SCANWOLF®

Scanwolf Corporation Berhad (740909-T)

2015 Annual Report

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Annual Report 2015

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting of Scanwolf Corporation Berhad ("SCB" or the "Company") will be held at Mersawa & Rengas Room, Second Floor, Hotel IBIS Styles Ipoh, No. 18, Jalan Chung On Siew, 30250 Ipoh, Perak Darul Ridzuan on Thursday, 26 November 2015 at 11.00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1.	To receive the Audited Financial Statements for the financial period ended 30 June 2015 together with the Directors' and Auditors' Reports thereon.	
2.	To approve the payment of Directors' fees of RM30,000.00 for the financial period ended 30 June 2015.	**(Ordinary Resolution 1)**
3.	To re-elect the following Directors retiring pursuant to Article 110 of the Company's Articles of Association and being eligible, offered themselves for re-election:-	
	3.1 Dato' Othman Bin Talib	**(Ordinary Resolution 2)**
	3.2 En. Mua'amar Ghadafi Jamal Bin Jamaludin	**(Ordinary Resolution 3)**
	3.3 Mr. Teoh Teik Kean	**(Ordinary Resolution 4)**
	3.4 En. Mohd Azizal Bin Shubali	**(Ordinary Resolution 5)**
	3.5 En. Abdul Hamid Bin Abdul Shukor	**(Ordinary Resolution 6)**
	3.6 Dato' Ibrahim Bin Saleh	**(Ordinary Resolution 7)**
	3.7 Mr. Ong Sing Guan	**(Ordinary Resolution 8)**
	3.8 Mr. William Wong King Nguong	**(Ordinary Resolution 9)**
4.	To re-appoint Messrs Deloitte as Auditors of the Company and to authorise the Directors to fix their remuneration.	**(Ordinary Resolution 10)**

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following Resolutions:

5. **AUTHORITY TO ISSUE SHARES BY THE COMPANY PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965** **(Ordinary Resolution 11)**

   "THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approvals from the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten (10) per cent of the issued share capital of the Company at the time of submission, upon such terms and conditions, for such purposes and to such person or persons AND THAT the Directors be and are also hereby empowered to obtain the approval from the Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

By order of the Board,

LIM SECK WAH (MAICSA 0799845)
TANG CHI HOE (KEVIN) (MAICSA 7045754)
Company Secretaries

Kuala Lumpur
Dated this: 4 November 2015

Notes:-

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the AGM, the Company shall be requesting the Record of Depositors as at 20 November 2015. Only a depositor whose name appears on the Record of Depositors as at 20 November 2015 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.

2. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149 (1) (b) of the Companies Act, 1965 shall not apply to the Company. A member shall not be entitled to appoint more than two proxies to attend at the same meeting. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.

3. If a member having appointed a proxy to attend a general meeting attends such meeting in person, the appointment of such proxy shall be null and void in respect of such meeting and his proxy shall not be entitled to attend such meeting.

4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("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. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A (1) of SICDA.

6. Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

   The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the Company's registered office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting, as the case may be.

7. **Explanatory Note on Special Business:**

   Ordinary Resolution 11 - Authority to issue shares by the company pursuant to Section 132D of the Companies Act, 1965

   The proposed Ordinary Resolution 11 is a renewal of mandate given by the shareholders at the previous AGM held on 29 August 2014, primarily to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion and for such purposes as they consider would be in the interest of the Company without convening a general meeting. This authority, unless revoked or varied at a general meeting, will expire at the next annual general meeting of the Company.

   The Company continues to consider opportunities to broaden its earnings potential. If any of the expansion/diversification proposals involves the issue of new shares, the Directors, under certain circumstance when the opportunity arises, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the issue capital.

   In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to any amount not exceeding in total 10% of the issued share capital of the Company. The renewed authority will provide flexibility to the Company for the allotment of shares for the purpose of the possible fund raising activities for the purpose of funding future project/investment, working capital and/or acquisitions. This authority, unless revoked or varied at a general meeting will expire at the conclusion of the next AGM of the Company.

   During the financial period ended 30 June 2015, 7,534,000 ordinary shares of RM0.50 each were issued by way of private placement at an issue price of RM0.50 pursuant to the mandate granted to the Directors at the last AGM held on 29 August 2014. The total proceed of RM3,767,000 raised from the private placement is for the purchase of new materials and used for working capital purposes.

CORPORATE INFORMATION

BOARD OF DIRECTORS

1. **Dato' Othman Bin Talib**
   Independent Non-Executive Director/ Chairman
   (Appointed on 13/07/2015)

2. **En. Mua'amar Ghadafi Jamal Bin Jamaludin**
   Independent Non-Executive Director/ Vice Chairman
   (Appointed on 17/06/2015)

3. **Dato' Tan Sin Keat**
   Executive Director

4. **Mr. Teoh Teik Kean**
   Executive Director
   (Resigned on 29/08/2014)
   (Re-appointed on 13/07/2015)

5. **En. Mohd Azizal Bin Shubali**
   Independent Non-Executive Director
   (Appointed on 17/06/2015)

6. **En. Abdul Hamid Bin Abdul Shukor**
   Independent Non-Executive Director
   (Appointed on 17/06/2015)

7. **Dato' Ibrahim Bin Saleh**
   Independent Non-Executive Director
   (Appointed on 17/06/2015)

8. **Mr. Ong Sing Guan**
   Independent Non-Executive Director
   (Resigned on 03/06/2015)
   (Re-appointed on 13/07/2015)

9. **Mr. William Wong King Nguong**
   Non-Independent Non-Executive Director
   (Appointed on 17/06/2015)

10. **Dato' Ch'ng Kong San**
    Group Managing Director
    (Appointed on 27/11/2014)
    (Removed on 17/06/2015)

11. **Mr. Soon Eng Kooi**
    Executive Director
    (Appointed on 29/08/2014)
    (Removed on 17/06/2015)

12. **Mr. Mak Hon Weng**
    Independent Non-Executive Director/ Chairman
    (Appointed on 25/02/2015)
    (Removed on 17/06/2015)

13. **Mr. Chang Nyen Wee**
    Independent Non-Executive Director/ Chairman
    (Appointed on 29/08/2014)
    (Resigned on 29/04/2015)

14. **Mr. Chua Kiat Eng**
    Independent Non-Executive Director
    (Appointed on 29/08/2014)
    (Resigned on 29/04/2015)

15. **Mr. Loh Kai Kwong**
    Independent Non-Executive Director
    (Appointed on 29/04/2015)
    (Removed on 17/06/2015)

16. **En. Umair @ Azura Bin Zakaria**
    Independent Non-Executive Director
    (Appointed on 29/04/2015)
    (Removed on 17/06/2015)

17. **Mr. Tan Weng Chuan**
    Independent Non-Executive Director
    (Appointed on 29/04/2015)
    (Removed on 17/06/2015)

18. **Mr. Teh Hock Leng**
    Independent Non-Executive Director
    (Appointed on 29/04/2015)
    (Removed on 17/06/2015)

19. **Mr. Lim Beng Huat**
    Independent Non-Executive Director
    (Resigned on 29/08/2014)

20. **Dato' Loo Bin Keong**
    Non-Independent Non-Executive Director
    (Resigned on 05/02/2015)

21. **Mr. Lau Tiang Hua**
    Independent Non-Executive Director
    (Resigned on 29/08/2014)

22. **Dato' Lai Kok Heng**
    Executive Director
    (Resigned on 30/09/2014)

AUDIT COMMITTEE

Chairman
Mr. Ong Sing Guan
(Resigned on 03/06/2015)
(Re-appointed on 13/07/2015)

Members
Dato' Ibrahim Bin Saleh
(Appointed on 13/07/2015)
Mr. William Wong King Nguong
(Appointed on 13/07/2015)

REMUNERATION COMMITTEE

Chairman
En. Mohd Azizal Bin Shubali
(Appointed on 13/07/2015)

Members
Dato' Tan Sin Keat (Appointed on 13/07/2015)
En. Mua'amar Ghadafi Jamal Bin Jamaludin
(Appointed on 13/07/2015)
Mr. William Wong King Nguong
(Appointed on 13/07/2015)

NOMINATION COMMITTEE

Chairman
En. Mua'amar Ghadafi Jamal Bin Jamaludin
(Appointed on 13/07/2015)

Members
En. Mohd Azizal Bin Shubali
(Appointed on 13/07/2015)
Mr. William Wong King Nguong
(Appointed on 13/07/2015)

POLICY REVIEW COMMITTEE

Chairman
En. Abdul Hamid Bin Abdul Shukor
(Appointed on 13/07/2015)

Members
Mr. Ong Sing Guan (Appointed on 13/07/2015)
Dato' Tan Sin Keat (Appointed on 10/09/2014)
Mr. Ng Chee Wai (Appointed on 10/09/2014)

INVESTIGATIVE COMMITTEE

Chairman
Mr. Ong Sing Guan (Appointed on 13/07/2015)

Members
En. Abdul Hamid Bin Abdul Shukor
(Appointed on 13/07/2015)
Dato' Othman Bin Talib
(Appointed on 13/07/2015)
Mr. Teoh Teik Kean (Appointed on 13/07/2015)

COMPANY SECRETARIES

Ms. Lim Seck Wah
(MAICSA No.: 0799845)
Mr. Tang Chi Hoe (Kevin)
(MAICSA No.: 7045754)

REGISTERED OFFICE

Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel: 03-2692 4271
Fax: 03-2732 5388

SHARE REGISTRAR

MEGA CORPORATE SERVICES SDN. BHD.
(Company No.: 187984-H)
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel No.: 03-2692 4271
Fax No. : 03-2732 5388

BUSINESS ADDRESS

Lot PT404, Jalan Bota
Mukim Belanja, 31750
Tronoh, Perak Darul Ridzuan
Tel No.: 05-3677 866
Fax No.: 05-3677 852

PRINCIPAL BANKERS

Public Bank Berhad
Malayan Banking Berhad

AUDITORS

Messrs Deloitte
Chartered Accountants
Level 2, Weil Hotel,
292, Jalan Sultan Idris Shah,
30000 Ipoh, Perak Darul Ridzuan.
Tel No. : 05-254 0288
Fax No. : 05-254 7288

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad

STOCK CODE: 7239

DIRECTORS' PROFILE

DATO' OTHMAN BIN TALIB
Independent Non-Executive Director/Chairman

Dato' Othman Bin Talib, Malaysian, age 65, graduated with Master of Science (Emergency Response & Planning), Universiti Putra Malaysia and Bachelor of Law, UiTM.

He has more than 40 years of experience in the Police Enforcement and Criminal Investigation sector and has held various positions amongst others as the Member of the Police Force Commission, Director in Internal Security & Public Order Department, Chief Police Officer of Terengganu and Penang respectively.

He was appointed as Independent Non-Executive Director/ Chairman of the Company on 13 July 2015.

He is a member of the Investigative Committee.

He does not hold any directorships in any other public companies.

ENCIK MUA'AMAR GHADAFI JAMAL BIN JAMALUDIN
Independent Non-Executive Director/Vice Chairman

Encik Mua'amar Ghadafi Jamal Bin Jamaludin, Malaysian, age 36, graduated with Bachelor of Civil Engineering, Universiti Putra Malaysia.

He started his career as Site Engineer in 2003 and subsequently since 2005 he was appointed as Executive Director of Syarikat Pembinaan Caj Maju Sdn. Bhd. until todate. He was appointed as Independent Non-Executive Director of the Company on 17 June 2015 and was re-designated to Vice Chairman on 13 July 2015.

He is the Chairman of the Nomination Committee and member of the Remuneration Committee.

He does not hold any directorships in any other public companies.

DATO' TAN SIN KEAT
Executive Director

Dato' Tan Sin Keat, Malaysian, age 51, was appointed as Executive Director on 2 April 2007.

He is one of the founders of Scanwolf Plastic Industries Sdn. Bhd. and still served as the Executive Director. He also sits on the Board of Scanwolf Properties Sdn. Bhd., Scanwolf Development Sdn. Bhd. and Scanwolf Building Materials Sdn. Bhd..

Dato' Tan Sin Keat has more than 20 years experience in the extrusion industry and is currently responsible for the products and business development aspect of the Group. His skill, knowledge and experience in various areas of PVC extrusion business, including machinery fabrication and colour matching, contributed immensely to the growth of the Group.

Dato' Tan Sin Keat was conferred Darjah Indera Mahkota Pahang (D.I.M.P.) by Kebawah Duli Yang Maha Mulia Sultan Pahang Darul Makmur Sultan Haji Ahmad Shah on 20 May 2014.

He is the member in the Remuneration Committee and Policy Review Committee.

He does not hold any directorships in any other public companies.

MR. TEOH TEIK KEAN
Executive Director

Mr. Teoh Teik Kean, Malaysian, age 58, re-joined the Company as Executive Director on 13 July 2015. He graduated from Ungku Omar Polytechnic, Ipoh, Perak with a Diploma in Accountancy in 1977.

Mr. Teoh Teik Kean started his working career as an internal auditor in Ban Hin Lee Bank Bhd ("BHL Bank") in March 1978 and was given the opportunity to gain experience in various departments and branches of BHL Bank over a period of 22 years. His last position in BHL Bank was as the branch manager of Ipoh branch. Upon the merger of BHL Bank and Southern Bank in July 2000, he was appointed as manager in the sales & marketing of financial services department of the newly merged bank. In June 2002, he was promoted to Vice President in charge of business development for commercial and corporate loan in the state of Perak. He left the banking industry in January 2004 and joined Scanwolf Plastic Industries Sdn. Bhd. on 1 March 2004 as a corporate planner. As a corporate planner, he was involved in the formulation and implementation of strategic plans for the Company as well as providing advisory service on financial matters to the board of directors. His contributions in SCB include ensuring the smooth and successful listing of the group on the Second Board of Bursa Malaysia Securities Berhad in 2007. He remained in the board of SCB until August 2014 and during his tenor as Executive Director of the Company he was also a member of Nomination and Remuneration Committee.

He is a member in the Investigative Committee.

He does not hold any directorships in any other public companies.

ENCIK MOHD AZIZAL BIN SHUBALI
Independent Non-Executive Director

Encik Mohd Azizal Bin Shubali, Malaysian, age 41, graduated with Bachelor of Business Administration (Hons), Universiti Utara Malaysia.

He has served Premium Meridian Sdn. Bhd. as General Manager from 2007 to 2013. From 1998 to 2013, he served Perbadanan Kemajuan Negeri Perak as Manager in charge of Land and Property affairs.

He was appointed the Independent Non-Executive Director of the Company on 17 June 2015.

He is the Chairman of the Remuneration Committee and member of the Nomination Committee.

He does not hold any directorships in any other public companies.

ENCIK ABDUL HAMID BIN ABDUL SHUKOR
Independent Non-Executive Director

Encik Abdul Hamid Bin Abdul Shukor, Malaysian, age 65, graduated with Bachelor of Arts (Sociology And Anthropology), University of Malaya.

Encik Abdul Hamid Bin Abdul Shukor had served 33 years with the Government and held various positions nationwide, amongst others as the Fisheries State Director for Pahang and Sarawak, including at the National Security Council, Prime Minister Department. He was appointed as Independent Non-Executive Director of the Company on 17 June 2015.

He is the Chairman of the Policy Review Committee and member of the Investigative Committee.

He does not hold any directorships in any other public companies.

DATO' IBRAHIM BIN SALEH
Independent Non-Executive Director

Dato' Ibrahim Bin Saleh, Malaysian, age 64, graduated with Master of Science (Marine Policy), London School of Economics and Bachelor of Science, Universiti Sains Malaysia.

Dato' Ibrahim Bin Saleh had worked in the Department of Fisheries for more than 30 years and has held various positions amongst others as the State Director of Terengganu, the Director of Fisheries Research Institute and the Deputy Director General of Fisheries. He was appointed as Independent Non-Executive Director of the Company on 17 June 2015.

He is a member of the Audit Committee.

He does not hold any directorships in any other public companies.

MR. ONG SING GUAN
Independent Non-Executive Director

Mr. Ong Sing Guan, Malaysian, age 49, was appointed as an Independent Non-Executive Director of the Company. He resigned on 3 June 2015 and was appointed to the Board again on 13 July 2015. He is a member of Malaysia Institute of Accountants and Chartered Tax Institute of Malaysia. Mr. Ong Sing Guan graduated with Chartered Accountant of Malaysia Institute of Accountants and Diploma In Financial Accounting from Tunku Abdul Rahman College.

Mr. Ong Sing Guan was a Senior Tax Consultant (Tax Manager) in PricewaterhouseCoopers from 1992 to 2005. He joined Best Store Corporation Sdn. Bhd. as Financial Controller/General Manager from 2005 to 2011. He moved to Konsortium Bas Ekpress Semenanjung (M) Sdn. Bhd. as Financial Controller from 2011 to 2012. Presently, he is a Director of T.H. Yew & Co.

He is the Chairman of the Audit Committee and Investigative Committee and member of the Policy Review Committee.

He does not hold any directorships in any other public companies.

MR. WILLIAM WONG KING NGUONG
Non-Independent Non-Executive Director

Mr. William Wong King Nguong, Malaysian, age 37, graduated with Bachelor of Architecture and Bachelor of Engineering (Civil).

Mr. William Wong King Nguong has worked as Project Manager and Project Engineer in various government funded works in Queensland and mining corporations such as BHP and Rio Tinto from 2011 until 2014. From 1998 till 2011, he has held various professional positions in architecture projects in Australia, including Queensland Government funded building projects and major commercial clients. He was appointed as Independent Non-Executive Director of the Company on 17 June 2015.

He is the member of the Audit Committee, Remuneration Committee and Nomination Committee respectively.

He does not hold any directorships in any other public companies.

OTHER INFORMATION:-

Directors'Shareholdings

Details of Directors' Shareholdings in the Company are as disclosed on page 115 of the Annual Report 2015.

Family relationship with Directors and or Major Shareholders

Mr William Wong King Nguong is the son of Madam Yii Long Ging and sibling of Mr Cedric Wong King Ti who are the major shareholders of SCB.

Conflict of Interest

Save for Mr. William Wong, all other Directors have no family relationship with each other or major shareholders of SCB. They have no conflict of interest in SCB.

Conviction of Offences

All Directors have no convictions of offences within the past 10 years.

Attendance at Board Meetings

The attendance of the Directors is disclosed in the Corporate Governance Statement on pages 19 and 20 of the Annual Report 2015.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you the Annual Report and Audited Financial Statements of Scanwolf Corporation Berhad and its Group of Companies for the financial year ended 30 June 2015.

THE YEAR IN REVIEW

This financial year has been a turbulent one for the Scanwolf Corporation Berhad ("SCB"). The upheaval caused by some major shareholders of the SCB over the control of the company has created a sense of uncertainty on the future direction of SCB. During this period, the financial year end had to be changed from 31 March to 30 June. In addition, some management policies were changed with the objective of streamlining the expenses of the company. The results of such changes can only be reflected in the next financial year end.

The year 2015 was indeed a challenging year for SCB. Its subsidiaries, both Scanwolf Plastic Industries Sdn Bhd ("SPI") and Scanwolf Development Sdn Bhd ("SDSB"), were facing stiff competition and challenges in their own area of business. In the property sector, signs of slowdown in this sector emerges when the financial institutions imposes more stringent requirements for loan applications for both buyers and developers. As for SPI, its products continue to face competition from manufacturers from China in term of pricing, new product range and product quality. All these factors have a severe impact on the financial performance of SCB.

In view of the challenging market environment in 2015, the management has taken various pro-active initiatives to manage our resources more efficiently during the year. Some of these initiatives include refining the production process for quality improvements and tightening controls in all areas of production and administration to minimize leakages of financial resources. As for SDSB, the management will continue to seek out new marketing strategies to improve its sales.

For SPI, your management has continued its initiative to expand its customer base particularly in the international marketing space. During the year, we continue to participate in international and local exhibitions. Our Group markets our products locally and currently, also exports to over 20 countries worldwide. The Group's wide geographical coverage has made our products to reach the global market far and wide.

The management will continue to be progressive and pro-active in managing the Group and despite expected weak market and a lethargic economic environment, we are confident that the Group will remain well-positioned for sustainable profitable growth in the near future.

FINANCIAL PERFORMANCE

The Group's businesses are in the manufacturing and property sector. The Group had changed its financial year end from 31 March to 30 June and therefore this financial period is for a 15 months period.

For the financial period ended 30 June 2015, the Group recorded a total revenue of RM64 million. The current period loss after taxation is RM4.1 million as compared to RM1.0 million in the previous financial year. The Group wishes to take this opportunity to highlight to the stakeholders that the higher loss for the financial period is principally due to the impairment of receivables. The impairment was done on the grounds of a more stringent credit control policy.

