features with Negative Compensation

Amendments to MFRS 119 Employee Benefits: Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128 Investments in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures

IC Int 23 Uncertainty over Income Tax Treatments

Annual Improvements to MFRS Standards 2015-2017 Cycle

Notes to the Financial Statements (Cont'd)

- 31 March 2018



2. BASIS OF PREPARATION (Cont'd)

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

Effective for annual periods beginning on or after 1 January 2021

MFRS 17 Insurance Contracts

Effective date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The existing *MFRS 4* and *Amendments to MFRS 4* will be withdrawn upon the adoption of the new *MFRS 17* which will take effect on or after 1 January 2021.

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

MFRS 9 Financial Instruments

MFRS 9 Financial Instruments replaces *MFRS 139 Financial Instruments: Recognition and Measurement* and all previous versions of *MFRS 9*. *MFRS 9* brings together all three aspects of the accounting for financial instruments: (i) classification and measurement, (ii) impairment and (iii) hedge accounting. *MFRS 9* is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. However, the directors deem the hedge accounting requirements under this standard to be irrelevant as the Group and the Company do not apply hedge accounting.

The Group and the Company plan to adopt the new standard on the required effective date and will not restate comparative information. During 2018, the Group and the Company have performed a detailed impact assessment of aspects (i) and (ii). This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group and to the Company in 2019 when the Group and the Company will adopt *MFRS 9*. Overall, the Group and the Company expect no significant impact on the statements of financial position and equity. The Group and the Company will implement changes in classification of certain financial instruments.

(i) Classification and measurement

Financial assets

The Group expects to continue measuring at fair value all financial assets currently held at fair value. Quoted equity shares currently held as available-for-sale (AFS) with gains and losses recorded in other comprehensive income will, instead, be measured at fair value through profit or loss, which will increase volatility in recorded profit or loss.

The Group and the Company assessed that all trade and other receivables, including intragroup balances are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group and the Company analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under *MFRS 9*. Therefore, reclassification of these instruments is not required.

Financial liabilities

There will be no impact on the Group's and the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group and the Company do not have such liabilities.

Notes to the Financial Statements (Cont'd)

- 31 March 2018

2. BASIS OF PREPARATION (Cont'd)

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

(ii) Impairment

MFRS 9 requires the Group and the Company to record Expected Credit Losses (“ECL”) on all of its trade and other receivables including intragroup balances, either on a 12-month or lifetime basis. The Group and the Company expect to apply the simplified approach prescribed by *MFRS 9*, which requires a lifetime ECL to be recognised from initial recognition of the trade and other receivables which are financial assets. The expected impact from implementation of *MFRS 9* and the determination of ECL will have a relatively insignificant impact on the Group’s and the Company’s receivables and profit before tax as the current policy on impairment of receivables are considered reasonably consistent with *MFRS 9*.

In summary, the adoption of *MFRS 9* is not expected to have any material impact to the financial statements of the Company for the financial year ended 31 March 2018.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 replaces the guidance in *MFRS 111 Construction Contracts*, *MFRS 118 Revenue*, *IC Int 13 Customer Loyalty Programmes*, *IC Int 15 Agreements for Construction of Real Estate*, *IC Int 18 Transfers of Assets from Customers* and *IC Int 131 Revenue – Barter Transactions Involving Advertising Services*.

The core principle of *MFRS 15* is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under *MFRS 15*, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

The standard identifies three (3) situations where control of the promised goods or services is regarded as being transferred over time:

- (i) When the customer simultaneously receives and consumes the benefits provided by the entity’s performance, as the entity performs;
- (ii) When the entity’s performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;
- (iii) When the entity’s performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

The Group and the Company have assessed the effects of applying the new standard on the Group’s and the Company’s financial statements and have identified the following areas that will be affected:

- (i) The Group’s revenue from its manufacturing segment is derived mainly from manufacturing and processing of metal related products as follows:

Manufacture of furniture

The revenue currently recognised when the goods are delivered to the customers and based on the timing when the related risk and rewards of ownership have been transferred to the customers. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Notes to the Financial Statements (Cont'd)

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2. BASIS OF PREPARATION (Cont'd)

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

(ii) Impairment (Cont'd)

MFRS 15 Revenue from Contracts with Customers (Cont'd)

The Group and the Company have assessed the effects of applying the new standard on the Group's and the Company's financial statements and have identified the following areas that will be affected: (Cont'd)

- (i) The Group's revenue from its manufacturing segment is derived mainly from manufacturing and processing of metal related products as follows: (Cont'd)

Manufacture of furniture (Cont'd)

The Company assessed that under the new MFRS 15, the revenue from manufacturing of furniture which is considered a general product, does not meet any of the three criteria mentioned above. Therefore, revenue will be recognised at point in time.

Manufacture of steel roofing, wall cladding sheets and other steel related products and provision of related services.

The direct sales of products from this segment is currently recognised when the goods are delivered to the customers and based on the timing when the related risk and rewards of ownership have been transferred to the customers. Therefore, the revenue will be recognised at point in time as it does not meet any of the three situations mentioned above.

However, there is revenue recognised based on percentage of completion method especially those awarded with contract. Under MFRS 15, performance obligations for supplying and installing the metal products manufactured are satisfied over time when the Group is restricted contractually from directing the products for another use as they are being installed and has an enforceable right to payment for performance completed to date, which meets the criteria (iii) above. The Group does not expect any transition adjustments as the recognition for such revenue arising from sales of related product and provision of related services under MFRS 15 is consistent with the Group's current practice.

Manufacturing and marketing of perforated metals, cable support systems and screen plates

Revenue is currently recognised when the goods are delivered to the customers and based on the timing when the related risk and rewards of ownership have been transferred to the customers. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods. The revenue will be recognised at point in time which is consistent with MFRS 15.

- (ii) Revenue from trading of ferrous and non-ferrous scrap metals is currently recognised when the goods are delivered to the customer and based on the timing when the related risk and rewards of ownership have been transferred to the customer. As the transfer of risks and rewards generally coincides with the transfer of control at a point in time, the timing and amount of revenue recognised for the sale of scrap metal under MFRS 15 is consistent with the Company's current practice. The Company does not expect any transition adjustments.
- (iii) Presentation of contract assets and contract liabilities in the statement of financial position – MFRS 15 requires separate presentation of contract assets and contract liabilities in the statement of financial position. This will result in some reclassifications as of 1 January 2018 in relation to contract assets and contract liabilities.

Notes to the Financial Statements (Cont'd)

- 31 March 2018

2. BASIS OF PREPARATION (Cont'd)

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

(ii) Impairment (Cont'd)

MFRS 16 Leases

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

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

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

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

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

2.6 Significant Accounting Estimates and Judgements

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

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

2.6.1 Judgements made in applying accounting policies

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

2.6.2 Key sources of estimation uncertainty

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

(i) Useful lives of depreciable assets

The cost of plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of the plant and equipment to be within 7 to 20 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of plant and equipment. Therefore, future depreciation charges could be revised.

Notes to the Financial Statements (Cont'd)

- 31 March 2018



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)

(ii) Impairment of non-financial assets

The Group and the Company perform an impairment review as and when there are impairment indicators to ensure that the carrying value of the non-financial assets does not exceed its recoverable amount. The recoverable amount represents the present value of the estimated future cash flows expected to arise from operations. Therefore, in arriving at the recoverable amount, management exercises judgement in estimating the future cash flows, growth rate and discount rate.

(iii) Impairment of investment in subsidiaries

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

(iv) Inventories

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

(v) Impairment of loans and receivables

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

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

(vi) Investment properties at fair value

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

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

Notes to the Financial Statements (Cont'd)

- 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous financial years unless otherwise indicated below.

3.1 Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

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

Upon disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

(ii) Business combination

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

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

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

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

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

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

(iii) Acquisitions of non-controlling interests

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

(iv) Loss of control

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

Notes to the Financial Statements (Cont'd)

- 31 March 2018



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 consolidated statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

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

(vi) Transactions eliminated on consolidation

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

3.2 Goodwill

Goodwill acquired through business combination is initially measured at cost, being the excess of the cost of business acquired over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

3.3 Property, Plant and Equipment

Property, plant and equipment are initially stated at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and to the Company and the cost of the item can be measured reliably. Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

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

Leasehold land	Amortise over lease period of 99 years
Buildings	2%
Freehold condominium	2%
Plant and machinery	5% to 15%
Fittings, equipment, motor vehicles and renovation	2% to 33%

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

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

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

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

Notes to the Financial Statements (Cont'd)

- 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.4 Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise, including the corresponding tax effect.

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

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

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

3.5 Leases

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

Finance lease

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

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

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

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

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.

Notes to the Financial Statements (Cont'd)

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.6 Impairment of Non-Financial Assets

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, 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 except for assets that were previously revalued where the revaluation surplus was taken to other comprehensive income. In this case, the impairment loss is also recognised in other comprehensive income up to the amount of any previous revaluation surplus.

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.

3.7 Financial Instruments

3.7.1 Initial recognition and measurement

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

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

3.7.2 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.

Notes to the Financial Statements (Cont'd)

- 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.7 Financial Instruments (Cont'd)

3.7.2 Financial instrument categories and subsequent measurement (Cont'd)

Financial assets (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 has the positive intention and ability to hold the investment to maturity.

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

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

All financial assets are subject to review for impairment.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

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

3.7.3 Financial guarantee contracts

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

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

Notes to the Financial Statements (Cont'd)

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3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.7 Financial Instruments (Cont'd)

3.7.4 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.7.5 Derecognition

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

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

3.8 Property Development Costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Where the outcome of a development can be reliably estimated, revenue is recognised on the percentage of completion method. The stage of completion is determined by the proportion that costs incurred to-date bear to the estimated total costs. In applying this method of determining stage of completion, only those costs that reflect actual development work performed are included as costs incurred.

For the Group's current development project, revenue will be recognised upon the transfer of risks and rewards of ownership, which generally coincides with the time the development units are delivered to the purchasers.

Where the outcome of a development cannot be reliably estimated, revenue is recognised to the extent of property development costs incurred that is probable will be recoverable, and property development costs on the development units sold shall be recognised as an expense in the period in which they are incurred.

When it is probable that total costs will exceed total revenue, the foreseeable loss is immediately recognised in profit or loss irrespective of whether development work has commenced or not, or of the stage of completion of development activity, or of the amounts of profits expected to arise on other unrelated development projects.

The excess of revenue recognised in profit or loss over the billings to purchasers of properties is recognised as accrued billings under current assets. The excess of billings to purchasers of properties over revenue recognised in profit or loss is recognised as progress billings under current liabilities.

3.9 Impairment of Financial Assets

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

Notes to the Financial Statements (Cont'd)

- 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.9 Impairment of Financial Assets (Cont'd)

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

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

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

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

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

3.10 Non-current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets is brought up-to-date in accordance with applicable MFRS. Then, on initial classification as held for sale, non-current assets are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

3.11 Inventories

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

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

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

3.12 Cash and Cash Equivalents

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

Notes to the Financial Statements (Cont'd)

- 31 March 2018



3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.13 Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

3.14 Borrowing Costs

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

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

3.15 Income Recognition

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

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

3.16 Employee Benefits

(i) Short term benefits

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

(ii) Defined contribution plans

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

Notes to the Financial Statements (Cont'd)

- 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.16 Employee Benefits (Cont'd)

(iii) Employee share options scheme

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

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

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

(iv) Defined benefit plans

A subsidiary of the Company has an unfunded non-contributory defined contribution plan for eligible employees. Provision for retirement benefits is computed at half a month's salary for each year of service for the first seven years of service. On the seventh year of service, the subsidiary makes a contribution of the provision to EPF and thereafter provides for retirement benefits annually based on a certain percentage of annual salaries of the employees.

