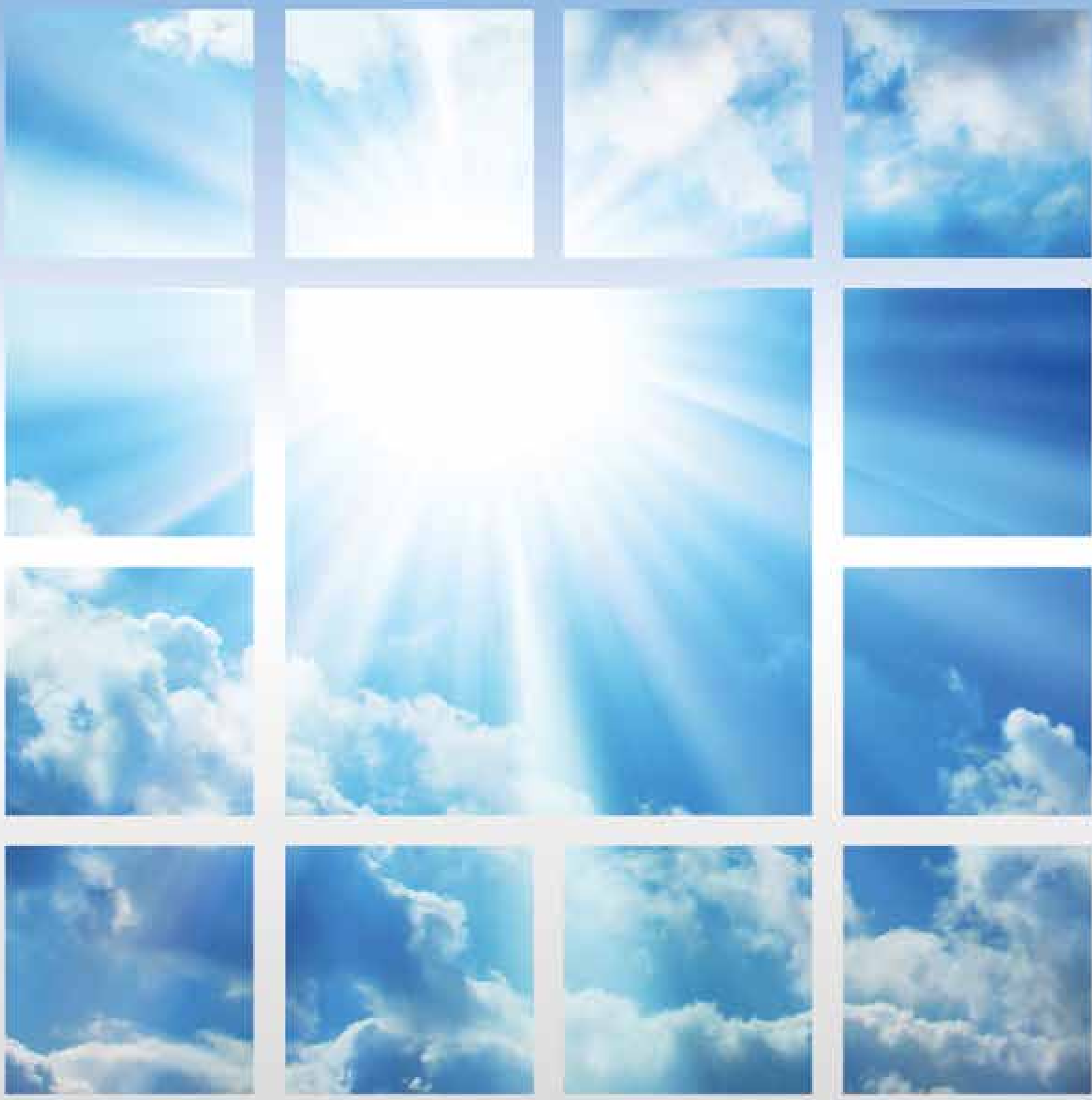
FACB Industries Incorporated Berhad 48850-K



Annual Report 2015

Contents

Corporate Information

BOARD OF DIRECTORS

Datuk Wan Kassim bin Ahmed
Chairman

Tan Sri Dr. Chen Lip Keong

Puan Sri Lee Chou Sarn

Dato' Dr. Abdul Razak bin Abdul

Mr Chen Yiy Fon

Mr Lim Mun Kee

ACTING CHIEF EXECUTIVE OFFICER

Mr Teo Hock Kee

GROUP COMPANY SECRETARY

Mr Lee Boo Tian
LS 0007987

AUDIT COMMITTEE

Datuk Wan Kassim bin Ahmed
Chairman, Independent Non-Executive Director

Dato' Dr. Abdul Razak bin Abdul
Independent Non-Executive Director

Mr Lim Mun Kee
Independent Non-Executive Director

NOMINATION COMMITTEE

Datuk Wan Kassim bin Ahmed
Chairman, Independent Non-Executive Director

Mr Lim Mun Kee
Independent Non-Executive Director

REMUNERATION COMMITTEE

Datuk Wan Kassim bin Ahmed
Chairman, Independent Non-Executive Director

Dato' Dr. Abdul Razak bin Abdul
Independent Non-Executive Director

Mr Lim Mun Kee
Independent Non-Executive Director

REGISTERED OFFICE

Etiqa Twins, Tower 1
Level 13, 11 Jalan Pinang
50450 Kuala Lumpur
Tel : 603 2162 0060
Fax : 603 2162 0062
Website: www.facbi.com

SHARE REGISTRAR

Semangat Corporate Resources Sdn. Bhd.
Ground Floor, 118 Jalan Semangat
46300 Petaling Jaya
Selangor Darul Ehsan
Tel : 603 7968 1001
Fax : 603 7958 8013

AUDITORS

UHY
Suite 11.05, Level 11, The Gardens South Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

PRINCIPAL BANKER

Malayan Banking Berhad

STOCK EXCHANGE LISTING

Main Market, Bursa Malaysia Securities Berhad

Recognition of Quality

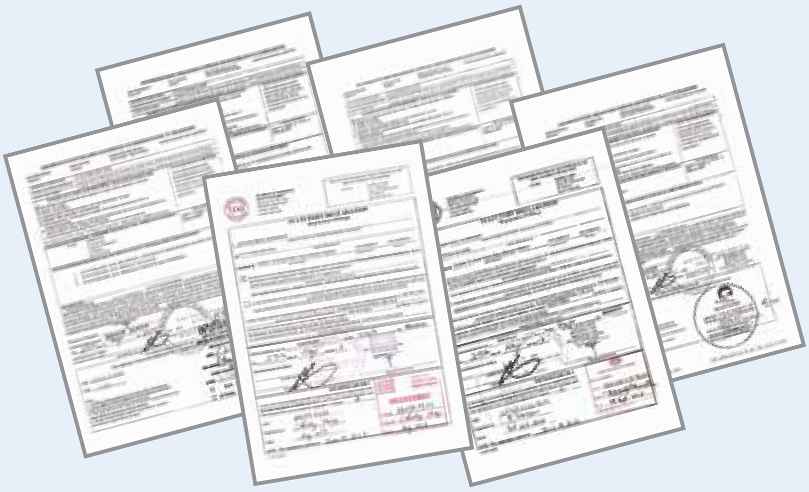
Miracoil™
The world's most advanced spring system.

For more than 15 years, Reader's Digest has approached ordinary consumers to ask their opinions on what brands of products and services are important to them. To be a Trusted Brand it must have individual relevance for all its consumers, just about anywhere and in any culture. Cost, quality and desirability are all important factors for consumers.

Since the introduction of mattress category in the survey in 2009, DREAMLAND has won the Reader's Digest Gold award year on year.

KT Fittings Sdn Bhd has been certified by Sirim QAS International Sdn Bhd for the implementation of a Quality Management System in compliance with the requirements of MS ISO 9001 : 2008 Quality Management System.

KT Fittings Sdn Bhd has been certified by TUV SUD Industrie Service GmbH for the implementation of Quality Assurance System in accordance with Pressure Equipment Directive 97/23/EC (PED) Annex I, Paragraph 4.3 and AD 2000 Merkblatt W0, expecially for the pressure parts related industries/market and for the EU market.



Canada's system for registering pressure vessels and fittings is more restrictive than other countries and KT Fittings Sdn Bhd manages to obtain the Canadian Registration Number (CRN) in order to export stainless steel fittings to Canada for the use in pressure vessel construction as well as for other industries in Canada.

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Thirty Sixth Annual General Meeting of the Company will be held at Dewan Seri Pinang, Etiqa Twins, Level 3, 11 Jalan Pinang, 50450 Kuala Lumpur on Wednesday, 2 December 2015 at 10.30 a.m. for the following purposes:

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements for the year ended 30 June 2015 together with the Reports of Directors and Auditors thereon. **(Please see Note 2)**

2. To approve a final 2.5% single-tier dividend per ordinary share for the year ended 30 June 2015. **Resolution 1**

3. To approve payment of Directors' fees of RM214,200/- for the year ended 30 June 2015. **Resolution 2**

4. To re-elect the following Directors who are retiring pursuant to Article 80 of the Company's Articles of Association:

   (i) Mr Chen Yiy Fon **Resolution 3**
   (ii) Mr Lim Mun Kee **Resolution 4**

5. To re-appoint Messrs UHY as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

As Special Business:

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

6. Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965 **Resolution 6**

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting 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 to be issued does not exceed 10 per centum of the Issued Share Capital of the Company for the time being."

7. Proposed Renewal of Authority for Share Buy-Back **Resolution 7**

   (The text of the resolution and the details of the proposal are set out in the Circular to Shareholders dated 9 November 2015 which is enclosed with this Annual Report.)

8. Retention as Independent Directors

   (i) "THAT Datuk Wan Kassim bin Ahmed be retained as an Independent Director in accordance with the Malaysian Code on Corporate Governance 2012 until the conclusion of the next Annual General Meeting." **Resolution 8**

   (ii) "THAT Dato' Dr. Abdul Razak bin Abdul be retained as an Independent Director in accordance with the Malaysian Code on Corporate Governance 2012 until the conclusion of the next Annual General Meeting." **Resolution 9**

9. To transact any other ordinary business of which due notice shall have been received.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that a final 2.5% single-tier dividend per ordinary share, if approved by the shareholders at the forthcoming Annual General Meeting, will be paid on 30 December 2015 to shareholders whose names appear in the Records of Depositors on 16 December 2015. A Depositor shall qualify for entitlement to the dividend only in respect of:

(a) Shares transferred into the Depositor's Securities account before 4.00 p.m. on 16 December 2015 in respect of ordinary transfers; and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the rules of Bursa Malaysia Securities Berhad.

By Order of the Board

Lee Boo Tian, LS 0007987
Group Company Secretary

Kuala Lumpur
9 November 2015

Notes:

1. Proxy

(i) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
(ii) Subject to the Companies Act, 1965, where a member appoints two proxies, the appointment shall be invalid unless he specifies the proportions of his holding to be represented by each proxy.
(iii) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if such appointer is a corporation, either under its common seal or the hand of an officer or attorney duly authorised.
(iv) The Form of Proxy must be completed, signed and deposited at the Company's Registered Office not less than 48 hours before the time set for the Meeting or adjourned meeting.
(v) Only members whose names appear in the Record of Depositors on 24 November 2015 shall be eligible to attend the Meeting.
(vi) Shareholders' attention is hereby drawn to the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, which allows a member of the Company which is an exempt authorised nominee, as defined under the Securities Industry (Central Depositories) Act, 1991, who holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") to appoint multiple proxies in respect of each omnibus account it holds.

2. Explanatory Note on Ordinary Business

Agenda 1 – The provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

3. Explanatory Notes on Special Business

1. Resolution on Section 132D of the Companies Act, 1965
   The Ordinary Resolution 6 proposed under Agenda 6 above if passed will empower the Directors to issue shares up to 10% of the issued capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority unless revoked or varied by the Company in general meeting, shall expire at the next Annual General Meeting of the Company.

   No proceeds were raised from the previous mandate.

   The renewed mandate will provide flexibility to the Company for the purpose of funding further investment project(s), working capital and/or acquisitions.

2. Resolution on Proposed Renewal of Authority for Share Buy-Back
   The Ordinary Resolution 7 proposed under Agenda 7 above if passed is to give authority to the Directors to purchase the Company's own shares. This authority will expire at the next Annual General Meeting of the Company unless earlier revoked or varied by the Company at a general meeting. Further information is set out in the Circular to Shareholders which is despatched together with this Annual Report.

3. Resolutions on Retention as Independent Directors
   (i) Datuk Wan Kassim bin Ahmed was appointed an Independent Director on 29 March 2002. Datuk Wan Kassim bin Ahmed has served the Company for more than nine (9) years as at the date of the notice of the Annual General Meeting and has met the independent guideline as set out in chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board, therefore, considers Datuk Wan Kassim bin Ahmed to be independent and recommends Datuk Wan Kassim bin Ahmed to remain as an Independent Director.
   (ii) Dato' Dr. Abdul Razak bin Abdul was appointed an Independent Director on 3 January 2005. Dato' Dr. Abdul Razak bin Abdul has served the Company for more than nine (9) years as at the date of the notice of the Annual General Meeting and has met the independent guideline as set out in chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board, therefore, considers Dato' Dr. Abdul Razak bin Abdul to be independent and recommends Dato' Dr. Abdul Razak bin Abdul to remain as an Independent Director.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Directors standing for re-election

The Directors who are standing for re-election at the Annual General Meeting of the Company are as follows:

Mr Chen Yiy Fon - Resolution 3

Mr Lim Mun Kee - Resolution 4

Information on the above Directors is set out under Directors/CEO's Profiles of this Annual Report.

Details of attendance of Board Meetings held during the financial year ended 30 June 2015 for the above Directors are set out under Other Compliance Statements of this Annual Report.

Directors/CEO's Profiles

DATUK WAN KASSIM BIN AHMED
Chairman, Independent Non-Executive Director

- Aged 66, Malaysian
- Appointed to the Board on 29 March 2002
- Appointed as Chairman on 4 December 2013
- Chairman of Audit, Nomination and Remuneration Committees
- Graduated with Bachelor of Economics from University of Malaya in 1973
- Began his career with Messrs Kassim Chan, an audit firm in 1973 before joining Bank Bumiputra Malaysia Berhad. Joined Shamelin Berhad for 10 years before starting his own management consultancy firm, United Kadila Sdn. Bhd. Served as a Councilor for the Petaling Jaya Town Council between 1987 and 1991. Served as a Board member of the Malaysian Tourist Development Board from 1992 to 1996
- Currently, he is a Director of Karambunai Corp Bhd. and Petaling Tin Berhad

TAN SRI DR. CHEN LIP KEONG
President, Non-Independent Executive Director

- Aged 68, Malaysian
- Appointed to the Board on 3 August 1994
- Controlling shareholder and President of FACB Industries Incorporated Berhad
- Bachelor of Medicine and Surgery from University of Malaya 1973 (M.B.B.S. Malaya) and extensive corporate, managerial and business experience since 1976
- Controlling shareholder and Executive Director of Karambunai Corp Bhd. and controlling shareholder of Petaling Tin Berhad

PUAN SRI LEE CHOU SARN
Non-Independent Executive Director

- Aged 68, Malaysian
- Appointed to the Board on 17 March 1997 and as Acting Chief Executive Officer on 1 August 2007. On 15 December 2008, stepped down as Acting Chief Executive Officer
- Graduated with Bachelor of Economics in 1971 from University of Malaya
- Worked for 13 years in the Statistics Department of the Government of Malaysia. She has been a shareholder and a Director of Lipkland Holdings Sdn. Bhd., an investment holding company since December 1982. She was also a Director of Karambunai Corp Bhd. from 1994 to 2001

DATO' DR. ABDUL RAZAK BIN ABDUL
Independent Non-Executive Director

- Aged 65, Malaysian
- Appointed to the Board on 12 April 1994. On 3 January 2005, re-designated from Executive Director to Non-Executive Director
- A member of Audit and Remuneration Committees
- Graduated with Master of Business Administration (Finance) in 1973 and obtained Ph.D (International Business) in 1979
- Commenced his career as a lecturer in Institut Teknologi MARA ("ITM") in 1973 and became the Head of ITM's School of Business in 1981. Has been actively involved in the insurance industry since 1983 and has vast experience in managing insurance companies. Was a Director of Petaling Tin Berhad from 1991 to 1992 and 1997 to 2000
- Currently, he is a Director of TAP Resources Berhad

Directors/CEO's Profiles

CHEN YIY FON
Non-Independent Executive Director

- Aged 34, Malaysian
- Appointed to the Board on 1 August 2007
- Graduated with Bachelor of Arts in Economics from University of Southern California, Los Angeles
- Previously worked in Morgan Stanley, Los Angeles, California and Credit Suisse First Boston, Singapore
- Currently, he is a Director of Karambunai Corp Bhd. and Petaling Tin Berhad

LIM MUN KEE
Independent Non-Executive Director

- Aged 48, Malaysian
- Appointed to the Board on 1 August 2007
- A member of Audit, Remuneration and Nomination Committees
- A qualified accountant registered with the Malaysian Institute of Accountants ("MIA") and the Malaysian Institute of Certified Public Accountants ("MICPA")
- Started his career in KPMG Peat Marwick in 1989
- Has over 15 years of experience in auditing, finance and accountancy where he worked in several listed companies as Accountant, Financial Controller and Head of Internal Audit
- Currently, he is a Director of Karambunai Corp Bhd. and Petaling Tin Berhad

TEO HOCK KEE
Acting Chief Executive Officer

- Aged 48, Malaysian
- Appointed as Acting Chief Executive Officer on 16 November 2011
- Graduated with Bachelor of Engineering (Hons) in Mechanical Engineering, United Kingdom
- Has been with FACB Industries Incorporated Berhad's steel operation for more than 20 years. The steel operation was previously one of the largest ISO 9001:2008 certified integrated stainless steel pipe and butt-weld fittings manufacturers in South East Asia

Other Information

a. Family Relationship
Puan Sri Lee Chou Sarn is the spouse of Tan Sri Dr. Chen Lip Keong. Mr Chen Yiy Fon is the son of Tan Sri Dr. Chen Lip Keong and Puan Sri Lee Chou Sarn.