MARKET PROPECTS AND OUTLOOK

The financial year ahead is expected to be even more challenging than the last financial year. While the weakening of the ringgit may be a blessing in disguise for exporters, the implementation of GST and the weak ringgit has attributed to the dilution of purchasing powers of the Malaysian consumers. The tightening of loans for the property sector by the financial institutions has further depressed the already frail property market. The economic problems faced by some European Union Countries such as Greece and Spain will further dampen the already depressed market environment. Amidst the uncertain financial and economic crisis, furniture manufacturing and property development activities in Malaysia and countries that we export to are expected to slow down further in 2016.

Despite the challenging business environment, the Group continues to be fundamentally strong with healthy financials and we will endure to remain competitive and optimistic in the years ahead. Our Group will expand its strategies of further entrenching our products across all furniture and building material market segments, to further extend our geographical reach both in the domestic and international markets, as well as to introduce more new products to serve our existing loyal customers and future clients.

The Group's main strategy for 2016 is to build on our existing markets in Asean, Middle East and the Indian Continent and at the same time to explore opportunities in new potential foreign markets such as the African Continent and South America. Our key emphasis for the year will be on strengthening our market position in these regions and also locally with the main focus on improving product quality and efficient service. In addition, our Group will continue to explore new potential foreign markets by introducing our products in international trade fairs.

The Group will continue to manage the company with prudence and frugality, ensure cost effectiveness and implement good business practices and strategies to meet the challenges ahead.

The Board of Directors and the Management are confident that after the storm within the company in the last financial year, the company will be able to look forward to a period of relative calmness and continued growth in the years ahead.

ACKNOWLEGEMENT

The Board of Directors would like to express our sincere appreciation to the management and staff for their continued dedication, commitment and loyalty to the Group.

The commitment of the management, staff and Board of Directors as well as the co-operation and support of customers and shareholders will be the endowment for the Group to meet new challenges in the years ahead.

The Board of Directors would also like to express our sincere appreciation to our customers, shareholders, business associates, government authorities and bankers for their continued confidence and support in SCB.

Dato' Othman Bin Talib
DSPN, PGPP, PSPP, KMN, AMN
MSc. (ERP), LLB
Independent Non-Executive Chairman

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("the Board") of Scanwolf Corporation Berhad ("Scanwolf" or "the Company") recognises and subscribes to the importance of the principles and recommendations set out in the Malaysian Code on Corporate Governance 2012 ("the Code") as a key factor towards achieving an optimal governance framework and process in managing the business and operational activities of the Company and its subsidiaries ("the Group").

The Board believes that good corporate governance practices are pivotal towards enhancing business prosperity and corporate accountability with the ultimate objective of realizing long-term shareholders value, whilst taking into account the interests of other stakeholders. Hence, the Board is fully dedicated to continuously appraise the Group's corporate governance practices and procedures to ensure that the principles and recommendations in corporate governance are applied and adhered to in the best interests of stakeholders.

The Statement below sets out the manner in which the Group has applied the principles of the Code and the extent of compliance with recommendations advocated therein.

Principle 1 - Establish clear Roles and Responsibilities of the Board and Management

The Board recognises the key role it plays in charting the strategic direction of the Company and has assumed the following principal responsibilities in discharging its fiduciary and leadership functions:

- Reviewing and guiding the Group's corporate strategy and adopting a strategic plan for the Group through the development of risk policy, annual budgets and long term business plans, reviewing major capital expenditures and acquisitions.

- Monitoring corporate performance and the conduct of the Group's business and ensuring compliance to best practices and principles of corporate governance.

- Identifying and implementing appropriate systems to manage principal risks. The Board undertakes this responsibility through the Audit Committee.

- Ensuring the existence of and reviewing the adequacy and soundness of the Group's financial systems, internal control systems and management systems in compliance with applicable standards and laws and regulations.

- Developing and implementing an investor relation programme as well as a shareholders' communication policy for the Group.

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely the Audit Committee, Nomination Committee, Remuneration Committee, Policy Review Committee and Investigative Committee to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

Board Charter

The Board had formalized and approved the Board Charter. The Board Charter will be reviewed as and when to ensure that it remains consistent with the Board's objectives and best practices. The Board Charter can be accessed at the Company's website at www.scanwolf.com.

Code of Conduct and Whistle-Blower Policy

The Company does not adopt the Code of Conduct and Whistle-Blower policy. The Board has always conducted themselves in an ethical manner while executing their duties and function. The Board believes in open management that any issues of concern can be channeled to Investigative Committee for appropriate action.

Sustainability of Business

The Board is mindful of the importance of business sustainability and, in conducting the Group's business, the impact on the environmental, social, health and safety, staff welfare and governance aspects are taken into consideration. The Board takes heed of go green and energy saving by implementing several measures on sustainability.

Supply of, and Access to, Information

The Board is supplied with relevant information and reports on financial, operational, corporate, regulatory, business development and audit matters, by way of Board reports or upon specific requests, for decisions to be made on an informed basis and effective discharge of Board's responsibilities.

Good practices have been observed for timely dissemination of meeting agenda, including the relevant Board and Board Committee papers to all Directors prior to the Board and Board Committee meetings, to give effect to Board decisions and to deal with matters arising from such meetings. The Executive Directors and/or other relevant Board members furnish comprehensive explanation on pertinent issues and recommendations by Management. The issues are then deliberated and discussed thoroughly by the Board prior to decision making.

In addition, the Board members are updated on the Company's activities and its operations on a regular basis. All Directors have access to all information of the Company on a timely basis in an appropriate manner to enable them to discharge their duties and responsibilities.

Senior Management of the Group and external advisers are invited to attend Board meetings to provide additional insights and professional views, advice and explanations on specific items on the meeting agenda. Besides direct access to Management, Directors may obtain independent professional advice at the Company's expense, if considered necessary, in furtherance of their duties.

Directors have unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duties effectively. The Board is regularly updated and advised by the Company Secretary who is qualified, experienced and competent on statutory and regulatory requirements, and the resultant implications of any changes therein to the Company and Directors in relation to their duties and responsibilities. The Company Secretary, who oversees adherence with board policies and procedures, briefs the Board on the proposed contents and timing of material announcements to be made to regulators. The Company Secretary attends all Board and Board Committees meetings and ensures that meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly.

Principle 2 - Strengthen Composition of the Board

As at the date of this report, the Board consists of nine (9) members, comprising of an Independent Non-Executive Chairman, an Independent Non-Executive Vice Chairman, two (2) Executive Directors, four (4) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. This composition fulfills the requirements as set out under the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa"), which stipulate that at least two (2) Directors or one-third of the Board, whichever is higher, must be Independent. The profile of each Director is set out in this Annual Report. The Directors, with their differing backgrounds and specializations, collectively bring with them a wide range of experience and expertise in areas such as finance; accounting and audit; taxation; corporate affairs; marketing and operations; civil engineering; architecture; property management; banking.

Nomination Committee

The Nomination Committee is primarily responsible for recommending suitable appointments to the Board, taking into consideration the Board structure, size, composition and the required mix of expertise and experience which the Director should bring to the Board. It assesses the effectiveness of the Board as a whole, the Board Committees and the contribution of each Director, including Non-Executive Directors.

During the financial year, the Nomination Committee met a total of five times, attended by all members, to assess the balance composition of Board members based on merits, Directors' contribution and Board effectiveness. The Company has no policy on gender diversity or target set but believes in merits and commitment of its Board members. The Nomination Committee assesses the Board members on an objective basis for both genders.

Remuneration Committee

The Remuneration Committee has been entrusted by the Board to determine that the levels of remuneration are sufficient to attract and retain Directors of quality required to manage the business of the Group. The Remuneration Committee is entrusted under its terms of reference to assist the Board, amongst others, to recommend to the Board the remuneration of the Executive Directors. In the case of Non-Executive Directors, the level of remuneration shall reflect the experience and level of responsibilities undertaken by the Non-Executive Directors concerned. In all instances, the deliberations are conducted, with the Directors concerned abstaining from discussions on their individual remuneration. During the financial year under review, the Committee met twice attended by all members.

Due to many changes and short duration in Board, the Remuneration Committee does not recommend for Directors' fee but only as a token of appreciation saved for Mr. Ong Sing Guan who has served almost for the entire financial year 2015.

Policy Review Committee

The policy Review Committee was recently established to assist the Board in ensuring that daily operations are conducted effectively and make recommendations to the Board on management's proposals.

Details of Directors' remuneration for the financial period ended 30 June 2015 are as follows:

	Remuneration (RM)
Executive Directors	1,067,558.54
Non-Executive Director	30,000.00
Total	1,097,558.54

The remuneration paid to the Directors, analysed in the following bands, is as below:-

Range of Remuneration (RM)	Executive	Non-Executive
50,000 and below	1	1
100,001 to 150,000	1	-
250,001 to 300,000	2	-
300,001 to 350,000	1	-

There is no service contract made between any Director and the Company or its subsidiary companies.

Principle 3 – Reinforce Independence of the Board

The Independent Non-Executive Directors bring objective and independent views, advice and judgment for the interests of the Group, shareholders and stakeholders. Independent Non-Executive Directors are essential for protecting the interests of shareholders and can make significant contributions to the Company's decision by giving rationale and fair view and to decide impartially.

The Board recognizes the importance of establishing criteria on independence to be used in the annual assessment of its Independent Non-Executive Directors. Although the definition on independence according to the Listing Requirements of Bursa is used, the Board review and assess the independence in substance annually based on their conduct, impartial decision objectively and rationally and other independence criteria.

Principle 4 – Foster commitment of Directors

The Board meets at least four (4) times a year, scheduled well in advance before the end of the preceding financial year to facilitate the Directors in planning their meeting schedule for the year. Additional meetings are convened when urgent and important decisions need to be made between scheduled meetings. Board and Board Committee papers which are prepared by the Management, provide the relevant facts and analysis to all Directors. The meeting agenda, the relevant reports and Board papers are furnished to Directors and Board Committee members well before the meeting to allow the Directors sufficient time to peruse for effective discussion and decision making during meetings. At the quarterly Board meetings, the Board reviews the business performance of the Group and discuss major operational and financial issues. The Chairman of the Audit Committee informs the Directors at each Board meetings of any salient matters noted by the Audit Committee and which require the Board's attention or direction. All pertinent issues discussed at Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretary by way of minutes of meetings.

The Company has convened 12 Board meetings for the financial period ended 30 June 2015.

Board Meetings

There were twelve (12) Board meetings held during the financial period ended 30 June 2015, with details of Directors' attendance set out below:

Directors	Designation	No. of meetings attended	% of meetings attended
Lim Beng Huat (Resigned on 29/08/14)	Chairman/ Independent Non-Executive Director	2/2	100
Dato' Loo Bin Keong (Resigned on 05/02/15)	Non- Independent Non-Executive Director	5/5	100
Dato' Tan Sin Keat	Executive Director	12/12	100
Teoh Teik Kean (Resigned on 29/08/14) (Appointed on 13/07/15)	Executive Director	2/2	100
Lau Tiang Hua (Resigned on 29/08/14)	Independent Non-Executive Director	2/2	100
Ong Sing Guan (Resigned on 03/06/15) (Reappointed on 13/07/15)	Independent Non-Executive Director	12/12	100
Dato' Lai Kok Heng (Resigned on 30/09/14)	Executive Director	3/3	100
Chua Kiat Eng (Resigned on 29/04/15)	Independent Non-Executive Director	6/6	100
Soon Eng Kooi (Removed on 17/06/15)	Executive Director	10/10	100
Chang Nyen Wee (Resigned on 29/04/15)	Non-Independent Non-Executive Director	6/6	100
Dato' Ch'ng Kong San (Removed on 17/06/15)	Group Managing Director	8/8	100
Mak Hon Weng (Removed on 17/06/15)	Chairman/ Independent Non-Executive Director	6/6	100
Loh Kai Kwong (Removed on 17/06/15)	Independent Non-Executive Director	4/4	100
Umair @ Azura Bin Zakaria (Removed on 17/06/15)	Independent Non-Executive Director	3/4	75

Directors	Designation	No. of meetings attended	% of meetings attended
Tan Weng Chuan (Removed on 17/06/15)	Independent Non-Executive Director	3/4	75
Teh Hock Leng (Removed on 17/06/15)	Independent Non-Executive Director	4/4	100
Mua'amar Ghadafi Jamal Bin Jamaludin (Appointed on 17/06/15)	Independent Non-Executive Director	-	-
William Wong King Nguong (Appointed on 17/06/15)	Non-Independent Non-Executive Director	-	-
Abdul Hamid Bin Abdul Shukor (Appointed on 17/06/15)	Independent Non-Executive Director	-	-
Dato' Ibrahim Bin Saleh (Appointed on 17/06/15)	Independent Non-Executive Director	-	-
Mohd Azizal Bin Shubali (Appointed on 17/06/15)	Independent Non-Executive Director	-	-

It is the practice of the Company for Directors to devote sufficient time and efforts to carry out their responsibilities. All Board members are required to notify the Chairman before accepting any new directorships notwithstanding that the Listing Requirements of Bursa allow a Director to sit on the boards of 5 listed issuers. Such notification is expected to include an indication of time that will be spent on the new appointment.

Directors' Training – Continuing Education Programmes

The Company recognizes the importance of continuous professional development and training for its Directors. All the previous Board members have attended and successfully completed the Mandatory Accreditation Programme ("MAP") prescribed under the Main Market Listing Requirements. In addition, Directors continuously receive briefings and updates on the Group's businesses and operations, finance, corporate governance, new regulations and statutory requirements. The Board will continue to evaluate and determine the training needs of its Directors to enhance their skill and knowledge.

There is an almost entire changed in the Board members effective 17 June 2015. The newly appointed Board members will make arrangement to complete MAP within the stipulated time frame.

The External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standards that would affect the Group's financial statements during the financial year under review. The Directors continue to undergo relevant training programmes to further enhance their skills and knowledge in the discharge of their stewardship role.

The Company Secretaries also continuously update the Board Members on the relevant guidelines on statutory and regulatory compliance from time to time.

Principle 5 – Uphold integrity in financial reporting by Company

It is the Board's commitment to present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of each reporting period and financial year, primarily through the quarterly announcement of Group's results to Bursa, the annual financial statements of the Group and Company as well as the Chairman's statement and review of the Group's operations in the Annual Report, where relevant. A statement by the Directors of their responsibilities in the preparation of financial statements is set out in the ensuing paragraph.

Statement of Directors' Responsibility for Preparing Financial Statements

The Board is responsible to ensure that the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965, Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group as at the end of the financial year and of the financial performance and cash flows of the Group for the financial year then ended.

The Company changed the financial year end from 30 March 2015 to 30 June 2015. The Directors are satisfied that in preparing the financial statements of the Group for the period ended 30 June 2015, the Group has adopted suitable accounting policies and applied them consistently, prudently and reasonably. The Directors also consider that all applicable approved accounting standards have been followed in the preparation of the financial statements, subject to any material departures being disclosed and explained in the notes to the financial statements. The financial statements have been prepared on the going concern basis.

The Directors are responsible for ensuring that the Group keeps sufficient accounting records to disclose with reasonable accuracy, the financial position of the Group and which enable them to ensure that the financial statements comply with the Companies Act, 1965.

Audit Committee

In assisting the Board to discharge its duties on financial reporting, the Board has established an Audit Committee, comprising wholly Non-Executive Directors, majority being independent. The composition of the Audit Committee, including its roles and responsibilities, are set out in the Audit Committee Report of this Annual Report. One of the key responsibilities of the Audit Committee in its specific terms of reference is to ensure that the financial statements of the Group and Company comply with applicable financial reporting standards in Malaysia. Such financial statements comprise the quarterly financial report announced to Bursa and the annual statutory financial statements.

In assessing the independence of external auditors, the Audit Committee will in future require written assurance by the external auditors, confirming that they are, and have been, independent throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants.

Principle 6 – Recognise and manage risks of the Group

The internal audit function of the Group is outsourced to an independent professional firm, whose work is performed with impartiality, proficiency and due professional care, and in accordance with the International Professional Practices Framework of the Institute of Internal Auditors, which sets out professional standards on internal audit. It undertakes regular reviews of the adequacy and effectiveness of the Group's system of internal controls and risk management process, as well as appropriateness and effectiveness of the corporate governance practices. The Internal Audit Function reports directly to the Audit Committee. Further details on the internal audit function can be seen in the Audit Committee Report and the Statement on Risk Management and Internal Control in this Annual Report.

Principle 7 – Ensure timely and high quality disclosure

The Board is aware of the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiaries to be made to the regulators, shareholders and stakeholders. On this basis, the Board has formalized pertinent policies and procedures not only to comply with the disclosure requirements as stipulated in the Listing Requirements of Bursa, but also setting out the persons authorised and responsible to approve and disclose material information to regulators, shareholders and stakeholders.

To augment the process of disclosure, the Board has earmarked a dedicated section for corporate governance on the Company's website where information on the Company's announcements to the regulators, the Board Charter, rights of shareholders and the Company's Annual Report may be accessed.

Principle 8 – Strengthen relationship between the Company and its shareholders

Shareholder participation at general meeting

The Annual General Meeting **("AGM")**, which is the principal forum for shareholder dialogue, allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. At the AGM, shareholders participate in deliberating resolutions being proposed or on the Group's operations in general. At the last AGM, a question & answer session was held where the Chairman invited shareholders to raise questions with responses from the Board.

The Notice of AGM is circulated at least twenty one (21) days before the date of the meeting to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed. Shareholders are invited to ask questions both about the resolutions being proposed before putting a resolution to vote as well as matters relating to the Group's operations in general. All the resolutions set out in the Notice of the last AGM were put to vote by show of hands and duly passed. The outcome of the AGM was announced to Bursa on the same meeting day.

The Company had an EGM convened by shareholders pursuant to S144 of the Companies Act during the financial year on removal and appointment of Directors on 17 June 2015. All resolutions in the EGM were put to vote by way of poll.

Communication and engagement with shareholders

The Board recognises the importance of being transparent and accountable to the Company's investors and, as such, has various channels to maintain communication with them. The various channels of communications are through the quarterly announcements on financial results to Bursa, relevant announcements and circulars, when necessary, the Annual and Extraordinary General Meetings and through the Group's website at where shareholders can access pertinent information concerning the Group.

This Statement is issued in accordance with a resolution of the Board dated 26 August 2015.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

"Corporate Social Responsibility is the continuing commitment by businesses to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large"
(Source: World Business Council for Sustainable Development)

Scanwolf Corporation Berhad ("SCB") recognizes the initiatives taken by the Government and Bursa Malaysia Securities Berhad to increase the awareness of corporate social responsibility ("CSR") among Malaysian companies. The principal approach towards CSR is the integration of business practices with strong ethical value towards achieving the fiscal goals of the Company, while at the same time aligning with the aspirations of society, local community and other stakeholders in general.

At SCB, we are also conscious of the environment we operate in and continuously seek to equip our employees, with the tools and skills they need to effectively support the organization. We are also committed to society at large, contributing in meaningful ways to make difference in their lives.

It is with this underlying appreciation that SCB presents the CSR Statement for the financial period ended June 30, 2015.

Human Resource Development

SCB believes that employees with good knowledge, competent skills and positive attitude are among the cornerstones for its continuous success. Thus we actively create opportunities for our employees to develop and realize their true potential through formal and informal training opportunities, whether on the job or outside the job. This includes participation in external or internally organized trainings in various job related areas.

Employee performance review is conducted for each employee on an annual basis. The objective of the performance review is to provide a systematic and comprehensive approach in evaluation of employee performance in relation to competencies and agreed deliverables. The outcome of the review is used to establish the employees' development plan, training needs, career aspirations and appropriate remuneration package.

To achieve better working relationship among colleagues, annual events such as staff annual dinner and short holiday trip are organized to foster better unity and understanding among the workforce.

Safety and Health

The Occupational Safety and Health policy in SCB is committed to the provision of a safe and healthy working environment for employees in the Group. The Occupational Safety and Health Committee was set up as part of the Group's plan to ensure a healthy and safe working environment for the employees. The Committee is chaired by the Human Resource Manager and its members include employees from various department of the Company. The Committee ensures that all initiatives on safety and health implemented by the Group are appropriately adhered to.

Environmental Management

As part of our CSR agenda, we strive to minimize any adverse impact our operation may have on the environment and to achieve continuous improvement with regards to our factory's environmental performance.

Industrial wastes are properly disposed by a licenced industrial waste collector on a regular and systematic manner. Recycleable items such as carton boxes, plastic containers and wooden pallets are sold off and the proceeds were earmarked for the benefit of the staff.

Community

As a responsible corporate citizen, SCB has from time to time made financial contributions and donations to various organizations and schools. SCB places great importance in educating and providing healthy sporting and social activities for the young in our country and as part of it corporate social responsibility, it has contributed financially to schools, colleges, youth bodies and charitable organisations for them to carry out their various programmes.