(v) Termination benefits

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

3.17 Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

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

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

Notes to the Financial Statements (Cont'd)

- 31 March 2018



3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.17 Income Tax (Cont'd)

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

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

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

3.18 Goods and Services Tax

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

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

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

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

3.19 Foreign Currency Transactions

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

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

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

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

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

3.20 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.

Notes to the Financial Statements (Cont'd)

- 31 March 2018

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.21 Irredeemable Convertible Preference Shares ("ICPS")

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

Any outstanding ICPS not converted at the end of the conversion period shall be mandatorily converted into new shares at the conversion price on the maturity date by surrendering ten ICPS for one new shares without any additional consideration required from ICPS holder.

3.22 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.

3.23 Share Capital, Share Issuance Expenses and Dividends

Classification

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

Share issuance costs

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

Dividends

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

3.24 Treasury Shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

3.25 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.

Notes to the Financial Statements (Cont'd)

- 31 March 2018



3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

3.26 Contingencies

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

3.27 Related Parties

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

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

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

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

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

Notes to the Financial Statements (Cont'd)

- 31 March 2018

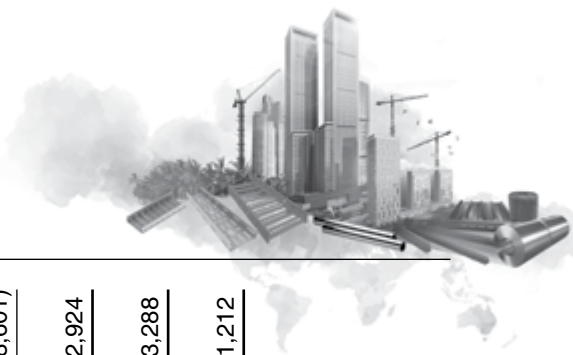
4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Freehold land and buildings and condominium RM	Leasehold land and buildings RM	Plant and machinery RM	Fittings, equipment, motor vehicles and renovation RM	Capital work-in-progress RM	Total RM
2018						
At cost						
Balance at beginning	53,392,213	3,200,000	57,971,004	19,056,493	3,407,714	137,027,424
Acquisition of a subsidiary	-	-	1,791	-	-	1,791
Additions	-	-	4,793,359	1,787,507	36,052	6,616,918
Disposals	-	-	(3,255,381)	(1,690,655)	-	(4,946,036)
Reclassification	1,330,000	-	-	-	(1,330,000)	-
Written off	-	-	-	(121,272)	-	(121,272)
Balance at end	54,722,213	3,200,000	59,510,773	19,032,073	2,113,766	138,578,825
Accumulated depreciation						
Balance at beginning	7,876,547	647,921	42,511,965	12,866,491	-	63,902,924
Acquisition of a subsidiary	-	-	716	-	-	716
Current charge	565,293	26,211	2,079,454	1,609,709	-	4,280,667
Disposals	-	-	(2,944,223)	(1,120,960)	-	(4,065,183)
Written off	-	-	-	(121,270)	-	(121,270)
Balance at end	8,441,840	674,132	41,647,912	13,233,970	-	63,997,854
Accumulated impairment loss						
	-	-	843,288	-	-	843,288
Carrying amount	46,280,373	2,525,868	17,019,573	5,798,103	2,113,766	73,737,683

Notes to the Financial Statements (Cont'd)

- 31 March 2018



4. PROPERTY, PLANT AND EQUIPMENT (Cont'd) GROUP (Cont'd)

	Freehold land and buildings and condominium RM	Leasehold land and buildings RM	Plant and machinery RM	Fittings, equipment, motor vehicles and renovation RM	Capital work-in- progress RM	Total RM
2017						
At cost						
Balance at beginning	53,392,213	3,200,000	56,059,102	17,370,529	1,286,565	131,308,409
Additions	-	-	1,820,202	1,676,863	2,538,633	6,035,698
Disposals	-	-	(49,250)	(267,433)	-	(316,683)
Reclassified from	-	-	140,950	276,534	(417,484)	-
Balance at end	53,392,213	3,200,000	57,971,004	19,056,493	3,407,714	137,027,424
Accumulated depreciation						
Balance at beginning	7,311,254	621,710	40,443,011	11,360,689	-	59,736,664
Current charge	565,293	26,211	2,071,909	1,661,448	-	4,324,861
Disposals	-	-	(2,955)	(155,646)	-	(158,601)
Balance at end	7,876,547	647,921	42,511,965	12,866,491	-	63,902,924
Accumulated impairment loss						
Balance at beginning	-	-	843,288	-	-	843,288
Carrying amount	45,515,666	2,552,079	14,615,751	6,190,002	3,407,714	72,281,212

Notes to the Financial Statements (Cont'd)

- 31 March 2018

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company

	Fittings, equipment, and office equipment RM	Motor vehicles RM	Capital work-in- progress RM	Total RM
2018				
At cost				
Balance at beginning	3,985,670	1,968,938	-	5,954,608
Additions	4,999	344,705	-	349,704
Disposals	-	(1,373,402)	-	(1,373,402)
Written off	-	(121,272)	-	(121,272)
Balance at end	<u>3,990,669</u>	<u>818,969</u>	<u>-</u>	<u>4,809,638</u>
Accumulated depreciation				
Balance at beginning	3,535,625	1,135,654	-	4,671,279
Current charge	106,594	271,220	-	377,814
Disposals	-	(888,144)	-	(888,144)
Written off	-	(121,270)	-	(121,270)
Balance at end	<u>3,642,219</u>	<u>397,460</u>	<u>-</u>	<u>4,039,679</u>
Carrying amount	<u>348,450</u>	<u>421,509</u>	<u>-</u>	<u>769,959</u>
2017				
At cost				
Balance at beginning	3,647,002	1,968,938	25,000	5,640,940
Additions	313,668	-	-	313,668
Reclassification	25,000	-	(25,000)	-
Balance at end	<u>3,985,670</u>	<u>1,968,938</u>	<u>-</u>	<u>5,954,608</u>
Accumulated depreciation				
Balance at beginning	3,433,491	787,159	-	4,220,650
Current charge	102,134	348,495	-	450,629
Balance at end	<u>3,535,625</u>	<u>1,135,654</u>	<u>-</u>	<u>4,671,279</u>
Carrying amount	<u>450,045</u>	<u>833,284</u>	<u>-</u>	<u>1,283,329</u>

Notes to the Financial Statements (Cont'd)

- 31 March 2018



4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

- (i) The carrying amount of the Group's leasehold land and buildings which are pledged as securities for banking facilities granted to a subsidiary is RM2,525,868 (2017: RM2,552,079).
- (ii) The carrying amount of the Group's and of the Company's property, plant and equipment being acquired under finance lease are as follows:

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Plant and machinery	4,240,701	2,383,728	-	-
Motor vehicles	1,643,750	2,958,160	421,510	833,284
	5,884,451	5,341,888	421,510	833,284

The leased assets are pledged as security for the related finance lease as disclosed in Note 20.

5. INVESTMENT PROPERTIES

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
At fair value:				
Balance at beginning	45,511,800	38,940,114	29,856,875	24,727,698
Additions	1,150,550	-	-	-
Disposal	(950,000)	(300,000)	-	-
Gain from fair value adjustment	3,507,649	6,871,686	746,421	5,129,177
Balance at end	49,219,999	45,511,800	30,603,296	29,856,875

The investment properties consist of the following:

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Commercial properties	48,919,999	44,321,800	30,603,296	29,856,875
Non-commercial properties	300,000	1,190,000	-	-
	49,219,999	45,511,800	30,603,296	29,856,875

- (i) Certain investment properties of the Group and of the Company with carrying amount of **RM41,000,000** (2017: RM40,000,000) and **RM30,603,296** (2017: RM29,856,875) respectively are pledged to financial institutions for banking facilities granted to the Company and certain subsidiaries as disclosed in Note 20 to the financial statements.

Notes to the Financial Statements (Cont'd)

- 31 March 2018

5. INVESTMENT PROPERTIES (Cont'd)

(ii) The following amounts are recognised in profit or loss in respect of investment properties:

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Rental income from rental generating properties	2,263,955	2,961,668	2,139,682	2,297,280
Direct operating expenses arising from:				
- Rental generating properties	280,436	275,685	192,585	269,408
- Non-rental generating properties	603	1,943	-	-

(iii) Fair value of commercial properties is derived using the comparison/replacement cost method. Fair value measurement of the investment properties is further disclosed in Note 38 to the financial statements.

6. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2018 RM	2017 RM
Unquoted shares, at cost	112,898,232	92,787,981
Less: Accumulated impairment loss	(57,423,688)	(57,423,688)
	<u>55,474,544</u>	<u>35,364,293</u>

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

Name of Entity	Effective Equity Interest		Principal Activities
	2018 %	2017 %	
Direct subsidiaries			
SMPC Industries Sdn. Bhd.	100	100	Metal sheet and coil processing centre with main services in shearing and reshearing.
SMPC Marketing Sdn. Bhd.	100	100	Dormant.
Edit Systems (M) Sdn. Bhd.	70	70	Dormant.
Syarikat Perkilangan Besi Gaya Sdn. Bhd.	100	100	Shredding, shearing, processing and trading of ferrous and non-ferrous scrap metals.
Duro Metal Industrial (M) Sdn. Bhd.	60	100	Manufacturing of steel roofing, wall cladding sheets and other steel related products and provision of related services.

Notes to the Financial Statements (Cont'd)

- 31 March 2018



6. INVESTMENT IN SUBSIDIARIES (Cont'd)

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows: (Cont'd)

Name of Entity	Effective Equity Interest		Principal Activities
	2018 %	2017 %	
Direct subsidiaries (Cont'd)			
Park Avenue Construction Sdn. Bhd.	100	100	Investment holding and provision of recreational and leisure activity.
SMPC Dexon Sdn. Bhd.	100	100	Manufacturing and trading of steel and other types of furniture and provision of related services.
Metal Perforators (Malaysia) Sdn. Bhd.	60	100	Manufacturing and marketing of perforated metals, cable support systems and screen plates.
Kembang Kartika Sdn. Bhd.	100	100	Property development. The subsidiary has not commenced operations.
* Tetap Gembira Development Sdn. Bhd.	55	-	Property development. The subsidiary has not commenced operations.
Indirect - held through to SMPC Marketing Sdn. Bhd.			
Progerex Sdn. Bhd.	100	100	Shredding, processing and trading of ferrous and non-ferrous scrap metals.
Indirect - held through Duro Metal Industrial (M) Sdn. Bhd.			
ATTA Properties Sdn. Bhd.	100	100	Dormant.

* Not audited by Grant Thornton.

2018

- (i) During the financial year, the Company has subscribed for 1,237,500 ordinary shares representing 55% equity interest in Tetap Gembira Development Sdn. Bhd. ("TG") for a total consideration of RM6,187,500. Subsequent to subscription, TG become the subsidiary of the Company.
- (ii) On 18 December 2017, the Company has subscribed for additional 9,300,000 and 10,300,000 ordinary shares in Duro Metal Industrial Sdn. Bhd. ("DMI") and Metal Perforators (Malaysia) Sdn. Bhd. ("MPM"), both wholly-owned subsidiary of the Company at an issue price of RM0.925 and RM0.971 each ordinary share respectively.

On 22 December 2017, pursuant to the Shareholders Agreement entered between the Company and Shree Dhana Holdings Sdn. Bhd. ("SDH"), the wholly owned subsidiaries of the Company, namely DMI and MPM, have each allotted 7,200,000 ordinary shares to SDH on 3 January 2018 at an issue price of RM0.50 per share.

Subsequent to the allotments, the Company's interest in DMI and MPM were diluted to 60% each.