Save as disclosed above, none of the Directors or the Chief Executive Officer has any family relationship with any Director of the Company.

b. Conflict of Interest
None of the Directors or the Chief Executive Officer has any conflict of interest with the Company.

c. Conviction of offences
None of the Directors or the Chief Executive Officer has any conviction for offences within the past 10 years other than traffic offences, if any.

Chairman's Statement

DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I am pleased to present the Annual Report of FACB Industries Incorporated Berhad ("FACBII" or "Company") for the financial year ended 30 June 2015 (FY2015).

FINANCIAL REVIEW

For the financial year ended 30 June 2015, the Company and its subsidiaries ("Group") recorded a profit before tax of RM8.44million as compared to RM69.45million in the preceding financial year. Profit before tax in the preceding year included a gain from the disposal of a parcel of land erected upon with two detached factories. The Group registered a slight decrease in revenue to RM56.09million due to decrease in business volume from both stainless steel fittings and bedding divisions.

The Group registered a net profit attributable to owners of the Company of RM4.75million which translated into earnings per share of 5.66 sen.

The bedding division recorded lower revenue as compared to the preceding financial year due to slowdown in retail spending. Profit before tax was lower due to the lower revenue and lower gross profit margin. Nevertheless, Dreamland, as a brand, again won Gold Award for another year in the prestigious Reader Digest's Trusted Brand – Malaysia.

The stainless steel fittings division registered lower revenue as compared to preceding financial year amidst challenging international markets. The division registered loss before tax as a result of low gross profit margin.

The investments in China continued to contribute positively to the Group's profit.

Chairman's Statement

DIVIDEND

The Board of Directors is pleased to recommend a final dividend of 2.5% for the financial year, subject to the shareholders' approval at the forthcoming 36th Annual General Meeting.

SHARE BUY BACK

The Company did not execute any share buyback during the year under review.

CORPORATE DEVELOPMENT

To widen the Group's online revenues, Dreamland Marketing (Shanghai) Co. Ltd., with a paid up capital of RMB1million, was incorporated in China on 5 February 2015. The main purpose of the new subsidiary is on marketing which includes marketing of bedding products.

CORPORATE SOCIAL RESPONSIBILITY

The Group is committed to carry out its business operations in a socially responsible and sustainable manner. In this respect, safety, health and environment continue to be our focus. Our Safety & Health Committee, led by a senior management team, ensures active participation from all level of employees in various safety and health activities organised periodically. Industrial hygiene and safety measures are also put in place via preventative maintenance programs to ensure plant and machinery and ventilation systems are in good and safe condition, and in compliance with requirements under the Occupational, Health and Safety Act. Chemical risk assessment tests are also conducted jointly with Department of Environment to ensure compliance with relevant regulations.

Our other environmental initiatives include putting in place a recycling policy and using CFC free products to reduce carbon emission in our production process.

FUTURE OUTLOOK

Dreamland continues to be the market leader in the back care mattress with the patented state-of-the art Miracoil spring system. The well known Dreamland products associated with superior quality in the middle and premium markets will continue to bring benefits to consumers and propel the bedding division for greater market penetration. Innovative marketing strategies will help create awareness and revamped products will bring out product uniqueness in a competitive business environment.

In respect of stainless steel fittings division, the weakening commodity prices and keen global competition would continue to pose challenges to its performance in the near future. Marketing initiatives and cost cutting measures have been implemented and will be continuously monitored for better performance.

Chairman's Statement


We expect investments in power plants and bedding business in China to contribute positively to the Group.

The Group will continue to look for new business opportunities and work with professionals to study and evaluate various business proposals.

ACKNOWLEDGEMENT

On behalf of the Board members, I would like to extend our heartfelt thanks to our shareholders, customers, bankers, business associates and regulatory authorities for their continued support, guidance and assistance extended to the Group. We would like to express our appreciation to the management and staff of the Group for their hard work and dedication too.

DATUK WAN KASSIM BIN AHMED
Chairman

12 October 2015

Audit Committee Report

Pursuant to paragraph 15.15 of the Bursa Securities Main Market Listing Requirements, the Board is required to prepare an Audit Committee Report for inclusion in its Annual Report.

COMPOSITION

For the financial year, the members of the Audit Committee, their respective designations and directorships are as follows:

Chairman

Datuk Wan Kassim bin Ahmed	*Independent Non-Executive Director*

Members

Dato' Dr. Abdul Razak bin Abdu	*Independent Non-Executive Director*
Mr Lim Mun Kee	*Independent Non-Executive Director*

TERMS OF REFERENCE

Purpose

The primary objective of the Audit Committee (as a standing committee of the Board) is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting and internal control.

Reporting Responsibilities

The Audit Committee will report to the Board on the nature and extent of the functions performed by it and may make such recommendations to the Board on any audit and financial reporting matters as it may think fit.

Attendance at Meetings

The Head of Finance, the Head of Internal Audit and a representative of the External Auditors should normally attend meetings. The Company Secretary shall be the Secretary of the Committee. Other officers may be invited to brief the Committee on issues that are incorporated into the agenda. The Committee should meet with the external auditors, the internal auditors or both without executive board members and employees of the Group present, whenever deemed necessary.

Frequency of Meetings

The Committee will meet as frequently as the Chairman shall decide, with due notice of issues to be discussed and should record its conclusions whilst discharging its duties and responsibilities. The Chairman of the Audit Committee should engage on a continuous basis with senior management, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Group.

Audit Committee
Report

Quorum

The quorum for a meeting shall be two (2) members of whom a majority shall be independent Directors.

Authority

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. The Committee shall have unrestricted access to both the internal and external auditors and to all employees of the Group. The Committee may, with the approval of the Board, consult legal or other professionals where they consider it necessary to discharge their duties.

Duties

The duties of the Audit Committee include the following:

- To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal.
- To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved.
- To review the quarterly and year end financial statements of the Company, focusing on:
  - any changes in accounting policies and practices;
  - major judgmental areas;
  - significant adjustments arising from the audit;
  - the going concern assumption; and
  - compliance with accounting standards and other legal requirements.
- To discuss problems and reservation arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management, where necessary).
- To review the external auditor's management letter and management's response.
- To do the following, in relation to the internal audit function:
  - review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
  - review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
  - review any appraisal or assessment of the performance of members of the internal audit function;
  - approve any appointments or termination of senior staff members of the internal audit function; and
  - take cognizance of resignations of internal audit staff members and provide the resigning staff members an opportunity to submit his reasons for resigning.
- To consider any related party transactions and conflict of interest situation that may arise within the Group.
- To consider the major findings of internal investigations and management's response.
- To consider other topics as defined by the Board.

DETAILS OF MEETINGS

The Audit Committee met four (4) times during the financial year ended 30 June 2015 and details of attendance are as follows:

Datuk Wan Kassim bin Ahmed	4/4
Dato' Dr. Abdul Razak bin Abdul	4/4
Mr Lim Mun Kee	4/4

During the financial year, the relevant training attended by the above Directors are detailed in the Corporate Governance Statement of this Annual Report.

SUMMARY OF AUDIT COMMITTEE ACTIVITIES

In discharging its responsibilities for the financial year, the Audit Committee, in particular:

- Reviewed the quarterly and year end financial statements and made recommendation to the Board.
- Reviewed and approved the annual internal audit work plan.
- Deliberated over the internal audit and compliance reports, ensuring recommendations are carried out.
- Reviewed and assisted in the development and implementation of sound and effective internal controls and business systems within the Group.
- Reviewed the Risk Advisory Committee report, ensuring adequacy and effectiveness of the Group's Risk Management Framework.
- Discussed and reviewed with the external auditors the results of their examination, their auditor's reports and management letters in relation to the audit and accounting issues arising from the audit.
- Reviewed the Group's compliance with regards to the Bursa Securities Main Market Listing Requirements and compliance with accounting standards issued by the Malaysian Accounting Standards Board.

SUMMARY OF INTERNAL AUDIT ACTIVITIES

The Audit Committee is supported by an Internal Audit Department which reports directly to the Committee and is independent of the activities they audit. The cost incurred on this function which includes risk management and corporate governance was RM176,280/- for the financial year. During the financial year, the Internal Audit Department conducted, inter alia, the following activities:

- Formulated and agreed with the Audit Committee on the audit plan, strategy and scope of work.
- Reviewed compliance with internal policies, procedures and standards, relevant external rules and regulations, as well as assessed the adequacy and effectiveness of the Group's internal control system.
- Analysed and assessed key business processes, report findings, and made recommendations to improve effectiveness and efficiency.
- Followed up on internal audit recommendations to ensure adequate implementation.
- Advised on the implementation of the Malaysian Code on Corporate Governance, Bursa Securities Main Market Listing Requirements and other regulatory requirements.
- Performed investigations and special review.
- Facilitated and reviewed the Group's risk management framework for adequacy and effectiveness in tandem with the business environment.

This report is made in accordance with a resolution of the Board of Directors dated 12 October 2015.

Statement on Corporate Governance

The Board of Directors of FACB Industries Incorporated Berhad is committed to its fiduciary responsibilities for sound corporate governance in its business management practices. Accordingly, the Board supports the Principles and Recommendations laid out in the Malaysian Code on Corporate Governance 2012 ("the Code") wherein disclosures pursuant to the Code is mandated under paragraph 15.25 of the Bursa Securities Main Market Listing Requirements.

In particular, the Company has complied with the Recommendations of the Code save for the recommendation that the tenure of independent Directors should not exceed a cumulative term of nine years and the recommendation for individual disclosure of Directors' remuneration packages (as detailed in Other Compliance Statements of this Annual Report), whereas the ensuing paragraphs narrates how the Company has applied the Principles of the Code.

BOARD OF DIRECTORS

Board Charter

The Company has in place a Board Charter which sets out the Board's strategic intent and outlines the Board's roles and responsibilities. The Board Charter is a source reference and primary induction literature, providing insights to prospective board members and senior management.

The Board Charter provides a basis for good governance for effective functioning and accountability of the Company. It also ensures that the Company and its subsidiaries are effectively led and controlled with the Board of Directors having the ultimate responsibility for maintaining the highest standards of integrity, accountability and corporate governance and acting in the interest of the Company as a whole. In particular, it includes the division of responsibilities and powers between the Board and management, the different committees established by the Board, and between the Chairman and the CEO.

Finally, the Board Charter is updated from time to time to reflect changes to the Company's policies, procedures and processes as well as the latest relevant legislations and regulations.

Board Responsibilities

The principal duty and responsibility of the Board is to effectively lead and control the Company. The Board is to oversee the performance of management in a collegial relationship that is supportive yet vigilant. It is also responsible for the Company's strategies, objectives, succession plan and accountability to shareholders.

The Board has clear roles and responsibilities in discharging its fiduciary and leadership functions and has established clear functions reserved for the Board and those that were delegated to the management which are embodied in the Board Charter.

All Directors are to act in the best interest of the Company and shall disclose to the Board of any interest or potential interest as soon as he/she becomes aware of such interest.

Board Meetings

The Company is led and controlled by an experienced Board with a wide range of expertise. Board members' judgement has a bearing on strategies, performances, resources and standards. Four (4) Board meetings were held during the financial year ended 30 June 2015 (with details attendance presented under Other Compliance Statements of this Annual Report). In between scheduled meetings and where appropriate, Board decisions may be effected via circular resolutions.

All Directors have complied with the minimum requirements on attendance at Board meetings as stipulated in the Bursa Securities Main Market Listing Requirements (minimum 50% attendance).

Minutes of proceedings and decisions taken during the Board meetings are recorded by the Company Secretary and were circulated promptly to the Board members.

Board Composition

The Board currently consists of six (6) members comprising three (3) Executive Directors and three (3) Non-Executive Directors. Among the Non-Executive Directors, all three (3) are independent, hence more than a third of the Board is independent. Meanwhile, the Board's composition reflects a commitment towards achieving a requisite mix of skills and experience in various business and financial competencies. Executive Directors have direct responsibilities for business operations whereas Non-Executive Directors are responsible for bringing independent objective judgement to bear on Board deliberations.

The Board annually examines its size and composition with a view to determine the impact of the number and make up on its effectiveness. The Board believes that the current size and composition is ideal to provide the necessary check and balance to the Board's decision-making process. The profiles of the Directors are set out under Directors/ CEO's Profiles of this Annual Report.

To ensure balance of power and authority, the roles of Chairman and Chief Executive Officer are distinct and separate. The Board has identified Datuk Wan Kassim bin Ahmed as the Senior Independent Non-Executive Director to whom concerns may be raised.

Board Independence

The Board conducts an annual assessment of the independence of its Independent Non-Executive Directors and is satisfied that they continue to bring independent and objective judgement to Board deliberations.

The Company's Independent Non-Executive Directors, namely, Datuk Wan Kassim bin Ahmed and Dato' Dr. Abdul Razak bin Abdul, having served more than 9 years, constitute a departure from the Code recommendations. The Board is of the opinion that these Directors, as a result of their long tenures, possess valuable knowledge of the structure, controls and dynamics of the Company.

Consequently, pursuant to Recommendation of the Code, the Board seek shareholders' approval to retain their designations as independent Directors. The length of their services on the Board do not in any way interfere with their exercise of independent judgement and ability to act in the best interests of the Company as they continue to be scrupulously independent in the discharge of their duties as constructive challengers of executive management.

The Board, therefore, recommends that Datuk Wan Kassim bin Ahmed and Dato' Dr. Abdul Razak bin Abdul should continue to serve as Independent Non-Executive Directors of the Company for another year.

Board Diversity

The Board acknowledges the importance of board diversity in the effective functioning of the Board. The Board endeavours to achieve diversification in terms of gender, ethnicity and age, underpinned by the overriding primary aim of selecting the best candidates to support the achievement of the Company's strategic objectives.

Continuing Education of Directors

Directors' training is an on-going process as the Directors recognise the need to continually develop and refresh their skills and knowledge and to update themselves on the developments in the related industry and business landscape.

Directors are required to attend the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad. During the financial year, the Directors attended an in-house training on "Latest Update on Goods and Services Tax affecting hotels, golf courses, property developers and manufacturers".

Apart from the above, Board members were regularly updated on global developments and trends in Corporate Governance principles and best practices besides local regulatory and risk management framework.

Supply of Information

The Directors have full and unrestricted access to all information pertaining to the Company's business and affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties. There are matters specially reserved for the Board's decision to ensure that the direction and control of the Company is firmly in its hands. Prior to the Board meetings, the Directors are provided with the agenda together with Board papers containing reports and information relevant to the business of the meeting.

Under appropriate circumstances the Directors may obtain independent professional advice at the Company's expense, in furtherance of their duties.

Company Secretary

The Company Secretary plays a supporting role to the Board to ensure adherence to the Board policies and procedure and compliances with the Bursa Securities Main Market Listing Requirements and other compliance regulations.

The Directors have ready and unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duties effectively.

Board Committees

The Board has delegated specific responsibilities to Board Committees which comprise the Audit Committee, Nomination Committee and Remuneration Committee. These Committees operate within defined terms of reference and are limited to making recommendations to the Board for final decision on matters discussed and deliberated.

Minutes of proceedings and decisions taken during the Board meetings are recorded by the Company Secretary and were circulated promptly to the members of Board Committees.

Appointments to the Board

The Board had established a Nomination Committee with appropriate terms of reference on 24 June 2002. The members of the Committee, currently comprising wholly of Independent Non-Executive Directors, are as follows:

1. Datuk Wan Kassim bin Ahmed, *Chairman*
2. Mr Lim Mun Kee

The Nomination Committee is chaired by a Senior Independent Director identified by the Board, thereby enhancing the Committee's overall effectiveness.

The Nomination Committee established by the Board, is responsible for screening, evaluating and recommending suitable candidates to the Board for appointment as Directors, as well as filling the vacant seats of the Board Committees. In respect of the appointment of Directors, the Company practised a clear and transparent nomination process which involves the identification of candidates, evaluation of suitability of candidates, meeting up with candidates, final deliberation by the Nomination Committee and recommendation to the Board.

The Nomination Committee has a formal assessment mechanism in place to assess on an annual basis, the effectiveness of the Board as a whole and the contribution of each individual director, including the Independent Non-Executive Directors. The Committee shall meet at least once a year. Additional meetings are held as and when required. During the financial year, the Committee met once on 27 May 2015.