Our Commitment

SCB will continue to enhance its commitment towards CSR to benefit all stakeholders.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance stipulates that the Board of Directors of public listed companies should establish a sound risk management framework and internal controls system to safeguard shareholders' investment and Group assets.

Set out below is the Statement on Risk Management and Internal Control prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

THE BOARD'S RESPONSIBILITY

The Board affirms their responsibilities for a sound system of internal control, quality risk management practices and for reviewing the Group's adequacy and integrity in these systems. The principal function of internal control system is intended to identify and to manage significant risks faced by the Group's business operations, which may impede the achievement of the Group's objective. The Board ensures that the effectiveness and integrity of the risk management and internal control system are reviewed on an ongoing basis and is of the view that the system in place is sound and sufficient to safeguard the Group's assets.

The Board also acknowledges that these systems are designed to ensure that risks are identified and managed at acceptable levels rather than to eliminate such risks. Hence, systems can only provide reasonable but not absolute assurance against financial losses or uncertainties.

Risk Management

The Board regards risk management as an integral part of the Group's business operations. These include market price risk, counterparty, credit, legal and interest rate risks.

During the financial period under review, the identified risks were discussed at management committees' meetings and controls were developed to mitigate such risks identified. Further the internal auditors have also identified operational risks and have recommended the remedial controls to counter the risks identified. All these findings were escalated to the Board for further discussion during the board meetings. The directors were also brought up those unidentified risks which they felt were significant for management's consideration and action. The board is of the opinion that the risk management practices during the financial period under review were sufficient to meet the Group's risk objections and risk appeton.

Internal Control

The outsourced internal auditors have assessed the adequacy and effectiveness of the Group's system of internal control and compliance frameworks pursuant to the audit plan as approved by the Audit Committee, and have subsequently reported their findings to the Audit Committee. The Audit Committee reviewed the internal audit reports together with the internal auditors and report to the Board on the adequacy and effectiveness of the Group's system of internal control.

For the financial year under review, the Board is satisfied with the adequacy of the Group's system of risk management and internal control. No major weaknesses or uncertainties, which could result in material losses, were identified.

The key elements of the Group's internal control system are:-

- Organization structure with clearly defined lines of authority and the appropriate levels of delegation.
- Policies and procedures are clearly communicated to all staff members.
- The executive directors and the senior management would discuss the possible risk areas on the Group's operational and management issues as and when necessary.
- The executive directors oversee the Group's operations and internal controls and report to the Board on the key risks.
- The Audit Committee meets on a quarterly basis or as and when required to discuss on matters besides the quarterly announcements which are significant to the Group's operation.
- All major decisions are subject to detailed appraisal and review by the Board.
- The Board receives and reviews quarterly reports from management covering the financial performance and key business indicators of various business operating units.

Adequacy and Effectiveness of the Group's Risk Management and Internal Control System

The Board has received assurance from the executive directors and the financial controller that the Group's risk management and internal control system is operating adequately and effectively in all material aspects. During the financial period under review, weaknesses in internal controls which were identified by the investigative review auditors were addressed. The Board believes that there would be a need to review the effectiveness of the internal audit function to ensure that appropriate action is taken to enhance and strengthen the internal control environment.

Review of the Statement by External Auditors

In accordance with paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement for inclusion in the Annual Report of the Group for the financial period ended 30 June 2015 and reported to the Board that nothing has come to their attention that caused them to believe that the Statement is inconsistent with their understanding of the process the Board adopted in the review of adequacy and integrity of internal controls of the Company.

This Statement on Risk Management and Internal Control was approved by the Board of Directors on 13 October 2015.

AUDIT COMMITTEE REPORT

The primary objective of the Audit Committee is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting process and system of internal control.

The Audit Committee have adopted practices aimed at maintaining appropriate standards of responsibility, integrity and accountability to all the Company's shareholders.

MEMBERSHIP

The Audit Committee is appointed by the Board and comprises majority of Independent Non-Executive Directors:-

Chairman

Ong Sing Guan (Resigned on 03/06/2015) (Appointed on 13/07/2015)	:	Independent Non-Executive Director

Members

Lau Tiang Hua (Resigned on 29/08/2014)	:	Independent Non-Executive Director
Lim Beng Huat (Resigned on 29/08/2014)	:	Independent Non-Executive Director
Chua Kiat Eng (Appointed on 29/08/2014) (Resigned on 29/04/2015)	:	Independent Non-Executive Director
Soon Eng Kooi (Appointed on 29/08/2014) (Resigned on 27/11/2014)	:	Independent Non-Executive Director
Mak Hon Weng (Appointed on 25/02/2015) (Ceased on 17/06/2015)	:	Independent Non-Executive Director
Tan Weng Chuan (Appointed on 29/04/2015) (Ceased on 17/06/2015)	:	Independent Non-Executive Director
Dato' Ibrahim Bin Saleh (Appointed on 13/07/2015)	:	Independent Non-Executive Director
William Wong King Nguong (Appointed on 13/07/2015)	:	Non-Independent Non-Executive Director

AUTHORITY

The Committee shall, in accordance with a procedure to be determined by the Board and at the cost of the Company:-

a) have authority to investigate any matter within its terms of reference;

b) have adequate resources and unrestricted access to any information from both internal and external auditors and all employees of the Group in performing its duties;

c) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;

d) be able to obtain external legal or other independent professional advice and to invite outsiders with relevant experience to attend, if necessary; and

e) be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

MEETINGS

The Chairman shall call a meeting of the Audit Committee if a request is made by any committee member, any Executive Director, or the external auditors.

A minimum of two members present shall form a quorum provided both of whom present are independent directors. The Committee shall meet with the external auditors and/or internal auditors without the presence of the executive board members at least once a year. The Company Secretary shall act as Secretary of the Audit Committee or in her/his absence, another person authorized by the Chairman of the Audit Committee.

There were five (5) Audit Committee meetings held during the financial year 2015. The details of attendance of Committee members are as follows:-

Name of Committee Members	Designation	Attendance
Ong Sing Guan	Chairman	5/5
Lau Tiang Hua	Member	2/2
Lim Beng Huat	Member	2/2
Chua Kiat Eng	Member	2/2
Soon Eng Kooi	Member	1/1
Mak Hon Weng	Member	1/1
Tan Weng Chuan	Member	1/1

RESPONSIBILITIES AND DUTIES OF THE AUDIT COMMITTEE

The duties and responsibilities of the Committee shall include:-

a) To review and recommend the appointment of external auditors, the audit fee and any questions of resignation or dismissal including the nomination of person or persons as external auditors;

b) To review with the external auditors, the audit plan and audit report;

c) To review with the external auditors, their evaluation on the effectiveness of the system of internal controls;

d) To review the assistance and cooperation given by the employees of the Company to the external auditors;

e) To review the adequacy of the scope, functions, competency and adequacy of resources of the internal audit functions and authority to carry out its work;

f) To review the internal audit programme, processes and findings of the internal audit processes or investigation undertaken and whether or not appropriate corrective actions are taken on the recommendations of the internal audit function;

g) To review the quarterly results and annual financial statements, prior to their submission for consideration and approval by the Board of Directors, focusing particularly on:-

   (i) changes in or implementation of major new or revised accounting policies;

   (ii) significant and unusual events; and

   (iii) compliance with accounting standards and other legal and regulatory requirements;

h) To review any related party transaction and conflict of interests situation that may arise within the company or group including any transaction, procedure or course of conduct that raises questions of management integrity; and

i) To review the competency, professionalism and independency of the external auditors.

j) Reviewed the investigative review reports and made recommendations to the Board.

SUMMARY OF ACTIVITIES OF THE 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 period ended 30 June 2015 in discharging its functions and duties:-

a) Reviewed the External Auditors' scope of work and audit plans for the financial period under review;

b) Reviewed the results of audit and the audit report;

c) Reviewed and approved the Internal Audit Plan and the Internal Audit Report;

d) Reviewed the quarterly and annual financial statements of the Group prior to submission to the Directors for their perusal and approval. This was to ensure compliance of the financial statements with the provisions of the Companies Act, 1965, Malaysian Financial Reporting Standards, International Financial Reporting Standards and applicable Listing Requirements of Bursa Malaysia Securities Berhad;

e) Reviewed the unaudited quarterly financial results announcements and made recommendations to the Board of Directors for approval; and

f) Considered and recommended to the Board the re-appointment of External Auditors and their fees.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to a professional firm specializing in providing internal audit services. The professional fee and other cost incurred in respect of the internal audit function for the financial period ended 30 June 2015 was RM10,000.00

During the financial period ended 30 June 2015 the internal auditors have carried out audits to assess the adequacy of the internal controls of the main operating subsidiaries which include the Group's property division, based on the audit plan approved by the Audit Committee. The internal auditors reported their findings and recommendations to the Audit Committee for deliberations together with the Management. Where areas of improvements were required, it was highlighted to the Management for implementation. The Audit Committee monitored the progress of the implementation.

The detail of internal audit functions during the period under review is stated in the Statement on Risk Management and Internal Control of this Annual Report.

During the period under review, the Internal Auditors carried out the following activities:-

a) Presented and obtained approval from the Audit Committee the annual internal audit plan, its audit strategy and scope of audit work;

b) Performed audits according to the annual internal audit plan, to review the adequacy and effectiveness of the internal control system, compliance with policies and procedures and reported ineffective and inadequate controls and made recommendations to improve their effectiveness; and

c) Performed follow-up reviews in assessing the progress of the agreed management's action plans and report to the management and Audit Committee.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM CORPORATE EXERCISE

On 17 October 2014, the Board of Directors of SCB approved the proposal to undertake a private placement of up to 10% of the issued and paid-up share capital in SCB comprising of 7,534,000 new ordinary shares to investors. The Private Placement of 7,534,000 new ordinary shares was fully subscribed and completed on 14 November 2014.

The status of utilisation of the proceeds from the Private Placement as at 30 June 2015 are as follows:

Purpose	Proceeds Raised (RM'000)	Amount Utilised (RM'000)	Amount Unutilised (RM'000)
Purchase of raw materials	2,000	(2,000)	-
Payment for development expenses	1,677	(1,677)	-
Share issue expenses	90	(67)	# 23
Total	3,767	(3,744)	23

 # The actual share issue expenses are lower than budgeted, the excess was used for working capital purposes.

2. SHARES BUY-BACK

During the financial period, a total of 3,873,200 treasury shares were sold in the open market for a total consideration of RM2.6 million. The gain on these sales have been recorded in the share premium account of the Company.

At the end of the financial period, a total of 780,900 ordinary shares at RM0.50 each remained as treasury shares.

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES ISSUED AND EXERCISED

The Group did not issue options, warrants or convertible securities during the financial period.

4. DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any depository receipt programme during the financial period.

5. IMPOSITION OF SANCTIONS / PENALTIES

There were no public impositions of sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the regulatory bodies during the financial period.

6. NON-AUDIT FEES

The amount of non-audit fees incurred for services rendered to the Company and its subsidiaries during the financial period ended 30 June 2015 by Messrs Deloitte was RM27,400.00.

7. PROFIT ESTIMATE, FORECAST AND PROJECTION

The Company did not release any profit estimate, forecast or projections during the financial period.

8. VARIANCE IN RESULTS

There is no significant variance between the profit after tax for the financial statement ended 30 June 2015 and the unaudited results previously announced.

9. PROFIT GUARANTEE

The Company did not receive any form of profit guarantee from any parties during the financial period under review.

10. MATERIAL CONTRACTS AND CONTRACTS RELATING TO LOANS

There were no contracts relating to loan and material contracts of the Company and its subsidiaries involving the Directors and major shareholders interests during the financial period or since the end of the previous financial year.

11. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE ("RRPT")

There was no RRPT entered during the financial period.

DIRECTORS' REPORT

The Directors of **SCANWOLF CORPORATION BERHAD** hereby submit their report and the audited financial statements of the Group and of the Company for the financial period April 1, 2014 to June 30, 2015.

CHANGE IN FINANCIAL YEAR-END

During the financial period, the Group and the Company changed their financial year-end from March 31 to June 30. Accordingly, the financial statements of the Group and of the Company for the current financial period are drawn up for a period of fifteen months from April 1, 2014 to June 30, 2015.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company.

The principal activities of the subsidiary companies are disclosed in Note 15 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiary companies during the financial period.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial period are as follows:

	The Group RM	The Company RM
Loss for the period	(4,213,655)	(434,935)
Loss attributable to:		
Owners of the Company	(4,596,488)	(434,935)
Non-controlling interests	382,833	-
	(4,213,655)	(434,935)

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors also do not recommend any dividend payment in respect of the current financial period.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

On November 17, 2014, the issued and paid-up ordinary share capital of the Company was increased from RM40,000,000 to RM43,767,000 by way of issuance of 7,534,000 new ordinary shares of RM0.50 each pursuant to a private placement exercise at an issue price of RM0.50 per ordinary share.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The Company has not issued any debentures during the financial period.

TREASURY SHARES

(a) The shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting ("AGM") held on August 29, 2014, granted the approval for the Company to repurchase its own shares. The shares repurchased are being held as Treasury Shares in accordance with the requirements of Section 67A of the Companies Act, 1965. The mandate given by the shareholders will expire at the forthcoming AGM and an ordinary resolution will be tabled at the AGM for shareholders to grant a fresh mandate for another year. There is no share repurchased by the Company during the financial period.

(b) On May 5, 2015, the Company resold a total of 3,873,200 units of treasury shares held to open market with net total consideration of RM2,608,226. The average resold price was RM0.69 per share.

As of June 30, 2015, 780,900 out of the total of 87,534,000 issued and paid-up ordinary shares are held as Treasury Shares by the Company.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial period to take up unissued shares of the Company.

No shares have been issued during the financial period by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial period, there were no unissued shares of the Company under options.

OTHER STATUTORY INFORMATION

Before the statements of profit or loss and other comprehensive income and the statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:

(a) to ascertain that proper action have been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that no known bad debts need to be written off and that adequate allowance had made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values.

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

(a) which would necessitate the writing off of any bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial period and secures the liability of any other person; or

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

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial period 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.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial period in which this report is made.

DIRECTORS

The following Directors served on the Board of the Company since the date of the last report:

Dato' Tan Sin Keat
Encik Mua'amar Ghadafi Jamal bin Jamaludin (appointed on June 17, 2015)
Mr. William Wong King Nguong (appointed on June 17, 2015)
Encik Abdul Hamid bin Abdul Shukor (appointed on June 17, 2015)
Dato' Ibrahim bin Salleh (appointed on June 17, 2015)
Encik Mohd Azizal bin Shubali (appointed on June 17, 2015)
Mr. Teoh Teik Kean (resigned on August 29, 2014; re-appointed on July 13, 2015)
Mr. Ong Sing Guan (resigned on June 3, 2015; re-appointed on July 13, 2015)
Dato' Othman bin Talib (appointed on July 13, 2015)
Mr. Lim Beng Huat (resigned on August 29, 2014)
Mr. Lau Tiang Hua (resigned on August 29, 2014)
Dato' Lai Kok Heng (resigned on September 30, 2014)
Dato' Loo Bin Keong (resigned on February 5, 2015)
Mr. Chang Nyen Wee (appointed on August 29, 2014; resigned on April 29, 2015)
Mr. Chua Kiat Eng (appointed on August 29, 2014; resigned on April 29, 2015)
Mr. Soon Eng Kooi (appointed on August 29, 2014; removed on June 17, 2015)
Dato' Ch'ng Kong San (appointed on November 27, 2014; removed on June 17, 2015)
Mr. Mak Hon Weng (appointed on February 25, 2015; removed on June 17, 2015)
Encik Umair @ Azura bin Zakaria (appointed on April 29, 2015; removed on June 17, 2015)
Mr. Loh Kai Kwong (appointed on April 29, 2015; removed on June 17, 2015)
Mr. Tan Weng Chuan (appointed on April 29, 2015; removed on June 17, 2015)
Mr. Teh Hock Leng (appointed on April 29, 2015; removed on June 17, 2015)

Encik Mua'amar Ghadafi Jamal bin Jamaludin, Mr. William Wong King Nguong, Encik Abdul Hamid bin Abdul Shukor, Dato' Ibrahim bin Salleh, Encik Mohd Azizal bin Shubali, Mr. Ong Sing Guan, Mr. Teoh Teik Kean and Dato' Othman bin Talib who were appointed to the Board since the last Annual General Meeting, retire under Article 110 of the Company's Articles of Association and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

The shareholdings in the Company and its subsidiary companies of those who were Directors at the end of the financial period, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, are as follows:

	Number of ordinary shares of RM0.50 each			
	Balance as of 1.4.2014/ Date of appointment	Bought	Sold	Balance as of 30.6.2015
Shares in the Company				
Registered in the name of Directors				
Dato' Tan Sin Keat	7,073,981	-	(4,700,000)	2,373,981
Encik Abdul Hamid bin Abdul Shukor	2,231,500	-	-	2,231,500
Mr. William Wong King Nguong	-	32,000	-	32,000

DIRECTORS' INTERESTS (contd)

None of the other Directors in office at the end of the financial period held shares or had beneficial interest in the shares of the Company or its subsidiary companies during the financial period. Under the Company's Articles of Association, the directors are not required to hold shares in the Company.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by Directors as disclosed in the financial statements or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions between the Company and its subsidiary companies as disclosed in Note 20 to the financial statements.

During and at the end of the financial period, no arrangement subsisted to which the Company was a party whereby Directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

AUDITORS

The auditors, Messrs. Deloitte, have indicated their willingness to continue in office.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

DATO' TAN SIN KEAT

MR. TEOH TEIK KEAN

Ipoh,
28 October 2015

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF SCANWOLF CORPORATION BERHAD
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Scanwolf Corporation Berhad, which comprise the statements of financial position of the Group and of the Company as of June 30, 2015 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the period April 1, 2014 to June 30, 2015, and a summary of significant accounting policies and other explanatory information, as set out on pages 41 to 111.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of June 30, 2015 and of their financial performance and cash flows for the period April 1, 2014 to June 30, 2015 in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Emphasis of Matters

We draw attention to Note 34 to the financial statements which discloses the investigative review conducted by a professional service firm on the Group for the financial period March 31, 2011 to March 31, 2015.