2017

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

Notes to the Financial Statements (Cont'd)

- 31 March 2018

6. INVESTMENT IN SUBSIDIARIES (Cont'd)

Subsidiaries with material non-controlling interests

The Group's subsidiaries, namely DMI, MPM and TG have material non-controlling interests which are set out below. The equity interests held by non-controlling interests are as follows:

	Equity interest held by non-controlling interests	
	2018 %	2017 %
DMI	40.00	-
MPM	40.00	-
TG	45.00	-

Summarised financial information of subsidiaries which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before intercompany elimination.

GROUP

	DMI RM	MPM RM	TG RM	Total RM
As at 31 March 2018				
Non-current assets	4,356,981	7,242,073	627	11,599,681
Non-current liabilities	(725,673)	(2,143,149)	-	(2,868,822)
Current assets	22,100,012	17,924,267	11,936,738	51,961,017
Current liabilities	(12,103,738)	(8,734,118)	(11,364,093)	(32,201,949)
Net assets/(liabilities)	<u>13,627,582</u>	<u>14,289,073</u>	<u>573,272</u>	<u>28,489,927</u>
Year ended 31 March 2018				
Revenue	<u>34,963,744</u>	<u>21,993,980</u>	<u>-</u>	<u>56,957,724</u>
(Loss)/Profit for the financial year, representing total comprehensive income for the financial year	<u>(402,921)</u>	<u>1,103,813</u>	<u>(20,285)</u>	<u>680,607</u>
Year ended 31 March 2018				
Net cash (used in)/generated from:				
Operating activities	(278,272)	1,254,361	(154,833)	821,256
Investing activities	(3,760,949)	(231,239)	-	(3,992,188)
Financing activities	<u>3,311,586</u>	<u>(408,909)</u>	<u>(1,940)</u>	<u>2,900,737</u>
Net change in cash and cash equivalents	<u>(727,635)</u>	<u>614,213</u>	<u>(156,773)</u>	<u>(270,195)</u>
Dividends paid to non-controlling interests	<u>1,400,000</u>	<u>960,000</u>	<u>-</u>	<u>2,360,000</u>

Notes to the Financial Statements (Cont'd)

- 31 March 2018



7. GOODWILL ON CONSOLIDATION

	GROUP	
	2018 RM	2017 RM
Arising from acquisition of a subsidiary	<u>909,220</u>	<u>-</u>

Impairment test on goodwill

Goodwill acquired through business combinations has been allocated to its business segment as its cash generating unit ("CGU").

For annual impairment testing purposes, the recoverable amount of the CGU is determined based on its value-in-use, which applies a discounted cash flow model using cash flow projections based on financial budget and projections approved by management.

The key assumptions on which the management has based on for the computation of value-in-use are as follows:

- (i) Cash flow projections
The five-year cash flow projections are based on the most recent budget approved by the management and management's assessment of future trends of the various businesses which are based on both external and internal sources (historical data).
- (ii) Discount rate
The discount rate of **6.85%** is applied to the cash flow projections and based on the weighted average cost of capital rate of the Group.

8. OTHER INVESTMENTS

	GROUP	
	2018 RM	2017 RM
Available-for-sale financial assets		
At fair value:		
Securities quoted in Malaysia	<u>27,154,534</u>	<u>367,242</u>
Held-to-maturity investments		
At cost:		
Loan stocks quoted in Malaysia	<u>15,164,304</u>	<u>250,694</u>
	<u>42,318,838</u>	<u>617,936</u>
Market value of:		
Quoted securities	<u>27,154,534</u>	<u>367,242</u>
Loan stocks	<u>14,510,835</u>	<u>157,941</u>

Notes to the Financial Statements (Cont'd)

- 31 March 2018

8. OTHER INVESTMENTS (Cont'd)

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

	GROUP	
	2018 RM	2017 RM
Balance at beginning	-	2,999,837
Reversal upon disposal *	-	(2,999,837)
Balance at end	-	-

2017

* On 11 November 2016, a subsidiary of the Company entered into a Share Purchase Agreement ("the Agreement") with a third party to dispose of its shares in Thai Strapping Limited ("TSL") which was fully impaired in the prior year, for a consideration of RM3,000,000 and pursuant to the Agreement, it is agreed that the subsidiary will still have legal rights and ownership to all the machineries of TSL. Subsequently, the subsidiary sold the machineries to another third party for a consideration of RM3,503,175. The total gain arising from these disposals is RM6,503,174 (Note 24) which is recognised in profit or loss during the financial year.

9. INVENTORIES

	GROUP	
	2018 RM	2017 RM
Raw materials	9,581,155	13,188,240
Work-in-progress	1,060,423	1,777,607
Finished goods	1,540,466	1,606,831
Trading goods	1,545,886	115,019
	13,727,930	16,687,697

The cost of inventories recognised as cost of sales in profit or loss during the financial year is **RM120,497,502** (2017: RM95,899,560).

10. PROPERTY DEVELOPMENT COSTS

	GROUP	
	2018 RM	2017 RM
At cost:		
Arising from acquisition of a subsidiary	9,662,051	-
Costs incurred during the financial year	1,078,435	-
Balance at end	10,740,486	-
Represented by:		
Freehold land	9,193,803	-
Costs incurred during the financial year	1,546,683	-
	10,740,486	-

Notes to the Financial Statements (Cont'd)

- 31 March 2018



11. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	NOTE	GROUP		COMPANY	
		2018 RM	2017 RM	2018 RM	2017 RM
Trade receivables					
Third parties	11.1	33,005,396	30,323,245	-	-
Less: Allowance for impairment		(2,819,465)	(2,819,465)	-	-
Trade receivables, net		<u>30,185,931</u>	<u>27,503,780</u>	<u>-</u>	<u>-</u>
Other receivables					
Third parties	11.2	23,058,067	6,025,030	25,407	826,678
Less: Allowance for impairment		(989,617)	(3,384,930)	(13,150)	(13,150)
Other receivables, net		22,068,450	2,640,100	12,257	813,528
Advance to suppliers		8,068,649	-	-	-
Deposits	11.3	5,271,034	1,669,045	67,001	1,304,241
Prepayments		869,372	823,703	8,003	97,078
GST receivables		549,128	467,270	-	-
Amount due from subsidiaries	11.4	-	-	202,782,408	81,471,219
		<u>36,826,633</u>	<u>5,600,118</u>	<u>202,869,669</u>	<u>83,686,066</u>
Total receivables, deposits and prepayments		<u>67,012,564</u>	<u>33,103,898</u>	<u>202,869,669</u>	<u>83,686,066</u>

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

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Ringgit Malaysia	66,163,330	31,050,252	202,869,669	83,686,066
US Dollar	340,686	1,876,855	-	-
Singapore Dollar	508,548	176,791	-	-
	<u>67,012,564</u>	<u>33,103,898</u>	<u>202,869,669</u>	<u>83,686,066</u>

11.1 Trade receivables

GROUP

- (i) Trade receivables are non-interest bearing and are generally on **14 to 120 days** (2017: 14 to 120 days) credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (ii) Included herein is retention sum of **RM3,118,424** (2017: RM3,098,495) relating to the supply of steel roofing, cable support system and its related accessories.

Notes to the Financial Statements (Cont'd)

- 31 March 2018

11. RECEIVABLES, DEPOSITS AND PREPAYMENTS (Cont'd)

11.1 Trade receivables (Cont'd)

GROUP (Cont'd)

(iii) The movement of allowance for impairment is as follows:

	2018 RM	2017 RM
Balance at beginning	2,819,465	4,165,193
Written off	-	(182,003)
Written back	-	(1,163,725)
Balance at end	<u>2,819,465</u>	<u>2,819,465</u>

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

(iv) Offsetting of financial instruments

The following table provides information of financial assets and liabilities that have been set off for presentation purpose:

	Gross amount RM	Balances that are set off RM	Net carrying amount RM
2018			
Trade receivables	31,067,613	(881,682)	30,185,931
Trade payables	(12,004,851)	875,782	(11,129,069)
Other payables	(5,313,992)	5,900	(5,308,092)
2017			
Trade receivables	27,736,759	(232,979)	27,503,780
Trade payables	(11,354,447)	140,128	(11,214,319)
Other payables	(3,478,846)	92,851	(3,385,995)

Certain trade receivables, trade payables and other payables were set off for presentation purpose because they have enforceable right to set off and they intend either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Notes to the Financial Statements (Cont'd)

- 31 March 2018



11. RECEIVABLES, DEPOSITS AND PREPAYMENTS (Cont'd)

11.2 Other receivables

GROUP AND COMPANY

Included herein is the purchase consideration amounting to RM12,000,000 paid to San & Associates as a stakeholder for the acquisition of 100% equity interest in Sungguh Gemilang Development Sdn. Bhd. ("SGDSB") as disclosed in Note 41 to the financial statements.

The movement of allowance for impairment is as follows:

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Balance at beginning	3,384,930	3,775,208	13,150	710,293
Current year	214,743	306,865	-	-
Recovered	(2,610,056)	-	-	-
Written back	-	(697,143)	-	(697,143)
Balance at end	<u>989,617</u>	<u>3,384,930</u>	<u>13,150</u>	<u>13,150</u>

11.3 Deposits

GROUP AND COMPANY

2018

Included herein is non-refundable deposits amounting to **RM4,800,000** paid for the acquisition of 6 units bungalow.

2017

Included herein was a deposit paid towards the acquisition of equity interest in a subsidiary, namely Tetap Gembira Development Sdn. Bhd. amounting to RM1,237,500.

11.4 Amount due from subsidiaries

COMPANY

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

12. FIXED DEPOSITS WITH LICENSED BANKS

GROUP AND COMPANY

The fixed deposits are pledged to licensed banks for banking facilities granted to the Company.

The effective interest rates of fixed deposits as at the end of the reporting period range from **3.00% to 3.40%** (2017: 3.00% to 3.10%) per annum.

Notes to the Financial Statements (Cont'd)

- 31 March 2018

13. CASH AND BANK BALANCES

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

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Ringgit Malaysia	50,694,116	7,470,806	41,897,494	985,377
US Dollar	417,766	99,203	-	-
	<u>51,111,882</u>	<u>7,570,009</u>	<u>41,897,494</u>	<u>985,377</u>

14. NON-CURRENT ASSETS HELD FOR SALE

GROUP

	2018 RM	2017 RM
Freehold land and building	<u>1,500,000</u>	-

A subsidiary intends to dispose off its property and is currently undergoing negotiation and the disposal is expected to be completed in the next financial year.

15. SHARE CAPITAL AND SHARE PREMIUM

Share capital

	Number of ordinary shares		Amount	
	2018	2017	2018 RM	2017 RM
Issued and fully paid				
Balance at beginning	79,697,253	70,851,253	93,787,046	70,851,253
Issued during the financial year:				
Arising from conversion of ICULS				
- by surrender option	-	1,500,000	-	1,500,000
- by cash option	74,807,100	7,346,000	73,570,917	7,346,000
Arising from conversion of ICPS				
- by cash option	45,465,000	-	36,372,000	-
ESOS exercised	1,839,183	-	1,893,398	-
Rights issue expenses	-	-	(763,301)	-
Share dividend	-	-	(3,167,088)	-
Transition to no-par value regime on 31 January 2017	-	-	-	14,089,793
Warrant exercised	6,510,400	-	6,510,400	-
	<u>208,318,936</u>	<u>79,697,253</u>	<u>208,203,372</u>	<u>93,787,046</u>

Notes to the Financial Statements (Cont'd)

- 31 March 2018



15. SHARE CAPITAL AND SHARE PREMIUM (Cont'd)

Share capital (Cont'd)

2018

Details on the increase in share capital are as follows:

- (i) Issuance of 74,807,100 new ordinary shares pursuant to the conversion of 74,807,100 ICULS at a conversion price of RM0.87.
- (ii) Issuance of 1,298,461 and 540,722 new ordinary shares for cash arising from the exercise of employees' share options at an exercise price of RM1 and RM0.87 each respectively; and
- (iii) Issuance of 6,510,400 new ordinary shares pursuant to the conversion of 6,510,400 10-year free detachable warrants 2014/2024 ("Warrant C") at an exercise price of RM1 each; and
- (iv) Issuance of 45,465,000 new ordinary shares pursuant to the conversion of 45,465,000 5-year 0% ICPS at a conversion price of RM0.80 each.