Re-election

In accordance with the Company's Articles of Association, all Directors are subject to retirement from office at least once in every three (3) years, but shall be eligible for re-election. This provision is not only consistent with the underlying principles of the Code, but also, fully in line with paragraph 7.26 (2) of the Bursa Securities Main Market Listing Requirements. The Articles also provide that any director appointed during the year is required to retire and seek re-election at the following Annual General Meeting ("AGM") immediately after such appointment.

The Directors who are subject to re-election at the AGM will be assessed by the Nomination Committee on their performance whereupon recommendations will be submitted to the Board for decision on the proposed re-election of the Directors concerned, for shareholders' approval at the forthcoming AGM.

The Directors over seventy (70) years of age, where applicable, are required to submit themselves for re-appointments annually in accordance with Section 129 of the Companies Act, 1965.

DIRECTORS' REMUNERATION

Procedure

The Board had established a Remuneration Committee with appropriate terms of reference on 24 June 2002. The primary objective of the Remuneration Committee is to assist the Board in developing and establishing competitive remuneration policies and packages in all its forms, while drawing advice from experts if deemed necessary. The Committee, currently comprising wholly Non-Executive Directors, are as follows:

1. Datuk Wan Kassim bin Ahmed, *Chairman*
2. Dato' Dr. Abdul Razak bin Abdul
3. Mr Lim Mun Kee

The Committee shall meet at least once a year. Additional meetings shall be scheduled if considered necessary by the Committee or Chairman. During the financial year, the Committee met once on 27 August 2014.

The Level and Make-up of Remuneration

The Committee's duty is to, inter-alia, review the remuneration framework and packages of newly appointed and existing Executive Directors and make recommendations to the Board for approval, with the underlying objective of attracting, motivating and retaining Directors needed to run the Company successfully. In particular, the remuneration package is structured to commensurate with corporate and individual performance, business strategy and long term objective of the Company.

In respect of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken and is a matter for consideration by the Board as a whole. The Non-Executive Directors abstain from discussion pertaining to their own remuneration.

Disclosure

The details of Directors' Remuneration for the financial year are summarised under Other Compliance Statements of this Annual Report.

Statement on Corporate Governance

SHAREHOLDERS

Dialogue between Company and Shareholders

The Company recognises the importance of keeping shareholders well informed of the Group's major corporate developments and events. The Board had directed the Company to disclose all relevant information to shareholders to enable them to exercise their rights. Such information is duly and promptly announced via appropriate communication channels.

In particular, dissemination of information includes the distribution of Annual Reports, announcement of quarterly financial performances, issuance of circulars, press releases and holding of press conferences.

To further enhance transparency to all shareholders and stakeholders of the Company, the Group has established a website at www.facbi.com where shareholders can access information encompassing corporate information, financial highlights, annual reports, Bursa Malaysia Securities Berhad's announcements and media updates.

Annual General Meeting ("AGM")

AGM is the principal platform for dialogue with shareholders, wherein, the Board presents the operations and performance of the Group. During the meeting, shareholders are given every opportunity to enquire and comment on matters relating to the Group's business.

The Company has taken active steps to encourage shareholder participation at general meetings such as serving notices for meetings earlier than the minimum notice period. The Chairman and members of the Board are available to respond to shareholders' queries during the meeting.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible for ensuring a balanced and understandable assessment of the Company's position and prospects in its quarterly announcements and annual reports. The Audit Committee assists the Board by reviewing the disclosure information to ensure completeness, accuracy and validity. A full Directors' Responsibility Statement is also included in this Annual Report.

Internal Control

The Statement on Risk Management and Internal Control set out in this Annual Report provides an overview of the Company's approach in maintaining a sound system of internal control to safeguard shareholders' investment and the Company's assets.

Relationship with the Auditors

The Board via the establishment of an Audit Committee, maintains a formal and transparent relationship with the Company's auditors and place great emphasis on the objectivity and independence of the Group's external auditor.

The roles of the Audit Committee in relation to the auditors in particular, and corporate governance in general, are detailed in the Audit Committee Report of this Annual Report.

This statement is made in accordance with resolution(s) of the Board of Directors dated 12 October 2015.

Statement on Risk Management and Internal Control

Pursuant to paragraph 15.26(b) of the Bursa Securities Main Market Listing Requirements, the Board of Directors is required to include in its Annual Report, a statement on the state of internal control of the Company. In making this statement on internal control, it is essential to specifically address the Principles and Recommendations in the Malaysian Code on Corporate Governance which relate to internal control.

RESPONSIBILITY

The Board of Directors has overall stewardship responsibility for the Company's system of internal control and for reviewing its adequacy and integrity to safeguard shareholders' investment and the Company's assets. However, it should be noted that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss. The associated companies have not been dealt with as part of the Company for the purpose of this statement.

INTERNAL CONTROL FRAMEWORK

The embedded control system is designed to facilitate achievement of the Company's business objectives. It comprises the underlying control environment, control procedures, communication and monitoring processes which manifest as follows:

- Organisational structure defining lines of responsibility, delegation of authority, segregation of duties and information flow. Besides the predominantly non-executive standing committees such as the Audit, Nomination and Remuneration Committees, the Board is supported by executive management operationally. The executive management convenes periodically to meet its strategic business agenda thus ensuring that the Board, properly apprised, maintains effective supervision over the entire operations.

- Policies and procedures have been established, periodically reviewed and updated in accordance with changes in the operating environment.

- Comprehensive budgeting process for major operating units with periodical monitoring of performance so that major variances are followed up and management action taken.

- Functional limits of authority in respect of revenue and capital expenditure for all operating units. These commitment authority thresholds, working in tandem with budgeting and payment controls, serve to facilitate the approval process whilst keeping potential exposure in check.

- Detailed justification and approval process for major expenditures to ensure congruence with the company's strategic objectives.

- Independent appraisals by internal auditors to ensure ongoing compliance with policies, procedures, standards and legislations whilst assessing the effectiveness of the Group's system of financial, compliance and operational controls.

Statement on Risk Management and Internal Control

RISK MANAGEMENT FRAMEWORK

Besides primary ownership over effectiveness of the Company's internal control systems, the Board regards risk management as an integral part of the business operations. The Board recognizes its responsibility over the principal risks of various aspects of the Company's business. For long term viability of the Company, the Board acknowledges that, it is crucial to achieve a critical balance between risks incurred and potential returns.

In response to the above challenge, the Company confirms that there is an on-going process of identifying, evaluating, monitoring, managing and reporting significant risks affecting the achievement of the Company's business objectives via the establishment of an in-house structured risk management framework.

A Risk Advisory Committee ("RAC") comprising senior management personnel responsible, inter alia, for internal policy communications, acquiring risk management skills, developing skills through education and training, and ensuring adequate scale of recognition, rewards and sanctions was set up on 1 March 2002.

During the financial year, the RAC monitored the Company's significant risks and recommended appropriate treatments. The Audit Committee facilitated by the internal audit function, establishes the adequacy and effectiveness of the Company's Risk Management Framework by regularly reviewing the resultant RAC risk registers.

INTERNAL AUDIT

An in-house Internal Audit function supports the Audit Committee, and by extension, the Board, by providing reasonable independent assurance on the effectiveness of the Company's system of internal control.

In particular, Internal Audit appraise and contribute towards improving the Company's risk management and internal control systems and reports to the Audit Committee on a quarterly basis. The internal audit work plan which reflects the risk profile of the Company's major business sectors is routinely reviewed and approved by the Audit Committee.

The Board of Directors, through its Audit Committee, has reviewed the adequacy and effectiveness of the internal control systems and relevant actions have been taken to remedy the internal control weaknesses identified from the reviews, which was largely based on the outcome of observations raised by internal auditors directly to the Audit Committee.

INTERNAL CONTROL ISSUES

Management maintains an ongoing commitment to strengthen the Company's control environment and processes. The Chief Executive Officer and the Chief Financial Officer have provided assurance to the Board that the Company's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management and internal control framework of the Company. The management will continue and take measures to ensure the ongoing effectiveness and adequacy of the system of risk management and internal controls, so as to safeguard shareholders' investment and the Company's assets. During the year, there were no material losses caused by breakdown in internal control.

This statement is made in accordance with a resolution of the Board of Directors dated 12 October 2015 and has been duly reviewed by the external auditors, pursuant to paragraph 15.23 of the Bursa Securities Main Market Listing Requirements.

Other Compliance Statements

1. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Paragraph 15.26(a) of Bursa Securities Main Market Listing Requirements

The Directors are required by Malaysian company law to prepare for each accounting period financial statements which give a true and fair view of the state of affairs of the Group and the Company as at the end of the accounting period and of the results of their operations and cashflows for that period.

In preparing the financial statements the Directors are required to select and apply consistently suitable accounting policies and make reasonable and prudent judgements and estimates. Applicable accounting standards also have to be followed and a statement made to that effect in the financial statements, subject to any material departures being disclosed and explained in the notes to the financial statements. The Directors are required to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business. The Directors are responsible for ensuring proper accounting records are kept which discloses with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965.

They are also responsible for taking reasonable steps to safeguard the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

2. DIRECTORS' ATTENDANCE AT BOARD MEETINGS

During the financial year, the Board held four (4) formal meetings. The attendance of Directors at the Board Meetings is as follows:

	Board Meetings			
Directors	**27.8.2014**	**26.11.2014**	**11.2.2015**	**27.5.2015**
Datuk Wan Kassim bin Ahmed	√	√	√	√
Tan Sri Dr. Chen Lip Keong	√	√	√	√
Puan Sri Lee Chou Sarn	√	√	√	√
Dato' Dr. Abdul Razak bin Abdul	√	√	√	√
Chen Yiy Fon	√	√	√	√
Lim Mun Kee	√	√	√	√

N/A Not Applicable √ Attended X Not attended

3. DIRECTORS' REMUNERATION

The aggregate remuneration of Directors for the financial year is categorized as follows:

In RM	Executive	Non-Executive
Fees	-	214,200
Salaries & Other Emoluments	910,794	-
Benefits In Kind	20,000	-
Total	**930,794**	**214,200**

3. DIRECTORS' REMUNERATION (CONT'D)

The number of Directors whose remuneration fall within the following bands are as follows:

Range of remuneration (In RM)	No. of Directors	
	Executive	Non-Executive
Below 50,000	-	-
50,001 to 100,000	-	3
100,001 to 150,000	1	-
150,001 to 300,000	-	-
300,001 to 350,000	1	-
350,001 to 450,000	-	-
450,001 to 500,000	1	-
Total	**3**	**3**

The above disclosure is in compliance with the Bursa Securities Main Market Listing Requirements. Nevertheless, it represents a departure from the Principles of Corporate Governance of the Code, which prescribes individual disclosure of directors' remuneration packages. The Board is of the opinion that individual disclosure would impinge upon the directors' reasonable right to privacy and would not significantly enhance shareholders' understanding.

4. UTILISATION OF PROCEEDS

During the financial year, the Company did not raise funds from any corporate exercise.

5. SHARE BUY-BACK

During the financial year, the Company did not exercise any share buy-back.

As at 19 October 2015, the Company has bought back a total of 1,279,700 shares and these are presently held as treasury shares. The Company did not sell or cancel any of its treasury shares during the financial year.

6. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

During the financial year, the Company did not issue any options, warrants or convertible securities.

7. AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR")

During the financial year, the Company did not sponsor any ADR or GDR programme.

8. SANCTIONS AND/OR PENALTIES

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

9. NON-AUDIT FEES

The non-audit fees payable to the external auditors for the financial year amounts to RM5,000/-.

10. VARIATION IN RESULTS

There was no material variance between the results for the financial year and the unaudited results previously announced.

11. PROFIT GUARANTEE

During the financial year, there was no profit guarantee given by the Company.

12. MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS

There were no material contracts entered into by the Company and its subsidiaries involving Directors and major shareholders' interests during the financial year or subsisting at the end of the financial year.

13. REVALUATION POLICY

The Company does not have a policy of regular revaluation of its landed properties.

14. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

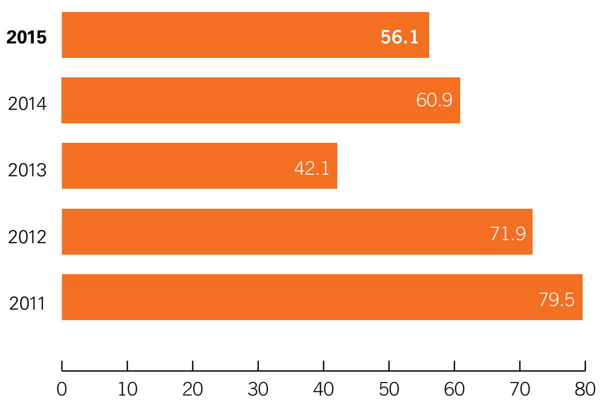
There were no material recurrent related party transactions of a revenue nature during the year.

These statements are made in accordance with resolution(s) of the Board of Directors dated 12 October 2015.

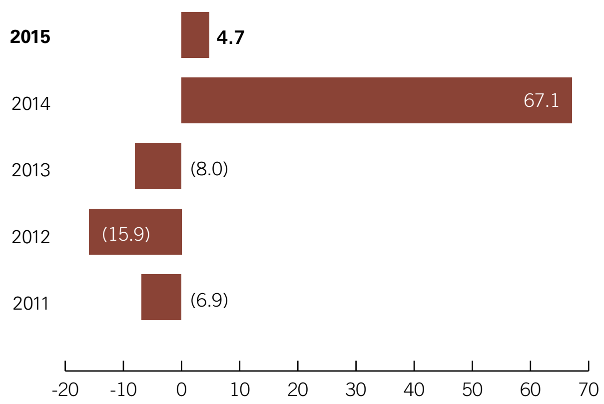
5 Years Group Financial Highlights

In RM'000	2011	2012	2013	2014	2015
Revenue from continuing operations	79,536	71,892	42,066	60,873	**56,087**
Profit from continuing operations before tax	345	4,674	13,775	69,453	**8,436**
(Loss)/Profit from discontinued operations before tax	(4,999)	(7,643)	(14,912)	73	**(162)**
Profit/(Loss) attributable to owners of the parent	(6,868)	(15,922)	(7,970)	67,148	**4,749**
Total assets	265,950	234,779	196,165	241,426	**235,448**
Equity attributable to owners of the parent	176,029	161,571	154,278	211,697	**205,800**
In RM					
Net assets per share	2.10	1.93	1.84	2.52	**2.45**
In Sen					
Earnings/(Loss) per share	(8.19)	(18.98)	(9.50)	80.05	**5.66**

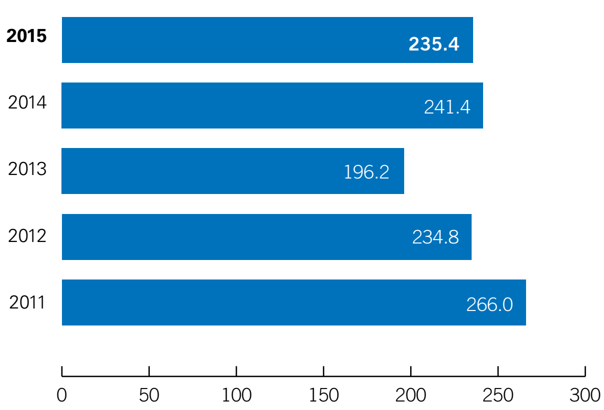
REVENUE FROM CONTINUING OPERATIONS
(RM'Million)



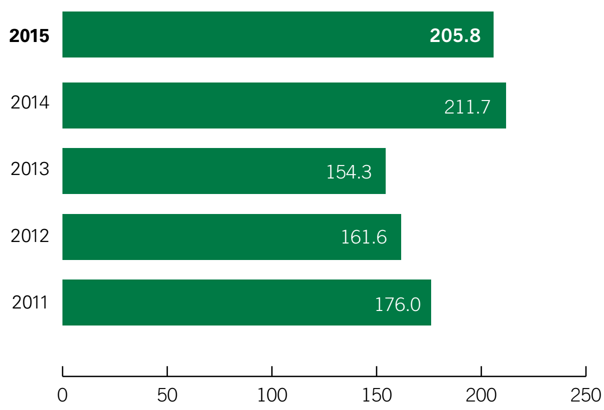
PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT (RM'Million)



TOTAL ASSETS
(RM'Million)



EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (RM'Million)



Reports and Financial Statements

Directors' Report

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

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

FINANCIAL RESULTS

	Group RM	Company RM
Profit/(Loss) net of tax		
- from continuing operations	**6,962,311**	**9,583,648**
- from discontinued operation	**(229,960)**	**-**
	6,732,351	**9,583,648**
Attributable to:		
Owners of the parent	**4,748,514**	**9,583,648**
Non-controlling interests	**1,983,837**	**-**
	6,732,351	**9,583,648**

DIVIDENDS

During the financial year, the Company paid a final single-tier dividend of 2.8% per ordinary share of RM1 each on 30 December 2014 amounting to RM2,348,718 in respect of the previous financial year ended 30 June 2014 as reported in the Directors' Report of that year.

The Directors recommend a final single-tier dividend of 2.5% per ordinary share in respect of the financial year ended 30 June 2015, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provision during the financial year.

ISSUE OF SHARES AND DEBENTURES

There were no issuance of shares or debentures during the financial year.

TREASURY SHARES

During the financial year, the Company did not repurchase any of its issued and fully paid ordinary shares.

As at 30 June 2015, the Company held as treasury shares a total of 1,279,700 of its 85,162,500 issued ordinary shares. Such treasury shares are held at a carrying amount of RM1,225,544 and are disclosed in Note 18 to the financial statements.