The investigative review was commissioned to determine whether the suspected financial irregularities existed and to determine the impacts, if any, the financial irregularities, if they existed, might have on the financial position of the Group as of June 30, 2015. The investigative review was commissioned in response to the findings from two reviews of development project management undertaken by Scanwolf Development Sdn. Bhd. in 2014 that gave rise to concerns over possible lapses in corporate governance. The investigative review highlighted potential breaches of certain provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Companies Act, 1965 and the Penal Code (Act 574) as a result of weaknesses in credit control policies, corporate governance and internal policy formulation especially in areas involving transactions with related parties. The Board of Directors has addressed the matters highlighted in the report and resolved that there was no material financial impact arising from the said investigative review to the Group and the Company. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

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

(a) in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and by the subsidiary companies have been properly kept in accordance with the provisions of the Act;

(b) we are satisfied that the accounts of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group, and we have received satisfactory information and explanations as required by us for those purposes; and

(c) our auditors' reports on the accounts of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 35 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

DELOITTE
AF 0080
Chartered Accountants

YEOH SIEW MING
Partner - 2421/05/17(J/PH)
Chartered Accountant

28 October 2015

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD APRIL 1, 2014 TO JUNE 30, 2015

(With Comparative Figures For The Year Ended March 31, 2014)

		The Group		The Company	
	Note	Period Ended 30.6.2015 (15 Months) RM	Year Ended 31.3.2014 (12 Months) RM	Period Ended 30.6.2015 (15 Months) RM	Year Ended 31.3.2014 (12 Months) RM
Revenue	5	64,298,959	43,602,850	360,000	540,000
Investment revenue	7	35,567	22,864	1,093,791	635,377
Other gains and (losses)	8	438,846	302,189	-	-
Other operating income		75,243	30,925	-	-
Changes in inventories of finished goods and work-in-progress		(30,901)	337,287	-	-
Raw materials and consumables used		(23,568,397)	(15,315,158)	-	-
Purchase of trading goods		(2,154,093)	(1,343,079)	-	-
Property development costs recognised	18	(16,732,095)	(10,739,936)	-	-
Directors' remuneration	9	(1,378,033)	(1,458,915)	(1,087,926)	(1,458,915)
Employee benefits expenses	10	(9,306,977)	(6,164,461)	-	-
Depreciation of property, plant and equipment	14	(4,086,086)	(3,465,117)	-	-
Finance costs	11	(1,690,218)	(1,158,378)	-	-
Other operating expenses		(11,766,240)	(5,572,531)	(728,800)	(329,648)
Loss before tax	10	(5,864,425)	(921,460)	(362,935)	(613,186)
Income tax credit/ (expense)	12	1,650,770	(123,235)	(72,000)	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD/YEAR		(4,213,655)	(1,044,695)	(434,935)	(613,186)
Loss and total comprehensive loss for the period/year attributable to:					
Owners of the Company		(4,596,488)	(1,500,214)	(434,935)	(613,186)
Non-controlling interests		382,833	455,519	-	-
		(4,213,655)	(1,044,695)	(434,935)	(613,186)
Loss per share:					
Basic	13	(6.49 sen)	(1.99 sen)		
Diluted	13	(6.49 sen)	(1.99 sen)		

The accompanying Notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS OF JUNE 30, 2015

(With Comparative Figures As Of March 31, 2014)

		The Group		The Company	
	Note	30.6.2015 RM	31.3.2014 RM	30.6.2015 RM	31.3.2014 RM
ASSETS					
Non-current assets					
Property, plant and equipment	14	20,348,013	24,116,438	-	-
Investment in subsidiary companies	15	-	-	21,924,076	21,924,076
Land held for property development	17	11,945,739	15,178,806	-	-
Trade receivables	19	-	2,086,884	-	-
Total non-current assets		32,293,752	41,382,128	21,924,076	21,924,076
Current assets					
Inventories	16	13,921,935	8,349,910	-	-
Property development projects	18	12,965,647	16,754,030	-	-
Trade and other receivables	19	14,470,511	16,938,658	20,903	231,576
Amount owing by subsidiary companies	20	-	-	23,261,419	17,250,146
Other financial asset	21	-	53,060	-	-
Current tax assets	12	155,465	41,435	-	39,840
Fixed deposit, cash and bank balances	22	4,226,898	3,655,478	218,085	70,209
Total current assets		45,740,456	45,792,571	23,500,40	17,591,771
Total assets		78,034,208	87,174,699	45,424,483	39,515,847
EQUITY AND LIABILITIES					
Capital and reserves					
Issued capital	23(a)	43,767,000	40,000,000	43,767,000	40,000,000
Treasury shares	23(b)	(307,138)	(1,830,517)	(307,138)	(1,830,517)
Reserves	24	(418,178)	2,219,878	1,773,865	1,123,953
Equity attributable to owners of the Company		43,041,684	40,389,361	45,233,727	39,293,436
Non-controlling interests	25	-	858,251	-	-
Total equity		43,041,684	41,247,612	45,233,727	39,293,436

(Forward)

		The Group		The Company	
	Note	30.6.2015 RM	31.3.2014 RM	30.6.2015 RM	31.3.2014 RM
Non-current liabilities					
Other payables	28	4,521,233	-	-	-
Hire-purchase payables	26	502,676	1,166,464	-	-
Borrowings	29	5,049,951	7,821,484	-	-
Deferred tax liabilities	27	1,504,053	3,372,026	-	-
Total non-current liabilities		11,577,913	12,359,974	-	-
Current liabilities					
Trade and other payables	28	12,149,552	18,036,988	144,530	222,411
Hire-purchase payables	26	255,811	465,228	-	-
Borrowings	29	9,524,648	11,986,663	-	-
Progress billings	30	1,438,374	2,636,849	-	-
Current tax liabilities	12	46,226	441,385	46,226	-
Total current liabilities		23,414,611	33,567,113	190,756	222,411
Total liabilities		34,992,524	45,927,087	190,756	222,411
Total equity and liabilities		78,034,208	87,174,699	45,424,483	39,515,847

The accompanying Notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD APRIL 1, 2014 TO JUNE 30, 2015

(With Comparative Figures For The Year Ended March 31, 2014)

		Attributable to Owners of the Company								
				Non-distributable Reserves			Distributable Reserve			
The Group	**Note**	**Issued Capital RM**	**Treasury Shares RM**	**Reverse Acquisition Reserve RM**	**Share Premium RM**	**Property Revaluation Reserve RM**	**Retained Earnings RM**	**Subtotal RM**	**Non-controlling Interests RM**	**Net Equity RM**
Balance as of April 1, 2013		40,000,000	(1,814,207)	(19,524,076)	2,035,339	3,020,072	18,188,757	41,905,885	157,732	42,063,617
Net loss and total comprehensive loss for the year		-	-	-	-	-	(1,500,214)	(1,500,214)	455,519	(1,044,695)
Issuance of shares to non-controlling interests		-	-	-	-	-	-	-	245,000	245,000
Buy-back of ordinary shares	23(b)(i)	-	(16,310)	-	-	-	-	(16,310)	-	(16,310)
Balance as of March 31, 2014		40,000,000	(1,830,517)	(19,524,076)	2,035,339	3,020,072	16,688,543	40,389,361	858,251	41,247,612
Arising from acquisition of additional shares in a subsidiary company	15	-	-	-	-	-	873,585	873,585	(1,241,084)	(367,499)
Net loss and total comprehensive loss for the period		-	-	-	-	-	(4,596,488)	(4,596,488)	382,833	(4,213,655)
Sale of treasury shares	23(b)(ii)	-	1,523,379	-	1,084,847	-	-	2,608,226	-	2,608,226
Issuance of shares	23(a)	3,767,000	-	-	-	-	-	3,767,000	-	3,767,000
Balance as of June 30, 2015		43,767,000	(307,138)	(19,524,076)	3,120,186	3,020,072	12,965,640	43,041,684	-	43,041,684

The accompanying Notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD APRIL 1, 2014 TO JUNE 30, 2015
(With Comparative Figures For The Year Ended March 31, 2014) (cont'd)

The Company	Note	Issued Capital RM	Treasury Shares RM	Non-distributable Reserve Share Premium RM	Accumulated Loss RM	Net Equity RM
Balance as of April 1, 2013		40,000,000	(1,814,207)	2,035,339	(298,200)	39,922,932
Net loss and total comprehensive loss for the year		-	-	-	(613,186)	(613,186)
Buy-back of ordinary shares	23(b)(i)	-	(16,310)	-	-	(16,310)
Balance as of March 31, 2014		40,000,000	(1,830,517)	2,035,339	(911,386)	39,293,436
Net loss and total comprehensive loss for the period		-	-	-	(434,935)	(434,935)
Sale of treasury shares	23(b)(ii)	-	1,523,379	1,084,847	-	2,608,226
Issuance of shares	23(a)	3,767,000	-	-	-	3,767,000
Balance as of June 30, 2015		43,767,000	(307,138)	3,120,186	(1,346,321)	45,233,727

The accompanying Notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS
FOR THE PERIOD APRIL 1, 2014 TO JUNE 30, 2015
(With Comparative Figures For The Year Ended March 31, 2014)

	Note	The Group Period Ended 30.6.2015 (15 Months) RM	 Year Ended 31.3.2014 (12 Months) RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Loss for the period/year		(4,213,655)	(1,044,695)
Adjustments for:			
Depreciation of property, plant and equipment		4,086,086	3,465,117
Impairment loss recognised on receivables		3,277,335	-
Finance costs		1,690,218	1,158,378
Inventories written down		493,508	422,250
Realised loss on financial derivatives		53,060	-
Income tax (credit)/expense recognised in profit or loss		(1,650,770)	123,235
Unrealised gain on foreign exchange - net		(440,476)	(132,933)
Gain on disposal of property, plant and equipment		(62,551)	(98,509)
Investment revenue		(35,567)	(22,864)
Fair value adjustment on non-current trade receivables		-	(64,774)
Fair value gain on financial derivatives		-	(44,979)
Interest income		-	(1,634)
		3,197,188	3,758,592
Movements in working capital:			
Decrease/(Increase) in:			
Inventories		(6,065,533)	55,540
Property development projects		6,598,793	(3,854,403)
Trade and other receivables		1,407,642	(2,513,525)
(Decrease)/Increase in:			
Trade and other payables		(5,802,792)	7,674,317
Progress billings		(1,198,475)	(2,028,501)
Cash (Used In)/Generated From Operations		(1,863,177)	3,092,020
Income tax refunded		41,580	506,729
Income tax paid		(767,972)	(485,497)
Net Cash (Used In)/ Generated From Operating Activities		(2,589,569)	3,113,252

(Forward)

STATEMENT OF CASH FLOWS

FOR THE PERIOD APRIL 1, 2014 TO JUNE 30, 2015

(With Comparative Figures For The Year Ended March 31, 2014) (cont'd)

	Note	The Group Period Ended 30.6.2015 (15 Months) RM	The Group Year Ended 31.3.2014 (12 Months) RM
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		1,664,737	144,500
Interest received		35,567	24,498
Purchase of property, plant and equipment	32(a)	(559,103)	(302,408)
Purchase of additional interest in subsidiary company		(367,499)	-
Placement of fixed deposits		(16,400)	(662,671)
Refund received for acquisition of land		-	1,272,431
Proceeds from issuance of shares to non-controlling interests		-	245,000
Purchase of land held for property development		-	(1,857,964)
Deposit paid for purchase of property, plant and equipment		-	(463,944)
Net Cash Generated From/(Used In) Investing Activities		757,302	(1,600,558)
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Advances from joint venture partner - net	28	5,253,371	-
Proceeds from issuance of shares		3,767,000	-
Net proceeds from sale of treasury shares		2,608,226	-
Repayment of bankers' acceptances		(4,302,300)	(3,066,700)
Repayment of term loans		(2,434,275)	(338,578)
Repayment of hire-purchase payables		(2,064,374)	(543,758)
Finance costs paid		(1,690,218)	(1,158,378)
Repayment of amount owing to a Director		(405,000)	-
Proceeds from term loans		-	2,114,554
Repurchase of own shares		-	(16,310)
Net Cash Generated From/(Used In) Financing Activities		732,430	(3,009,170)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,099,837)	(1,496,476)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR		2,111,184	3,595,748
Effect of changes in exchange rate on foreign currency translation		151,830	11,912
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	32(b)	1,163,177	2,111,184

The accompanying Notes form an integral part of the financial statements.

	Note	The Group Period Ended 30.6.2015 (15 Months) RM	The Group Year Ended 31.3.2014 (12 Months) RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES			
Loss for the period/year		(434,935)	(613,186)
Adjustments for:			
Income tax expense recognised in profit or loss		72,000	-
Investment revenue		(1,093,791)	(635,377)
		(1,456,726)	(1,248,563)
Movements in working capital:			
Decrease in trade and other receivables		210,673	-
(Decrease)/Increase in trade and other payables		(77,881)	6,970
Cash Used in Operations		(1,323,934)	(1,241,593)
Income tax refunded		39,840	120,448
Income tax paid		(25,774)	(65,699)
Net Cash Used in Operating Activities		(1,309,868)	(1,186,844)
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES			
Interest received from advances granted to subsidiary companies		1,093,791	635,377
Advances granted to subsidiary companies - net		(6,011,273)	(446,743)
Refund received for acquisition of land		-	1,272,431
Deposit paid for purchase of property, plant and equipment		-	(216,577)
Net Cash (Used In)/Generated From Investing Activities		(4,917,482)	1,244,488
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES			
Proceeds from issuance of shares		3,767,000	-
Net proceeds from sale of treasury shares		2,608,226	-
Repurchase of own shares		-	(16,310)
Net Cash From/(Used In) Financing Activities		6,375,226	(16,310)
NET INCREASE IN CASH AND CASH EQUIVALENTS		147,876	41,334
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/YEAR		70,209	28,875
CASH AND CASH EQUIVALENTS AT END OF PERIOD/YEAR	32(b)	218,085	70,209

The accompanying Notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The Company is principally an investment holding company.

The principal activities of the subsidiary companies are disclosed in Note 15.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiary companies during the financial period.

The registered office of the Company is located at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50774 Kuala Lumpur.

The principal place of business of the Company is located at Lot PT 404, Jalan Bota, 31750 Mukim Belanja, Tronoh, Perak Darul Ridzuan.

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 Octobr 2015.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the provisions of the Companies Act, 1965 in Malaysia.

2.1 Adoption of the Malaysian Financial Reporting Standards

On November 19, 2011, the Malaysian Accounting Standards Board ("MASB") has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework"), a fully International Financial Reporting Standards ("IFRS") compliant framework. Entities other than private entities shall apply the MFRS Framework for annual periods beginning on or after January 1, 2012, with the exception of Transitioning Entities ("TEs").

TEs, being entities within the scope of MFRS 141 Agriculture and/or IC Interpretation 15: *Agreements for the Construction of Real Estate*, including its parents, significant investors and venturers were allowed to defer the adoption of the MFRS Framework until such time as mandated by the MASB. On September 2, 2014, with the issuance of MFRS 15 *Revenue from Contracts with Customers* and Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*, the MASB announced that TEs which have chosen to continue with the FRS Framework is now required to adopt the MFRS Framework latest by January 1, 2017.

The Group and the Company being TEs have availed themselves of this transitional arrangement and will continue to apply FRSs in the preparation of its financial statements. Accordingly, the Group and the Company will be required to apply MFRS 1 *First-time adoption of Malaysian Financial Reporting Standards* in the financial statements for the financial year ending June 30, 2018, being the first set of financial statements prepared in accordance with the new MFRS Framework. Further, an explicit and unreserved statement of compliance with IFRSs will be made in these financial statements.

MFRS 15 which becomes effective in the financial statements for the financial year ending June 30, 2019 upon adoption of the MFRS Framework, is discussed below:

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont'd)

2.1 Adoption of the Malaysian Financial Reporting Standards (cont'd)

MFRS 15 *Revenue from Contracts with Customers*

MFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 *Revenue*, FRS 111 *Construction Contracts* and the related Interpretations when they become effective.

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. Far more prescriptive guidance has been added in MFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by MFRS 15.

The Directors of the Group and of the Company anticipate that the application of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in these financial statements. However, it is not practicable to provide a reasonable estimate of the effect of MFRS 15 until the Group and the Company complete a detailed review.

2.2 Adoption of new and revised FRSs

2.2.1 New and revised FRSs and the new Interpretation that are mandatorily effective for the current year

In the current year, the Group and the Company have applied a number of amendments to FRSs and a new Interpretation issued by the MASB that are mandatorily effective for an accounting period that begins on or after January 1, 2014.

2.2.2 Standards in issue but not yet effective

The Directors anticipate that the following Standards will be adopted in the annual financial statements of the Group and of the Company when they become mandatorily effective for adoption. The adoption of these Standards is not expected to have a material impact on the financial statements of the Group and of the Company except as further discussed below:

FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)[1]
Amendments to FRS 101	Disclosure Initiative[2]

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont'd)

2.2 Adoption of new and revised FRSs (cont'd)

2.2.2 Standards in issue but not yet effective (cont'd)

Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
Amendments to FRSs	Annual Improvements to FRSs 2010 - 2012 Cycle[3]
Amendments to FRSs	Annual Improvements to FRSs 2011 - 2013 Cycle[4]
Amendments to FRSs	Annual Improvements to FRSs 2012 - 2014 Cycle[2]

[1] Effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.
[2] Effective for annual periods beginning on or after January 1, 2016, with earlier application permitted.
[3] Effective for annual periods beginning on or after July 1, 2014, with limited exceptions. Earlier application is permitted.
[4] Effective for annual periods beginning on or after July 1, 2014, with earlier application permitted.

FRS 9 *Financial Instruments*

FRS 9 (IFRS 9 issued by IASB in November 2009) introduced new requirements for the classification and measurement of financial assets. FRS 9 (IFRS 9 issued by IASB in October 2010) include requirements for the classification and measurement of financial liabilities and for derecognition, and in February 2014, the new requirements for general hedge accounting was issued by MASB. Another revised version of FRS 9 was issued by MASB - MFRS 9 (IFRS 9 issued by IASB in July 2014) mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of FRS 9:

- all recognised financial assets that are within the scope of FRS 139 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under FRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont'd)

2.2 Adoption of new and revised FRSs (cont'd)

2.2.2 Standards in issue but not yet effective (cont'd)

FRS 9 *Financial Instruments* *(cont'd)*

Key requirements of FRS 9 (cont'd):

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, FRS 9 requires that the amount of change in the fair value of the financial liability's that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under FRS 139, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

- in relation to the impairment of financial assets, FRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 139. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at the end of each reporting period to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in FRS 139. Under FRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The Directors of the Group and of the Company anticipate that the application of FRS 9 in the future may have a material impact on amounts reported in respect of the Group's and of the Company's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of FRS 9 until the Group and the Company complete a detailed review.

Amendments to FRS 101 Disclosure Initiative

The amendments to FRS 101 aim at clarifying FRS 101 to address perceived impediments to preparers exercising their judgment in presenting their financial reports. The amendments make the following changes:

- They clarify that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (cont'd)

2.2 Adoption of new and revised FRSs (cont'd)

2.2.2 Standards in issue but not yet effective (cont'd)

Amendments to FRS 101 Disclosure Initiative (cont'd)

- They introduce a clarification that the list of line items to be presented in the statement of financial position and the statement of profit or loss and other comprehensive income can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarify that an entity's share of other comprehensive income of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.

- They add additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and removed guidance and examples with regard to the identification of significant accounting policies that were perceived as being potentially unhelpful.

The Directors of the Group and of the Company do not anticipate that the application of these amendments to FRS 101 will have a material impact on these financial statements as these amendments deal with the presentation of financial statements.

Amendments to FRS 116 and FRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to FRS 116 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to FRS 138 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

(a) when the intangible asset is expressed as a measure of revenue; or
(b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after January 1, 2016. Currently, the Group and the Company use the straight-line method for depreciation and amortisation for their property, plant and equipment. The Directors of the Group and of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the Directors of the Group and of the Company do not anticipate that the application of these amendments to FRS 116 and FRS 138 will have a material impact on these financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared on the historical cost basis except for the revaluation of certain non-current assets and financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 2, leasing transactions that are within the scope of FRS 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 102 or value in use in FRS 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

Subsidiary and Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and of the subsidiary companies controlled by the Company. Control is achieved where the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Financial statements of Scanwolf Plastic Industries Sdn. Bhd.'s Group ("SPI Group") are consolidated with those of the Company using the reverse acquisition method of accounting. FRS 3 requires that the consolidated financial statements to be issued under the name of the legal parent company, though they are a continuation of the financial statements of the legal subsidiary company. In order to comply with FRS 3, the following have been reflected in the consolidated financial statements:

(i) the assets and liabilities of the Company and SPI Group have been recognised at their book values immediately prior to the reverse acquisition;

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Subsidiary and Basis of Consolidation (cont'd)

(ii) the retained earnings and other equity balances recognised in the consolidated financial statements are those of SPI Group immediately before the business combination;

(iii) the amount recognised as issued equity instruments in the consolidated financial statements is the sum of:

a) the issued and paid-up share capital of SPI immediately before the reverse acquisition; and

b) the cost of achieving the combination;

(iv) the equity structure appearing in these consolidated financial statements after the reverse acquisition reflects the equity structure of the Company.

The acquisitions of other subsidiary companies are accounted for using the purchase method. The cost of the business combination is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 3 Business Combinations are recognised at their fair values at the acquisition date.

The results of subsidiary companies acquired or disposed of during the financial year are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies in line with those used by other members of the Group.

All significant intergroup transactions, balances and income and expenses are eliminated in full on consolidation. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

Changes in the Group's ownership interest in existing subsidiary companies

Changes in the Group's ownership interests in subsidiary companies that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary companies. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable net of sales tax/ goods and service tax ("GST"), trade discounts and customer returns.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue Recognition (cont'd)

Sale of goods

Revenue from sale of goods is recognised when all the following conditions are satisfied:

- the Group has transferred to the customer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Management income

Income from management services rendered is recognised as and when the services are provided.

Property development projects

Revenue and cost of property development projects are recognised in profit or loss using the percentage of completion method in respect of sales where agreement has been finalised by the end of the reporting period. The percentage of completion is determined based on the proportion that property development costs incurred for work performed to-date bear to the estimated total property development costs.

Employee Benefits

Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. 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.

Defined contribution plan

The Group is required by law to make monthly contributions to the Employees' Provident Fund ("EPF"), a statutory defined contribution plan, for all its eligible employees based on certain prescribed rates of the employees' salaries. The Group's contributions to the EPF are recognised as an expense when employees have rendered service entitling them to the contributions and are disclosed separately. The employees' contributions to EPF are included in salaries and wages. Once the contributions have been paid, the Group has no further payment obligations.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foreign Currencies

The financial statements of the Group and of the Company are presented in Ringgit Malaysia, the currency of the primary economic environment in which the Group and the Company operate (their functional currency).

In preparing the financial statements of the Group and of the Company, transactions in currencies other than the Group's and the Company's functional currency are initially recorded in Ringgit Malaysia at the rates of exchange prevailing on the date of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value is determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the year in which they arise except for exchange differences arising on the retranslation of non-monetary items carried at fair value in respect of which gains and losses are recognised in the other comprehensive income. For such non-monetary items, the exchange component of that gain or loss is also recognised in the other comprehensive income.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which require a substantial period of time to get them ready for their intended use, are capitalised and included as part of the cost of the related assets. Capitalisation of borrowing costs will cease when the assets are ready for their intended use.