2017

- (i) The Company issued 8,846,000 new ordinary shares arising from the conversion of 22,346,000 ICULS at nominal value of RM0.10 each.
- (ii) The new Companies Act 2016 ("the Act"), which come into operation on 31 January 2017 has abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account and the capital redemption reserve become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM11,831,467 for purposes as set out in Section 618(3) and the capital redemption reserve of RM2,258,326 (Note 18.4) for bonus issue pursuant to Section 618(4) of the Act. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

	Share premium RM	Capital redemption reserve RM	Total RM
Balance at beginning	11,831,467	2,258,326	14,089,793
Transfer to share capital pursuant to no-par value regime on 31 January 2017	<u>(11,831,467)</u>	<u>(2,258,326)</u>	<u>(14,089,793)</u>
Balance at end	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements (Cont'd)

- 31 March 2018

16. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (“ICPS”)

	Number of ICPS of RM0.08 each		Amount	
	2018	2017	2018 RM	2017 RM
Balance at beginning	-	-	-	-
Subscription of right issues	1,222,426,720	-	97,794,138	-
Converted to ordinary shares	(45,465,000)	-	(3,637,200)	-
Balance at end	1,176,961,720	-	94,156,938	-

The new ICPS issued pursuant to the Right Issue at an issued price of RM0.08 each have been admitted to the Official List of Bursa Malaysia Securities Berhad and the listing and quotation of the new ICPS on the Main Market will be granted with effect from 6 December 2017.

The salient features of the ICPS are as follows:

- (i) Each registered holder of the ICPS shall have the right at any time during the conversion period of five years commencing from and including the date of issue of the ICPS up to the maturity date of 28 November 2022 which is the date immediately preceding the fifth anniversary of the issue date of the ICPS.
- (ii) Based on the conversion price of RM0.80, ICPS can be converted by way of surrendering ten ICPS of RM0.08 each for one new ordinary share or by surrendering for cancellation with a minimum of one ICPS with an aggregate value below conversion price of RM0.08 each and paying the difference between the aggregate value of the ICPS surrendered and the conversion price in cash for one new ordinary share.
- (iii) The ICPS have a tenure period of 5 years from the date of issue and will not be redeemable in cash. All outstanding ICPS will be mandatorily converted by the Company into new ordinary shares at the conversion price of RM0.80 each on the maturity date, with any fractional new shares arising from the mandatory conversion of the ICPS and the maturity date shall be disregarded.
- (iv) A cumulative preference dividend rate of RM0.40 per hundred ICPS per annum if declared, shall be payable annually in arrears out of post taxation profits.
- (v) Upon conversion of the ICPS 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, that may be declared, made or paid prior to the date of the new shares allotment.

17. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (“ICULS”)

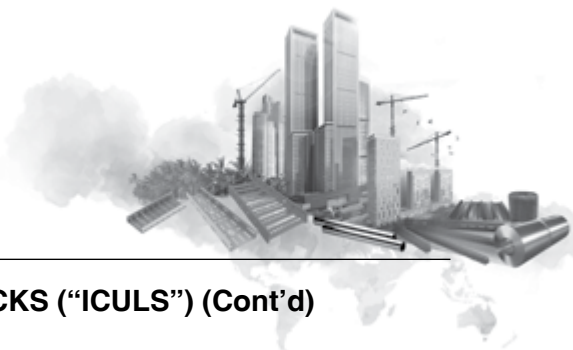
GROUP AND COMPANY

	Number of ICULS of RM0.10 each		Amount	
	2018	2017	2018 RM	2017 RM
Balance at beginning	198,296,969	220,642,969	19,829,697	22,064,297
Converted to ordinary shares	(74,807,100)	(22,346,000)	(7,480,710)	(2,234,600)
Balance at end	123,489,869	198,296,969	12,348,987	19,829,697

The ICULS at nominal value of RM0.10 each were constituted by a Trust Deed dated 28 March 2012 made between the Company and the Trustee for the holders of the ICULS.

Notes to the Financial Statements (Cont'd)

- 31 March 2018



17. IRREDEEMABLE CONVERTIBLE UNSECURED LOAN STOCKS (“ICULS”) (Cont'd)

GROUP AND COMPANY

The salient features of the ICULS are as follows:

- (i) The ICULS shall be convertible into fully paid-up ordinary shares at any time during the tenure of the ICULS from the date of issue of the ICULS up to and including the maturity date of 15 April 2022 by surrendering ten ICULS of RM0.10 each for one new ordinary share or by surrendering for cancellation one ICULS of RM0.10 each and paying the difference between the nominal value of ICULS and conversion price of RM1 each.
- (ii) The ICULS have a tenure period of 10 years from the date of issue and will not be redeemable in cash. All outstanding ICULS will be mandatorily converted by the Company into new ordinary shares at the conversion price of RM1 each on the maturity date, with any fractional new shares arising from the mandatory conversion of the ICULS and the maturity date shall be disregarded.
- (iii) Upon conversion of the ICULS into new ordinary shares, such shares would rank pari passu in all respects with the existing ordinary shares of the Company in issue except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date is before the new shares allotment.

18. OTHER RESERVES

	NOTE	GROUP		COMPANY	
		2018 RM	2017 RM	2018 RM	2017 RM
Non-distributable:					
Treasury shares	18.1	(406)	(2,596,024)	(406)	(2,596,024)
Warrants reserve	18.2	4,203,130	5,779,334	4,203,130	5,779,334
Discount on shares	18.2	(4,122,590)	(5,698,794)	(4,122,590)	(5,698,794)
Fair value reserve	18.3	3,863,384	298,656	-	-
Capital reserve	18.4	(262,746)	(262,746)	7,445,000	7,445,000
ESOS reserve	18.5	156,598	329,781	156,598	60,835
		<u>3,837,370</u>	<u>(2,149,793)</u>	<u>7,681,732</u>	<u>4,990,351</u>

18.1 Treasury shares

GROUP AND COMPANY

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

	2018		2017	
	No. of shares	RM	No. of shares	RM
Balance at beginning	3,955,200	2,596,024	3,590,500	2,236,069
Purchase of shares	518,100	571,470	364,700	359,955
Share dividends	(4,472,526)	(3,167,088)	-	-
Balance at end	<u>774</u>	<u>406</u>	<u>3,955,200</u>	<u>2,596,024</u>

Out of the total **208,318,936** (2017: 79,697,253) issued ordinary shares as at 31 March 2018, **774** (2017: 3,955,200) are held as treasury shares by the Company. The number of outstanding ordinary shares in issue is therefore **208,318,162** (2017: 75,742,053) ordinary shares.

During the financial year, the Company repurchased **518,100** (2017: 364,700) of its issued share capital from the open market at an average price of **RM1.10** (2017: RM0.99) per share. The shares repurchased were financed by internally generated funds.

Notes to the Financial Statements (Cont'd)

- 31 March 2018

18. OTHER RESERVES (Cont'd)

18.1 Treasury shares (Cont'd)

GROUP AND COMPANY (Cont'd)

In the previous financial year, the directors declared a share dividend distribution of 4,472,526 treasury shares valued at RM3,167,088 on the basis of one treasury share for every twenty ordinary shares, which were distributed on 30 May 2017.

18.2 Warrants reserve and Discount on shares

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

	GROUP AND COMPANY	
	2018 RM	2017 RM
Warrants B expiring 9 May 2022 (Note (i))	3,186,005	3,186,005
Warrants C expiring 24 November 2024 (Note (ii))	1,017,125	2,593,329
	<u>4,203,130</u>	<u>5,779,334</u>

(i) Warrants B

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

On 24 November 2014, 1,044,807 additional Warrants B are issued pursuant to the adjustment made to the outstanding Warrants B consequent to its rights issue exercise.

On 6 December 2017, 3,236,681 additional Warrants B are issued pursuant to the adjustment made to the outstanding Warrants B consequent to its rights issue exercise of ICPS.

During the financial year, no Warrants B were exercised. As at 31 March 2018, there was a total of 24,619,674 unexercised Warrants B.

(ii) Warrants C

On 18 November 2014, the Company issued 10,711,565 10-year free detachable warrants 2014/2024 ("Warrants C"). The Warrants C are constituted by a deed poll dated 9 October 2014 and are listed on Bursa Malaysia on 25 November 2014.

On 6 December 2017, 635,888 additional Warrants C are issued pursuant to the adjustment made to the outstanding Warrants C consequent to its rights issue exercise of ICPS.

During the financial year, 6,510,400 Warrants C were exercised at an exercise price of RM1. As at 31 March 2018, there was a total of 4,837,053 unexercised Warrants C.

The main features of the Warrants are as follows:

- Each Warrant entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share each in the Company at an exercise price of RM1 per ordinary share.
- The exercise price and the number of Warrants are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions set out in the deed poll.
- The Warrants shall be exercisable at any time within the period commencing on and including the date of issue of the Warrants until the last market day prior to the tenth anniversary of the date of issue of the Warrants.

Notes to the Financial Statements (Cont'd)

- 31 March 2018



18. OTHER RESERVES (Cont'd)

18.2 Warrants reserve and Discount on shares (Cont'd)

(ii) Warrants C (Cont'd)

The main features of the Warrants are as follows: (Cont'd)

- Upon exercise of the Warrants into new ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of the Company in issue at the time of exercise except that they shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares arising from the exercise of the Warrants.
- The Warrants holders are not entitled to any voting right or to participate in any distribution and/or offer of further securities in the Company until and unless such Warrants holders exercise their Warrants for new ordinary shares.
- At the expiry of the exercise period, any Warrants which have not been exercised will lapse and cease to be valid for any purpose.

18.3 Fair value reserve

	GROUP	
	2018 RM	2017 RM
Balance at beginning	298,656	359,031
Other comprehensive loss:		
Fair value changes in available-for-sale financial assets	3,835,264	289,336
Net gain on available-for-sale financial assets transfer to profit or loss upon disposal	(270,536)	(349,711)
	3,564,728	(60,375)
Balance at end	3,863,384	298,656

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

18.4 Capital reserve

GROUP

Capital reserve represents the premium paid for the acquisition from its non-controlling interest of a subsidiary and the Group's share of net assets before and after the change in its ownership interest.

COMPANY

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

Notes to the Financial Statements (Cont'd)

- 31 March 2018

18. OTHER RESERVES (Cont'd)

18.5 ESOS reserve

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Balance at beginning	329,781	329,781	60,835	60,835
Share options exercised	(124,509)	-	(124,509)	-
Share based payment transactions	(48,674)	-	220,272	-
Balance at end	<u>156,598</u>	<u>329,781</u>	<u>156,598</u>	<u>60,835</u>

The ESOS reserve represents the equity-settled share options granted to employees of certain subsidiaries and the Company's directors. The share option reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of the share options and is reduced by the expiry or exercise of the share options.

19. RETAINED PROFITS

COMPANY

The franking of dividends of the Company is under the single tier system and therefore there is no restriction on the Company to distribute dividends subject to the availability of retained profits.