DIRECTORS

The Directors in office since the date of the last report are:-

DATUK WAN KASSIM BIN AHMED
TAN SRI DR. CHEN LIP KEONG
PUAN SRI LEE CHOU SARN
DATO' DR. ABDUL RAZAK BIN ABDUL
CHEN YIY FON
LIM MUN KEE

DIRECTORS' INTERESTS

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of Ordinary Shares of RM1 each			
	At 1.7.2014	**Bought**	**Sold**	**At 30.6.2015**
Interest in the Company				
Direct Interest				
Tan Sri Dr. Chen Lip Keong	16,925,000	-	-	**16,925,000**
Puan Sri Lee Chou Sarn	505,493	-	-	**505,493**
Indirect Interest				
Tan Sri Dr. Chen Lip Keong	8,374,389 [(a)]	-	-	**8,374,389** [(a)]

(a) Deemed interested by virtue of Section 6A of the Companies Act, 1965 via Blue Velvet Property Corp.

Notes:
(i) Puan Sri Lee Chou Sarn is the spouse of Tan Sri Dr. Chen Lip Keong; and
(ii) Chen Yiy Fon is the son of Tan Sri Dr. Chen Lip Keong and Puan Sri Lee Chou Sarn.

By virtue of their interests in shares of the Company, the Directors as disclosed above are also deemed to have an interest in the shares of the subsidiaries to the extent of the shareholdings of the Company.

None of the other Directors hold shares whether directly or indirectly in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

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

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

OTHER STATUTORY INFORMATION

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

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

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

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

   (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

   (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

   (iii) adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

   (iv) any amount stated in the financial statements of the Group and of the Company misleading.

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

   (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

   (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year other than those arising in the normal course of business of the Group and of the Company.

OTHER STATUTORY INFORMATION (CONT'D)

(d) In the opinion of the Directors:

(i) no contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

(ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SUBSEQUENT EVENT

The subsequent event is disclosed in Note 38 to the financial statements.

AUDITORS

The Auditors, Messrs UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 9 October 2015.

PUAN SRI LEE CHOU SARN **DATO' DR. ABDUL RAZAK BIN ABDUL**

KUALA LUMPUR

Statement by Directors
Pursuant to Section 169(15) of the Companies Act, 1965

We, the undersigned, being two of the Directors of FACB INDUSTRIES INCORPORATED BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 35 to 98 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2015 and of their financial performance and the cash flows for the financial year then ended.

The supplementary information set out on page 99 have been compiled in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 9 October 2015.

PUAN SRI LEE CHOU SARN

DATO' DR. ABDUL RAZAK BIN ABDUL

KUALA LUMPUR

Statutory Declaration
Pursuant to Section 169(16) of the Companies Act, 1965

I, BONG SHEE CHENG, being the Officer primarily responsible for the financial management of FACB INDUSTRIES INCORPORATED BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 35 to 98 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed at KUALA LUMPUR in the Federal)
Territory on 9 October 2015)

BONG SHEE CHENG

Before me,

MOHAN A.S. MANIAM (W 521)
COMMISSIONER FOR OATHS

Independent Auditors' Report

To the members of FACB INDUSTRIES INCORPORATED BERHAD (Company No.: 48850-K)

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of FACB INDUSTRIES INCORPORATED BERHAD, which comprise the statements of financial position as at 30 June 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 35 to 98.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

Independent Auditors' Report

Other Reporting Responsibilities

The supplementary information set out on page 99 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 Disclosures 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 Matter

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

UHY
Firm Number: AF 1411
Chartered Accountants

CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR
9 October 2015

Statements of Financial Position
As at 30 June 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	**5,856,551**	5,786,071	**1,864**	2,437
Subsidiaries	5	**-**	-	**30,992,189**	36,056,069
Investment in associates	6	**24,497,476**	20,238,382	**-**	-
Available-for-sale investments	7	**20,350,875**	30,567,322	**20,350,875**	30,567,322
Deferred tax assets	8	**1,000,000**	956,000	**-**	-
		51,704,902	57,547,775	**51,344,928**	66,625,828
Current Assets					
Inventories	9	**14,920,790**	14,928,423	**-**	-
Trade receivables	10	**11,473,679**	12,040,353	**-**	-
Other receivables	11	**4,195,887**	2,756,262	**447,604**	353,039
Tax assets	12	**371,538**	575,760	**-**	-
Amount owing by subsidiaries	13	**-**	-	**16,213,687**	16,157,699
Amount owing by associates	14	**2,179,927**	1,893,247	**-**	-
Deposits with licensed banks	15	**144,164,724**	145,454,943	**131,480,059**	125,232,517
Cash and bank balances		**6,436,386**	6,229,697	**943,931**	96,926
		183,742,931	183,878,685	**149,085,281**	141,840,181
TOTAL ASSETS		**235,447,833**	241,426,460	**200,430,209**	208,466,009

Statements of Financial Position
As at 30 June 2015

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
EQUITY AND LIABILITIES					
Equity					
Share capital	16	**85,162,500**	85,162,500	**85,162,500**	85,162,500
Share premium	17	**28,989,335**	28,989,335	**28,989,335**	28,989,335
Treasury shares	18	**(1,225,544)**	(1,225,544)	**(1,225,544)**	(1,225,544)
Other reserves	19	**(10,585,388)**	(2,289,003)	**(17,332,161)**	(7,156,724)
Retained earnings		**103,459,128**	101,059,332	**101,629,772**	94,394,842
Equity attributable to owners of the parent		**205,800,031**	211,696,620	**197,223,902**	200,164,409
Non-controlling interests		**18,643,064**	17,092,178	**-**	-
Total Equity		**224,443,095**	228,788,798	**197,223,902**	200,164,409
Liabilities					
Non-Current Liability					
Deferred tax liabilities	8	**110,000**	122,000	**-**	-
Current Liabilities					
Trade payables	20	**3,289,591**	3,601,538	**-**	-
Other payables	21	**7,073,941**	8,250,007	**557,407**	529,113
Amount owing to subsidiaries	13	**-**	-	**2,378,476**	7,300,595
Tax liabilities		**531,206**	664,117	**270,424**	471,892
		10,894,738	12,515,662	**3,206,307**	8,301,600
Total Liabilities		**11,004,738**	12,637,662	**3,206,307**	8,301,600
TOTAL EQUITY AND LIABILITIES		**235,447,833**	241,426,460	**200,430,209**	208,466,009

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

Statements of Profit or Loss and Other Comprehensive Income

For the financial year ended 30 June 2015

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Continuing operations					
Revenue	22	**56,086,576**	60,872,510	**5,340,000**	81,260,000
Direct operating costs	23	**(43,263,389)**	(45,881,953)	**-**	-
Gross profit		**12,823,187**	14,990,557	**5,340,000**	81,260,000
Other income		**7,495,332**	69,368,432	**5,441,347**	4,488,730
Selling and distribution costs		**(8,165,849)**	(9,383,410)	**-**	-
Administrative expenses		**(8,263,128)**	(8,339,394)	**(852,827)**	(1,135,920)
Other operating expenses		**(250,310)**	(281,212)	**(800)**	(6,900)
		(16,679,287)	(18,004,016)	**(853,627)**	(1,142,820)
Profit from operations		**3,639,232**	66,354,973	**9,927,720**	84,605,910
Share of results of associates		**4,796,359**	3,098,477	**-**	-
Profit before tax	24	**8,435,591**	69,453,450	**9,927,720**	84,605,910
Taxation	25	**(1,473,280)**	(622,239)	**(344,072)**	(835,738)
Profit net of tax from continuing operations		**6,962,311**	68,831,211	**9,583,648**	83,770,172
Discontinued operation					
(Loss)/Profit net of tax from discontinued operation	26	**(229,960)**	100,642	**-**	-
Profit net of tax		**6,732,351**	68,931,853	**9,583,648**	83,770,172
Other comprehensive income:					
Foreign currency translation differences		**3,400,857**	588,034	**-**	-
Fair value adjustment of available-for-sale investments		**(10,175,437)**	(7,156,724)	**(10,175,437)**	(7,156,724)
Other comprehensive loss, net of tax		**(6,774,580)**	(6,568,690)	**(10,175,437)**	(7,156,724)
Total comprehensive (loss)/income for the financial year		**(42,229)**	62,363,163	**(591,789)**	76,613,448

Statements of Profit or Loss and Other Comprehensive Income

For the financial year ended 30 June 2015

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Profit attributable to:					
Owners of the parent		**4,748,514**	67,147,798	**9,583,648**	83,770,172
Non-controlling interests		**1,983,837**	1,784,055	**-**	-
		6,732,351	68,931,853	**9,583,648**	83,770,172
Total comprehensive (loss)/income attributable to:					
Owners of the parent		**(3,547,871)**	60,315,060	**(591,789)**	76,613,448
Non-controlling interests		**3,505,642**	2,048,103	**-**	-
		(42,229)	62,363,163	**(591,789)**	76,613,448
Earnings/(Loss) per share	27				
Basic earnings/(loss) per share (sen):					
Earnings from continuing operations		**5.81**	79.98		
(Loss)/Earnings from discontinued operation		**(0.15)**	0.07		
Total		**5.66**	80.05		
Diluted earnings/(loss) per share (sen):		**N/A**	N/A		

N/A - Not Applicable

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

Statements of Changes in Equity

For the financial year ended 30 June 2015

	Attributable to Owners of the Parent										
	Non-distributable						Distributable				
Group	Share Capital RM	Share Premium RM	Reserves of Subsidiaries RM	Foreign Currency Translation Reserve RM	Fair Value Reserve RM	Other Reserve RM	Retained Earnings RM	Treasury Shares RM	Total RM	Non-controlling Interests RM	Total Equity RM
Balance as at 1 July 2013	85,162,500	28,989,335	317,713	4,912,643	-	280,100	35,841,167	(1,225,544)	154,277,914	15,180,814	169,458,728
Comprehensive income											
Profit net of tax	-	-	-	-	-	-	67,147,798	-	67,147,798	1,784,055	68,931,853
Other comprehensive income											
Foreign currency translation differences	-	-	-	323,986	-	-	-	-	323,986	264,048	588,034
Fair value adjustment of available-for-sale investments	-	-	-	-	(7,156,724)	-	-	-	(7,156,724)	-	(7,156,724)
Total other comprehensive loss for the financial year	-	-	-	323,986	(7,156,724)	-	-	-	(6,832,738)	264,048	(6,568,690)
Total comprehensive income for the financial year	-	-	-	323,986	(7,156,724)	-	67,147,798	-	60,315,060	2,048,103	62,363,163
Transactions with owners:											
Dividends to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	(382,353)	(382,353)
Dividends paid (Note 28)	-	-	-	-	-	-	(2,013,186)	-	(2,013,186)	-	(2,013,186)
Derecognition of a subsidiary	-	-	(83,553)	(883,168)	-	-	83,553	-	(883,168)	245,614	(637,554)
Total transactions with owners	-	-	(83,553)	(883,168)	-	-	(1,929,633)	-	(2,896,354)	(136,739)	(3,033,093)
Balance as at 30 June 2014	85,162,500	28,989,335	234,160	4,353,461	(7,156,724)	280,100	101,059,332	(1,225,544)	211,696,620	17,092,178	228,788,798

Statements of Changes in Equity

For the financial year ended 30 June 2015

	Attributable to Owners of the Parent										
	Non-distributable						Distributable				
Group	Share Capital RM	Share Premium RM	Reserves of Subsidiaries RM	Foreign Currency Translation Reserve RM	Fair Value Reserve RM	Other Reserve RM	Retained Earnings RM	Treasury Shares RM	Total RM	Non-controlling Interests RM	Total Equity RM
Balance as at 1 July 2014	85,162,500	28,989,335	234,160	4,353,461	(7,156,724)	280,100	101,059,332	(1,225,544)	211,696,620	17,092,178	228,788,798
Comprehensive income											
Profit net of tax	-	-	-	-	-	-	4,748,514	-	4,748,514	1,983,837	6,732,351
Other comprehensive income											
Foreign currency translation differences	-	-	-	1,879,052	-	-	-	-	1,879,052	1,521,805	3,400,857
Fair value adjustment of available-for-sale investments	-	-	-	-	(10,175,437)	-	-	-	(10,175,437)	-	(10,175,437)
Total other comprehensive loss for the financial year	-	-	-	1,879,052	(10,175,437)	-	-	-	(8,296,385)	1,521,805	(6,774,580)
Total comprehensive loss for the financial year	-	-	-	1,879,052	(10,175,437)	-	4,748,514	-	(3,547,871)	3,505,642	(42,229)
Transactions with owners:											
Dividends to non-controlling interests of subsidiaries	-	-	-	-	-	-	-	-	-	(2,165,000)	(2,165,000)
Dividends paid (Note 28)	-	-	-	-	-	-	(2,348,718)	-	(2,348,718)	-	(2,348,718)
Subscription of shares in a subsidiary	-	-	-	-	-	-	-	-	-	210,244	210,244
Total transactions with owners	-	-	-	-	-	-	(2,348,718)	-	(2,348,718)	(1,954,756)	(4,303,474)
Balance as at 30 June 2015	85,162,500	28,989,335	234,160	6,232,513	(17,332,161)	280,100	103,459,128	(1,225,544)	205,800,031	18,643,064	224,443,095

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

Company	Share Capital RM	Share Premium RM	Fair Value Reserve RM	Retained Earnings RM	Treasury Shares RM	Total Equity RM
	Non-distributable			Distributable		
Balance as at 1 July 2013	85,162,500	28,989,335	-	12,637,856	(1,225,544)	125,564,147
Comprehensive income						
Profit net of tax	-	-	-	83,770,172	-	83,770,172
Other comprehensive income						
Fair value adjustment of available-for-sale investments	-	-	(7,156,724)	-	-	(7,156,724)
Total comprehensive income for the financial year	-	-	(7,156,724)	83,770,172	-	76,613,448
Transaction with owners:						
Dividends paid (Note 28)	-	-	-	(2,013,186)	-	(2,013,186)
Total transactions with owners	-	-	-	(2,013,186)	-	(2,013,186)
Balance as at 30 June 2014	85,162,500	28,989,335	(7,156,724)	94,394,842	(1,225,544)	200,164,409
Balance as at 1 July 2014	**85,162,500**	**28,989,335**	**(7,156,724)**	**94,394,842**	**(1,225,544)**	**200,164,409**
Comprehensive income						
Profit net of tax	**-**	**-**	**-**	**9,583,648**	**-**	**9,583,648**
Other comprehensive income						
Fair value adjustment of available-for-sale investments	**-**	**-**	**(10,175,437)**	**-**	**-**	**(10,175,437)**
Total comprehensive loss for the financial year	**-**	**-**	**(10,175,437)**	**9,583,648**	**-**	**(591,789)**
Transaction with owners:						
Dividends paid (Note 28)	**-**	**-**	**-**	**(2,348,718)**	**-**	**(2,348,718)**
Total transactions with owners	**-**	**-**	**-**	**(2,348,718)**	**-**	**(2,348,718)**
Balance as at 30 June 2015	**85,162,500**	**28,989,335**	**(17,332,161)**	**101,629,772**	**(1,225,544)**	**197,223,902**

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

Statements of Cash Flows

For the financial year ended 30 June 2015

	Note	Group 2015 RM	2014 RM
Cash Flows From Operating Activities			
Profit/(Loss) before tax			
- Continuing operations		**8,435,591**	69,453,450
- Discontinued operation		**(161,869)**	73,000
Adjustments for:			
Amount owing by an associate written off		**37,005**	-
Bad debts written off		**74,564**	-
Depreciation of property, plant and equipment		**613,826**	621,589
Impairment loss on trade receivables		**69,409**	229,895
Inventories written off		**-**	40,668
Inventories written down		**105,637**	103,207
Property, plant and equipment written off		**71**	9
Interest income		**(5,279,281)**	(4,962,749)
Gain on derecognition of a subsidiary	5(c)	**-**	(1,005,124)
Gain on disposal of property, plant and equipment		**(39,997)**	(60,970,207)
Gain on disposal of unquoted investments		**(28,426)**	-
Share of results of associates		**(4,796,359)**	(3,098,477)
Reversal of impairment loss on amount owing by an associate		**(37,005)**	-
Reversal of impairment loss on trade receivables		**(93,925)**	(14,998)
Reversal of write down of inventories		**(48,312)**	-
Unrealised gain on foreign exchange		**(120,248)**	(13,207)
Operating (loss)/profit before working capital changes		**(1,269,319)**	457,056
(Increase)/Decrease in inventories		**(49,692)**	2,649,604
Increase in receivables		**(746,194)**	(196,125)
Decrease in payables		**(1,490,793)**	(10,026,011)
Cash used in operations		**(3,555,998)**	(7,115,476)
Interest received		**5,159,342**	4,293,550
Income tax paid		**(2,316,841)**	(2,983,963)
Income tax refunded		**792,425**	78,262
Net cash generated from/(used in) operating activities		**78,928**	(5,727,627)