All other borrowing costs are recognised as an expense in the year in which they are incurred.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance lease

Assets held under finance leases are initially recognised as assets of the Group at their fair values at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group general policy on borrowing costs.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Borrowing Costs (cont'd)

Operating lease

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's and the Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The tax effects of unutilised reinvestment allowance are only recognised upon actual realisation.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Taxation (cont'd)

Deferred tax *(cont'd)*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

Property, Plant and Equipment

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

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statements of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Depreciation on revalued land and buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

Leasehold land is amortised over the remaining lease period ranging from 44 to 86 years.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property, Plant and Equipment (cont'd)

Depreciation is recognised so as to write off the cost of assets or valuation of assets, less their residual values over their estimated useful lives, using the straight-line method on the following bases:

Factory buildings	2%
Office buildings	2%
Plant and machinery	10%
Moulds	20%
Motor vehicles	20%
Office equipment	10%
Computers	20%
Furniture, fixtures and fittings	8%
Tools and equipment	10%
Electrical installation	10%
Air-conditioners	10%
Signboard	10%
Renovation	10%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under hire-purchase arrangements are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Property, Plant and Equipment under Hire-Purchase Arrangements

Assets acquired under hire-purchase arrangements which transfer substantially all of the risks and rewards incident to ownership of the assets are capitalised under property, plant and equipment. The assets and the corresponding hire-purchase obligations are recorded at their fair values or, if lower, at the present value of the minimum hire-purchase payments of the assets at the inception of the respective arrangements.

Finance costs, which represent the difference between the total hire-purchase commitments and the fair values of the assets acquired, are charged to profit or loss over the term of the relevant hire-purchase period so as to give a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Land Held For Property Development

Land held for future development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less impairment losses, if any.

Land held for future development will be reclassified to property development project when significant development work has been undertaken and is expected to be completed within the normal operating cycle of two to three years.

Property Development Projects

Property development costs consist of the cost of land, direct building costs and related development expenditure incurred less cost recognised in profit or loss and allowances for foreseeable loss (if any).

Property development revenue are recognised, using the percentage of completion method, based on the proportion that property development costs incurred bear to the estimated total costs for the property development, in respect of sales where agreements have been finalised by the end of the financial year.

When the outcome of a property development activity cannot be estimated reliably, property development revenue is recognised to the extent of property development costs incurred that is probable of recovery.

Any anticipated loss on a property development project (including costs to be incurred over the defects liability period), is recognised as an expense immediately.

Accrued billings represent the excess of property development revenue recognised in profit or loss over the billings to purchasers while progress billings represent the excess of billings to purchasers over property development revenue recognised in profit or loss.

Allowance for foreseeable loss (if any) is made based on losses estimated to arise upon the completion of the property development project which are already in progress.

Investment in Subsidiary Companies

Investment in subsidiary companies, which is eliminated on consolidation, is stated in the Company's financial statements at cost less accumulated impairment losses, if any.

Goodwill

Goodwill acquired in a business combination is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill arising on consolidation represents the excess of cost of business combination over the Group's interest in the net fair values of the identifiable assets, liabilities and contingent liabilities recognised of the acquiree at the date of the combination.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Goodwill (cont'd)

Goodwill is not amortised. Instead, it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss is recognised immediately in consolidated profit or loss and any impairment loss recognised for goodwill is not subsequently reversed.

On disposal of an entity or operation, the goodwill associated with the entity or operation disposed of is included in the carrying amount of the entity or operation when determining the gain or loss on disposal.

Impairment of Assets Excluding Goodwill

At the end of each reporting period, the Group and the Company review the carrying amounts of their assets (other than inventories, property development projects and financial assets which are dealt with in their respective policies) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case, the impairment loss is treated as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but the increased carrying amount would not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the "First-in, First-out" method. The cost of raw materials, packing materials and spare parts comprise the original purchase price plus cost incurred in bringing the inventories to their present location. The cost of finished goods and work-in-progress comprise the cost of raw materials, direct labour and an appropriate proportion of production overheads. Properties held for resale are stated at the lower of cost and net realisable value. Costs of completed unit is determined on the specific identification method and includes cost of land, construction and appropriate development overheads.

Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of past event and it is probable that the Group and the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Financial Instruments

Financial assets and financial liabilities are recognised in the statements of financial position when, and only when the Group and the Company become a party to the contractual provisions of the financial instruments.

Financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL") are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

Effective interest method *(cont'd)*

Income and expense is recognised on an effective interest basis for debt instruments other than those financial assets or financial liabilities classified as at FVTPL.

(a) Financial assets

Financial assets of the Group and of the Company are classified into 'loans and receivables' and 'financial assets at FVTPL'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

(i) Loans and receivables

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

(ii) Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and FRS 139 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

Effective interest method *(cont'd)*

(a) Financial assets *(cont'd)*

(ii) Financial assets at FVTPL *(cont'd)*

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item in the statements of profit or loss and other comprehensive income.

(iii) Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

Effective interest method *(cont'd)*

(a) Financial assets *(cont'd)*

(iv) Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognise their retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

(b) Financial liabilities and equity instruments

(i) Classification as debt or equity

Financial liabilities and debt, and equity instruments issued by the Group and the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definition of a financial liability and an equity instrument.

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised as treasury shares at the cost of repurchase, including directly attributable costs, and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(iii) Financial liabilities

Financial liabilities of the Group and of the Company, including borrowings, are classified into "other financial liabilities" category, and are initially measured at fair value, net of transaction costs.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Instruments (cont'd)

Effective interest method *(cont'd)*

(b) Financial liabilities and equity instruments *(cont'd)*

(iv) Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs, and subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(v) Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

(c) Derivative financial instruments

The Group enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate risk.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Statements of Cash Flows

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash and cash equivalents comprise cash and bank balances, demand deposits which are not pledged, and highly liquid investments which are short-term, readily convertible to known amount of cash, and are subject to an insignificant risks of changes in value, against which bank overdraft, if any, is deducted.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) *Critical judgement made in applying accounting policies*

In the process of applying the Group's and the Company's accounting policies, the Directors are of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements other than those exercised in the property development projects.

In the application of the Group's and of the Company's accounting policies, which are described in Note 3, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Property development projects

The Group recognises property development revenue and costs in profit or loss by using the stage of percentage-of-completion method, which is the standard for similar industries.

The stage of completion is determined by the proportion that property development costs incurred bear to the estimated total costs for the property development projects. Estimated losses are recognised in full when determined. Property development projects and expenses estimates are reviewed and revised periodically as work progresses and as variation orders are approved.

Significant judgement is required in determining the stage of completion, the estimated total property development revenue and costs as well as the recoverability of the project undertaken. In making the judgement, the Group evaluates by relying on the work of specialists. If the Group is unable to make reasonably dependable estimates, the Group would not recognise any profit before a project is completed, but would recognise a loss as soon as the loss becomes evident.

Adjustments based on the percentage-of-completion method are reflected in property development revenue and costs in the reporting period. To the extent that these adjustments result in a reduction or elimination of previously reported property development revenue and costs, the Group recognises a charge or credit against current earnings and amounts in prior periods, if any, are not restated.

(b) *Key sources of estimation uncertainty*

The following are 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:

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

(b) Key sources of estimation uncertainty (cont'd)

(i) Impairment of Property, Plant and Equipment

The carrying amounts of property, plant and equipment of the Group as of June 30, 2015 was RM20,348,013 (31.3.2014: RM24,116,438).

The Group assesses impairment of assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. Projected future cash flows are based on the Group's estimate, calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information. Management of the Group has carried out an impairment review on its property, plant and equipment and concluded that there is no impairment loss on the Group's property, plant and equipment.

(ii) Estimated Useful Lives of Property, Plant and Equipment

The Group regularly reviews the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment.

(iii) Recoverability of Receivables

The carrying amounts of third-party trade and other receivables of the Group as of June 30, 2015 were RM13,035,778 (31.3.2014: RM14,239,860).

An allowance is established when there is objective evidence that the Group and the Company will not be able to collect all amounts due according to the original terms of transactions. This is determined based on the ageing profile and collection patterns. Where the expectation is different from the original estimate, such difference will impact the carrying values of the trade and other receivables and doubtful receivables expenses in the period in which such estimate has been changed.

(iv) Inventories Valuation

The Group writes down the carrying amounts of inventories based on an assessment of the recoverability of the inventories through sales and recycling for alternatives uses. Net realisable value is applied to inventories where events or changes in circumstances indicate that the costs may not be recoverable.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

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

(iv) Inventories Valuation (cont'd)

The determination of net realisable value requires use of judgement and estimates.

Where the expectation is different from the original estimate, such difference will impact the carrying value of the inventories in the period in which such estimate has been changed.

(v) Property Development Projects

Management is required to estimate the profitability of each property development projects by formulating reasonable assumptions and estimates of each project's budgeted costs and revenue. The assumptions and estimates are reviewed annually or when circumstances on which the original assumptions and estimates were based on have changed.

5. REVENUE

	The Group		The Company	
	Period Ended 30.6.2015 (15 Months) RM	Year Ended 31.3.2014 (12 Months) RM	Period Ended 30.6.2015 (15 Months) RM	Year Ended 31.3.2014 (12 Months) RM
Manufacturing sales	38,511,179	26,381,097	-	-
Property development project	22,635,765	14,885,990	-	-
Trading sales	3,152,015	2,335,763	-	-
Management fees received from subsidiaries (Note 20)	-	-	360,000	540,000
	64,298,959	43,602,850	360,000	540,000

6. SEGMENT REPORTING

Segment information is presented in respect of the Group's business segment. The segment reporting is presented based on the Group's management and internal reporting structure.

Information reported to chief operating decision maker and senior management for the purpose of resource allocation and assessment of performance focused on operations of the Group organised into manufacturing and property development divisions.

6. SEGMENT REPORTING (cont'd)

The Group is organised into the following operating divisions:

- manufacturing (includes design and manufacture of plastic extrusions, PVC compounding, processing of PVC coils and trading of industrial consumables)
- property development
- others (includes investment holding)

Unallocated corporate assets and liabilities include items that cannot be reasonably allocated to individual segment.

The Group 30.6.2015	**Manufacturing RM**	**Development RM**	**Others RM**	**Eliminations RM**	**Consolidated RM**
Revenue					
External sales	41,663,194	22,635,765	-	-	64,298,959
Inter-segment sales	-	2,128,659	360,000	(2,488,659)	-
	41,663,194	24,764,424	360,000	(2,488,659)	64,298,959
Results					
Segment results	(5,645,122)	2,939,534	(1,456,726)	(47,460)	(4,209,774)
Investment revenue					35,567
Finance costs					(1,690,218)
Loss before tax					(5,864,425)
Income tax credit					1,650,770
Loss for the year					(4,213,655)
Other information					
Capital expenditure:					
Property, plant and equipment	1,464,869	454,978	-	-	1,919,847
Land held for property development	-	2,556,315	-	-	2,556,315
Depreciation of property, plant and equipment	3,987,307	186,268	-	(87,489)	4,086,086
Impairment loss recognised on receivables	3,277,335	-	-	-	3,277,335
Inventories written down	493,508	-	-	-	493,508
Consolidated Statement of Financial Position					
Assets					
Segment assets	37,750,399	40,003,264	280,545	-	78,034,208
Consolidated total assets					78,034,208
Liabilities					
Segment liabilities	13,901,596	20,895,083	195,845	-	34,992,524
Consolidated total liabilities					34,992,524

6. SEGMENT REPORTING (cont'd)

The Group 31.3.2014	Manufacturing RM	Development RM	Others RM	Eliminations RM	Consolidated RM
Revenue					
External sales	28,716,860	14,885,990	-	-	43,602,850
Inter-segment sales	603,559	567,056	540,000	(1,710,615)	-
	29,320,419	15,453,046	540,000	(1,710,615)	43,602,850
Results					
Segment results	(78,117)	1,540,734	(1,248,563)	-	214,054
Investment revenue					22,864
Finance costs					(1,158,378)
Loss before tax					(921,460)
Income tax expense					(123,235)
Loss for the year					(1,044,695)
Other information					
Capital expenditure:					
Property, plant and equipment	820,301	545,969	-	-	1,366,270
Land held for property development	-	2,186,404	-	-	2,186,404
Depreciation of property, plant and equipment	3,352,293	80,322	32,502	-	3,465,117
Inventories written down	422,250	-	-	-	422,250
Consolidated Statement of Financial Position					
Assets					
Segment assets	43,913,312	42,739,401	468,926	-	87,121,639
Unallocated corporate assets					53,060
Consolidated total assets					87,174,699
Liabilities					
Segment liabilities	19,143,654	13,199,458	222,411	-	32,565,523
Unallocated corporate liabilities					13,361,564
Consolidated total liabilities					45,927,087

Since 2014, the trading activities of the Group were no longer separately monitored as a reportable segment by senior management. Consequently, the financial performance and position of the trading division were grouped under 'manufacturing' category of the segment reporting.

6. SEGMENT REPORTING (cont'd)

The analysis of the Group's segment revenue from external customers by geographical area based on the region in which the customer is located is as follows:

	The Group	
	Period Ended 30.6.2015 (15 Months) RM	Year Ended 31.3.2014 (12 Months) RM
Asia	12,080,756	10,258,121
Africa	2,640,826	1,223,999
Oceania	1,799,785	1,174,215
Middle East	531,936	400,177
Others	1,520,057	287,987
Total export	18,573,360	13,344,499
Malaysia	45,725,599	30,258,351
Total revenue	64,298,959	43,602,850

Information on the carrying amounts of segment assets by geographical market and cost to acquire property, plant and machinery by location of assets have not been provided as the Group operates principally in Malaysia.

7. INVESTMENT REVENUE

	The Group		The Company	
	Period Ended 30.6.2015 (15 Months) RM	Year Ended 31.3.2014 (12 Months) RM	Period Ended 30.6.2015 (15 Months) RM	Year Ended 31.3.2014 (12 Months) RM
Investment revenue earned on loans and receivables (including cash and cash equivalents)				
Interest income from:				
Fixed and short-term deposits	35,567	22,864	10,716	-
Advances granted to subsidiary companies (Note 20)	-	-	1,083,075	635,377
	35,567	22,864	1,093,791	635,377

8. OTHER GAINS AND (LOSSES)

	The Group	
	Period Ended 30.6.2015 (15 Months) RM	Year Ended 31.3.2014 (12 Months) RM
Unrealised gain on foreign exchange - net	440,476	132,933
Gain on disposal of property, plant and equipment	62,551	98,509
Realised loss on financial derivative	(53,060)	-
Realised (loss)/gain on foreign exchange	(11,121)	25,768
Fair value gain on financial derivatives	-	44,979
	438,846	302,189

9. DIRECTORS' REMUNERATION

	The Group		The Company	
	Period Ended 30.6.2015 (15 Months) RM	Year Ended 31.3.2014 (12 Months) RM	Period Ended 30.6.2015 (15 Months) RM	Year Ended 31.3.2014 (12 Months) RM
Executive Directors:				
Fees	-	60,000	-	60,000
Salaries and allowances	1,016,697	1,134,027	878,466	1,134,027
EPF contributions	155,556	181,888	138,960	181,888
	1,172,253	1,375,915	1,017,426	1,375,915
Non-executive Directors:				
Fees:				
Current period/year	30,000	83,000	30,000	83,000
Prior year	(6,000)	-	(6,000)	-
	24,000	83,000	24,000	83,000
Allowances	46,500	-	46,500	-
Director of subsidiary company:				
Salaries, bonus and allowances	124,000	-	-	-
EPF contributions	11,280	-	-	-
	135,280	-	-	-
	1,378,033	1,458,915	1,087,926	1,458,915

The estimated monetary value of benefits-in-kind received and receivable by the Directors otherwise than in cash from the Group and the Company amounted to RM50,685 (31.3.2014: RM87,350) and RM49,575 (31.3.2014: Nil) respectively.

The remuneration of Executive Directors above also represents remuneration for all key management personnel of the Group and the Company.

10. LOSS BEFORE TAX AND EMPLOYEE BENEFITS EXPENSES

Loss before tax has been arrived at after crediting/(charging):

	The Group		The Company	
	Period Ended 30.6.2015 (15 Months) RM	Year Ended 31.3.2014 (12 Months) RM	Period Ended 30.6.2015 (15 Months) RM	Year Ended 31.3.2014 (12 Months) RM
Impairment loss recognised on receivables (Note 19)	(3,277,335)	-	-	-
Inventories written down (Note 16)	(493,508)	(422,250)	-	-
Rental of:				
Premises	(290,030)	(203,328)	-	-
Office paid to a former Director	(35,000)	(15,000)	-	-
Office paid to companies in which a Director of the Company has substantial financial interest (Note 20)	-	(19,336)	-	-
Auditors remuneration:				
Statutory audit:				
Current period/year	(142,000)	(60,000)	(52,000)	(23,000)
Non-audit services	(6,000)	(6,000)	(3,000)	(3,000)
Fair value adjustment on non-current trade receivables	-	64,774	-	-
Interest income	-	1,634	-	-

Included in employee benefits expenses of the Group are contributions made to EPF of RM631,048 (31.3.2014: RM407,545).

11. FINANCE COSTS

	The Group	
	Period Ended 30.6.2015 (15 Months) RM	Year Ended 31.3.2014 (12 Months) RM
Interest on:		
Term loans	887,268	502,692
Bankers' acceptances	475,551	468,406
Hire-purchase	116,279	64,100
Bank overdrafts	94,903	35,256
Fixed loan	84,761	33,596
Bank charges and commission	132,112	115,684
	1,790,874	1,219,734
Less: Interest on term loans capitalised under property development projects (Note 18)	(100,656)	(61,356)
	1,690,218	1,158,378

12. INCOME TAX CREDIT/(EXPENSE)

Income tax recognised in profit or loss

	The Group		The Company	
	Period Ended 30.6.2015 (15 Months) RM	Year Ended 31.3.2014 (12 Months) RM	Period Ended 30.6.2015 (15 Months) RM	Year Ended 31.3.2014 (12 Months) RM
Income tax comprises:				
Current tax expense in respect of the current period/year	(324,000)	(637,000)	(72,000)	-
Adjustments recognised in the current period/year in relation to the income tax of prior years	106,797	88,386	-	-
	(217,203)	(548,614)	(72,000)	-
Deferred tax:				
Relating to origination and reversal of temporary differences:				
Current period/year	1,595,000	387,000	-	-
Adjustments recognised in the current period/year to the deferred tax of prior years	245,000	(2,000)	-	-
	1,840,000	385,000	-	-
Relating to crystallisation of deferred tax liability on revaluation surplus of property, plant and equipment	27,973	40,379	-	-
(Note 27)	1,867,973	425,379	-	-
	1,650,770	(123,235)	(72,000)	-

The Group's and the Company's income tax rate remained at 25% for the years of assessment 2015 and 2014.

The Real Property Gains Tax ("RPGT") has been revised to 30% for disposal within the first three years, 20% in the fourth year, 15% in the fifth year and 5% from sixth year onwards, on gains from the disposal of real property effective January 1, 2014. The Finance (No. 2) Act, 2014 which was gazetted on December 30, 2014, enacts the reduction of the corporate income tax rate from 25% to 24% with effect from year of assessment 2016. Following these, the applicable tax rates to be used for the measurement of any applicable deferred tax will be the abovementioned expected rates.

12. INCOME TAX CREDIT/(EXPENSE) (cont'd)

The income tax credit/(expense) for the period/year can be reconciled to loss before tax as follows:

	The Group		The Company	
	Period Ended 30.6.2015 (15 Months) RM	**Year Ended 31.3.2014 (12 Months) RM**	**Period Ended 30.6.2015 (15 Months) RM**	**Year Ended 31.3.2014 (12 Months) RM**
Loss before tax	(5,864,425)	(921,460)	(362,935)	(613,186)
Tax credit/(expense) calculated using the Malaysian statutory income tax rate of 25% (31.3.2014: 25%)	1,466,000	230,000	91,000	153,000
Tax effects of:				
Utilisation of unutilised tax losses previously not recognised as deferred tax assets	153,000	-	-	-
Effect of changes in tax rate	99,000	-	-	-
Expenses available for double deduction	32,000	-	-	-
Assets under controlled transfer	31,000	-	-	-
Expenses that are not deductible in determining taxable profit	(482,027)	(420,621)	(163,000)	(153,000)
Reinvestment allowances utilised	-	145,000	-	-
Income that is not taxable in determining taxable profit	-	11,000	-	-
Unutilised tax losses and unabsorbed tax capital allowances carried forward	-	(175,000)	-	-
Adjustments recognised in the current period/year in relation to the taxes of prior years:				
Income tax	106,797	88,386	-	-
Deferred tax	245,000	(2,000)	-	-
Income tax credit/(expense) recognised in profit or loss	1,650,770	(123,235)	(72,000)	-

12. INCOME TAX CREDIT/(EXPENSE) (cont'd)

	The Group		The Company	
	30.6.2015 RM	31.3.2014 RM	30.6.2015 RM	31.3.2014 RM
Current tax assets				
Tax refund receivables	155,465	41,435	-	39,840
Current tax liabilities				
Income tax payables	46,226	441,385	46,226	-

As of June 30, 2015, the Company has tax-exempt account balance of approximately RM713,000 (31.3.2014: RM713,000). The tax-exempt account arose from tax-exempt dividend received and is available for distribution as tax-exempt dividends to the shareholders of the Company.