20. BORROWINGS

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Non-current liabilities				
<u>Finance lease liabilities</u>				
Minimum payment:				
Within 1 year	1,809,893	1,749,513	83,676	296,891
Later than 1 year but not later than 2 years	1,357,306	1,060,161	83,676	28,305
Later than 2 years but not later than 5 years	709,684	860,722	55,764	-
	<u>3,876,883</u>	<u>3,670,396</u>	<u>223,116</u>	<u>325,196</u>
Future finance charges	(282,919)	(281,298)	(12,215)	(5,066)
	<u>3,593,964</u>	<u>3,389,098</u>	<u>210,901</u>	<u>320,130</u>
Amount due within 1 year included under current liabilities	(1,633,217)	(1,574,100)	(76,319)	(292,110)
	<u>1,960,747</u>	<u>1,814,998</u>	<u>134,582</u>	<u>28,020</u>
<u>Term loan</u>				
Total amount repayable	5,550,924	6,833,483	5,550,924	6,833,483
Amount due within 1 year included under current liabilities	(1,346,329)	(1,203,592)	(1,346,329)	(1,203,592)
	<u>4,204,595</u>	<u>5,629,891</u>	<u>4,204,595</u>	<u>5,629,891</u>
	<u>6,165,342</u>	<u>7,444,889</u>	<u>4,339,177</u>	<u>5,657,911</u>

Notes to the Financial Statements (Cont'd)

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20. BORROWINGS (Cont'd)

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Current liabilities				
Bank overdrafts	396,533	342,151	-	-
Bankers acceptance	379,000	769,000	-	-
Finance lease liabilities	1,633,217	1,574,100	76,319	292,110
Revolving credit	-	4,000,000	-	-
Term loan	1,346,329	1,203,592	1,346,329	1,203,592
	<u>3,755,079</u>	<u>7,888,843</u>	<u>1,422,648</u>	<u>1,495,702</u>
Total borrowings	<u>9,920,421</u>	<u>15,333,732</u>	<u>5,761,825</u>	<u>7,153,613</u>

The borrowings of the Group and of the Company are secured by way of:

- (i) Legal charges and deed of assignment over certain land and buildings of the Company and its subsidiaries,
- (ii) Corporate guarantee of the Company,
- (iii) Pledge of fixed deposits, and
- (iv) Leased assets as disclosed in Note 4(i).

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

	Average effective interest rate per annum (%)	Total RM	Maturities		
			Within 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM
GROUP					
2018					
Bank overdrafts	8.85	396,533	396,533	-	-
Bankers acceptance	5.57	379,000	379,000	-	-
Finance lease liabilities	8.20	3,593,964	1,633,217	1,340,229	620,518
Term loan	2.13 to 4.10	5,550,924	1,346,329	1,460,974	2,743,621
2017					
Bank overdrafts	8.85	342,151	342,151	-	-
Bankers acceptance	5.55	769,000	769,000	-	-
Finance lease liabilities	2.00 to 4.00	3,389,098	1,574,100	985,364	829,634
Revolving credit	5.04	4,000,000	4,000,000	-	-
Term loan	7.90	6,833,483	1,203,592	1,304,785	4,325,106

Notes to the Financial Statements (Cont'd)

- 31 March 2018

20. BORROWINGS (Cont'd)

	Average effective interest rate per annum (%)	Total RM	Within 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM
COMPANY					
2018					
Finance lease liabilities	2.13	210,901	76,319	134,582	-
Term loan	8.20	5,550,924	1,346,329	1,460,974	2,743,621
2017					
Finance lease liabilities	2.13 to 2.28	320,130	292,110	28,020	-
Term loan	7.90	6,833,483	1,203,592	1,304,785	4,325,106

21. DEFERRED TAX LIABILITIES

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Revaluation surplus				
Balance at beginning	2,030,171	2,123,183	957,085	1,005,646
Recognised in profit or loss	(93,012)	(93,012)	(48,561)	(48,561)
Balance at end	1,937,159	2,030,171	908,524	957,085
Other temporary differences				
Balance at beginning	1,855,584	1,238,000	712,459	397,000
Recognised in profit or loss	793,335	541,584	116,821	327,459
	2,648,919	1,779,584	829,280	724,459
(Over)/Under provision in prior year	(175,000)	76,000	(1,000)	(12,000)
Balance at end	2,473,919	1,855,584	828,280	712,459
	4,411,078	3,885,755	1,736,804	1,669,544

Notes to the Financial Statements (Cont'd)

- 31 March 2018



21. DEFERRED TAX LIABILITIES (Cont'd)

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

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Revaluation surplus	1,937,159	2,030,171	908,524	957,085
Property, plant and equipment	3,306,836	2,930,000	1,761,000	1,688,000
Surplus on fair value of investment properties	394,083	343,584	294,280	256,459
Unabsorbed tax losses	(162,000)	(176,000)	(162,000)	(176,000)
Unabsorbed capital allowances	(1,065,000)	(1,242,000)	(1,065,000)	(1,056,000)
	<u>4,411,078</u>	<u>3,885,755</u>	<u>1,736,804</u>	<u>1,669,544</u>

22. TRADE AND OTHER PAYABLES

	Note	GROUP		COMPANY	
		2018 RM	2017 RM	2018 RM	2017 RM
Trade					
Third parties	22.1	11,129,069	11,214,319	-	-
Non-trade					
Other payables	22.2	5,308,092	3,385,995	84,320	715,461
Retirement benefit obligations	22.3	31,554	31,554	-	-
Accruals		1,356,062	1,808,180	212,767	359,773
Prepayments and deposits received for letting of properties		665,157	922,890	344,592	344,592
GST payables		548,753	504,220	4,649	14,426
Advances from customers		597,013	261,245	-	-
Dividend payable		-	1,789,313	-	1,789,313
Amount due to a subsidiary	22.4	-	-	651,254	50,000
Amount due to directors	22.5	4,048,900	-	-	-
		<u>12,555,531</u>	<u>8,703,397</u>	<u>1,297,582</u>	<u>3,273,565</u>
Total trade and other payables		<u>23,684,600</u>	<u>19,917,716</u>	<u>1,297,582</u>	<u>3,273,565</u>

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

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Ringgit Malaysia	23,407,103	19,869,022	1,297,582	3,273,565
US Dollar	277,497	48,694	-	-
	<u>23,684,600</u>	<u>19,917,716</u>	<u>1,297,582</u>	<u>3,273,565</u>

Notes to the Financial Statements (Cont'd)

- 31 March 2018

22. TRADE AND OTHER PAYABLES

22.1 Trade payables

The trade payables are non-interest bearing and are normally settled within **14 to 60 days** (2017: 14 to 60 days) credit terms.

22.2 Other payables

Included in the Group last year's other payables was an amount of RM169,731 due to a director of the Company. The amount was unsecured and was on 60 days credit term. Interest was charged at 2% per month on overdue amount.

22.3 Retirement benefit obligations

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

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Balance at beginning	31,554	22,912	-	-
Additional provision	-	8,642	-	-
Balance at end	<u>31,554</u>	<u>31,554</u>	<u>-</u>	<u>-</u>

Upon approval by the Company's Board of Directors in the previous financial year, the Retirement Benefits Scheme ("the Scheme") of the Company and certain subsidiaries have been terminated. Employees were given an option for early retirement pursuant to the termination of the Scheme. Benefits were paid out to those employees who opted for early retirement, whilst for employees who did not accept the option, their benefits have been fully reversed.

22.4 Amount due to a subsidiary

COMPANY

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

22.5 Amount due to directors

GROUP

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

23. REVENUE

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Sale of goods	153,648,170	125,594,061	-	-
Rental of industrial and commercial assets	2,179,682	2,334,270	2,139,682	2,297,280
Gross dividend income from investments in quoted securities	30,000	-	-	-
Gross dividend from subsidiaries	-	-	5,790,000	5,036,594
Management fee from subsidiaries	-	-	996,000	969,000
	<u>155,857,852</u>	<u>127,928,331</u>	<u>8,925,682</u>	<u>8,302,874</u>

Notes to the Financial Statements (Cont'd)

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24. OTHER INCOME

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Allowance for impairment written back (Note 11)	-	1,860,868	-	697,143
Deemed gain on deconsolidation of a subsidiary	-	83,473	-	-
Dividend income	21,084	45,735	-	-
Fair value gain on investment properties (Note 5)	3,507,649	6,871,686	746,421	5,129,177
Gain on disposal of investments in quoted securities	20,786,911	367,853	-	-
Gain on disposal of investment in unquoted shares (Note 8)	-	6,503,174	-	-
Gain on disposal of property, plant and equipment	1,360,549	5,363	207,742	-
Interest income	436,475	48,062	113,360	21,778
Net fair value adjustment on available-for-sale financial assets upon disposal	270,536	349,711	-	-
Realised gain on foreign exchange	311,947	438,397	-	-
Recover of impairment loss on receivables	2,610,056	-	-	-
Rental income	1,132,879	853,908	-	-
Others	729,029	161,896	-	-
	31,167,115	17,590,126	1,067,523	5,848,098

25. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Wages and salaries	9,045,510	8,698,120	631,999	573,265
Contributions to defined contribution plan	752,812	768,021	66,210	65,501
Social security contributions	79,058	76,409	4,325	4,126
Increase in liability for defined benefit plan (Note 22.3)	-	8,642	-	-
Other benefits	330,776	314,994	38,745	30,288
	10,208,156	9,866,186	741,279	673,180

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to **RM775,302** (2017: RM846,072) and **RM295,680** (2017: RM295,680) respectively, as further disclosed in Note 26.

Notes to the Financial Statements (Cont'd)

- 31 March 2018

26. DIRECTORS' REMUNERATION

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Directors of the Company				
Executive:				
Salaries and other emoluments	581,100	721,100	264,000	264,000
Defined contribution plans	69,732	81,072	31,680	31,680
	650,832	802,172	295,680	295,680
Non-executive:				
Fee	36,000	32,000	36,000	32,000
Directors of subsidiaries:				
Executive:				
Salaries and other emoluments	112,800	40,000	-	-
Defined contribution plans	11,670	3,900	-	-
	124,470	43,900	-	-
Total directors' remuneration	811,302	878,072	331,680	327,680

Directors' remuneration is analysed as follows:

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Total executive directors' remuneration (Note 25)	775,302	846,072	295,680	295,680
Total non-executive directors' fee (Note 26)	36,000	32,000	36,000	32,000
	811,302	878,072	331,680	327,680
Represented by:				
Present directors	731,312	873,072	331,680	322,680
Past directors	79,990	5,000	-	5,000
	811,302	878,072	331,680	327,680

27. FINANCE COSTS

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Interest expenses on:				
Borrowings	779,424	753,391	453,744	545,799
Finance lease liabilities	208,045	198,355	6,586	14,281
	987,469	951,746	460,330	560,080

Notes to the Financial Statements (Cont'd)

- 31 March 2018



28. PROFIT BEFORE TAX

This is arrived at:

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
After charging:				
Audit fee				
- Statutory audit				
- Company's auditors	132,000	126,000	33,000	33,000
- Other auditor	5,500	-	-	-
- Non-audit fees				
- Company's auditors	3,000	3,000	3,000	3,000
Allowance for impairment on receivables	214,743	306,865	-	-
Bad debts	2,238	145,649	-	14,793
Loss on disposal of investment property	-	1,000	-	-
Non-executive directors' fee (Note 26)	36,000	32,000	36,000	32,000
Property, plant and equipment:				
- Written off	2	-	2	-
- Loss on disposal	-	15,545	-	-
Rental expenses	380,214	448,781	-	-

29. TAX EXPENSE

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Malaysian income tax:				
Based on results for the financial year				
- Current tax	(1,016,002)	(444,000)	(125,000)	(232,000)
- Deferred tax relating to the origination and reversal of temporary differences	(700,323)	(448,572)	(68,260)	(278,898)
	(1,716,325)	(892,572)	(193,260)	(510,898)
(Under)/Over provision in prior years				
- Current tax	(204,289)	136,661	(101,381)	12,380
- Deferred tax	175,000	(76,000)	1,000	12,000
	(29,289)	60,661	(100,381)	24,380
	(1,745,614)	(831,911)	(293,641)	(486,518)

Notes to the Financial Statements (Cont'd)