	Note	Group 2015 RM	2014 RM
Cash Flows From Investing Activities			
Purchase of property, plant and equipment		**(684,380)**	(462,088)
Repayment from/(Advance to) an associate		**26,000**	(119,875)
Dividends received from associates		**3,374,288**	4,144,491
Proceeds from disposal of property, plant and equipment		**40,000**	96,271,484
Proceeds from disposal of unquoted investments		**69,436**	-
Net cash outflow on derecognition of a subsidiary	5(c)	**-**	(8,423)
Net cash generated from investing activities		**2,825,344**	99,825,589
Cash Flows From Financing Activities			
Dividends paid		**(2,348,718)**	(2,013,186)
Proceeds from non-controlling interest on subscription of shares in a subsidiary		**210,244**	-
Dividends paid to non-controlling interests by subsidiaries		**(2,165,000)**	(382,353)
Net cash used in financing activities		**(4,303,474)**	(2,395,539)
Net (decrease)/increase in cash and cash equivalents		**(1,399,202)**	91,702,423
Effect of exchange rate changes		**315,672**	51,375
Cash and cash equivalents at the beginning of the financial year		**151,684,640**	59,930,842
Cash and cash equivalents at the end of the financial year		**150,601,110**	151,684,640
Cash and cash equivalents at the end of the financial year comprise:			
Deposits with licensed banks		**144,164,724**	145,454,943
Cash and bank balances		**6,436,386**	6,229,697
		150,601,110	151,684,640

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

Statements of Cash Flows
For the financial year ended 30 June 2015

	Company	
	2015	**2014**
	RM	**RM**
Cash Flows From Operating Activities		
Profit before tax	**9,927,720**	84,605,910
Adjustments for:		
Depreciation of property, plant and equipment	**573**	573
Gain on disposal of unquoted investments	**(28,426)**	-
Interest income	**(4,804,318)**	(4,376,766)
Reversal of impairment loss on amount owing by a subsidiary	**(599,081)**	-
Unrealised gain on foreign exchange	**(5,771)**	(231)
Operating profit before working capital changes	**4,490,697**	80,229,486
Increase in receivables	**(33,092)**	(4,780)
Increase/(Decrease) in payables	**28,294**	(725,000)
Cash generated from operations	**4,485,899**	79,499,706
Interest received	**4,742,845**	3,713,106
Income tax paid	**(648,068)**	(453,449)
Income tax refunded	**102,528**	68,262
Net cash generated from operating activities	**8,683,204**	82,827,625
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	**-**	(2,794)
Proceeds from disposal of unquoted investments	**69,436**	-
Repayments from subsidiaries	**5,606,973**	5,633,354
Net cash generated from investing activities	**5,676,409**	5,630,560
Cash Flows From Financing Activities		
Repayments to subsidiaries	**(4,922,119)**	(1,809,655)
Dividends paid	**(2,348,718)**	(2,013,186)
Net cash used in financing activities	**(7,270,837)**	(3,822,841)
Net increase in cash and cash equivalents	**7,088,776**	84,635,344
Effect of exchange rate changes	**5,771**	231
Cash and cash equivalents at the beginning of the financial year	**125,329,443**	40,693,868
Cash and cash equivalents at the end of the financial year	**132,423,990**	125,329,443
Cash and cash equivalents at the end of the financial year comprise:		
Deposits with licensed banks	**131,480,059**	125,232,517
Cash and bank balances	**943,931**	96,926
	132,423,990	125,329,443

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

Notes to the Financial Statements
For the financial year ended 30 June 2015

1. CORPORATE 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 ("Bursa Securities").

The Company's principal place of business and registered office is located at Etiqa Twins, Tower 1, Level 13, 11 Jalan Pinang, 50450 Kuala Lumpur.

The Company is principally engaged in investment holding and provision of management services. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements.

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

The financial statements of the Group and of the Company for the financial year ended 30 June 2015 were authorised for issue in accordance with a resolution of the Board of Directors on 9 October 2015.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

(i) Adoption of new and amended standards and IC Interpretation ("IC Int")

During the financial year, the Group and the Company have adopted the following amendments to MFRSs and IC Int issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 10, MFRS 12 and MFRS 127	Investment Entities
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to MFRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Int 21	Levies
Amendments to MFRS 119	Defined Benefits Plans: Employee Contributions

Annual Improvements to MFRSs 2010 – 2012 Cycle
Annual Improvements to MFRSs 2011 – 2013 Cycle

Adoption of above amendments to MFRSs and IC Int did not have any significant impact on the financial statements of the Group and of the Company.

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

(ii) Standards issued but not yet effective

The Group and the Company have not applied the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

		Effective dates for financial periods beginning on or after
MFRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 101	Disclosures Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012–2014 Cycle		1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018

The Group and the Company intend to adopt the above MFRSs when they become effective.

The initial application of the abovementioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company, except as mentioned below:-

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

MFRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of MFRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. MFRS 9 when effective will replace MFRS 139 *Financial Instruments: Recognition and Measurement*.

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

(ii) Standards issued but not yet effective (cont'd)

MFRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014) (cont'd)

MFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in MFRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. MFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under MFRS 139.

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

MFRS 15 *Revenue from Contracts with Customers*

MFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces MFRS 118 *Revenue*, MFRS 111 *Construction Contracts* and related IC Int. The Group and the Company are in the process of assessing the impact of this Standard.

(b) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Group's and the Company's functional currency and all values have been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (cont'd)

Key sources of estimation uncertainty

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

(i) Useful lives of property, plant and equipment (Note 4)

The Group regularly review 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.

(ii) Impairment of investment in subsidiaries

The Company has recognised impairment loss in respect of its investment in subsidiaries. The Company carried out the impairment test based on the estimation of the higher of the value-in-use or the fair value less cost to sell of the cash-generating units to which the investment in subsidiaries belongs to. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investment in subsidiaries is disclosed in Note 5 to the financial statements.

(iii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Details of deferred tax assets are disclosed in Note 8 to the financial statements.

(iv) Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 9 to the financial statements.

(v) Impairment of loan and receivables

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

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (cont'd)

Key sources of estimation uncertainty (cont'd)

(v) Impairment of loan and receivables (cont'd)

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts at the reporting date for receivables are disclosed in Note 10, 11, 13 and 14 to the financial statements.

(vi) Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of income tax expenses are disclosed in Note 25 to the financial statements.

(vii) Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and internal and external experts to the Group, for matters in the ordinary course of business. Details of contingent liabilities are disclosed in Note 37 to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed off in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(i) Subsidiaries (cont'd)

If the business combination is achieved in stages, previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 139 *Financial Instruments: Recognition and Measurement* either in profit or loss or other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investment in subsidiaries is stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(l) to the financial statements on impairment of non-financial assets.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

If the Group loses control of a subsidiary, the assets and liabilities of the subsidiary, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquire over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies.

On acquisition of an investment in an associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associate's profit or loss for the period in which the investment is acquired.

An associate is equity accounted for from the date on which the investee becomes an associate. Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

After application of the equity method, the Group applies MFRS 139 to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 *Impairment of Assets* as a single assets, by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Investment in associates are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(l) to the financial statements on impairment of non-financial assets.

(c) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on 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 was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the rate at the date of transaction.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Foreign currency translation (cont'd)

(i) Foreign currency transactions and balances (cont'd)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation are recognised in profit or loss in the Group's financial statements or the individual financial statements of the foreign operation, as appropriate.

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

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2012 (the date of transition to MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the FCTR related that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(d) Financial assets

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

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial assets (cont'd)

The Group and the Company classify their financial assets depend on the purpose for which the financial assets were acquired at initial recognition, into the following categories:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets that are designated into this category upon initial recognition. A financial asset is classified in this category if it is acquired principally for the purpose of selling it in the near term. Derivatives, including separated embedded derivatives, are also categorised as held for trading unless they are designated as effective hedging instruments. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

After initial recognition, financial assets in this category are measured at fair value with any gains or losses arising from changes in the fair values recognised in profit or loss in the period in which the changes arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as in current assets, except for those maturing later than 12 months after the end of the reporting period which are classified as non-current assets.

After initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the end of the reporting period.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends from an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases or sales of financial assets are recognised and derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial assets (cont'd)

A financial asset is derecognised when the contractual rights to receive cash flows from the financial asset has expired or has been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

(e) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of financial liabilities.

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

The Group and the Company classify their financial liabilities at initial recognition, into the following categories:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated into this category upon initial recognition.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivatives financial instruments that are not designated as effective hedging instruments. Separated embedded derivatives are also categorised as held for trading unless they are designated as effective hedging instruments.

Gains or losses on financial liabilities held for trading are recognised in profit or loss.

(ii) Other financial liabilities measured at amortised cost

The Group's and the Company's other financial liabilities comprise trade and other payables.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains or losses on financial liabilities measured at amortised cost are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Offsetting of financial instruments

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

(g) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(l) to the financial statements.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use and cost of replacing component parts of the assets. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on straight line basis to write off the cost or valuation of each property, plant and equipment to its residual value over its estimated useful life. Property, plant and equipment under construction/installation are not depreciated until the assets are ready for its intended use.

Property, plant and equipment are depreciated based on the estimated useful lives as follows:-

Leasehold land	60 years
Buildings	2%
Plant and machinery	10% - 20%
Office equipment, furniture, fittings, renovations and motor vehicles	10% - 20%

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Property, plant and equipment (cont'd)

(iii) Depreciation (cont'd)

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

Fully depreciated property, plant and equipment are retained in the statements of financial position until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

(h) Capital work-in-progress

Capital work-in-progress consists of expenditure incurred on construction/installation of property, plant and equipment which take a substantial period of time to be ready for their intended use. The amount is stated at cost related to property, plant and equipment under construction/installation until the property, plant and equipment are ready for their intended use. Upon completion of construction, the amount will be transferred to property, plant and equipment.

(i) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(j) Inventories

Raw materials, work-in-progress, finished goods and consumables are stated at the lower of cost and net realisable value.

Cost of raw materials, spare parts and consumables are determined on the weighted average basis. Cost of finished goods and work-in-progress consists of direct material, direct labour and an appropriate proportion of production overheads.

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

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, deferred tax assets and non-current assets (or disposal groups) classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill that has indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

All financial assets, other than those categorised as fair value through profit or loss, investment in subsidiaries and associates, are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Impairment of assets (cont'd)

(ii) Financial assets (cont'd)

Financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in profit or loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

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 in profit or loss, the impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Available-for-sale financial assets

Significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired. A significant or prolonged decline in the fair value of investments in equity instruments below its cost is also an objective evidence of impairment.

If an available-for-sale financial asset is impaired, the amount of impairment loss is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously. When a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value of equity instrument, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

Impairment loss on unquoted equity investment that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated cash flows discounted at the current market rate of return for a similar financial asset. Such impairment is not reversed in a subsequent period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Share capital

(i) Ordinary shares

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

Dividends on ordinary shares are accounted for in equity as appropriation of retained earnings and recognised as a liability in the period in which they are declared.

(ii) Treasury shares

When issued shares of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares in the statement of changes in equity. No gain or loss is recognised in the statement of profit or loss on the sale, re-issuance or cancellation of the treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is applied as a reduction of the share premium account or the distributable retained earnings or both.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(n) Revenue recognition

(i) Sale of goods

Revenue from the sale of goods is measured at the fair value of consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue is recognised when the transfer of significant risk and rewards of ownership of the goods to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Rental income

Rental income is recognised on accrual basis.

(iii) Rendering of services

Revenue from services rendered is recognised in profit or loss based on the value of services performed during the period.

(iv) Interest income

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

(v) Dividend revenue

Dividend revenue is recognised when the rights to receive payment is established.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period 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. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contributions to the state pension scheme, the Employee Provident Fund ("EPF"). The Group's foreign subsidiaries in the People's Republic of China also make contributions to their country's statutory pension schemes. Such contributions are recognised as an expense in profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

(p) Income tax

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

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

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

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Income tax (cont'd)

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

(q) Segment reporting

An operating segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Operating segments are reported in a manner consistent with the internal reporting provide to the Group's chief operating decision maker and Group's board of director who are responsible for allocating and assessing performance of the operating segments.

(r) Contingencies

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

(s) Non-current assets (or disposal groups) held for sale and discontinued operation

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group). Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment are not depreciated or amortised once classified as held for sale.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-represented as if the operation had been discontinued from the start of the comparative period.

4. PROPERTY, PLANT AND EQUIPMENT

Group	Short Term Leasehold Land RM	Buildings RM	Plant & Machinery RM	Office Equipment, Furniture, Fittings, Renovations & Motor Vehicles RM	Total RM
2015					
Cost					
At 1 July 2014	1,300,000	3,693,675	7,835,024	5,449,749	18,278,448
Additions	-	-	182,958	501,422	684,380
Disposals	-	-	-	(362,932)	(362,932)
Written off	-	-	(731,184)	(220,531)	(951,715)
At 30 June 2015	1,300,000	3,693,675	7,286,798	5,367,708	17,648,181
Accumulated Depreciation					
At 1 July 2014	581,303	1,685,646	5,658,781	4,566,647	12,492,377
Charge for the financial year	25,771	73,874	291,784	222,397	613,826
Disposals	-	-	-	(362,929)	(362,929)
Written off	-	-	(731,172)	(220,472)	(951,644)
At 30 June 2015	607,074	1,759,520	5,219,393	4,205,643	11,791,630
Net Carrying Amount					
At 30 June 2015	692,926	1,934,155	2,067,405	1,162,065	5,856,551

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

Group	Short Term Leasehold Land RM	Buildings RM	Plant & Machinery RM	Office Equipment, Furniture, Fittings, Renovations & Motor Vehicles RM	Total RM
2014					
Cost					
At 1 July 2013	1,300,000	3,693,675	10,677,341	5,929,596	21,600,612
Additions	-	-	420,363	41,725	462,088
Disposals	-	-	(1,224,731)	(169,840)	(1,394,571)
Derecognition of a subsidiary (Note 5)	-	-	(3,194,209)	(354,989)	(3,549,198)
Written off	-	-	-	(9)	(9)
Transfer from capital work-in-progress (Note 32)	-	-	1,132,707	-	1,132,707
Exchange differences	-	-	23,553	3,266	26,819
At 30 June 2014	1,300,000	3,693,675	7,835,024	5,449,749	18,278,448
Accumulated Depreciation					
At 1 July 2013	555,532	1,611,773	7,905,673	4,802,673	14,875,651
Charge for the financial year	25,771	73,873	299,522	222,423	621,589
Disposals	-	-	(974,648)	(147,461)	(1,122,109)
Derecognition of a subsidiary (Note 5)	-	-	(1,590,509)	(313,747)	(1,904,256)
Exchange differences	-	-	18,743	2,759	21,502
At 30 June 2014	581,303	1,685,646	5,658,781	4,566,647	12,492,377
Net Carrying Amount					
At 30 June 2014	718,697	2,008,029	2,176,243	883,102	5,786,071

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

Company	Office Equipment RM	Renovation RM	Furniture & Fittings RM	Motor Vehicle RM	Total RM
2015					
Cost					
At 1 July 2014/30 June 2015	**25,934**	**190,182**	**141,681**	**588,000**	**945,797**
Accumulated Depreciation					
At 1 July 2014	**23,693**	**190,142**	**141,526**	**587,999**	**943,360**
Charge for the financial year	**559**	**-**	**14**	**-**	**573**
At 30 June 2015	**24,252**	**190,142**	**141,540**	**587,999**	**943,933**
Net Carrying Amount					
At 30 June 2015	**1,682**	**40**	**141**	**1**	**1,864**
2014					
Cost					
At 1 July 2013	23,140	190,182	141,681	588,000	943,003
Additions	2,794	-	-	-	2,794
At 30 June 2014	25,934	190,182	141,681	588,000	945,797
Accumulated Depreciation					
At 1 July 2013	23,134	190,142	141,512	587,999	942,787
Charge for the financial year	559	-	14	-	573
At 30 June 2014	23,693	190,142	141,526	587,999	943,360
Net Carrying Amount					
At 30 June 2014	2,241	40	155	1	2,437

5. SUBSIDIARIES

	Company 2015 RM	Company 2014 RM
Unquoted shares, at cost	**31,092,189**	31,092,189
Less: Accumulated impairment losses	**(100,000)**	(100,000)
	30,992,189	30,992,189
Amount owing by a subsidiary	**5,731,862**	11,394,823
Less: Allowance for impairment losses	**(5,731,862)**	(6,330,943)
	-	5,063,880
	30,992,189	36,056,069

Amount owing by a subsidiary is non-trade in nature, unsecured and interest free. The settlements of the amounts are neither planned nor likely to occur in the foreseeable future. As these amounts are, in substance, a part of the Company's net investment in the subsidiaries, it is stated at cost less accumulated impairment losses.