As of June 30, 2015, the subsidiary companies have tax-exempt accounts balances of approximately RM4,553,000 (31.3.2014: RM4,535,000). The tax-exempt accounts arose from reinvestment allowances claimed and utilised under Schedule 7A of the Income Tax Act, 1967, chargeable income waived in 1999 in accordance with the Income Tax (Amendment) Act, 1999 and profits derived from the pioneer products during the pioneer period under Section 23 of the Promotion of Investment Act, 1986. The tax-exempt accounts are available for distribution as tax-exempt dividends to the shareholder of the subsidiary companies.

As of June 30, 2015, certain subsidiary companies have unutilised reinvestment allowances claimed and unutilised tax losses amounting to approximately RM3,025,000 and RM3,157,000 (31.3.2014: RM3,043,000 and RM785,000) which are available for set-off against future taxable income.

13. LOSS PER SHARE

The basic and diluted loss per share are calculated as follows:

	The Group	
	30.6.2015 RM	31.3.2014 RM
Basic and diluted		
Loss for the period/year attributable to owners of the Company	(4,596,488)	(1,500,214)
Number of ordinary shares in issue as of April 1	80,000,000	80,000,000
Share repurchased and held as treasury shares as of April 1	(4,654,100)	(4,603,000)
	75,345,900	75,397,000
Effect of:		
Shares issued pursuant to a private placement	(4,018,133)	-
Treasury shares disposed	(516,427)	-
Shares repurchased	-	(20,567)
Weighted average number of ordinary shares in issue	70,811,340	75,376,433
	30.6.2015	**31.3.2014**
Basic and diluted loss per ordinary share (sen)	(6.49)	(1.99)

14. PROPERTY, PLANT AND EQUIPMENT

The Group 30.6.2015	Cost or valuation			
	At beginning of period RM	Additions RM	Disposals RM	At end of period RM
At valuation:				
Factory buildings	9,071,000	-	-	9,071,000
Long-term leasehold land	350,000	-	-	350,000
Short-term leasehold land	2,560,000	-	-	2,560,000
At cost:				
Office buildings	1,100,000	7,180	-	1,107,180
Plant and machinery	29,758,973	1,089,293	-	30,848,266
Moulds	4,561,255	95,688	-	4,656,943
Motor vehicles	1,851,062	6,500	(276,053)	1,581,509
Motor vehicles under hire-purchase	2,850,910	593,585	(3,033,845)	410,650
Office equipment	348,216	24,317	-	372,533
Computers	362,119	56,599	-	418,718
Furniture, fixtures and fittings	286,228	9,635	-	295,863
Tools and equipment	637,239	750	-	637,989
Electrical installation	501,116	-	-	501,116
Air-conditioners	206,152	5,150	-	211,302
Signboard	16,594	1,150	-	17,744
Renovation	30,537	30,000	-	60,537
Total	54,491,401	1,919,847	(3,309,898)	53,101,350

The Group 30.6.2015	Accumulated depreciation			
	At beginning of period RM	Charge for the period RM	Disposals RM	At end of period RM
At valuation:				
Factory buildings	430,892	241,862	-	672,754
Long-term leasehold land	8,576	5,132	-	13,708
Short-term leasehold land	121,922	72,835	-	194,757
At cost:				
Office buildings	33,000	27,500	-	60,500
Plant and machinery	20,838,568	2,871,975	-	23,710,543
Moulds	4,317,874	152,916	-	4,470,790
Motor vehicles	1,835,745	2,750	(265,067)	1,573,428
Motor vehicles under hire-purchase	1,012,367	543,419	(1,442,645)	113,141
Office equipment	192,570	36,440	-	229,010
Computers	309,982	26,233	-	336,215
Furniture, fixtures and fittings	233,157	10,641	-	243,798
Tools and equipment	423,677	51,369	-	475,046
Electrical installation	403,366	26,897	-	430,263
Air-conditioners	171,791	11,060	-	182,851
Signboard	15,059	823	-	15,882
Renovation	26,417	4,234	-	30,651
Total	30,374,963	4,086,086	(1,707,712)	32,753,337

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group 31.3.2014	Cost or valuation At beginning of year RM	Additions RM	Disposals RM	At end of year RM
At valuation:				
Factory buildings	9,071,000	-	-	9,071,000
Long-term leasehold land	350,000	-	-	350,000
Short-term leasehold land	2,560,000	-	-	2,560,000
At cost:				
Office buildings	1,100,000	-	-	1,100,000
Plant and machinery	29,447,306	311,667	-	29,758,973
Moulds	4,520,335	40,920	-	4,561,255
Motor vehicles	2,039,802	1,260	(190,000)	1,851,062
Motor vehicles under hire-purchase	1,997,839	963,444	(110,373)	2,850,910
Office equipment	330,925	17,291	-	348,216
Computers	341,533	20,586	-	362,119
Furniture, fixtures and fittings	281,476	4,752	-	286,228
Tools and equipment	637,239	-	-	637,239
Electrical installation	501,116	-	-	501,116
Air-conditioners	199,802	6,350	-	206,152
Signboard	16,594	-	-	16,594
Renovation	30,537	-	-	30,537
Total	53,425,504	1,366,270	(300,373)	54,491,401

The Group 31.3.2014	Accumulated depreciation At beginning of year RM	Charge for the year RM	Disposals RM	At end of year RM
At valuation:				
Factory buildings	237,403	193,489	-	430,892
Long-term leasehold land	4,470	4,106	-	8,576
Short-term leasehold land	63,654	58,268	-	121,922
At cost:				
Office buildings	11,000	22,000	-	33,000
Plant and machinery	18,480,707	2,357,861	-	20,838,568
Moulds	4,118,352	199,522	-	4,317,874
Motor vehicles	1,992,489	33,253	(189,997)	1,835,745
Motor vehicles under hire-purchase	616,303	460,449	(64,385)	1,012,367
Office equipment	165,619	26,951	-	192,570
Computers	290,059	19,923	-	309,982
Furniture, fixtures and fittings	223,431	9,726	-	233,157
Tools and equipment	377,948	45,729	-	423,677
Electrical installation	381,131	22,235	-	403,366
Air-conditioners	162,592	9,199	-	171,791
Signboard	14,441	618	-	15,059
Renovation	24,629	1,788	-	26,417
Total	27,164,228	3,465,117	(254,382)	30,374,963

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The Group

	Carrying amounts	
	30.6.2015	**31.3.2014**
	RM	**RM**
At valuation:		
Factory buildings	8,398,246	8,640,108
Long-term leasehold land	336,292	341,424
Short-term leasehold land	2,365,243	2,438,078
At cost:		
Office buildings	1,046,680	1,067,000
Plant and machinery	7,137,723	8,920,405
Moulds	186,153	243,381
Motor vehicles	8,081	15,317
Motor vehicles under hire-purchase	297,509	1,838,543
Office equipment	143,523	155,646
Computers	82,503	52,137
Furniture, fixtures and fittings	52,065	53,071
Tools and equipment	162,943	213,562
Electrical installation	70,853	97,750
Air-conditioners	28,451	34,361
Signboard	1,862	1,535
Renovation	29,886	4,120
Total	20,348,013	24,116,438

Certain leasehold land and buildings of the Group with total carrying value of RM1,708,772 and RM9,251,119 (31.3.2014: RM1,761,607 and RM9,515,480) respectively are charged to local licensed banks for facilities granted to the Group as mentioned in Note 29.

The leasehold land and buildings of the Group were revalued by the Directors on February 24, 2012 and February 28, 2012 respectively based on valuations carried out by an independent firm of professional valuers using the "Open Market Value on Existing Use" basis. The resulting revaluation surplus amounting to RM1,537,434 (net of deferred tax of RM512,478) has been credited to property revaluation reserve account.

Details of the Group's leasehold land and buildings and information about the fair value hierarchy are as follows:

	←	Fair Value	→
30.6.2015	**Level 1**	**Level 2**	**Level 3**
	RM	**RM**	**RM**
Factory buildings	-	8,398,246	-
Long-term leasehold land	-	336,292	-
Short-term leasehold land	-	2,365,243	-
	-	11,099,781	-
31.3.2014			
Factory buildings	-	8,640,108	-
Long-term leasehold land	-	341,424	-
Short-term leasehold land	-	2,438,078	-
	-	11,419,610	-

There were no transfers between Levels 1 and 2 during the period.

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The historical cost, accumulated depreciation and carrying amount of the revalued leasehold land and buildings are as follows:

	The Group	
	30.6.2015 RM	31.3.2014 RM
Cost:		
Leasehold land	2,004,968	2,004,968
Factory buildings	7,455,988	7,455,988
	9,460,956	9,460,956
Accumulated depreciation:		
Leasehold land	658,347	621,053
Factory buildings	2,142,215	1,991,909
	2,800,562	2,612,962
Carrying amounts	6,660,394	6,847,994

15. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	30.6.2015 RM	31.3.2014 RM
Unquoted shares, at cost	21,924,076	21,924,076

The details of the subsidiary companies are as follows:

Name of Company	Country of Incorporation	Proportion of ownership interest and voting power held by the Group 30.6.2015 %	31.3.2014 %	Principal Activities
Scanwolf Plastic Industries Sdn. Bhd. ("SPI")	Malaysia	100	100	Design and manufacture of plastic extrusions, PVC compounding, processing of PVC coils and trading of industrial consumables.
Scanwolf Properties Sdn. Bhd.	Malaysia	100	100	Property development.

15. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Name of Company	Country of Incorporation	Proportion of ownership interest and voting power held by the Group 30.6.2015 %	31.3.2014 %	Principal Activities
Held through Scanwolf Plastic Industries Sdn. Bhd.				
Scanwolf Building Materials Sdn. Bhd.	Malaysia	100	100	Sales and marketing of PVC extruded building materials, trading of other building materials and manufacturing of foam profile.
Held through Scanwolf Properties Sdn. Bhd.				
Scanwolf Development Sdn. Bhd.	Malaysia	100	51	Property development.

On February 9, 2015, Scanwolf Properties Sdn. Bhd. had acquired the remaining 49% equity interest in Scanwolf Development Sdn. Bhd. for a total consideration of RM367,499 and became a wholly-owned subsidiary of the Group.

Composition of the Group

Information about the composition of the Group at the end of the reporting date is as follows:

Industry	Place of incorporation and operation	Number of wholly-owned subsidiary companies 30.6.2015	31.3.2014
Manufacturing	Malaysia	2	2
Property development	Malaysia	2	1
		4	3

Industry	Place of incorporation and operation	Number of non wholly-owned subsidiary company 30.6.2015	31.3.2014
Property development	Malaysia	-	1

15. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Summarised financial information in respect of the Group's subsidiary company, Scanwolf Development Sdn. Bhd., that has material non-controlling interests in 2014 of 49% is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Scanwolf Development Sdn. Bhd.	30.6.2015 RM	31.3.2014 RM
Current assets	-	26,467,755
Non-current assets	-	2,690,119
Current liabilities	-	(25,068,269)
Non-current liabilities	-	(2,338,072)
Equity attributable to owners of the Company	-	893,282
Non-controlling interests	-	858,251

	30.6.2015 RM	31.3.2014 RM
Revenue	-	14,885,990
Expenses	-	(13,954,360)
Profit and total comprehensive income for the period/year	-	931,630
Profit and total comprehensive income attributable to owners of the Company	-	476,111
Profit and total comprehensive income attributable to non-controlling interests	-	455,519
Profit and total comprehensive income for the period/year	-	931,630
Net cash used in operating activities	-	(701,884)
Net cash used in investing activities	-	(2,870,546)
Net cash from financing activities	-	2,896,075
Net cash outflow	-	(676,355)

16. INVENTORIES

	The Group	
	30.6.2015 RM	31.3.2014 RM
Completed development units held for sale	6,034,586	-
Raw materials	2,980,787	3,459,017
Finished goods	2,865,672	2,839,646
Work-in-progress	1,795,714	1,852,641
Packing materials and spare parts	245,176	198,606
	13,921,935	8,349,910

16. INVENTORIES (cont'd)

The cost of inventories recognised as an expense during the period/year for the Group was RM38,437,307 (31.3.2014: RM24,904,748).

During the financial period/year, write down of inventories of the Group recognised as an expense amounted to RM493,508 (31.3.2014: RM422,245).

Completed development units of RM4,310,419 (31.3.2014: Nil) which are pledged to a licensed bank relates to a back-to-back arrangement for term loan and bank overdraft facilities of RM4,500,000 and RM1,000,000 (2014: Nil and Nil) respectively granted to a joint-venture partner which is further on lend to the Group as disclosed in Note 28.

The titles deeds to the leasehold land included in inventories are registered under the name of joint venture partner.

17. LAND HELD FOR PROPERTY DEVELOPMENT

	The Group	
	30.6.2015	**31.3.2014**
	RM	**RM**
At beginning of period/year		
Land cost - leasehold	12,724,378	13,000,000
Development costs	2,454,428	276,918
	15,178,806	13,276,918
Additions:		
Land cost - leasehold	-	-
Development costs	2,556,315	2,186,404
	2,556,315	2,186,404
Transfer to property development projects (Note 18):		
Land cost - leasehold	(5,671,592)	(275,622)
Development costs	(117,790)	(8,894)
	(5,789,382)	(284,516)
At end of period/year:		
Land cost - leasehold	7,052,786	12,724,378
Development costs	4,892,953	2,454,428
	11,945,739	15,178,806

The leasehold land held for property development with carrying amounts of RM7,203,020 (31.3.2014: RM12,992,402) has been pledged to a licensed bank to secure term loan facility granted to the subsidiary company as disclosed in Note 29.

In 2014, included in land held for property development incurred during the year was hire of machinery of RM140,536.

18. PROPERTY DEVELOPMENT PROJECTS

	The Group 30.6.2015 RM	The Group 31.3.2014 RM
Property development projects:		
Landowners' entitlement	8,354,943	8,000,000
Development costs	24,831,982	10,592,586
At beginning of period/year	33,186,925	18,592,586
Costs incurred during the period/year:		
Landowners' entitlement	1,501,210	70,427
Development costs	11,687,706	14,239,396
	13,188,916	14,309,823
	46,375,841	32,902,409
Transfer from land held for property development (Note 17)	5,789,382	284,516
Transfer to inventories (Note 16)	(6,034,586)	-
Costs recognised as an expense in profit or loss:		
Prior year	(16,432,895)	(5,692,959)
Current period/year	(16,732,095)	(10,739,936)
	(33,164,990)	(16,432,895)
At end of period/year:		
Landowners' entitlement	5,988,419	3,056,125
Development costs	6,977,228	13,697,905
	12,965,647	16,754,030

Included in property development costs incurred during the period/year are the following:

	The Group 30.6.2015 RM	The Group 31.3.2014 RM
Professional fee paid to a Company in which a former Director of the Company has substantial financial interest	180,000	-
Interest on term loans (Note 11)	100,656	61,356
Hire of machinery	49,985	211,917

19. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	30.6.2015 RM	31.3.2014 RM	30.6.2015 RM	31.3.2014 RM
Trade receivables	16,112,203	14,471,471	-	-
Less:				
Allowance for doubtful debts	(3,383,939)	(106,604)	-	-
Fair value adjustment on non-current trade receivables	-	(208,564)	-	-
	12,728,264	14,156,303	-	-
Other receivables	359,544	135,587	-	-
Less: Allowance for doubtful debts	(52,030)	(52,030)	-	-
	307,514	83,557	-	-
Refundable deposits	208,701	173,368	-	-
Loans and receivables	13,244,479	14,413,228	-	-
Advance payment for:				
Landowners' entitlements	800,000	3,800,000	-	-
Purchase of raw materials	74,798	191,132	-	-
Acquisition of plant and machinery	-	463,944	-	216,577
Prepaid expenses	297,041	157,238	9,998	14,999
Goods and service tax refundable	54,193	-	10,905	-
	14,470,511	19,025,542	20,903	231,576
Less: Amount due within 12 months (shown under current assets)	(14,470,511)	(16,938,658)	(20,903)	(231,576)
	-	2,086,884	-	-

Trade receivables of the Group comprise amount receivable for the sale of goods and amounts receivable from progress billings to customers. Certain trade transactions for sale of goods were on cash terms and credit period granted for remaining trade transactions ranged from 30 days to 120 days (31.3.2014: 30 days to 120 days). Credit period for progress billings to customers is 14 days (31.3.2014: 14 days).

In 2014, the non-current portion of trade receivable of the Group comprise amount receivable for the sale of goods. The trade transactions were on instalment term of RM30,000 per month until the outstanding balance is fully settled. Due to a more stringent application of credit control policy during the financial period, the outstanding amounts had been assessed as doubtful. This has resulted in a full provision on the related balances.

19. TRADE AND OTHER RECEIVABLES (cont'd)

Other receivables of the Group comprise mainly advances granted to employees and expenses paid on behalf, which are unsecured and interest-free.

The currency profile of trade and other receivables are as follows:

	The Group	
	30.6.2015	**31.3.2014**
	RM	**RM**
Ringgit Malaysia	13,715,792	11,673,542
United States Dollar	2,388,594	2,494,082
Singapore Dollar	359,896	439,434
Euro	7,465	-
	16,471,747	14,607,058

An allowance has been made for estimated irrecoverable amounts of trade and other receivables based on the default experience of the Group.

Movement in the allowance for doubtful debts is as follows:

	The Group	
	30.6.2015	**31.3.2014**
	RM	**RM**
Trade receivables		
Balance at beginning of period/year	106,604	106,604
Impairment loss recognised on receivables (Note 10)	3,277,335	-
Balance at end of period/year	3,383,939	106,604
Other receivables		
Balance at beginning/end of period/year	52,030	52,030

Ageing of impaired trade and other receivables are as follows:

	The Group	
	30.6.2015	**31.3.2014**
	RM	**RM**
Trade receivables		
271 days to 360 days	147,484	-
More than 360 days (31.3.2014: 360 days)	3,236,455	106,604
	3,383,939	106,604
Other receivables		
More than 360 days (31.3.2014: 360 days)	52,030	52,030

Included in trade receivables of the Group are receivable with total carrying amount of RM3,184,221 (31.3.2014: RM3,739,694) which are past due at the end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances nor does it have a legal right to offset against any amounts owed by the company to the counterparty.

19. TRADE AND OTHER RECEIVABLES (cont'd)

Ageing of trade receivables which are past due but not impaired as at the end of the reporting period is as follows:

	The Group	
	30.6.2015 RM	31.3.2014 RM
1 - 30 days	1,315,864	1,427,434
31 - 60 days	691,053	432,029
61 - 90 days	149,596	74,400
91 - 120 days	39,343	26,718
More than 120 days	988,365	1,779,113
	3,184,221	3,739,694

The Group seeks to maintain strict control over its outstanding trade receivables and has a credit period policy to minimise credit risk. Overdue balances are reviewed regularly by management. The Group has not provided for impairment loss on these trade receivables that are past due as there has not been a significant change in credit quality and the amounts are still considered recoverable.

20. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS

The amount owing by subsidiary companies represents advances granted with interest rates which range from 3.00% to 8.50% (31.3.2014: 3.00% to 7.10%) per annum which are collectible upon demand.

Other than as disclosed elsewhere in the financial statements, the related parties and their relationship with the Company and its subsidiary companies are as follows:

Name of related parties	Relationship
Gegaran Lagenda Sdn. Bhd. Almal Development Sdn. Bhd.	Companies in which a former Director of the Company is a Director and has substantial financial interest.
Mr. Tan Yann Kang Mr. Tan Yann Sheng	Close family members of a Director of the Company.
Madam Chong Yoke Choon Mr. Loo Run Wei	Close family members of the former Director of the Company.
Dato' Loo Bin Keong Dato' Ch'ng Kong San	Former Directors of the Company.