- 31 March 2018

29. TAX EXPENSE (Cont'd)

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

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Profit before tax	29,807,603	18,857,206	6,207,456	11,505,675
Income tax at Malaysian statutory tax rate of 24%	(7,153,824)	(4,525,729)	(1,489,789)	(2,761,362)
Income not subject to tax	6,829,928	3,599,265	1,611,513	2,607,100
Expenses not deductible for tax purposes	(1,066,234)	(717,629)	(325,724)	(148,738)
Deferred tax movements not recognised	(188,350)	(196,048)	-	-
Utilisation of unabsorbed tax losses and capital allowances	408,800	1,198,141	-	-
Deferred tax liabilities on valuation gain	(639,657)	(343,584)	(37,821)	(256,459)
Annual crystallisation of deferred tax on revaluation	93,012	93,012	48,561	48,561
	(1,716,325)	(892,572)	(193,260)	(510,898)
(Under)/Over provision in prior years	(29,289)	60,661	(100,381)	24,380
	(1,745,614)	(831,911)	(293,641)	(486,518)

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

	GROUP	
	2018 RM	2017 RM
Property, plant and equipment	4,430,000	4,185,000
Unabsorbed tax losses	(14,206,115)	(14,379,000)
Unabsorbed capital allowances	(1,553,000)	(1,290,000)
Unabsorbed reinvestment allowance	(2,121,000)	(2,121,000)
Allowance for increase in export	(475,000)	(475,000)
	(13,925,115)	(14,080,000)

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

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

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Unabsorbed tax losses	59,867,000	60,651,000	674,000	735,000
Unabsorbed capital allowances	10,911,000	9,741,000	4,439,000	4,364,000
Unabsorbed reinvestment allowance	8,838,000	8,838,000	-	-
Unabsorbed allowance for increase in export	1,979,000	1,979,000	-	-

Notes to the Financial Statements (Cont'd)

- 31 March 2018



30. EARNINGS PER SHARE

30.1 Basic

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

	GROUP	
	2018 RM	2017 RM
Profit for the financial year (RM)	<u>28,403,667</u>	<u>18,026,487</u>
Weighted average number of shares	<u>134,086,338</u>	<u>68,049,222</u>
Basic earnings per share (sen)	<u>21.18</u>	<u>26.49</u>

30.2 Diluted

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

	GROUP	
	2018 RM	2017 RM
Profit for the financial year (RM)	<u>28,403,667</u>	<u>18,026,487</u>
Weighted average number of shares	<u>134,086,338</u>	<u>68,049,222</u>
Adjustment for dilutive effects of:		
- ICPS	274,416,822	-
- ICULS	21,469,459	*
- Warrants	959,145	*
- ESOS	526,409	*
	<u>431,458,173</u>	<u>68,049,222</u>
Diluted earnings per share (sen)	<u>6.58</u>	<u>26.49</u>

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

Notes to the Financial Statements (Cont'd)

- 31 March 2018

31. DIVIDENDS

	2018 RM	2017 RM
In respect of the financial year ended 31 March 2018:		
- An interim single tier dividend of 2 sen per ordinary share paid on 3 January 2018	3,056,067	-
- A special single tier dividend of 3 sen per ordinary share paid on 3 January 2018	4,584,100	-
- An interim single tier dividend of 0.24 sen per Irredeemable Convertible Preference Shares ("ICPS") paid on 8 February 2018.	2,929,108	-
In respect of the financial year ended 31 March 2017:		
- First interim single tier dividend of 2 sen per share paid on 19 October 2016	-	1,342,815
- First interim special dividend of 3 sen per share paid on 19 October 2016	-	2,014,222
- Second interim single tier dividend of 2 sen per share paid on 15 December 2016	-	1,372,815
- Second interim special dividend of 5 sen per share paid on 15 December 2016	-	3,432,038
- Third interim single tier dividend of 2 sen per share payable on 30 May 2017	-	1,789,313
- Final single tier dividend of 2 sen per ordinary share paid on 27 October 2017	3,056,067	-
- Final special single tier dividend of 8 sen per ordinary share paid on 27 October 2017	12,224,267	-
	<u>25,849,609</u>	<u>9,951,203</u>

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

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

32. SEGMENTAL INFORMATION

Reporting format

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

Business segments

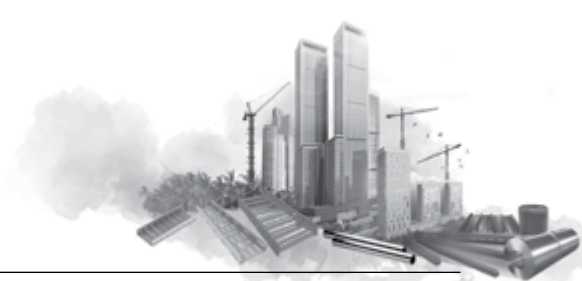
The Group comprises the following main business segments:

- | | |
|----------------------------|--|
| (i) Manufacturing | Manufacturing and processing of metal related products; |
| (ii) Trading | Trading of metal related products; |
| (iii) Property development | Property developer |
| (iv) Others | Letting of industrial and commercial assets, provision of management consultancy and provision of recreational and leisure activities. |

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

Notes to the Financial Statements (Cont'd)

- 31 March 2018



32. SEGMENTAL INFORMATION (Cont'd)

By business segments

	Manufacturing		Trading		Property Development		Others		Elimination		Total	
	2018 RM	2017 RM	2018 RM	2017 RM	2018 RM	2017 RM	2018 RM	2017 RM	2018 RM	2017 RM	2018 RM	2017 RM
Revenue												
External sales	150,370,603	119,823,703	3,277,567	5,770,358	-	-	2,209,682	2,334,270	-	-	155,857,852	127,928,331
Inter-segment sales	3,232,686	1,096,953	275,838	223,728	-	-	6,786,000	6,005,594	(10,294,524)	(7,326,275)	-	-
Total revenue	153,603,289	120,920,656	3,553,405	5,994,086	-	-	8,995,682	8,339,864	(10,294,524)	(7,326,275)	155,857,852	127,928,331
Results												
Segment results	1,980,940	3,533,812	3,703,292	9,078,976	(20,260)	-	30,484,625	12,069,166	(5,790,000)	(4,921,064)	30,358,597	19,760,890
Interest income	39,288	13,036	916	-	4	-	396,267	35,026	-	-	436,492	48,062
Interest expense	(262,249)	(189,742)	-	-	135	-	(725,355)	(762,004)	-	-	(987,469)	(951,746)
Tax expense	(712,732)	(96,665)	(12,678)	(87,139)	(164)	-	(1,020,040)	(648,107)	-	-	(1,745,614)	(831,911)
Profit/(Loss) for the financial year	1,045,247	3,260,441	3,691,530	8,991,837	(20,285)	-	29,135,497	10,694,081	(5,790,000)	(4,921,064)	28,061,989	18,025,295
Assets												
Segment assets	113,932,905	102,844,024	23,600,083	22,851,003	10,775,432	-	389,639,890	170,883,734	(278,781,590)	(128,376,218)	259,166,720	168,202,543
Current tax assets	382,030	754,955	-	-	150	-	26,005	162,102	-	-	408,185	917,057
Fixed deposits with licensed banks	-	-	-	-	1,043,000	-	78,783,785	572,016	-	-	79,826,785	572,016
Cash and bank balances	5,825,466	6,435,743	1,899,472	7,865	118,783	-	43,268,161	1,126,401	-	-	51,111,882	7,570,009
Total assets	120,140,401	110,034,722	25,499,555	22,858,868	11,937,365	-	511,717,841	172,744,253	(278,781,590)	(128,376,218)	390,513,572	177,261,625
Liabilities												
Segment liabilities	53,582,913	64,247,041	43,708,337	45,348,281	11,364,093	-	147,475,399	11,593,190	(232,475,142)	(101,270,796)	23,655,600	19,917,716
Deferred tax liabilities	1,972,635	2,010,086	99,803	87,125	-	-	2,338,640	1,788,544	-	-	4,411,078	3,885,755
Current tax liabilities	-	-	243	243	-	-	79,053	123,050	-	-	79,296	123,293
Borrowings	3,174,789	3,321,875	-	-	-	-	6,745,632	12,011,857	-	-	9,920,421	15,333,732
Total liabilities	58,730,337	69,579,002	43,808,383	45,435,649	11,364,093	-	156,638,724	25,516,641	(232,475,142)	(101,270,796)	38,066,395	39,260,496
Other information												
Additions to non-current assets	5,201,905	2,849,806	158,273	25,000	-	-	1,256,740	3,188,492	-	(27,600)	6,616,918	6,035,698
Depreciation	2,768,537	2,735,865	42,025	41,205	448	-	1,469,657	1,547,791	-	-	4,280,667	4,324,861
Non-cash (income)/expenses other than depreciation	(61,796)	(365,192)	1,301,034	(8,912,461)	-	-	(24,337,844)	(6,273,809)	-	(21,607)	(23,098,606)	(15,573,069)

Notes to the Financial Statements (Cont'd)

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32. SEGMENTAL INFORMATION (Cont'd)

Notes to segment information:

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

	GROUP	
	2018 RM	2017 RM
Allowance for impairment written bank	2,610,056	(1,860,868)
Bad debts	2,238	145,649
Deemed gain on deconsolidation of a subsidiary	-	(83,473)
Fair value gain on investment properties	(3,507,649)	(6,871,686)
(Gain)/Loss on disposal of other investments	(20,786,911)	(6,871,027)
Impairment loss on receivables	214,743	306,865
Loss on disposal of investment property	-	1,000
Loss on disposal of property, plant and equipment	(1,360,549)	10,182
Net fair value adjustment on available-for-sale financial assets realised upon disposal	(270,536)	(349,711)
Property, plant and equipment written off	2	-
	<u>(23,098,606)</u>	<u>(15,573,069)</u>

Geographical segments

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

	Revenue		Non-current assets	
	2018 RM	2017 RM	2018 RM	2017 RM
Malaysia	150,022,732	122,664,478	123,866,902	117,793,012
Others	5,835,120	5,263,853	-	-
	<u>155,857,852</u>	<u>127,928,331</u>	<u>123,866,902</u>	<u>117,793,012</u>

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

	2018 RM	2017 RM
Property, plant and equipment	73,737,683	72,281,212
Investment properties	49,219,999	45,511,800
Goodwill on consolidation	909,220	-
	<u>123,866,902</u>	<u>117,793,012</u>

Information about major customers

Total revenue from 1 (2017: 1) major customer which contributed more than 10% of the Group's revenue amounted to **RM86,711,429** (2017: RM68,339,239).

Notes to the Financial Statements (Cont'd)

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33. RELATED PARTY DISCLOSURES

(i) Identity of related parties

The Group and the Company have related party relationship with its subsidiaries, key management personnel and the following parties:

Related party	Relationship
Hock Lok Siew Realty Sdn. Bhd.	: A company in which a director of the Company, Mr. Ooi Chieng Sim, has substantial financial interest.

(ii) Related party transactions

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Management fee received from subsidiaries	-	-	996,000	969,000
Interest paid to a director of the Company	8,000	8,000	-	-

(iii) Understanding Agreement

On 15 May 2015, Park Avenue Construction Sdn. Bhd. ("PASB"), a wholly-owned subsidiary of the Company entered into an Understanding Agreement with a related party, Hock Lok Siew Realty Sdn. Bhd. ("HLSR") whereby HLSR has consented to PASB occupying HLSR's orchard without rental charge. PASB will use HLSR's brand name and in return manage the orchard, collect rental and earn profit from the sale of fruits harvested from the orchard.

During the financial year, income earned from this arrangement amounted to **RM40,000** (2017: RM36,990).

(iv) Compensation of key management personnel

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly.