The movement in allowance for impairment is individually impaired as follows:-

	Company 2015 RM	Company 2014 RM
At 1 July	**6,330,943**	6,330,943
Reversal	**(599,081)**	-
At 30 June	**5,731,862**	6,330,943

Details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Effective Direct Interest (%) 2015	Effective Direct Interest (%) 2014	Principal Activities
Held by the Company				
Creation Holdings Berhad	Malaysia	**100**	100	Dormant
Dreamland Spring Sdn. Bhd.	Malaysia	**100**	100	Investment holding
Dream Tours Sdn. Bhd.	Malaysia	**100**	100	Dormant
Estasi Stainlessware Sdn. Bhd.	Malaysia	**100**	100	Dormant
Global Glister Limited	* Hong Kong	**100**	100	Dormant
Kanzen Chuzoo Sdn. Bhd.	Malaysia	**100**	100	Dormant
Kanzen Hartanah Sdn. Bhd.	Malaysia	**100**	100	Dormant
Kanzen Land Sdn. Bhd.	Malaysia	**100**	100	Dormant
Kanzen Management Sdn. Bhd.	Malaysia	**100**	100	Providing management and secretarial services
Kanzen Properties Sdn. Bhd.	Malaysia	**100**	100	Dormant
Kanzen Shindo Sdn. Bhd.	Malaysia	**70**	70	Dormant

5. SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (cont'd):-

Name of Company	Country of Incorporation	Effective Direct Interest (%) 2015	2014	Principal Activities
Held by the Company (cont'd)				
KT Fittings Sdn. Bhd.	Malaysia	**100**	100	Manufacture and sale of stainless steel butt-weld fittings and other related products
Kanzen Kagu Sdn. Bhd.	Malaysia	**100**	100	Dormant
Kanzen Ventures Sdn. Bhd.	Malaysia	**100**	100	Investment holding
Restonic (M) Sdn. Bhd.	Malaysia	**85.72**	85.72	Investment holding

Name of Company	Country of Incorporation	Effective Indirect Interest (%) 2015	2014	Principal Activities
Held through Dreamland Spring Sdn. Bhd.				
# Nantong Dreamland Steel Products Co. Ltd.	* The People's Republic of China	**55**	55	In liquidation
Dreamland Marketing (Shanghai) Co. Ltd.	* The People's Republic of China	**65**	-	Retail marketing of bedding products
Held through KT Fittings Sdn. Bhd.				
Kanzen Marketing Sdn. Bhd.	Malaysia	**100**	100	Dormant
Held through Kanzen Ventures Sdn. Bhd.				
Kanzen Energy Ventures Sdn. Bhd.	Malaysia	**55**	55	Investment holding
Held through Restonic (M) Sdn. Bhd.				
Dreamland Corporation (Malaysia) Sdn. Bhd.	Malaysia	**85.72**	85.72	Wholesales dealership and retailing of mattresses, furniture and related accessories
Dreamland Spring Manufacturing Sdn. Bhd.	Malaysia	**85.72**	85.72	Manufacture and wholesale dealership of mattresses
Eurocoir Products Sdn. Bhd.	Malaysia	**85.72**	85.72	Manufacture and sale of polyester pillows and bolsters
Dream Products Sdn. Bhd.	Malaysia	**85.72**	85.72	Manufacture and sale of synthetic foam, bedding co-ordinates, sponge pillows and bolsters
Dream Crafts Sdn. Bhd.	Malaysia	**85.72**	85.72	Marketing and sales promotion of furniture, mattresses and related accessories
Sleepmaker Sdn. Bhd.	Malaysia	**85.72**	85.72	Dormant

* *Audited by firms of auditors other than UHY.*
\# *This subsidiary is in the process of liquidating upon cessation of business.*

5. SUBSIDIARIES (CONT'D)

(a) The paid-up capital of Restonic (M) Sdn. Bhd. comprises:-

	RM
Ordinary "A" shares	**12,250,000**
Ordinary "B" shares	**5,249,999**
Preference shares	**7,000,000**
	24,499,999

The ordinary "A" shares and ordinary "B" shares carry the same rights with respect of each other in the equity share capital of the company.

The preference shares at a fixed non-cumulative dividend rate of 0.001% per annum are irredeemable and rank for preferential dividend in priority to all other classes of shares in the capital of the company and can participate in any distribution of dividends by the company and in the event of the company being wound-up, participate in the distribution of capital. The preference shares do not entitle the holders to vote at any general meeting of the company.

(b) Acquisition of a subsidiary

On 5 February 2015, Dreamland Spring Sdn. Bhd. ("DSSB"), a wholly-owned subsidiary of the Company, incorporated a 65%-owned subsidiary in The People's Republic of China namely Dreamland Marketing (Shanghai) Co. Ltd. with a cash subscription of RMB650,000.

(c) Derecognition of a subsidiary

In the previous financial year, Dreamland Xian Pte. Ltd. ("DXPL"), a 52%-owned subsidiary of DSSB, was derecognised and ceased to be a subsidiary of DSSB on the deregistration of DXPL. The subsidiary was previously reported as part of the other operations segment.

The effect of the derecognition of DXPL on the financial position of the Group was as follows:-

	2014 RM
Property, plant and equipment	1,644,942
Inventories	(107,543)
Trade receivables	(8,296)
Other receivables	384,114
Cash and bank balances	8,423
Trade payables	(1,352,245)
Other payables	(933,177)
Tax liabilities	(3,788)
Net liabilities	(367,570)
Add : Non-controlling interest	245,614
	(121,956)
Less : Realisation of foreign currency translation reserve	(883,168)
Share of net liabilities derecognised	(1,005,124)
Gain on derecognition of a subsidiary	1,005,124
	-
Cash and bank balances derecognised	(8,423)
Net cash outflow on derecognition of a subsidiary	(8,423)

6. INVESTMENT IN ASSOCIATES

	Group 2015 RM	Group 2014 RM
Unquoted shares at cost	**12,196,037**	12,695,005
Share of post acquisition reserve	**5,047,322**	3,385,362
	17,243,359	16,080,367
Add: Exchange differences	**7,254,117**	4,158,015
	24,497,476	20,238,382

Details of the associates are as follows:-

Name of Company	Country of Incorporation	Effective Indirect Interest (%) 2015	Effective Indirect Interest (%) 2014	Principal Activities
Held through Dreamland Spring Sdn. Bhd.				
Dreamland Dalian Pte. Ltd.	The People's Republic of China	**40**	40	Manufacture and marketing of spring mattresses
Dreamland Jiujiang Pte. Ltd.	The People's Republic of China	**-**	41.6	Dormant
Dreamland Shanghai Pte. Ltd.	The People's Republic of China	**40**	40	Manufacture and marketing of spring mattresses
Held through Kanzen Energy Ventures Sdn. Bhd.				
Jiangyin Binjiang Power Supply Co. Ltd.	The People's Republic of China	**16.5**	16.5	Supply of electricity and steam
Jiangyin Chengdong Power Supply Co. Ltd.	The People's Republic of China	**16.5**	16.5	Supply of electricity and steam

(a) The Group equity accounts for its share of post-acquisition reserves of the associates based on the audited financial statements for the financial period ended 30 June 2015.

(b) During the financial year, the Group has written off its investment in Dreamland Jiujiang Pte. Ltd. ("DJPL") which has ceased operations in Year 2005 and remained dormant. In the previous financial year, the Group has ceased to equity account for its share of losses of DJPL from the financial statements as the carrying amount of this investment has reached nil.

6. INVESTMENT IN ASSOCIATES (CONT'D)

(c) The Group has excluded to equity account for its share of loss of the associate, Dreamland Dalian Pte. Ltd. from the financial statements as the carrying amount of this investment has reached nil. The results not recognised are as follows:-

	Group	
	2015	**2014**
	RM	**RM**
Loss for the financial year	**107,026**	-
Accumulated losses	**107,026**	232,765

(d) The summarised financial information of the associates not adjusted for the proportion of ownership interest held by the Group are as follows:-

	Group	
	2015	**2014**
	RM	**RM**
Total assets	**148,741,407**	127,063,554
Total liabilities	**66,975,322**	61,212,207
Revenue	**163,231,796**	137,294,945
Profit for the financial year	**15,524,233**	10,396,089

7. AVAILABLE-FOR-SALE INVESTMENTS

	Group/Company	
	2015	**2014**
	RM	**RM**
Available-for-sale financial assets		
* Unquoted shares in Malaysia, at cost	-	60,200
Less: Accumulated impairment losses	-	(19,190)
	-	41,010
Quoted shares in Malaysia, at fair value	**20,350,875**	30,526,312
Net carrying amount	**20,350,875**	30,567,322

7. AVAILABLE-FOR-SALE INVESTMENTS (CONT'D)

Movement in available-for-sale investments are as follows:-

	Group/Company	
	2015	**2014**
	RM	**RM**
At 1 July	**30,567,322**	41,010
Additions	**-**	37,683,036
Disposals	**(41,010)**	-
Fair value adjustment	**(10,175,437)**	(7,156,724)
At 30 June	**20,350,875**	30,567,322

* The fair value information has not been disclosed for these financial instruments as their fair value cannot be measured reliably due to the lack of quoted market price in an active market and assumption required for valuing these financial instruments.

8. DEFERRED TAX ASSETS/(LIABILITIES)

	Group	
	2015	**2014**
	RM	**RM**
Deferred tax assets		
At 1 July	**956,000**	1,000,000
Recognised in profit or loss (Note 25)	**44,000**	(44,000)
At 30 June	**1,000,000**	956,000
Deferred tax liabilities		
At 1 July	**(122,000)**	(1,601,300)
Recognised in profit or loss (Note 25)	**12,000**	1,479,300
At 30 June	**(110,000)**	(122,000)

The deferred tax assets and liabilities are not available for set-off as they arise from different taxable entities within the Group.

This is in respect of estimated deferred tax assets/(liabilities) arising from the following temporary differences:-

	Group	
	2015	**2014**
	RM	**RM**
Deferred tax assets		
Deductible temporary differences arising from expenses	**1,000,000**	956,000
	1,000,000	956,000

8. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

This is in respect of estimated deferred tax assets/(liabilities) arising from the following temporary differences:- (cont'd)

	Group	
	2015	**2014**
	RM	**RM**
Deferred tax liabilities		
Differences between the carrying amounts of property, plant and equipment and their income tax base	**(194,600)**	(190,800)
Unutilised income tax losses	**200**	300
Unabsorbed capital allowances	**84,400**	68,500
	(110,000)	(122,000)

The deferred tax assets recognised in the financial statements are in respect of unutilised income tax losses and unabsorbed capital allowances which can be utilised to set-off against probable future taxable income based on profit forecast and projection for the next five financial years.

The estimated amount of temporary differences for which no deferred tax assets is recognised in the financial statements are as follows:-

	Group	
	2015	**2014**
	RM	**RM**
Difference between the carrying amounts of property, plant and equipment and their income tax base	**500**	900
Unutilised income tax losses	**22,144,100**	21,549,800
Unabsorbed capital allowances	**1,759,200**	1,788,500
Unutilised reinvestment allowances	**1,129,300**	1,129,300
	25,033,100	24,468,500

	Company	
	2015	**2014**
	RM	**RM**
Difference between the carrying amounts of property, plant and equipment and their income tax base	**500**	900
Unabsorbed capital allowances	**205,600**	205,600
	206,100	206,500

9. INVENTORIES

	Group 2015 RM	Group 2014 RM
At cost,		
Finished goods	**6,819,048**	6,754,693
Raw materials	**5,039,927**	3,855,462
Work-in-progress	**2,937,995**	4,276,975
Spare parts and consumables	**123,820**	41,293
	14,920,790	14,928,423

10. TRADE RECEIVABLES

	Group 2015 RM	Group 2014 RM
Trade receivables	**12,155,237**	12,852,360
Less: Allowance for impairment losses	**(681,558)**	(812,007)
	11,473,679	12,040,353

The movements in allowance for impairment are individually impaired as follows:-

	Group 2015 RM	Group 2014 RM
At 1 July	**812,007**	852,709
Impairment losses recognised	**69,409**	229,895
Written off	**(105,933)**	(35,760)
Reversal of impairment	**(93,925)**	(14,998)
Derecognition of a subsidiary	**-**	(219,839)
At 30 June	**681,558**	812,007

Credit terms of trade receivables of the Group ranged from 30 to 90 days (2014: 30 to 120 days).

10. TRADE RECEIVABLES (CONT'D)

Analysis of the trade receivables ageing as at the end of the financial year is as follows:-

	Group	
	2015	**2014**
	RM	**RM**
Neither past due nor impaired	**6,823,874**	7,924,333
1 to 30 days past due not impaired	**3,761,529**	2,946,332
31 to 60 days past due not impaired	**137,998**	254,082
61 to 90 days past due not impaired	**285,870**	283,959
91 to 120 days past due not impaired	**168,841**	219,765
More than 120 days past due not impaired	**295,567**	411,882
Total past due not impaired	**4,649,805**	4,116,020
Impaired	**681,558**	812,007
	12,155,237	12,852,360

As at 30 June 2015, trade receivables of RM4,649,805 (2014: RM4,116,020) were past due but not impaired because there have been no significant changes in credit quality of the receivables and the amounts are still considered recoverable.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM681,558 (2014: RM812,007) related to customers that are in significant financial difficulties and have defaulted on payments.

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

The foreign currency exposure profile is as follows:-

	Group	
	2015	**2014**
	RM	**RM**
Singapore Dollar	**207,952**	814,803
United States Dollar	**1,342,927**	1,419,769
	1,550,879	2,234,572

11. OTHER RECEIVABLES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Other receivables	**2,408,628**	1,039,085	**297,993**	204,149
Sundry deposits	**1,649,069**	1,561,906	**119,210**	120,210
Prepayments	**138,190**	155,271	**30,401**	28,680
	4,195,887	2,756,262	**447,604**	353,039

Included in other receivables of the Group is foreign currency exposure to United States Dollar amounting to RM1,477,788 (2014: RM926,573).

12. TAX ASSETS

This is in respect of tax instalments paid in advance to and tax recoverable from the Inland Revenue Board.

13. AMOUNT OWING BY/(TO) SUBSIDIARIES

	Company	
	2015 RM	2014 RM
Amount owing by subsidiaries	**16,266,770**	16,210,782
Less: Allowance for impairment losses	**(53,083)**	(53,083)
	16,213,687	16,157,699

There is no movement in allowance for impairment which is individually impaired.

Amount owing by/(to) subsidiaries are non-trade in nature, unsecured, interest free and repayable on demand.

14. AMOUNT OWING BY ASSOCIATES

	Group	
	2015 RM	2014 RM
Amount owing by associates	**2,802,688**	2,553,013
Less: Allowance for impairment losses	**(622,761)**	(659,766)
	2,179,927	1,893,247

Amount owing by associates are non-trade in nature, unsecured, interest free and repayable on demand.

14. AMOUNT OWING BY ASSOCIATES (CONT'D)

The movements in allowance for impairment are individually impaired as follows:-

	Group	
	2015	**2014**
	RM	**RM**
At 1 July	**659,766**	659,766
Written off	**(37,005)**	-
At 30 June	**622,761**	659,766

The foreign currency exposure profile is as follows:-

	Group	
	2015	**2014**
	RM	**RM**
United States Dollar	**3,589**	3,052
Chinese Renminbi	**2,176,338**	1,890,195
	2,179,927	1,893,247

15. DEPOSITS WITH LICENSED BANKS

Fixed deposits with licensed institutions amounting to RM1,570,000 (2014: RM1,535,000) are pledged as securities for bank borrowings granted to subsidiaries.

The deposits of the Group and of the Company bear effective interest at rates ranging from 1.90% to 3.95% (2014: 1.90% to 4.00%) per annum and at rates ranging from 3.15% to 3.95% (2014: 3.00% to 3.43%) per annum respectively and mature within one year.

In the previous financial year, included in deposits of the Group was foreign currency exposure to United States Dollar amounted to RM5,724,045.

16. SHARE CAPITAL

	Group/Company			
	Number of Ordinary Shares of RM1 each		Amount	
	2015	**2014**	**2015**	**2014**
	Unit	**Unit**	**RM**	**RM**
Authorised:				
At 1 July/30 June	**200,000,000**	200,000,000	**200,000,000**	200,000,000
Issued and fully paid:				
At 1 July/30 June	**85,162,500**	85,162,500	**85,162,500**	85,162,500

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction and rank equally with regard to the Company's residual assets.

16. SHARE CAPITAL (CONT'D)

The number of issued and fully paid ordinary shares with voting rights is as follow:-

	Group/Company	
	2015	**2014**
	Number of Shares	
Issued and fully paid ordinary shares of RM1 each		
Total number of issued and fully paid ordinary shares	**85,162,500**	85,162,500
Less: Ordinary shares held as treasury shares	**(1,279,700)**	(1,279,700)
	83,882,800	83,882,800

17. SHARE PREMIUM

Share premium arose from the issue of ordinary shares and can be utilised for distribution to the members of the Company by way of bonus share issue.

18. TREASURY SHARES

	Group/Company			
	Number of Shares		**Amount**	
	2015	**2014**	**2015**	**2014**
	Unit	**Unit**	**RM**	**RM**
Share repurchased				
At 1 July/30 June	**1,279,700**	1,279,700	**1,225,544**	1,225,544

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

The Directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

There was no share repurchased during the financial year.

No resale, cancellation or distribution of treasury shares were made during the financial year.

19. OTHER RESERVES

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Non-distributable				
Foreign currency translation reserve	**6,232,513**	4,353,461	**-**	-
Fair value reserve	**(17,332,161)**	(7,156,724)	**(17,332,161)**	(7,156,724)
Reserves of subsidiaries	**234,160**	234,160	**-**	-
Other reserve	**280,100**	280,100	**-**	-
	(10,585,388)	(2,289,003)	**(17,332,161)**	(7,156,724)

The nature of reserves of the Group is as follows:-

<u>Foreign currency translation reserve</u>

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

<u>Fair value reserve</u>

Fair value reserve represents the cumulative net change in the fair value, net of tax, of available-for-sale investments until they are derecognised or impaired.

<u>Reserves of subsidiaries</u>

The reserve relates to the subsidiaries incorporated in The People's Republic of China maintained in accordance with the regulatory requirements and are not distributable as cash dividends.