20. RELATED COMPANIES AND RELATED PARTY TRANSACTIONS (cont'd)

During the financial period/year, significant related party transactions are as follows:

	The Group		The Company	
	30.6.2015 RM	31.3.2014 RM	30.6.2015 RM	31.3.2014 RM
Subsidiary companies				
Advances granted	-	-	8,624,128	2,142,109
Repayment received on advances granted	-	-	3,413,859	2,068,616
Interest on advances granted received/receivable (Note 7)	-	-	1,083,075	635,377
Management fee received (Note 5)	-	-	360,000	540,000

	The Group		The Company	
	30.6.2015 RM	31.3.2014 RM	30.6.2015 RM	31.3.2014 RM
Related parties				
Disposal of motor vehicle	414,475	-	174,475	-
Rental of office (Note 10)	-	19,336	-	
Security charges	-	9,501	-	-
Director of the Group				
Disposal of motor vehicle	180,000	-	180,000	-
Rental of office (Note 10)	-	15,000	-	-
Former Directors of the Group				
Disposal of motor vehicle	522,662	-	124,000	-

21. OTHER FINANCIAL ASSET

	The Group	
	30.6.2015 RM	31.3.2014 RM
Derivative financial asset - foreign currency forward contracts	-	53,060

The Group enters into foreign currency forward contracts in the normal course of business to manage its exposure against foreign currency fluctuation on foreign receipts and payments.

22. FIXED DEPOSITS, CASH AND BANK BALANCES

	The Group		The Company	
	30.6.2015	31.3.2014	30.6.2015	31.3.2014
	RM	RM	RM	RM
Cash on hand and at banks	2,664,170	2,944,669	218,085	70,209
Fixed deposits with licensed bank	679,071	662,671	-	-
Housing Development Accounts with a licensed bank	883,657	48,138	-	-
	4,226,898	3,655,478	218,085	70,209

The Housing Development Accounts are maintained in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966. These accounts, which consist of monies received from purchasers and interest credited thereon, are for the payment of property development expenditure incurred. The surplus monies, if any, will be released to the subsidiary company upon the completion of the property development projects and after all property development costs have been fully settled.

Fixed deposits of the subsidiary company with carrying amount of RM679,071 (31.3.2014: RM662,671) have been pledged to a licensed bank to secure the subsidiary company's bank guarantee facilities as mentioned in Note 29, and have maturity period ranging from 1 to 48 months (31.3.2014: 12 to 48 months).

The effective interest rates per annum are as follows:

The Group

	30.6.2015	31.3.2014
	%	%
Fixed deposits	3.15	3.00
Housing Development Accounts	2.00	2.00

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

	The Group		The Company	
	30.6.2015	31.3.2014	30.6.2015	31.3.2014
	RM	RM	RM	RM
Ringgit Malaysia	3,238,007	1,398,034	218,085	70,209
United States Dollar	852,722	2,168,742	-	-
Singapore Dollar	107,881	67,133	-	-
Euro	26,480	19,928	-	-
Others	1,808	1,641	-	-
	4,226,898	3,655,478	218,085	70,209

23. SHARE CAPITAL AND TREASURY SHARES

(a) Share Capital

	The Group and The Company			
	30.6.2015 Number of ordinary shares	31.3.2014 Number of ordinary shares	30.6.2015 RM	31.3.2014 RM
Authorised:				
Ordinary shares of RM0.50 each	100,000,000	100,000,000	50,000,000	50,000,000
Issued and fully paid:				
Ordinary shares of RM0.50 each:				
At beginning of period/year	80,000,000	80,000,000	40,000,000	40,000,000
Issued during the period/year	7,534,000	-	3,767,000	-
At end of period/year	87,534,000	80,000,000	43,767,000	40,000,000

During the current financial period, the issued and paid-up ordinary share capital of the Company was increased from RM40,000,000 to RM43,767,000 by way of issuance of 7,534,000 new ordinary shares of RM0.50 each pursuant to a private placement exercise at an issue price of RM0.50 per ordinary share.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

(b) Treasury Shares

(i) The shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting ("AGM") held on August 29, 2014, granted the approval to the Company for the repurchase of its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Group and of the Company.

In 2014, the Company repurchased a total of 51,100 of its issued shares from the open market for a total cost of RM16,310. The average price paid for the shares repurchased during the year was RM0.32 per share. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as Treasury Shares in accordance with the requirements of Section 67A of the Companies Act, 1965. There is no share repurchased by the Company during the financial period.

The mandate given by the shareholders will expire at the forthcoming AGM and an ordinary resolution will be tabled at the AGM for shareholders to grant a fresh mandate for another year.

23. SHARE CAPITAL AND TREASURY SHARES (cont'd)

(b) Treasury Shares (cont'd)

(ii) On May 5, 2015, a total of 3,873,200 units of treasury shares held had been sold to open market as follows:

Date	No. of shares sold	Highest price sold per share RM	Lowest price sold per share RM	Average price sold per share (excluding incidental costs) RM	Net total consideration RM
May 5, 2015	3,873,200	0.81	0.65	0.69	2,608,226

As of June 30, 2015, 780,900 (31.3.2014: 4,654,100) out of the total of 87,534,000 (31.3.2014: 80,000,000) issued and fully paid ordinary shares are held as Treasury Shares by the Company. The number of ordinary shares of RM0.50 each in issue and fully paid as of June 30, 2015 after excluding the Treasury Shares is 86,753,100 (31.3.2014: 75,345,900).

24. RESERVES

	The Group		The Company	
	30.6.2015 RM	31.3.2014 RM	30.6.2015 RM	31.3.2014 RM
Non-distributable reserves				
Share premium	3,120,186	2,035,339	3,120,186	2,035,339
Property revaluation reserve	3,020,072	3,020,072	-	-
Reverse acquisition reserve	(19,524,076)	(19,524,076)	-	-
	(13,383,818)	(14,468,665)	3,120,186	2,035,339
Distributable reserve				
Retained earnings/ (Accumulated loss)	12,965,640	16,688,543	(1,346,321)	(911,386)
	(418,178)	2,219,878	1,773,865	1,123,953

24. RESERVES (cont'd)

(a) Share premium

Share premium represents the excess of the issue price over the par value of the ordinary shares of the Company, net of share issue expenses of RM1,564,661 (31.3.2014: RM1,564,661).

	The Group and The Company	
	30.6.2015	**31.3.2014**
	RM	**RM**
Balance at beginning of period/year	2,035,339	2,035,339
Share premium arising from disposal of treasury shares	1,151,222	-
Less: Incidental costs	(66,375)	-
	1,084,847	-
	3,120,186	2,035,339

(b) Property revaluation reserve

	The Group	
	30.6.2015	**31.3.2014**
	RM	**RM**
At beginning and end of period/year	3,020,072	3,020,072

The property revaluation reserve of the Group arises on the revaluation of land and buildings. When revalued land and buildings are sold, the portion of the property revaluation reserve that relates to the disposed asset is effectively realised, and is transferred directly to retained earnings.

(c) Reverse acquisition reserve

Reverse acquisition reserve arose from the reverse acquisition of the Company by SPI Group in 2008 as follows:

	The Group	
	30.6.2015	**31.3.2014**
	RM	**RM**
Paid-up share capital of the Company immediately prior to the reverse acquisition	2	2
Shares issued by the Company to acquire SPI Group	21,824,076	21,824,076
Reversal of SPI's paid-up share capital pursuant to reverse acquisition	(2,300,000)	(2,300,000)
Equity instruments deemed issued to the owner of the legal parent	(2)	(2)
	19,524,076	19,524,076

25. NON-CONTROLLING INTERESTS

	The Group	
	30.6.2015 RM	31.3.2014 RM
Balance at beginning of period/year	858,251	157,732
Share of profit for the period/year	382,833	455,519
Additional interests acquired in Scanwolf Development Sdn. Bhd.	(1,241,084)	-
Issuance of shares to non-controlling interest in Scanwolf Development Sdn. Bhd.	-	245,000
Balance at end of period/year	-	858,251

26. HIRE-PURCHASE PAYABLES

	The Group			
	Minimum hire-purchase payments		Present value of minimum hire-purchase payments	
	30.6.2015 RM	31.3.2014 RM	30.6.2015 RM	31.3.2014 RM
Amounts payable under hire-purchase arrangements:				
Within one year	299,412	533,172	255,811	465,228
In the second to fifth year inclusive	541,427	1,247,908	502,676	1,166,464
	840,839	1,781,080	758,487	1,631,692
Less: Future finance charges	(82,352)	(149,388)	-	-
Present value of hire-purchase payables	758,487	1,631,692	758,487	1,631,692
Less: Amount due within 12 months (shown under current liabilities)			(255,811)	(465,228)
Non-current portion			502,676	1,166,464

26. HIRE-PURCHASE PAYABLES (cont'd)

The non-current portion is repayable as follows:

	The Group	
	30.6.2015	31.3.2014
	RM	RM
Financial years ending June 30/March 31:		
2016	-	488,809
2017	275,231	320,448
2018	112,942	225,036
2019	83,220	100,888
2020	31,283	31,283
	502,676	1,166,464

It is policy of the Group to acquire certain of its property, plant and equipment under hire-purchase arrangements. The terms for hire-purchase are 3 to 5 years (31.3.2014: 3 to 5 years). For the financial period ended June 30, 2015, the average effective borrowing rate was 4.69% (31.3.2014: 4.77%) per annum. Interest rates are fixed at the inception of the hire-purchase arrangements.

The hire-purchase payables of the Group are secured by the assets under hire-purchase and certain hire-purchase payables are guaranteed a Director of the Company and the Company.

27. DEFERRED TAX LIABILITIES

Deferred tax balances are presented in the statements of financial position after appropriate offsetting as follows:

	The Group	
	30.6.2015	31.3.2014
	RM	RM
Deferred tax assets	1,339,000	375,000
Deferred tax liabilities	(2,843,053)	(3,747,026)
	(1,504,053)	(3,372,026)

27. DEFERRED TAX LIABILITIES (cont'd)

The Group
30.6.2015

	At beginning of period RM	Recognised in profit or loss (Note 12) RM	At end of period RM
Deferred tax assets			
Allowance for slow moving inventories	348,000	104,000	452,000
Impairment loss recognised on trade receivables	52,000	(52,000)	-
Unutilised tax losses and unabsorbed tax capital allowances	8,000	985,000	993,000
Unrealised gain on foreign exchange	(33,000)	(73,000)	(106,000)
	375,000	964,000	1,339,000
Deferred tax liabilities			
Property, plant and equipment	(2,618,000)	876,000	(1,742,000)
Property revaluation reserve	(1,129,026)	27,973	(1,101,053)
	(3,747,026)	903,973	(2,843,053)

The Group
31.3.2014

	At beginning of period RM	Recognised in profit or loss (Note 12) RM	At end of period RM
Deferred tax assets			
Allowance for slow moving inventories	242,000	106,000	348,000
Impairment loss recognised on trade receivable	68,000	(16,000)	52,000
Unutilised tax losses and unabsorbed tax capital allowances	12,000	(4,000)	8,000
Unrealised gain on foreign exchange	(23,000)	(10,000)	(33,000)
	299,000	76,000	375,000
Deferred tax liabilities			
Property, plant and equipment	(2,927,000)	309,000	(2,618,000)
Property revaluation reserve	(1,169,405)	40,379	(1,129,026)
	(4,096,405)	349,379	(3,747,026)

28. TRADE AND OTHER PAYABLES

	The Group		The Company	
	30.6.2015 RM	31.3.2014 RM	30.6.2015 RM	31.3.2014 RM
Trade payables	7,766,519	8,080,765	-	-
Other payables	6,681,432	1,301,709	25,398	10,529
Amount owing to a Director	-	405,000	-	-
Accrued expenses	1,744,666	6,763,694	119,132	211,882
	16,192,617	16,551,168	144,530	222,411
Deposits received from purchasers	478,168	1,485,820	-	-
	16,670,785	18,036,988	144,530	222,411
Less: Amount due within 12 months (shown under current liabilities)	(12,149,552)	(18,036,988)	(144,530)	(222,411)
	4,521,233	-	-	-

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The credit terms granted to the Group for trade purchases ranged from 30 days to 120 days (31.3.2014: 30 days to 120 days). The amounts are non-interest bearing. The Group has finance risk management policies in place to ensure that all payables are paid within the time frame.

Cash terms are applied for construction work.

Included in other payables is an amount of RM5,253,371 (31.3.2014: Nil) which relates to a back-to-back arrangement for term loan and bank overdraft facilities granted to a joint venture partner which is further on lend to the Group. Under the arrangement, the interest expense arising from the term loan and bank overdraft are borne by the Group. The term loan is repayable by 2 monthly instalments of RM34,655 and 178 equal monthly instalments of RM35,235 each commencing September 2014. The term loan and bank overdraft facilities are secured by a charge on 8 units of three (3) storey shop office. The effective interest rates for the facilities are 5.10% and 4.70% (31.3.2014: Nil, Nil) per annum respectively.

The amounts owing to other payables of the Group and of the Company are unsecured, interest-free and are repayable upon demand.

Deposit received consist of entitlement received in advance from developer.

In 2014, the amount owing to a Director of the Group represents unsecured and interest-free advances that are repayable on demand.

Accrued expenses of the Group comprised mainly accruals for landowners' entitlements.

28. TRADE AND OTHER PAYABLES (cont'd)

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

	The Group		The Company	
	30.6.2015	31.3.2014	30.6.2015	31.3.2014
	RM	RM	RM	RM
Ringgit Malaysia	13,555,242	7,919,495	25,398	10,529
United States Dollar	536,594	1,411,301	-	-
Chinese Renminbi	293,398	42,806	-	-
Euro	62,717	-	-	-
Singapore Dollar	-	8,872	-	-
	14,447,951	9,382,474	25,398	10,529

29. BORROWINGS

	The Group	
	30.6.2015	31.3.2014
	RM	RM
Secured:		
Bankers' acceptances	5,236,000	9,538,300
Term loans	6,313,284	8,660,645
Fixed loan	640,665	727,579
Bank overdraft	2,384,650	881,623
	14,574,599	19,808,147
Less: Amount due within 12 months (shown under current liabilities)	(9,524,648)	(11,986,663)
Non-current portion	5,049,951	7,821,484

The non-current portion is repayable as follows:

	The Group	
	30.6.2015	31.3.2014
	RM	RM
Financial years ending June 30/March 31:		
2016	-	1,809,438
2017	1,856,399	2,098,939
2018	1,973,042	2,357,067
2019	909,772	341,177
2020	91,186	389,125
2021 and above	219,552	825,738
	5,049,951	7,821,484

29. BORROWINGS (cont'd)

The average effective interest rates per annum are as follows:

	The Group	
	30.6.2015	**31.3.2014**
	%	**%**
Bankers' acceptances	3.88	3.80 to 7.85
Term loans	6.20	13.51 to 32.60
Fixed loan	4.26	4.25
Bank overdraft	7.35	7.10

The Group's banking facilities with licensed banks amounting to RM29,225,000 (31.3.2014: RM33,925,000) are secured by:

(a) Leasehold land and buildings of the Group as disclosed in Note 14;

(b) Facility agreement of RM10,250,000 (31.3.2014: RM10,250,000);

(c) Leasehold land held for property development projects as disclosed in Note 17; and

(d) Pledged of fixed deposits as disclosed in Note 22.

The facilities are further guaranteed by the Company, a subsidiary company, a Director of the Company and certain former Directors of the Company jointly and severally.

30. PROGRESS BILLINGS

	The Group	
	30.6.2015	**31.3.2014**
	RM	**RM**
Progress billings to-date	22,279,760	25,016,788
Cumulative revenue recognised in profit or loss	(20,841,386)	(22,379,939)
	1,438,374	2,636,849

31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

Categories of financial instruments

	The Group		The Company	
	30.6.2015	**31.3.2014**	**30.6.2015**	**31.3.2014**
	RM	**RM**	**RM**	**RM**
Financial assets				
Loans and receivables:				
Trade and other receivables	13,035,778	14,239,860	-	-
Amount owing by subsidiary companies	-	-	23,261,419	17,250,146
Refundable deposit	208,701	173,368	-	-
Cash and bank balances	4,226,898	3,655,478	218,085	70,209
Financial asset at FVTPL:				
Derivative financial asset - foreign currency forward contract	-	53,060	-	-
Financial liabilities				
Other financial liabilities:				
Trade and other payables	16,192,617	16,146,168	144,530	222,411
Amount owing to a Director	-	405,000	-	-
Hire-purchase payables	758,487	1,631,692	-	-
Borrowings	14,574,599	19,808,147	-	-

Financial Risk Management Objectives and Policies

Risk management is integral to the whole business of the Group and of the Company. Management continually monitors the Group's and the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Group's and the Company's activities.

There have been no changes to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risk.

(a) Market risk

The Group's and the Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rate.

There have been no changes to the Group's and the Company's exposure to market risks or the manner in which these risks are managed and measured.

(i) Foreign currency risk management

The Group is exposed to the effects of foreign currency exchange rate fluctuation primarily in relation to the United States Dollar ("USD"), arising from normal trading activity. Exposure to foreign currency risk is monitored on an ongoing basis and the Group endeavours to keep the net exposure at an acceptable level.

31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

Financial Risk Management Objectives and Policies

(a) Market risk *(cont'd)*

(i) Foreign currency risk management *(cont'd)*

The Group enters into foreign currency forward contracts to manage its exposure against foreign currency fluctuations on foreign receipts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are disclosed in Notes 19, 22 and 28.

Foreign currency sensitivity analysis

The Group is mainly exposed to the currency of USD. The management considers that the impact of the other currencies to be immaterial.

The following table details the Group's sensitivity to a 17% (31.3.2014: 2%) increase and decrease in RM against the relevant foreign currency. 17% (31.3.2014: 2%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonable possible change in foreign exchange rates in the next 12 months.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 17% (31.3.2014: 2%) change in foreign currency rates. A positive number below indicates a decrease in loss net of tax where the USD strengthens 17% (31.3.2014: 2%) against the RM. For a 17% (31.3.2014: 2%) weakening of USD against the RM, there would be a comparable reversed impact on the loss net of tax, and the balances below would be negative.

	The Group Profit or loss	
	30.6.2015	**31.3.2014**
	RM	**RM**
USD impact	364,227	50,618

The above impacts are mainly attributable to the exposure on USD for receivables, cash and bank balances and payables of the Group outstanding at the end of the reporting period in the Group. In the opinion of the management, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the period end exposure does not reflect the full exposure of the Group during the period.

31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(a) Market risk *(cont'd)*

(ii) Interest rate risk management

Interest rate sensitivity analysis

At the end of the reporting period, if interest rates had been 100 basis points lower/higher (31.3.2014: 100 basis points lower/higher), with all other variables held constant, the Group's loss net of tax would have been RM230,136 (31.3.2014: RM160,799) lower/higher arising mainly as a result of lower/higher interest expense on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The exposure of the Group and of the Company and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

At the end of the reporting period, the Group and the Company are subject to significant concentration of credit risk as 40% (31.3.2014: 70%) of its trade receivables are from the top 5 customers (31.3.2014: 5 customers). A majority of these amounts have not been received at the reporting date but they are covered by letter of credits.

As the Group does not hold any collateral, the maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statements of financial position.

The Group places its cash and cash equivalents with a number of creditworthy financial institutions. The Group's policy limits the concentration of financial exposure to any single financial institution.

There is no other class of financial assets that is past due and/or impaired except for trade receivables as disclosed in Note 19.

Financial Guarantees

The Company provides financial guarantees to licensed banks in respect of credit facilities granted to its subsidiary companies. The Company monitors on an ongoing basis the trend of repayments made by the subsidiary companies.

31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(b) Credit risk management *(cont'd)*

Financial Guarantees (cont'd)

The maximum exposure to credit risk amounts to RM14,574,599 (31.3.2014: RM17,893,593) representing the outstanding balance of credit facilities of the subsidiary companies in which financial guarantees are given as of the end of the reporting period.

At the end of the reporting period, there was no indication that the subsidiary companies would default on repayment.

(c) Liquidity and cash flow risks management

Ultimate responsibility for liquidity and cash flow risks management rests with the Board of Directors, which has established an appropriate liquidity and cash flow risks management framework for the management of the Group's and the Company's short, medium and long-term funding and liquidity and cash flow management requirements. The Group and the Company manage liquidity and cash flow risks by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

Management is of the view that the Group's and the Company's exposure to liquidity and cash flow risks are minimal as the Group and the Company have sufficient funds to finance its ongoing working capital requirements. The Group and the Company may consider opportunities to obtain additional funds to support its working capital requirements and capital expenditures.

The Group has credit facilities of approximately RM4,881,000 (31.3.2014: RM12,547,029) which is unused at the end of the reporting period. The Group expects to meet its financial obligations from its operating cash flows and proceeds from maturing financial assets.