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

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Directors (Note 26)	760,502	846,072	295,680	295,680
Other key management personnel:				
- Salaries and allowances	133,200	133,200	-	-
- Defined contribution plan	14,256	14,256	-	-
	147,456	147,456	-	-
	907,958	993,528	295,680	295,680

Notes to the Financial Statements (Cont'd)

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34. CONTINGENT LIABILITIES

Certain subsidiaries were subjected to an income tax examination by the Inland Revenue Board ("IRB") for the years of assessment 2009 to 2014. There is no indication of any additional tax liabilities to be raised by the IRB and as at the end of the reporting period, the examination has yet to be finalised.

35. COMMITMENTS

(i) Capital commitments

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Property, plant and equipment				
- Authorised and contracted for	1,258,313	907,323	-	-
- Authorised but not contracted for	1,753,101	5,999,070	-	-
	<u>3,011,414</u>	<u>6,906,393</u>	<u>-</u>	<u>-</u>

(ii) Operating lease commitments - as lessor

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

	GROUP AND COMPANY	
	2018 RM	2017 RM
Within 1 year	2,641,872	2,297,280
More than 1 year and less than 2 years	1,837,824	574,320
	<u>4,479,696</u>	<u>2,871,600</u>

(iii) Other commitment

	GROUP AND COMPANY	
	2018 RM	2017 RM
Balance commitment payable arising from the acquisition of equity interest in Tetap Gembira Development Sdn. Bhd. (Note 36)	-	4,950,000
	<u>-</u>	<u>4,950,000</u>

Notes to the Financial Statements (Cont'd)

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36. CATEGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as:

- (i) Available-for-sale financial assets (“AFS”);
- (ii) Held-to-maturity investments (“HTM”);
- (iii) Loans and receivables (“L&R”); and
- (iv) Other liabilities measured at amortised cost (“FL”).

	Carrying amount RM	AFS RM	HTM RM	L&R RM	FL RM
GROUP					
2018					
Financial assets					
Other investments	42,318,838	27,154,534	15,164,304	-	-
Trade and other receivables	52,725,415	-	-	52,725,415	-
Fixed deposits with licensed banks	79,826,785	-	-	79,826,785	-
Cash and bank balances	51,111,882	-	-	51,111,882	-
	225,982,920	27,154,534	15,164,304	183,664,082	-
Financial liabilities					
Trade and other payables	22,477,271	-	-	-	22,477,271
Borrowings	9,920,421	-	-	-	9,920,421
	32,397,692	-	-	-	32,397,692
2017					
Financial assets					
Other investments	617,936	367,242	250,694	-	-
Trade and other receivables	30,575,425	-	-	30,575,425	-
Fixed deposits with licensed banks	572,016	-	-	572,016	-
Cash and bank balances	7,570,009	-	-	7,570,009	-
	39,335,386	367,242	250,694	38,717,450	-
Financial liabilities					
Trade and other payables	18,629,293	-	-	-	18,629,293
Borrowings	15,333,732	-	-	-	15,333,732
	33,963,025	-	-	-	33,963,025

Notes to the Financial Statements (Cont'd)

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36. CATEGORIES OF FINANCIAL INSTRUMENTS (Cont'd)

	Carrying amount RM	AFS RM	HTM RM	L&R RM	FL RM
COMPANY					
2018					
Financial assets					
Other receivables	202,861,666	-	-	202,861,666	-
Fixed deposits with licensed banks	589,243	-	-	589,243	-
Cash and bank balances	41,897,494	-	-	41,897,494	-
	245,348,403	-	-	245,348,403	-
Financial liabilities					
Other payables	1,292,933	-	-	-	1,292,933
Borrowings	5,761,825	-	-	-	5,761,825
	7,054,758	-	-	-	7,054,758
2017					
Financial assets					
Other receivables	82,351,488	-	-	82,351,488	-
Fixed deposits with licensed banks	572,016	-	-	572,016	-
Cash and bank balances	985,377	-	-	985,377	-
	83,908,881	-	-	83,908,881	-
Financial liabilities					
Other payables	3,259,139	-	-	-	3,259,139
Borrowings	7,153,613	-	-	-	7,153,613
	10,412,752	-	-	-	10,412,752

37. FINANCIAL RISK MANAGEMENT

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

37.1 Credit risk

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

Notes to the Financial Statements (Cont'd)

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37. FINANCIAL RISK MANAGEMENT (Cont'd)

37.1 Credit risk (Cont'd)

37.1.1 Trade receivables

The Group extends to existing customers credit terms that range between 14 to 120 days. In deciding whether credit shall be extended, the Group will take into consideration factors such as the relationship with the customer, its payment history and credit worthiness. The Group subject new customers to credit verification procedures. In addition, debt monitoring procedures are performed on an on-going basis with the result that the Group's exposure to bad debts is not significant.

The maximum exposure to credit risk arising from trade receivables is represented by their carrying amounts in the Group's statement of financial position.

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

	Gross RM	Individual impairment RM	Net RM
2018			
Not past due	21,260,015	-	21,260,015
Past due 1 - 30 days	6,282,895	-	6,282,895
Past due 31 - 60 days	738,675	-	738,675
Past due 61 - 90 days	659,464	-	659,464
Past due more than 90 days	4,064,347	(2,819,465)	1,244,882
	<u>11,745,381</u>	<u>(2,819,465)</u>	<u>8,925,916</u>
	33,005,396	(2,819,465)	30,185,931
2017			
Not past due	21,874,622	-	21,874,622
Past due 1 - 30 days	3,154,129	-	3,154,129
Past due 31 - 60 days	872,537	-	872,537
Past due 61 - 90 days	946,801	-	946,801
Past due more than 90 days	3,475,156	(2,819,465)	655,691
	<u>8,448,623</u>	<u>(2,819,465)</u>	<u>5,629,158</u>
	30,323,245	(2,819,465)	27,503,780

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

The Group has trade receivables amounting to **RM8,925,916** (2017: RM5,629,158) that are past due but not impaired as these customers have no recent history of default and the management is of the view that these debts will be recovered in due course.

As at the end of the reporting period, the Group has significant concentration of credit risk in the form of outstanding balance due from **1 customer** (2017: 1 customer) representing **30%** (2017: 38%) of the total trade receivables.

Notes to the Financial Statements (Cont'd)

- 31 March 2018

37. FINANCIAL RISK MANAGEMENT (Cont'd)

37.1 Credit risk (Cont'd)

37.1.2 Intercompany balances

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

The maximum exposure to credit risk is represented by their carrying amounts in the Company's statement of financial position.

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

37.1.3 Financial guarantees

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

	COMPANY	
	2018 RM	2017 RM
Guarantees given to financial institutions for credit facilities granted to certain subsidiaries	3,287,088	3,465,693
Guarantees given to third parties for supply of goods and services to certain subsidiaries	3,465,693	5,636,883
	<u>6,752,781</u>	<u>9,102,576</u>

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment.

Financial guarantees have not been recognised since the fair value on initial recognition was not material as the Company did not receive any consideration for the issuance of the financial guarantees.

37.2 Liquidity risk

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

Notes to the Financial Statements (Cont'd)

- 31 March 2018



37. FINANCIAL RISK MANAGEMENT (Cont'd)

37.2 Liquidity risk (Cont'd)

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

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	More than 1 year and less than 2 years RM	More than 2 years and less than 5 years RM
GROUP					
2018					
<i>Non-derivative financial liabilities</i>					
Interest bearing borrowings	9,920,421	11,102,152	4,337,078	3,108,958	3,656,116
Trade and other payables	22,477,271	22,477,271	22,477,271	-	-
	32,397,692	33,579,423	26,814,349	3,108,958	3,656,116
2017					
<i>Non-derivative financial liabilities</i>					
Interest bearing borrowings	15,333,732	17,058,435	8,574,433	2,773,233	5,710,769
Trade and other payables	18,629,293	18,629,293	18,629,293	-	-
	33,963,025	35,687,728	27,203,726	2,773,233	5,710,769
COMPANY					
2018					
<i>Non-derivative financial liabilities</i>					
Interest bearing borrowings	5,761,825	6,672,852	1,835,328	1,835,328	3,002,196
Other payables	1,292,933	1,292,933	1,292,933	-	-
Financial guarantee*	-	6,752,781	6,752,781	-	-
	7,054,758	14,718,566	9,881,042	1,835,328	3,002,196
2017					
<i>Non-derivative financial liabilities</i>					
Interest bearing borrowings	7,153,613	8,601,414	2,009,963	1,741,377	4,850,074
Other payables	3,259,139	3,259,139	3,259,139	-	-
Financial guarantee*	-	9,102,576	9,102,576	-	-
	10,412,752	20,963,129	14,371,678	1,741,377	4,850,074

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

Notes to the Financial Statements (Cont'd)

- 31 March 2018

37. FINANCIAL RISK MANAGEMENT (Cont'd)

37.3 Interest rate risk

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

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

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Fixed rate instruments				
Financial assets	79,826,785	572,016	589,243	572,016
Financial liabilities	<u>3,593,964</u>	<u>3,558,829</u>	<u>210,901</u>	<u>320,130</u>
Floating rate instruments				
Financial liabilities	<u>6,326,457</u>	<u>11,944,634</u>	<u>5,550,924</u>	<u>6,833,483</u>

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Decrease in profit before tax	<u>16,527</u>	<u>25,220</u>	<u>13,834</u>	<u>17,056</u>

Notes to the Financial Statements (Cont'd)

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37. FINANCIAL RISK MANAGEMENT (Cont'd)

37.4 Foreign currency risk

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

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

	2018		2017	
	USD RM	SGD RM	USD RM	SGD RM
Trade and other receivables	340,686	508,548	1,876,855	176,791
Cash and bank balances	417,766	-	99,203	-
Trade and other payables	(277,497)	-	(48,694)	-
Net exposure	<u>480,955</u>	<u>508,548</u>	<u>1,927,364</u>	<u>176,791</u>

Sensitivity analysis for foreign currency risk

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

	GROUP	
	2018 RM	2017 RM
USD	48,095	192,736
SGD	50,855	17,679
Decrease in profit before tax	<u>98,950</u>	<u>210,415</u>

37.5 Reconciliation of liabilities arising from financing activities

The movement of financial liabilities arising from financial activities during the financial year is as follows:

	2017 RM	Interest charge RM	Interest paid RM	Cash flows RM	2018 RM
Banker acceptance	769,000	21,082	(21,082)	(390,000)	379,000
Finance lease liabilities	3,389,098	208,045	(208,045)	204,866	3,593,964
Overdraft	342,151	45,767	(45,767)	54,382	396,533
Revolving credit	4,000,000	209,176	(209,176)	(4,000,000)	-
Term loans	6,883,483	453,744	(453,744)	(1,282,559)	5,550,924
<i>Total liabilities from financing activities</i>	<u>15,333,732</u>	<u>937,814</u>	<u>(937,814)</u>	<u>(5,413,311)</u>	<u>9,920,421</u>

Notes to the Financial Statements (Cont'd)

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38. FAIR VALUE MEASUREMENT

38.1 Fair value measurement of financial instruments

The carrying amounts of cash at bank, short term receivables and payables approximate their fair values due to the relative short-term nature of these financial instruments. The carrying amount of the non-current portion of the finance lease liabilities are reasonable approximation of their fair values due to the insignificant impact of discounting.

The fair values of financial assets that are quoted in an active market are determined by reference to the quoted closing price at the end of the reporting period.

Financial assets measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as disclosed in Note 2.2.

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

The fair value of the Group's and the Company's investment properties as at 31 March 2018 have been arrived at on the basis of a valuation carried out by an independent professional valuer and assessments made by the management.