<u>Other reserve</u>

This relates to discount on acquisition of non-controlling interest.

20. TRADE PAYABLES

Credit terms of trade payables of the Group ranged from 30 to 90 days (2014: 30 to 120 days).

21. OTHER PAYABLES

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Other payables	**932,600**	1,166,468	**53,726**	48,934
Accruals	**6,141,341**	7,083,539	**503,681**	480,179
	7,073,941	8,250,007	**557,407**	529,113

These amounts are unsecured, interest free and repayable on demand.

21. OTHER PAYABLES (CONT'D)

The foreign currency exposure profile is as follows:-

	Group	
	2015 RM	2014 RM
United States Dollar	**158,587**	138,539
Chinese Renminbi	**77,382**	44,123
	235,969	182,662

22. REVENUE

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Sale of goods	**56,086,576**	60,872,510	**-**	-
Dividend revenue from subsidiaries	**-**	-	**5,340,000**	81,260,000
	56,086,576	60,872,510	**5,340,000**	81,260,000

23. DIRECT OPERATING COSTS

	Group	
	2015 RM	2014 RM
Costs of goods sold	**43,174,843**	45,796,256
Others	**88,546**	85,697
	43,263,389	45,881,953

24. PROFIT BEFORE TAX

Profit before tax is determined after charging/(crediting) amongst others, the following items:-

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Amount owing by an associate written off	**37,005**	-	**-**	-
Auditors' remuneration	**135,108**	128,730	**23,000**	20,000
Depreciation of property, plant and equipment	**613,826**	617,551	**573**	573
Impairment loss on trade receivables	**69,409**	229,895	**-**	-
Inventories written off	**-**	40,668	**-**	-
Inventories written down	**105,637**	103,207	**-**	-
Net (gain)/loss on foreign exchange				
- realised	**1,796**	(204,783)	**-**	-
- unrealised	**(120,248)**	(13,207)	**(5,771)**	(231)
Property, plant and equipment written off	**71**	9	**-**	-
Rental expenses - premises	**1,544,441**	1,284,762	**264,769**	257,521
Directors' fees				
- Non-executive Directors	**214,200**	245,274	**214,200**	245,274
Personnel expenses (include key management personnel)				
- Defined contribution plan	**1,318,302**	1,302,357	**5,353**	5,077
- Wages, salaries and others	**13,468,500**	13,637,015	**43,057**	42,158
Bad debts recovered	**(25,000)**	-	**-**	-
Gain on disposal of property, plant and equipment	**(39,997)**	(61,123,185)	**-**	-
Gain on disposal of unquoted investments	**(28,426)**	-	**(28,426)**	-
Gain on derecognition of a subsidiary	**-**	(1,005,124)	**-**	-
Rental income	**(203,040)**	(20,439)	**-**	-
Reversal of impairment loss on amount owing by an associate	**(37,005)**	-	**-**	-
Reversal of impairment loss on amount owing by a subsidiary	**-**	-	**(599,081)**	-
Reversal of impairment loss on trade receivables	**(37,040)**	(14,998)	**-**	-
Reversal of write down of inventories	**(48,312)**	-	**-**	-
Interest income				
- related party	**-**	(484,907)	**-**	(484,907)
- others	**(5,273,868)**	(4,473,279)	**(4,804,318)**	(3,891,859)

25. TAXATION

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Income tax expense on continuing operations	**1,473,280**	622,239	**344,072**	835,738
Income tax expense/(credit) on discontinued operation	**68,091**	(27,642)	**-**	-
	1,541,371	594,597	**344,072**	835,738
Current tax				
Current year				
- Malaysia	**1,526,700**	1,987,150	**807,000**	1,088,000
- Foreign	**357,691**	396,701	**-**	-
(Over)/Underprovision in prior year				
- Malaysia	**(355,111)**	(326,312)	**(462,928)**	(252,262)
- Foreign	**68,091**	(27,642)	**-**	-
	1,597,371	2,029,897	**344,072**	835,738
Deferred tax				
Origination and reversal of temporary differences	**(79,270)**	(1,380,003)	**-**	-
Under/(Over)provision in prior year	**23,270**	(55,297)	**-**	-
	(56,000)	(1,435,300)	**-**	-
	1,541,371	594,597	**344,072**	835,738

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

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Profit/(Loss) before tax				
- Continuing operations	**8,435,591**	69,453,450	**9,927,720**	84,605,910
- Discontinued operation	**(161,869)**	73,000	**-**	-
	8,273,722	69,526,450	**9,927,720**	84,605,910

25. TAXATION (CONT'D)

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
At Malaysian statutory income tax rate of 25% (2014: 25%)	**2,068,400**	17,381,600	**2,481,900**	21,151,500
Effect of different income tax rates in foreign jurisdiction	**900**	800	**-**	-
Effect of income not subject to tax	**(214,800)**	(15,673,100)	**(1,493,300)**	(20,319,400)
Effect of expenses not deductible for tax	**648,830**	595,747	**143,400**	255,900
Share of tax of associates	**(1,199,100)**	(774,600)	**-**	-
Deferred tax assets not recognised	**187,800**	653,200	**-**	-
Utilisation of current year's income tax losses	**2,100**	-	**-**	-
Utilisation of current year's income tax losses under group relief	**-**	-	**(325,000)**	-
Utilisation of deferred tax assets previously not recognised	**(46,700)**	(1,576,500)	**-**	-
Withholding tax in foreign jurisdiction	**357,691**	396,701	**-**	-
Under/(Over)provision of deferred tax in prior year	**23,270**	(55,297)	**-**	-
Overprovision of income tax expense in prior year	**(287,020)**	(353,954)	**(462,928)**	(252,262)
Tax expense for the financial year	**1,541,371**	594,597	**344,072**	835,738

The Company had income tax savings arising from the utilisation of current year tax losses under group relief of RM325,000 (2014: Nil) and previous years tax losses under group relief of RM445,400 (2013: RM253,300).

The Company has tax exempt income available for distribution by way of tax exempt dividend of approximately RM10,254,000 (2014: RM10,254,000).

The Company has estimated unabsorbed capital allowances of approximately RM205,600 (2014: RM205,600) available to be carried forward to set-off against future taxable profits.

26. DISCONTINUED OPERATION

Nantong Dreamland Steel Products Co. Ltd. ("NDSP"), a 55%-owned subsidiary of Dreamland Spring Sdn. Bhd. ("DSSB"), which is incorporated in The People's Republic of China and involved in the manufacturing and sale of steel wire products in Nantong, ceased its operation during the financial year 2013. The result of NDSP is presented separately in the Group's statement of comprehensive income as discontinued operation.

In the previous financial year, Dreamland Xian Pte. Ltd. ("DXPL"), a 52%-owned subsidiary of DSSB, which is incorporated in The People's Republic of China, was derecognised and ceased to be a subsidiary of DSSB on the deregistration of DXPL (as disclosed in Note 5 to the financial statements).

26. DISCONTINUED OPERATION (CONT'D)

(a) The results of the discontinued operation are as follows:-

	Group 2015 RM	2014 RM
Revenue	-	1,179,084
Direct operating costs	**(267)**	(1,120,881)
Gross (loss)/profit	**(267)**	58,203
Other income	**63,026**	782,993
Selling and distribution costs	-	(23,414)
Administrative expenses	**(138,571)**	(587,286)
Other operating expenses	**(86,057)**	(157,496)
	(224,628)	(768,196)
(Loss)/Profit before tax	**(161,869)**	73,000
Income tax (expense)/credit	**(68,091)**	27,642
(Loss)/Profit net of tax	**(229,960)**	100,642

(b) Included in arriving at (loss)/profit before tax of the discontinued operation is as follows:-

	Group 2015 RM	2014 RM
Auditors' remuneration	**4,270**	13,000
Bad debts written off	**74,564**	-
Depreciation of property, plant and equipment	-	4,038
Rental expenses - premises	**7,768**	6,684
Personnel expenses (include key management personnel)		
- Wages, salaries and others	**85,297**	81,923
Loss on disposal of property, plant and equipment	-	152,978
Bad debts recovered	-	(6,004)
Interest income	**(5,413)**	(4,563)
Realised (gain)/loss on foreign exchange	**(728)**	4,519
Reversal of impairment loss on trade receivables	**(56,885)**	-

(c) The cash flows attributable to the discontinued operation are as follows:-

	Group 2015 RM	2014 RM
Net cash (used in)/generated from operating activities	**(200,041)**	982,690
Net cash generated from investing activities	-	119,484
Net cash used in financing activities	-	(172,353)
Effect on cash flows	**(200,041)**	929,821

27. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The basic earnings/(loss) per share are calculated based on the Group's profit/(loss) for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:-

	Group	
	2015	**2014**
	RM	**RM**
Profit/(Loss) attributable to owners of the parent for the computation of basic earnings/(loss) per share		
- from continuing operations	**4,874,992**	67,092,445
- from discontinued operation	**(126,478)**	55,353
	4,748,514	67,147,798

	Group	
	2015	**2014**
	Number of shares	
Weighted average number of ordinary shares in issue for basic earnings/(loss) per share computation	**83,882,800**	83,882,800

	Group	
	2015	**2014**
Basic earnings/(loss) per share		
- from continuing operations	**5.81 sen**	79.98 sen
- from discontinued operation	**(0.15) sen**	0.07 sen
	5.66 sen	80.05 sen

(b) Diluted earnings/(loss) per share

The Group and the Company have no dilution in their earnings/(loss) per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorisation of these financial statements.

28. DIVIDENDS

	Group 2015 RM	Group 2014 RM
Dividends recognised as distribution to ordinary shareholders of the Company:		
Final dividends paid in respect of financial year ended:		
- 30 June 2014 (single-tier dividend of 2.8% representing 2.8 sen per ordinary share)	**2,348,718**	-
- 30 June 2013 (3.2% less 25% income tax representing 2.4 sen per ordinary share)	**-**	2,013,186

The Directors recommend a final single-tier dividend of 2.5% per ordinary share in respect of the financial year ended 30 June 2015, subject to the approval of the shareholders at the forthcoming Annual General Meeting. The financial statements do not reflect this dividend which will be recognised as an appropriation of retained earnings in the financial year ending 30 June 2016 when approved by shareholders.

29. ASSET CLASSIFIED AS HELD FOR SALE

On 12 December 2012, the Company announced that its wholly-owned subsidiary, Kanzen Kagu Sdn. Bhd. ("KKSB") had entered into a conditional sale and purchase agreement to dispose a parcel of leasehold industrial land erected upon with two detached factories and other supporting structures (collectively referred to as the "Property") for a total cash consideration of RM97million. As at 30 June 2013, the net carrying amount of the Property of KKSB has been presented in the Group's statement of financial position as "Asset classified as held for sale". The disposal of the Property was completed on 16 July 2013.

	Group 2015 RM	Group 2014 RM
At 1 July	**-**	35,028,815
Disposals	**-**	(35,028,815)
At 30 June	**-**	-

30. CASH AND CASH EQUIVALENTS

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Cash and bank balances	**6,436,386**	6,229,697	**943,931**	96,926
Deposits with licensed banks	**144,164,724**	145,454,943	**131,480,059**	125,232,517
	150,601,110	151,684,640	**132,423,990**	125,329,443

Deposits pledged to a licensed bank which is not freely available for the Group's use is as disclosed in Note 15 to the financial statements.

The cash and bank balances of the Group bear effective interest at a rate of 0.60% (2014: 0.60%) per annum.

30. CASH AND CASH EQUIVALENTS (CONT'D)

The foreign currency exposure profile is as follows:-

	Functional Currencies of Group			
	Ringgit Malaysia RM	Chinese Renminbi RM	Hong Kong Dollar RM	Total RM
2015				
United States Dollar	**679,027**	**-**	**105,064**	**784,091**
Chinese Renminbi	**29,738**	**-**	**-**	**29,738**
	708,765	**-**	**105,064**	**813,829**
2014				
United States Dollar	6,977,593	171,377	98,801	7,247,771
Chinese Renminbi	16,780	-	-	16,780
	6,994,373	171,377	98,801	7,264,551

	Company	
	2015 RM	2014 RM
United States Dollar	**8,673**	7,376
Chinese Renminbi	**29,738**	16,780
	38,411	24,156

31. COMMITMENTS

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Non-cancellable operating lease commitments - as lessee				
Within one year	**1,194,000**	890,000	**107,000**	261,000
Later than one year but not later than two years	**720,000**	242,000	**-**	107,000
Later than two years but not later than five years	**713,000**	-	**-**	-
	2,627,000	1,132,000	**107,000**	368,000

Operating lease payments represents rental payable by the Group and by the Company for the use of its business operations. The tenure of the lease is within four years and the monthly rental consideration for the lease of the premises has been pre-determined over the same period.

32. CAPITAL WORK-IN-PROGRESS

	Group	
	2015	2014
	RM	RM
At Cost,		
At 1 July	-	1,132,707
Transfer to property, plant and equipment (Note 4)	-	(1,132,707)
At 30 June	-	-

In the previous financial year, the capital work-in-progress incurred was in respect of acquisition and construction of plant and machinery by the Group.

33. RELATED PARTY DISCLOSURES

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities. The key management personnel include all the Directors of the Company.

The Group has related party relationships with its substantial shareholders, subsidiaries, associates and key management personnel.

In addition to the related party information disclosed elsewhere in the financial statements, the Company had the following related party transactions during the financial year.

	Company	
	2015	2014
	RM	RM
Non-Trade		
Secretarial fees paid to a subsidiary	**24,000**	24,000

(b) Compensation of key management personnel

The remuneration of key management personnel are as follows:-

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Directors' fees	**214,200**	245,274	**214,200**	245,274
Short-term employees benefits	**866,190**	878,748	-	-
Post-employment benefits	**44,604**	44,146	-	-
Estimated monetary value of benefits-in-kind	**20,000**	26,750	-	-
	1,144,994	1,194,918	**214,200**	245,274

34. SEGMENT INFORMATION - GROUP

For management purposes, the Group's business is presented in respect of the Group's business and geographical segments.

Segment revenue, expenses, assets and liabilities are those amounts from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment.

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established under negotiated terms.

Business Segments

The Group comprises the following three reportable operating segments:

(i) Steel manufacturing - manufacturing and sale of stainless steel butt-weld fittings.

(ii) Bedding - manufacturing and marketing of mattresses, bedding related products and furniture.

(iii) Other operations - investment holding, provision of management and secretarial services and supply of electricity and steam.

Geographical Segments

The Group operates in two principal geographical areas of the world:

(i) Malaysia - manufacturing and sale of stainless steel butt-weld fittings, mattresses, bedding related products and furniture, investment holding, provision of management and secretarial services.

(ii) The People's Republic of China - manufacturing of mattresses, bedding related products, furniture and supply of electricity and steam.

Except as indicate above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

34. SEGMENT INFORMATION - GROUP (CONT'D)

Business Segments

	Continuing Operations					Discontinued Operation	
	Steel Manufacturing RM	Bedding RM	Other Operations RM	Eliminations RM	Consolidated RM	Other Operations RM	Total Consolidated RM
2015							
Revenue							
External revenue	19,929,683	36,156,893	-	-	56,086,576	-	56,086,576
Inter-segment revenue	-	-	43,000	(43,000)	-	-	-
Total revenue	19,929,683	36,156,893	43,000	(43,000)	56,086,576	-	56,086,576
Result							
Interest income	8,230	52,109	5,213,529	-	5,273,868	5,413	5,279,281
Depreciation of property, plant and equipment	316,236	296,000	1,590	-	613,826	-	613,826
Share of results of associates	-	235,286	4,561,073	-	4,796,359	-	4,796,359
Other non-cash expenses	-	175,117	37,005	-	212,122	74,564	286,686
Segment (loss)/profit before tax	(2,096,415)	1,868,024	8,663,982	-	8,435,591	(161,869)	8,273,722
Income tax expense	-	647,562	825,718	-	1,473,280	68,091	1,541,371
Assets							
Investment in associates	-	2,122,326	22,375,150	-	24,497,476	-	24,497,476
Addition to non-current assets	388,350	296,030	-	-	684,380	-	684,380
Segment assets	17,731,260	27,426,942	188,687,256	-	233,845,458	1,602,375	235,447,833
Segment liabilities	706,239	7,555,247	2,743,252	-	11,004,738	-	11,004,738

34. SEGMENT INFORMATION – GROUP (CONT'D)

Business Segments (cont'd)

	Continuing Operations					Discontinued Operation	
	Steel Manufacturing RM	Bedding RM	Other Operations RM	Eliminations RM	Consolidated RM	Other Operations RM	Total Consolidated RM
2014							
Revenue							
External revenue	20,914,900	39,957,610	-	-	60,872,510	1,179,084	62,051,594
Inter-segment revenue	-	-	43,000	(43,000)	-	-	-
Total revenue	20,914,900	39,957,610	43,000	(43,000)	60,872,510	1,179,084	62,051,594
Result							
Interest income	28,276	66,420	4,863,490	-	4,958,186	4,563	4,962,749
Depreciation of property, plant and equipment	283,484	332,478	1,589	-	617,551	4,038	621,589
Share of results of associates	-	(81,401)	3,179,878	-	3,098,477	-	3,098,477
Other non-cash expenses	40,668	333,111	-	-	373,779	-	373,779
Segment (loss)/profit before tax	(2,716,235)	3,024,970	69,144,715	-	69,453,450	73,000	69,526,450
Income tax expense/(credit)	-	716,451	(94,212)	-	622,239	(27,642)	594,597
Assets							
Investment in associates	-	1,887,040	18,351,342	-	20,238,382	-	20,238,382
Addition to non-current assets	356,237	97,975	7,876	-	462,088	-	462,088
Segment assets	17,542,330	27,825,797	194,483,936	-	239,852,063	1,574,397	241,426,460
Segment liabilities	945,424	8,773,501	2,897,937	-	12,616,862	20,800	12,637,662

34. SEGMENT INFORMATION – GROUP (CONT'D)

Business Segments (cont'd)

(a) Inter-segment revenues are eliminated on consolidation.