The maturity profile for the non-derivative financial assets/liabilities of the Group and of the Company at the end of the reporting period based on the undiscounted cash flows of the respective financial assets/liabilities representing the earliest date on which the Group and the Company are entitled to receive/required to pay, is as follows:

31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(c) Liquidity and cash flow risks management *(cont'd)*

The Group 30.6.2015	On demand or within one year RM	One year to five years RM	Over five years RM	Total RM
Non-derivative financial assets:				
Trade and other receivables	13,035,778	-	-	13,035,778
Refundable deposit	208,701	-	-	208,701
Cash and bank balances	4,226,898	-	-	4,226,898
Total undiscounted non-derivative financial assets	17,471,377	-	-	17,471,377
Non-derivative financial liabilities:				
Trade and other payables	11,380,529	2,536,762	3,427,740	17,345,031
Hire-purchase payables	299,412	541,427	-	840,839
Borrowings	9,887,165	5,353,600	128,001	15,368,766
Total undiscounted non-derivative financial liabilities	21,567,106	8,431,789	3,555,741	33,554,636
Net undiscounted non-derivative financial liabilities	(4,095,729)	(8,431,789)	(3,555,741)	(16,083,259)

31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(c) Liquidity and cash flow risks management *(cont'd)*

The Group 31.3.2014	**On demand or within one year RM**	**One year to five years RM**	**Over five years RM**	**Total RM**
Non-derivative financial assets:				
Trade and other receivables	12,152,976	2,295,448	-	14,448,424
Refundable deposit	173,368	-	-	173,368
Cash and bank balances	3,655,478	-	-	3,655,478
Total undiscounted non-derivative financial assets	15,981,822	2,295,448	-	18,277,270
Non-derivative financial liabilities:				
Trade and other payables	16,146,168	-	-	16,146,168
Amount owing to a Director	405,000	-	-	405,000
Hire-purchase payables	533,172	1,247,908	-	1,781,080
Borrowings	13,166,087	8,862,732	1,760,651	23,789,470
Total undiscounted non-derivative financial liabilities	30,250,427	10,110,640	1,760,651	42,121,718
Net undiscounted non-derivative financial liabilities	(14,268,605)	(7,815,192)	(1,760,651)	(23,844,448)

31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(c) Liquidity and cash flow risks management *(cont'd)*

The Company 30.6.2015	**On demand or within one year RM**	**One year to five years RM**	**Over five years RM**	**Total RM**
Non-derivative financial assets:				
Amount owing by subsidiary companies	23,261,419	-	-	23,261,419
Cash and bank balances	218,085	-	-	218,085
Total undiscounted non-derivative financial assets	23,479,504	-	-	23,479,504
Non-derivative financial liabilities:				
Trade and other payables	144,530	-	-	144,530
Net undiscounted non-derivative financial assets	23,334,974	-	-	23,334,974
The Company 31.3.2014				
Non-derivative financial assets:				
Amount owing by subsidiary companies	17,250,146	-	-	17,250,146
Cash and bank balances	70,209	-	-	70,209
Total undiscounted non-derivative financial assets	17,320,355	-	-	17,320,355
Non-derivative financial liabilities:				
Trade and other payables	222,411	-	-	222,411
Net undiscounted non-derivative financial assets	17,097,944	-	-	17,097,944

31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

Financial Risk Management Objectives and Policies (cont'd)

(c) Liquidity and cash flow risks management *(cont'd)*

Other than the foreign exchange forward contracts committed in 2014, the Group and the Company have not committed to any other derivative financial instruments during the current and prior financial period/year.

(d) Capital risk management

The Group and the Company manage their capital to ensure the Group and the Company will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's and the Company's overall strategy remains unchanged from the financial year ended March 31, 2014.

The capital structure of the Group and of the Company consists of net debt and equity of the Group and of the Company.

Fair Values of Financial Instruments

Foreign exchange forward contracts

The notional amounts and estimated fair values of the Group's foreign currency forward contracts outstanding at the end of the reporting period are as follows:

The Group

	Foreign currency		Notional value		Fair value	
	30.6.2014	31.3.2014	30.6.2014	31.3.2014	30.6.2014	31.3.2014
			RM	RM	RM	RM
Outstanding contracts						
Sell USD	-	800,400	-	2,623,080	-	53,060

The fair values are calculated by reference to the current rates for contracts with similar maturity profiles.

Financial instruments carried at amortised cost

The carrying amounts of short-term financial assets and financial liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The fair values of hire-purchase payables and term loans of the Group are included in Level 2 category of the fair value hierarchy in accordance with FRS 7 Financial Instruments: Disclosure and have been estimated using discounted cash flow analysis based on the current borrowing rates for similar types of hire-purchase/term loan arrangements. There is no material difference between the carrying amounts and the estimated fair values of hire-purchase payables and term loans.

31. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

Fair Values of Financial Instruments (cont'd)

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method.

The Group **31.3.2014**	**Level 1** **RM**	**Level 2** **RM**	**Level 3** **RM**	**Total** **RM**
Financial derivatives - foreign currency forward contracts	-	53,060	-	53,060

There were no transfers between Level 1 and 2 in March 31, 2014.

There were no additional financial derivatives entered into during the period upon the maturity of the existing financial derivatives.

32. STATEMENTS OF CASH FLOWS

(a) Purchase of property, plant and equipment

Property, plant and equipment were acquired by the following means:

	The Group **Period Ended** **30.6.2015** **(15 Months)** **RM**	**Year Ended** **31.3.2014** **(12 Months)** **RM**
Cash purchase	559,103	302,408
Hire-purchase financing	1,191,169	866,000
Other payables	10,875	-
Amount owing in deposits in prior year	158,700	197,862
	1,919,847	1,366,270

The principal amount of instalment repayments for property, plant and equipment acquired by hire-purchase are reflected as cash outflows from financing activities.

32. STATEMENTS OF CASH FLOWS (cont'd)

(b) Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include cash and bank balances net of outstanding bank overdraft. Cash and cash equivalents at the end of the reporting period as shown in the statements of cash flows can be reconciled to the related items in the statements of financial position as follows:

	The Group		The Company	
	Period Ended 30.6.2015 (15 Months) RM	Year Ended 31.3.2014 (12 Months) RM	Period Ended 30.6.2015 (15 Months) RM	Year Ended 31.3.2014 (12 Months) RM
Cash and bank balances	2,664,170	2,944,669	218,085	70,209
Fixed deposits	679,071	662,671	-	-
Housing Development Accounts with licensed bank	883,657	48,138	-	-
Bank overdraft	(2,384,650)	(881,623)	-	-
	1,842,248	2,773,855	218,085	70,209
Less: Fixed deposits pledged	(679,071)	(662,671)	-	-
	1,163,177	2,111,184	218,085	70,209

33. CAPITAL COMMITMENTS

As of June 30, 2015, the Group and the Company have the following capital commitment in respect of property, plant and equipment:

	The Group		The Company	
	30.6.2015 RM	31.3.2014 RM	30.6.2015 RM	31.3.2014 RM
Approved and contracted for	539,225	2,488,429	-	1,949,204

34. SIGNIFICANT EVENT

On April 23, 2015, the Company appointed a professional service firm to conduct an investigative review on the Group for the financial period March 31, 2011 to March 31, 2015.

The investigative review was commissioned to determine the existence of financial irregularities that were suspected and to determine the impacts, if any, the financial irregularities, if they exist, might have on the financial position of the Group as of June 30, 2015. The investigative review was commissioned in response to the findings from two reviews of development project management undertaken by Scanwolf Development Sdn. Bhd. in 2014 that gave rise to concerns over possible lapses in corporate governance.

The investigative review highlighted potential breaches of certain provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Companies Act, 1965 and the Penal Code (Act 574) as a result of weaknesses in credit control policies, corporate governance and internal policy formulation especially in areas involving transactions with related parties. The Board of Directors has addressed the matters highlighted in the report and resolved that there was no material financial impact arising from the investigative review to the Group and the Company.

The Board of Directors will take note of the shortcomings raised in the report and will take the necessary steps to improve the weakness highlighted in the report. The Board of Directors has also pledged to improve the corporate governance of the Group and the Company and shall conduct corporate governance audit should the need arise. The Board of Directors views such breaches as stated in the investigation report with grave concern and will ensure that such shortcomings will not be repeated in the future.

35. CHANGE IN FINANCIAL YEAR-END

During the financial period, the Group and the Company changed their financial year-end from March 31 to June 30. Accordingly, the financial statements of the Group and of the Company for the current financial period are drawn up for a period of fifteen months from April 1, 2014 to June 30, 2015.

36. SUPPLEMENTARY INFORMATION - DISCLOSURE ON REALISED AND UNREALISED PROFITS OR LOSSES

The breakdown of the retained earnings of the Group and of the Company as of June 30, 2015 into realised and unrealised profits or losses, pursuant to the directive issued by Bursa Malaysia Securities Berhad on March 25, 2010, is as follows:

	The Group		**The Company**	
	30.6.2015 RM	**31.3.2014 RM**	**30.6.2015 RM**	**31.3.2014 RM**
Total retained earnings/ (accumulated loss) of the Company and its subsidiary companies				
Realised	14,614,825	19,226,453	(1,346,321)	(911,386)
Unrealised	(1,944,529)	(3,194,114)	-	-
	12,670,296	16,032,339	(1,346,321)	(911,386)
Add: Consolidation adjustments	295,344	656,204	-	-
Total retained earnings/ (accumulated loss) as per statements of financial position	12,965,640	16,688,543	(1,346,321)	(911,386)

The determination of realised and unrealised profits or losses is based on Guidance of Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements" as issued by the Malaysian Institute of Accountants on December 20, 2010.

This supplementary information have been made solely for complying with the disclosure requirements as stipulated in the directives of Bursa Malaysia and is not made for any other purposes.

STATEMENT BY DIRECTORS

The Directors of **SCANWOLF CORPORATION BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of June 30, 2015 and of the financial performance and the cash flows of the Group and of the Company for the period April 1, 2014 to June 30, 2015.

The supplementary information set out in Note 35, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the Directors,

DATO' TAN SIN KEAT

MR. TEOH TEIK KEAN

Ipoh,
28 October 2015

DECLARATION BY THE DIRECTOR

PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **DATO' TAN SIN KEAT (IC No. 640522-02-5359)**, the Director primarily responsible for the financial management of **SCANWOLF CORPORATION BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, 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.

DATO' TAN SIN KEAT

Subscribed and solemnly declared by the abovenamed **DATO' TAN SIN KEAT** at **IPOH** this 28th day of October, 2015.

Before me,

WILSON ARUMAI DHAS, No. A182
COMMISSIONER FOR OATHS

LIST OF GROUP'S PROPERTIES
AS AT 30 JUNE 2015

Item	Location	Description	Usage	Area	Tenure	Age of Buildings (Years)	Net Book Value 30-Jun-15 RM	Date of Valuation
1	Title No. HS (D) 44267, Lot P.T. 404, Mukim of Belanja, District of Kinta, State of Perak	Industrial land with two single storey detached factory/ office buildings	Factory	3.7 acres	Lease period expiring on 13/6/2054	19 and 12	6,966,661	24 February 2012
2	Title No. Pajakan Negeri 148201, Lot 192446, Mukim of Belanja, District of Kinta, State of Perak	Industrial land with a single storey detached factory	Factory	3.2 acres	Lease period expired on 2/12/2051	9	2,953,730	24 February 2012
3	Title No. Pajakan Negeri 90115, Lot 195536, Mukim of Belanja, District of Kinta, State of Perak	Industrial land with a single storey detached building	Staff use	2.9 acres	Lease period expiring on 26/5/2052	9	843,098	24 February 2012
4	(HSM 1048, P.T. 4528), (HSM 1049, P.T. 4529), (HSM 1050, P.T. 4530), (HSM 1051, P.T. 4531), (HSM 1052, P.T. 4538), (HSM 1053, P.T. 4539), (HSM 1054, P.T. 4540), (HSM 1055, P.T. 4541), (HSM 1059, P.T. 4552), (HSM 1067, P.T. 4583), (HSM 1068, P.T. 4584), (HSM 1069, P.T. 4585), (HSM 1070, P.T. 4586), (HSM 1071, P.T. 4587), (HSM 1072, P.T. 4590), (HSM 1073, P.T. 4591), (HSM 1074, P.T. 4592), (HSM 1075, P.T. 4593), (HSM 1076, P.T. 4594), and (HSM 1077, P.T. 4595), Mukim of Sungai Terap, District of Kinta, State of Perak	20 parcels of vacant detached house lots	Vacant	4,000 sq ft per unit	Lease period expiring on 07/10/2093	N/A	336,293	28 February 2012
5	HSD KA 45560 PT 134841, Bandar Ipoh, Daerah Kinta, Negeri Perak	Four storey shop office	Office	167 sq ft	Lease period expiring on 21/11/2094	20	1,039,500	14 August 2012

ANALYSIS OF SHAREHOLDINGS
AS AT 8 OCTOBER 2015

Authorised Share Capital	RM50,000,000
Issued and Fully Paid	RM43,767000
Class of shares	Ordinary Shares of RM0.50 each
Voting Right	1 vote per Ordinary Share

Distribution of Shareholders As At 8 October 2015
(Excluding 780,900 Treasury Shares)

Size of Shareholdings	No. of Holders	%	No. of Shares	%
Less than 100	6	0.44	300	0.00
100 - 1,000	249	18.06	210,400	0.24
1,001 - 10,000	554	40.17	3,118,600	3.59
10,001 - 100,000	478	34.66	17,378,300	20.03
100,001 to less than 5% of issued shares	89	6.45	46,874,060	54.03
5% and above of issued shares	3	0.22	19,171,440	22.10
Total	**1,379**	**100.00**	**86,753,100**	**100.00**

Directors' Interest for Ordinary Shares As At 8 October 2015
(Excludig 780,900 Treasury Shares)

	Direct	%	Indirect	%
TAN SIN KEAT	2,373,981	2.74	150,000	0.17 *
TEOH TEIK KEAN	467,999	0.54	-	-
ABDUL HAMID BIN ABDUL SHUKOR	2,519,100	2.90	-	-
WILLIAM WONG KING NGUONG	500,000	0.58	15,200,000	17.52 #

* Deemed interest by virtue of shares held by Tan Yann Kang (Son)
# Deemed interest by virtue of shares held by Yii Long Ging (Mother) and Credric Wong King Ti (Brother)

Substantial Shareholders As at 8 October 2015
(Excluding 780,900 Treasury Shares)

Shareholder	Direct	%	Indirect	%
CEDRIC WONG KING TI	7,000,000	8.07	8,700,000	10.03 #
LOO BIN KEONG	6,658,440	7.68	30,000	0.03 *
YII LONG GING	8,200,000	9.45	7,500,000	8.65 @

Deemed interest by virtue of shares held by Yii Long Ging (Mother) and William Wong King Nguong (Brother)
* Deemed interest by virtue of shares held by Loo Run Wei (Son)
@ Deemed interest by virtue of shares held by Credric Wong King Ti (Son) and William Wong King Nguong (Son)

30 Largest Securities Account Holders for Ordinary Shares As At 8 October 2015
(Excluding 780,900 Treasury Shares)

No.	Names	Holdings	
		No.	%
1	CEDRIC WONG KING TI	7,000,000	8.07
2	LOO BIN KEONG	6,658,440	7.68
3	YII LONG GING	5,513,000	6.35
4	PUBLIC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR YII LONG GING (E-BWK)	2,687,000	3.10
5	ABDUL HAMID BIN ABDUL SHUKOR	2,519,100	2.90
6	TAN SIN KEAT	2,373,981	2.74
7	NG CHOI HA	2,361,599	2.72
8	PHOON YEE LY	2,174,300	2.51
9	OW KOK CHEE	2,149,700	2.48
10	LOONG CHAI PENG	1,998,600	2.30
11	GO WINSTON DY	1,784,000	2.06
12	LAI KOK HENG	1,676,900	1.93
13	OW KOK CHEE	1,581,300	1.82
14	TAN SWEE EAN	1,219,000	1.41
15	ONG SOI TAT	1,105,400	1.27

30 Largest Securities Account Holders for Ordinary Shares As At 8 October 2015 (Excluding 780,900 Treasury Shares) (cont'd)

No.	Names	Holdings No.	Holdings %
16	YU WOON GIN	938,000	1.08
17	TAI YEE FONG	842,000	0.97
18	LIEW CHIN LEONG	800,000	0.92
19	LOO SOON KOOI	800,000	0.92
20	TAN YEAN CHOW	760,000	0.88
21	LIM CHOOI LING	748,400	0.86
22	LIEW CHIN LEONG	746,081	0.86
23	LOO YOK KUAN @ LOO KWOK GOW	710,000	0.82
24	TAN AH LIM	700,000	0.81
25	LEE CHOON CHIN	671,000	0.77
26	LEE HUAT BOON	628,800	0.72
27	CHONG YOKE CHOON	600,000	0.69
28	LEE YUET CHIN	540,000	0.62
29	PUBLIC NOMINEES (TEMPATAN) SDN BHD - PLEDGED SECURITIES ACCOUNT FOR WILLIAM WONG KING NGUONG (E-BWK)	500,000	0.58
30	YAW CHUN FOOK	500,000	0.58
		53,286,601	61.42

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SCANWOLF CORPORATION BERHAD (740909-T)

No. of ordinary shares held

PROXY FORM

(Before completing this form please refer to the notes below)

I/We ______________________________ I/C No./Co. No./CDS A/C No. ______________

(Full name in Capital Letters)

of ____

(Full address)

being a member/members of **SCANWOLF CORPORATION BERHAD**, hereby appoint the following person(s):-

Name of proxy, NRIC No. & Address	No. of shares or % of shares to be represented
1.	
2.	

or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote for me/us on my/our behalf at the Ninth Annual General Meeting ("AGM") of the Company to be held at Mersawa & Rengas Room, Second Floor, Hotel IBIS Styles Ipoh, No. 18, Jalan Chung On Siew, 30250 Ipoh, Perak Darul Ridzuan on Thursday, 26 November 2015 at 11.00 a.m. My/our proxy/proxies is to vote as indicated below:-

		FIRST PROXY		SECOND PROXY	
ORDINARY RESOLUTION		**FOR**	**AGAINST**	**FOR**	**AGAINST**
1.	To approve the payment of Directors' fees of RM30,000.00 for the financial period ended 30 June 2015.				
2.	To re-elect Dato' Othman Bin Talib who retires pursuant to Article 110.				
3.	To re-elect En. Mua'amar Ghadafi Jamal Bin Jamaludin who retires pursuant to Article 110.				
4.	To re-elect Mr. Teoh Teik Kean who retires pursuant to Article 110.				
5.	To re-elect Mohd Azizal Bin Shubali who retires pursuant to Article 110.				
6.	To re-elect En. Abdul Hamid Bin Abdul Shukor who retires pursuant to Article 110.				
7.	To re-elect Dato' Ibrahim Bin Saleh who retires pursuant to Article 110.				
8.	To re-elect Mr. Ong Sing Guan who retires pursuant to Article 110.				
9.	To re-elect Mr. William Wong King Nguong who retires pursuant to Article 110.				
10.	To re-appoint Messrs Deloitte as Auditors and to authorise the Directors to fix their remuneration.				
	SPECIAL BUSINESS				
11.	Authority to issue shares by the Company pursuant to Section 132D of the Companies Act, 1965.				

(Please indicate with a "√" or "X" in the space provided how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion). The first named proxy shall be entitled to vote on a show of hands on my/our behalf.

____
Signature of Shareholder(s)/Common Seal

Signed this ________ day of ______________ 2015

Notes:

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the AGM, the Company shall be requesting the Record of Depositors as at 20 November 2015. Only a depositor whose name appears on the Record of Depositors as at 20 November 2015 shall be entitled to attend the said meeting or appoint proxies to attend, speak and vote on his/her behalf.
2. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149 (1) (b) of the Companies Act, 1965 shall not apply to the Company. A member shall not be entitled to appoint more than two proxies to attend at the same meeting. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
3. If a member having appointed a proxy to attend a general meeting attends such meeting in person, the appointment of such proxy shall be null and void in respect of such meeting and his proxy shall not be entitled to attend such meeting.
4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("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. An exempt authorised nominee refers to an authorised nominee defined under SICDA which is exempted from compliance with the provisions of subsection 25A (1) of SICDA.
6. Where a member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the Company's registered office at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting, as the case may be.

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AFFIX
STAMP

THE COMPANY SECRETARY
SCANWOLF CORPORATION BERHAD (740909-T)
Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

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Scanwolf Corporation Berhad (740909-T)
(Incorporated in Malaysia under the Companies Act, 1965)

Lot PT 404, Jalan Bota, Mukim Belanja,
31750 Tronoh, Perak, Malaysia.

Tel: 605-367 7866
Fax: 605-367 7852

www.scanwolf.com