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

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

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
GROUP					
2018					
Investment properties	-	-	49,219,999	49,219,999	49,219,999
2017					
Investment properties	-	-	45,511,800	45,511,800	45,511,800

Notes to the Financial Statements (Cont'd)

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38. FAIR VALUE MEASUREMENT (Cont'd)

38.1 Fair value measurement of financial instruments (Cont'd)

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
COMPANY					
2018					
Investment properties	-	-	30,603,296	30,603,296	30,603,296
2017					
Investment properties	-	-	29,856,875	29,856,875	29,856,875

The amount included in profit or loss of the Group and of the Company for unrealised gains on Level 3 assets amounted to **RM3,708,199** (2017: RM6,871,686) and **RM746,421** (2017: RM5,129,177) respectively.

(b) Financial assets that are measured at fair value

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

	Level 1 RM	Level 2 RM	Level 3 RM	Total fair value RM	Carrying amount RM
GROUP					
2018					
Financial assets					
Other investments	27,154,534	-	-	27,154,534	27,154,534
2017					
Financial assets					
Other investments	367,242	-	-	367,242	367,242

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1 and Level 2 during the financial year.

Notes to the Financial Statements (Cont'd)

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39. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions or expansion of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. No changes were made in the objective, policy and process during the financial year under review as compared to the previous financial year.

The Group manages its capital by regularly monitoring its liquidity requirements and modifies the combination of equity and borrowings from time to time to meet the needs. Shareholders' equity and gearing ratio of the Group and of the Company are as follows:

	GROUP		COMPANY	
	2018 RM	2017 RM	2018 RM	2017 RM
Total equity	352,447,177	138,001,129	323,165,053	139,537,184
Borrowings	9,920,421	15,333,732	5,761,825	7,153,613
Debt-to-equity ratio	0.03	0.11	0.02	0.05

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

40. EMPLOYEES SHARE OPTIONS SCHEME ("ESOS")

The Company's ESOS is governed by the By-Laws which were approved by the shareholders at an Extraordinary General Meeting held on 28 September 2012. The ESOS which expired on 18 October 2015 was extended for another seven years expiring on 18 October 2022.

The salient features of the ESOS are as follows:

- The total number of new ordinary shares which are available to be issued under the ESOS shall not exceed fifteen percent (15%) of the total issued and fully paid-up share capital of the Company at any time throughout the duration of the ESOS.
- Any employee or director of any company comprised in the Group shall be eligible to participate in the ESOS if, as at the date of offer, the employee is at least eighteen (18) years of age or above; and is employed on a continuous full-time basis for a period of not less than six (6) months and must be a confirmed employee.
- The allocation of the options will be staggered over the duration of the ESOS and no further options shall be allocated after the first two (2) years of the ESOS. The maximum allocation available for each of the first two (2) years of the Scheme is 50% of the shares available under the ESOS.
- The option price shall be determined at a discount of not more than 10% from the weighted average market quotation of the Company's shares as quoted on Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of the offer or at par, whichever is higher.
- 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.

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40. EMPLOYEES SHARE OPTIONS SCHEME (“ESOS”) (Cont'd)

The details of the outstanding share options granted to the Group’s employees and directors and its exercise price are as follows:

Grant date	Exercise Price *	Balance at 1.4.2017	Number of share options over ordinary shares				Balance at 31.3.2018
			Re-allocation	Effect of Rights Issue *	Exercised	Lapsed	
9.10.13	RM0.87	1,874,375	-	-	(829,486)	(307,085)	737,804
14.10.14	RM0.87	411,500	-	-	(93,855)	(45,000)	272,645
15.2.16	RM0.87	2,005,000	677,917	453,015	(915,842)	(385,000)	1,835,090

* Adjustment to the exercise price and number of options pursuant to the Company’s Rights Issue.

The fair value of the share options granted was estimated at the grant date using Black-Scholes model, taking into account the terms and conditions upon which the instruments were granted.

The following table lists the inputs to the option pricing model for the ESOS granted on:

Grant date	9-Oct-13	14-Oct-14	15-Feb-16
Fair value (RM)	0.12	0.12	0.01
Expected volatility (%)	10.00	50.90	10.00
Risk-free interest rate (% p.a)	3.37	3.76	3.87
Expected life of option (years)	9	8	6.6
Weighted average share price (RM)	1.00	1.00	1.00

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

41. SIGNIFICANT EVENT

On 7 March 2018, Park Avenue Construction Sdn. Bhd. (“PACSB”), a wholly-owned subsidiary of the Company has entered into a Sale and Purchase of Shares Agreement (“SPA”) and Supplemental Agreement (“SA”) with Ch’ng Dickeon and Chua Phaik Fang (collectively known as “Vendors”) for the acquisition of 250,000 ordinary shares representing 100% of the issued share capital of Sungguh Gemilang Development Sdn. Bhd (“SGDSB”) for a total purchase consideration of RM12,000,000.00. According to the SPA and SA, the purchase is made up of cash consideration of RM1,150,000.00 and assumption of liabilities of RM10,850,000.00.

As at 31 March 2018, PACSB has paid a total RM12,000,000 to San & Associates, the appointed solicitors who act as the stakeholders of the said acquisition above (Note 11.3). SGDSB’s shares have been successfully transferred on 25 May 2018.

42. SUBSEQUENT EVENT

- (i) Subsequent to the end of the reporting period, the Finance Ministry has zero rated the GST effective from 1 June 2018. The Government will replace the GST with the Sales and Services Tax which it is currently working on the details for its implementation.
- (ii) On 11 July 2018, Atta Properties Sdn. Bhd. (“APSB”), a wholly-owned subsidiary of the Company, had entered into two separate Share Sale Agreements (“SSA”) with Chan Kok Leong and Leng Mei Kuan for the acquisitions of 1,500,000 ordinary shares each representing 100% equity interest of Eminent Potential Sdn. Bhd. (“Eminent”) and Scanrite Sdn. Bhd. (“Scanrite”) respectively for purchase consideration of RM7,500,000.

Notes to the Financial Statements (Cont'd)

- 31 March 2018

42. SUBSEQUENT EVENT (Cont'd)

Upon the completion of the acquisitions, Eminent and Scanrite will become wholly owned subsidiaries of APSEB.

43. MATERIAL LITIGATIONS

Penang Sessions Court, Summons No. A52NCC-156-07/2014

On 9 July 2014, the Company together with a subsidiary, Park Avenue Construction Sdn. Bhd. ("PAC") ("Plaintiffs"), have filed a civil suit against Machendran a/l Pitchai Chetty ("Defendant") to recover the sum of RM279,696 including interest at 5% per annum on the said amount calculated from 17 June 2014 until date of realisation and cost for breach of fiduciary duties as a director of the Company and of the subsidiary.

Subsequently the matter has been transferred to Butterworth Sessions' Court and thereafter the Defendant has filed his Defence and Counter Claim on 29 September 2014. Amongst his Counter Claim was for the outstanding salary of RM156,455.65 together with EPF which were due and owed by the Company and PAC. The Company and PAC then filed their Reply and Defence towards the Defendant's Counter Claim on 17 October 2014.

In the midst of preparing the bundle of documents, the Defendant has filed an application to amend his Defence and Counter Claim on 15 January 2015, whereby the Company has no objection against the application.

As the claim and Counter Claim are above RM250,000, the Sessions Court Judge has transferred the matter to Sessions Court 1.

Parties have filed in their bundles of documents respectively and the Court has fixed 15 and 16 March 2016 for trial.

The Company and PAC have called Mr. Ng Chin Nam as the sole witness and whereas Defendant himself together with Mr. Sia Seow Cheng from Messrs Cheong Wai Meng & Van Buerle came as Defendant's witnesses.

After the full trial, the Court has fixed for parties to file written submission on 27 May 2016. Initially the Judge has fixed the matter for decision on 27 June 2016. However, the Judge has further adjourned the matter to 22 July 2016 for Decision.

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

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

On 29 May 2017, Plaintiffs' application security for costs has been granted whereby the Defendant is required to pay RM20,000.00 as security for costs and RM2,000.00 for the costs of the said application, whereby the Defendant has thereafter paid the sum of RM22,000.00 being the security for costs and the costs of the application.

The Court has fixed the matter on 22 September 2017 for parties to file written submission and the hearing has been fixed on 3 October 2017 before the High Court Judge.

On 29th November 2017, the High Court Judge has delivered his judgment whereby the Defendant shall pay the judgment sum of RM216,884.15 to the Plaintiffs.

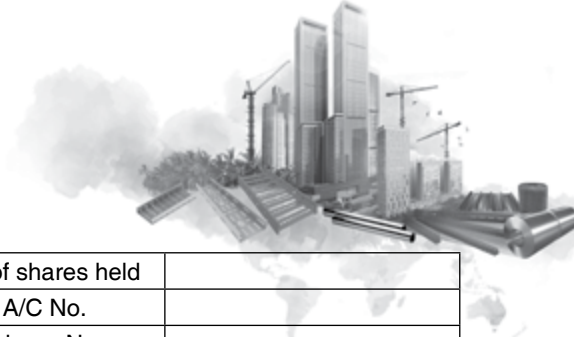
The Company and PAC through Messrs Wong & Loh have filed a Bankruptcy Notice against the Defendant for the sum of RM285,192 including costs and interest on 23 February 2018. However, the 1st and 2nd attempts to serve the Bankruptcy Notice to the Defendant were not successful and resulted an application for substitute service was filed on 17 April 2018.

The order for substitute service has been obtained on 4 May 2018 and the Defendant's solicitors, Messrs Weng On and Associates were instructed to accept the service on behalf of the Defendant on 21 May 2018.

The Defendant's solicitors have proposed for a settlement and parties are in the midst of negotiation. In the meantime, the Court has fixed on 17 August 2018 for the hearing of the Bankruptcy Notice.



Form of Proxy



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

I/We _____ (FULL NAME IN BLOCK CAPITALS)

NRIC No./Company No. _____ of _____ (FULL ADDRESS)

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

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

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us and on my/our behalf at the Thirty-Seventh (37th) Annual General Meeting of the Company to be held on 28 August 2018 and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

Ordinary Resolutions No.	Ordinary Business	For	Against
1	The payment of Directors' Fees		
2	The payment of Non-Executive Directors' benefits		
3	The re-election of Directors: Mr. Tan Kim Hee Mr. Ooi Chieng Sim Mr. Ng Chin Nam Mr. Chow Choon Hoong		
4			
5			
6			
7	The appointment of Auditors and their remuneration		
Special Business			
8	Retention of Independent Non-Executive Director: Mr. Sudesh a/l K.V. Sankaran		
9	Authority to Allot and Issue Shares in General Pursuant to Section 75 of the Companies Act, 2016		
10	Proposed Share Buy Back Authority		

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

Date: _____ Signature of Shareholder _____

NOTES:

- Only members whose names appear on the Record of Depositors as at only members whose names appear on the Record of Depositors as at 20 August 2018 shall be entitled to attend the AGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.
- A member entitled to attend and vote at the Meeting is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him. A proxy must be 18 years and above and need not be a member of the Company.
- Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds but the proportion of holdings to be represented by each proxy must be specified.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/authorised officer, the Power of Attorney/Letter of Authorisation must be attached.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company, 55A, Medan Ipoh 1A, Medan Ipoh Bistari, 31400 Ipoh, Perak Darul Ridzuan, Malaysia not less than 48 hours before the time appointed for holding the Meeting. Faxed or emailed copies are not acceptable.
- For verification purposes, members and proxies are required to produce their original identity card at the registration counter. No person will be allowed to register on behalf of another person even with the original identity card of that other person.
- Personal Data Privacy – By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company hereby agree and consent that any of your personal data in our possession shall be processed by us in accordance with the Personal Data Protection Act 2010. Further, you hereby warrant that relevant consent has been obtained by you for us to process any third party's personal data in accordance with the said Act.

Please fold across the line and close

80 sen
stamp
(Within Malaysia)

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

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

Please fold across the line and close

ATTA GLOBAL GROUP BERHAD (79082-V)

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