(b) Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:-

	2015 RM	2014 RM
Amount owing by an associate written off	**37,005**	-
Impairment loss on trade receivables	**69,409**	229,895
Inventories written down	**105,637**	103,207
Inventories written off	**-**	40,668
Property, plant and equipment written off	**71**	9
	212,122	373,779

(c) Additions to non-current assets consist of:-

	2015 RM	2014 RM
Property, plant and equipment	**684,380**	462,088

Geographical Information

Revenue information based on geographical location of its customers:-

	Continuing Operations RM	Discontinued Operation RM	Consolidated RM
2015			
Malaysia	**36,532,208**	**-**	**36,532,208**
Africa	**190,684**	**-**	**190,684**
Asia (excluding Malaysia)	**4,538,310**	**-**	**4,538,310**
Australia	**405,731**	**-**	**405,731**
Europe	**5,535,620**	**-**	**5,535,620**
North America	**7,328,106**	**-**	**7,328,106**
South America	**1,555,917**	**-**	**1,555,917**
	56,086,576	**-**	**56,086,576**

34. SEGMENT INFORMATION – GROUP (CONT'D)

Geographical Information (cont'd)

Revenue information based on geographical location of its customers:- (cont'd)

	Continuing Operations RM	Discontinued Operation RM	Consolidated RM
2014			
Malaysia	39,733,869	-	39,733,869
Asia (excluding Malaysia)	7,728,728	1,179,084	8,907,812
Australia	238,016	-	238,016
Europe	4,495,759	-	4,495,759
North America	7,626,562	-	7,626,562
South America	1,049,576	-	1,049,576
	60,872,510	1,179,084	62,051,594

Non-current assets information based on geographical location:-

	2015 RM	2014 RM
Malaysia	**5,856,551**	5,786,071

Non-current assets for this purpose consist of property, plant and equipment.

35. FINANCIAL INSTRUMENTS

(a) Financial instruments by category

Group	Loans and Receivables RM	Available-for-Sale RM	Financial Liabilities at Amortised Cost RM	Total RM
2015				
Financial Assets				
Available-for-sale investments	**-**	**20,350,875**	**-**	**20,350,875**
Trade receivables	**11,473,679**	**-**	**-**	**11,473,679**
Other receivables	**2,408,628**	**-**	**-**	**2,408,628**
Amount owing by associates	**2,179,927**	**-**	**-**	**2,179,927**
Deposits with licensed banks	**144,164,724**	**-**	**-**	**144,164,724**
Cash and bank balances	**6,436,386**	**-**	**-**	**6,436,386**
	166,663,344	**20,350,875**	**-**	**187,014,219**

35. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial instruments by category (cont'd)

Group	Loans and Receivables RM	Available-for-Sale RM	Financial Liabilities at Amortised Cost RM	Total RM
2015				
Financial Liabilities				
Trade payables	**-**	**-**	**3,289,591**	**3,289,591**
Other payables	**-**	**-**	**7,073,941**	**7,073,941**
	-	**-**	**10,363,532**	**10,363,532**
2014				
Financial Assets				
Available-for-sale investments	-	30,567,322	-	30,567,322
Trade receivables	12,040,353	-	-	12,040,353
Other receivables	1,039,085	-	-	1,039,085
Amount owing by associates	1,893,247	-	-	1,893,247
Deposits with licensed banks	145,454,943	-	-	145,454,943
Cash and bank balances	6,229,697	-	-	6,229,697
	166,657,325	30,567,322	-	197,224,647
Financial Liabilities				
Trade payables	-	-	3,601,538	3,601,538
Other payables	-	-	8,250,007	8,250,007
	-	-	11,851,545	11,851,545

35. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial instruments by category (cont'd)

Company	Loans and Receivables RM	Available-for-Sale RM	Financial Liabilities at Amortised Cost RM	Total RM
2015				
Financial Assets				
Available-for-sale investments	**-**	**20,350,875**	**-**	**20,350,875**
Other receivables	**297,993**	**-**	**-**	**297,993**
Amount owing by subsidiaries	**16,213,687**	**-**	**-**	**16,213,687**
Deposits with licensed banks	**131,480,059**	**-**	**-**	**131,480,059**
Cash and bank balances	**943,931**	**-**	**-**	**943,931**
	148,935,670	**20,350,875**	**-**	**169,286,545**
Financial Liabilities				
Other payables	**-**	**-**	**557,407**	**557,407**
Amount owing to subsidiaries	**-**	**-**	**2,378,476**	**2,378,476**
	-	**-**	**2,935,883**	**2,935,883**
2014				
Financial Assets				
Available-for-sale investments	-	30,567,322	-	30,567,322
Other receivables	204,149	-	-	204,149
Amount owing by subsidiaries	16,157,699	-	-	16,157,699
Deposits with licensed banks	125,232,517	-	-	125,232,517
Cash and bank balances	96,926	-	-	96,926
	141,691,291	30,567,322	-	172,258,613
Financial Liabilities				
Other payables	-	-	529,113	529,113
Amount owing to subsidiaries	-	-	7,300,595	7,300,595
	-	-	7,829,708	7,829,708

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency, interest rate and market price risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks and financial institutions. The Group's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represents the Group's and the Company's maximum exposure to credit risk.

The Group determines concentrations of credit risk by monitoring its trade receivables profile on an ongoing basis based on the geographic location and the business segment. The credit risk concentration profile of the Group's trade receivables at the end of the financial year are as follows:-

	Group			
	2015		**2014**	
	RM	**% of total**	**RM**	**% of total**
By country:				
Malaysia	**9,797,612**	**85%**	9,630,091	80%
Asia (excluding Malaysia)	**499,866**	**4%**	990,493	8%
North America	**-**	**0%**	611,031	5%
South America	**460,353**	**4%**	-	0%
Europe	**666,400**	**6%**	761,014	6%
Australia	**49,448**	**1%**	47,724	1%
	11,473,679	**100%**	12,040,353	100%
By industry sectors:				
Steel manufacturing	**2,044,391**	**18%**	2,466,921	20%
Bedding	**9,429,288**	**82%**	9,566,754	80%
Other operations	**-**	**0%**	6,678	0%
	11,473,679	**100%**	12,040,353	100%

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(i) Credit risk (cont'd)

Information regarding trade receivables that are neither past due nor impaired and trade receivables that are either past due or impaired are disclosed in Note 10 to the financial statements.

Cash deposits with licensed banks are placed with reputable financial institutions with high credit ratings with no history of default.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The Group's and the Company's financial liabilities at the reporting date are either repayable on demand or mature within one year.

(iii) Market risk

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollar ("SGD"), Chinese Renminbi ("RMB") and Hong Kong Dollar ("HKD").

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

Foreign currency risk sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD, SGD, RMB and HKD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risk (cont'd)

(a) Foreign currency risk (cont'd)

Foreign currency risk sensitivity analysis (cont'd)

		Group	
		2015	**2014**
		RM	**RM**
		Increase/ (Decrease) in profit before tax	**Increase/ (Decrease) in profit before tax**
USD/RM	- strengthened 5% (2014: 5%)	**166,624**	458,899
	- weakened 5% (2014: 5%)	**(166,624)**	(458,899)
SGD/RM	- strengthened 5% (2014: 5%)	**10,398**	40,759
	- weakened 5% (2014: 5%)	**(10,398)**	(40,759)
RMB/RM	- strengthened 2% (2014: 2%)	**27,055**	36,921
	- weakened 2% (2014: 2%)	**(27,055)**	(36,921)
USD/RMB	- strengthened 5% (2014: 5%)	**-**	8,569
	- weakened 5% (2014: 5%)	**-**	(8,569)
USD/HKD	- strengthened 5% (2014: 5%)	**5,161**	4,940
	- weakened 5% (2014: 5%)	**(5,161)**	(4,940)

(b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks are exposed to a risk of change in their fair value due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent short term deposits.

Interest rate risk sensitivity analysis

An increase/decrease market interest rates by 1% on deposits with licensed banks of the Group and of the Company which have variable interest rates at the end of the reporting period would increase/decrease the profit before tax by RM1,441,647 (2014: RM1,454,549) and RM1,314,801 (2014: RM1,252,325) respectively. The analysis assumes that all other variables remain unchanged.

(c) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity security price risk arising from its investment in quoted instruments. These investments are listed on Bursa Malaysia and are classified as available-for-sale financial assets. To manage its price risk arising from investment in equity securities, the Group diversifies its portfolio.

35. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risk (cont'd)

(c) Market price risk (cont'd)

Market price risk sensitivity analysis

At the reporting date, if the various stock indices had been 5% higher/lower, with all other variables held constant, the Group's net assets would have been RM1,017,544 (2014: RM1,526,316) higher/lower, arising as a result of higher/lower fair value gain/loss on held for trading investments in equity instruments.

(c) Fair value of financial instruments

(i) Financial instrument at fair value

The fair value measurement hierarchy used to measure financial instruments at fair value in the statements of financial position is as follows:-

- Level 1
  Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2
  Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3
  Inputs for the asset or liability that is not based on observable market data (unobservable inputs).

	Group/Company			
	Level 1 RM	**Level 2 RM**	**Level 3 RM**	**Total RM**
2015				
Available-for-sale financial assets (Note 7)				
- Quoted shares	**20,350,875**	**-**	**-**	**20,350,875**
2014				
Available-for-sale financial assets (Note 7)				
- Unquoted shares	-	41,010	-	41,010
- Quoted shares	30,526,312	-	-	30,526,312

There were no transfer between fair value measurement hierarchy during the current and previous financial year.

35. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value of financial instrument (cont'd)

(ii) Financial instrument other than those carried at fair value

The carrying amounts of short term receivables and payables, cash and cash equivalents approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

36. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

There were no changes in the Group's approach to capital management during the financial year.

The Group is not subject to any externally imposed capital requirements except for the requirements on reserves for subsidiaries which are incorporated in The People's Republic of China as disclosed in Note 19 to the financial statements. Those subsidiaries have complied with such requirements as at the financial year end.

37. CONTINGENT LIABILITIES

	Group	
	2015	**2014**
	RM	**RM**
Secure:		
Corporate guarantee given to subsidiaries	**1,570,000**	1,535,000
Bank guarantee given to third parties	**71,000**	58,000

38. SUBSEQUENT EVENT

On 22 July 2015, Dreamland Spring Sdn. Bhd. ("DSSB") received a distribution from the liquidation of Nantong Dreamland Steel Products Co. Ltd. ("NDSP"), a 55%-owned subsidiary of DSSB amounting to RM881,209.

On 11 September 2015, the Company announced that NDSP was deregistered and ceased to be a subsidiary of DSSB.

Supplementary Information
On the disclosure of realised and unrealised profits or losses

The following analysis of realised and unrealised retained earnings of the Group and of the Company as at 30 June 2015 and 30 June 2014 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Securities") and prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The retained earnings of the Group and of the Company is analysed as follows:-

	Group		**Company**	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Total retained earnings of the Company and its subsidiaries				
- realised	**99,716,020**	99,096,950	**101,623,519**	94,394,361
- unrealised	**881,113**	337,462	**6,253**	481
	100,597,133	99,434,412	**101,629,772**	94,394,842
Total share of retained earnings from associates				
- realised	**2,927,918**	1,683,426	**-**	-
	103,525,051	101,117,838	**101,629,772**	94,394,842
Less: Consolidation adjustments	**(65,923)**	(58,506)	**-**	-
Total retained earnings	**103,459,128**	101,059,332	**101,629,772**	94,394,842

The disclosure of realised and unrealised profits or losses above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purpose.

List of Properties

As at 30 June 2015

Location / Address	Description	Area M² (acres)	Approximate age (year)	Existing use	Tenure	Net carrying amount RM '000	Year of last revaluation
K8 Lot PLO 25 Tanjong Agas Industrial Estate 84000 Muar Johor Darul Takzim	Land & Building	4,047 (1)	37	Factory Premises	Leasehold for 60 years expiring in 2038	675	1991
Lot 22 Tanjong Agas Industrial Estate 84000 Muar Johor Darul Takzim	Land & Building	6,070 (1.5)	35	Factory Premises	Leasehold for 60 years expiring in 2040	868	1991
Lot 24 Tanjong Agas Industrial Estate 84000 Muar Johor Darul Takzim	Land & Building	4,047 (1)	35	Factory Premises	Leasehold for 60 years expiring in 2040	336	1991
PLO 97 Tanjong Agas Industrial Estate 84000 Muar Johor Darul Takzim	Land & Building	6,070 (1.5)	29	Sales Office & Factory Premises	Leasehold for 60 years expiring in 2046	748	1991

Shareholding Statistics
As at 19 October 2015

ANALYSIS OF SHAREHOLDINGS

Authorised Share Capital	:	RM200,000,000/- divided into 200,000,000 ordinary shares of RM1/- each
Issued & Fully Paid-Up	:	RM85,162,500/- divided into 85,162,500 ordinary shares of RM1/- each
Class of Share	:	Ordinary Shares of RM1/- each
Voting Rights	:	1 vote per share

Size of Holdings	No. of Shareholders	No. of Shares #	% #
1 – 99	128	2,445	0.00
100 – 1,000	1,369	1,265,539	1.51
1,001 – 10,000	2,392	10,623,533	12.67
10,001 – 100,000	604	18,008,801	21.47
100,001 – less than 5%	63	28,683,093	34.19
5% and above	2	25,299,389	30.16
Total	**4,558**	**83,882,800**	**100.00**

After deducting 1,279,700 treasury shares retained by the Company as per Record of Depositors.

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	% #
1	Cartaban Nominees (Tempatan) Sdn. Bhd. *Exempt An For LGT Bank AG (Local)*	16,925,000	20.18
2	Cartaban Nominees (Asing) Sdn. Bhd. *Exempt An For LGT Bank AG (Foreign)*	8,374,389	9.98
3	HSBC Nominees (Asing) Sdn. Bhd. *HSBC-FS For Asian Emerging Countries Fund*	2,613,000	3.12
4	Affin Hwang Nominees (Asing) Sdn. Bhd. *Selvione Limited*	2,525,000	3.01
5	Quantum Symbol Sdn. Bhd.	1,791,300	2.14
6	Yeoh Phek Leng	1,355,900	1.62
7	Jin Fu	1,248,100	1.49
8	HSBC Nominees (Tempatan) Sdn. Bhd. *HSBC (M) Trustee Bhd. For Pertubuhan Keselamatan Sosial*	1,074,500	1.28
9	Lim Khuan Eng	1,000,000	1.19
10	JF Apex Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Teo Siew Lai*	968,700	1.15
11	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Khoo Bee Lian*	963,800	1.15

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Name of Shareholders	No. of Shares	% #
12	Wong Soo Chai @ Wong Chick Wai	948,800	1.13
13	Teo Kwee Hock	887,800	1.06
14	Goh Leong Chuan	768,000	0.92
15	AMSEC Nominees (Tempatan) Sdn. Bhd. *AMTRUSTEE Berhad For Pacific Pearl Fund*	668,100	0.80
16	Maybank Nominees (Tempatan) Sdn. Bhd. *Lee Chee Kong*	607,700	0.72
17	Lock Kai Sang	597,900	0.71
18	Puan Sri Lee Chou Sarn	505,493	0.60
19	Lee Yu Yong @ Lee Yuen Ying	500,000	0.60
20	Wong Se-Yuen	471,900	0.56
21	Maybank Nominees (Tempatan) Sdn. Bhd. *Ting Poi Ling*	450,100	0.54
22	Ooi Ai Eng	426,700	0.51
23	Maybank Nominees (Tempatan) Sdn. Bhd. *Lee Yu Yong @ Lee Yuen Ying*	402,000	0.48
24	Ding Nyok Choo	400,000	0.48
25	Ting Poi Ling	400,000	0.48
26	CIMSEC Nominees (Tempatan) Sdn. Bhd. *CIMB For Leow Ming Fong @ Leow Min Fong (PB)*	400,000	0.48
27	Sak Moy @ Sak Swee Len	324,000	0.39
28	AllianceGroup Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Tan Kian Aik*	305,000	0.36
29	Chu Yee San	300,000	0.36
30	HLIB Nominees (Tempatan) Sdn. Bhd. *Hong Leong Bank Bhd. For Fu Teck Aun*	297,800	0.36
	Total	**48,500,982**	**57.82**

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct No. of Ordinary Shares held	% #	Indirect No. of Ordinary Shares held	% #
Tan Sri Dr. Chen Lip Keong	16,925,000*a	20.18	8,374,389*b	9.98
Blue Velvet Property Corp	8,374,389	9.98	-	-

Notes:

*a 16,925,000 ordinary shares are held by Cartaban Nominees (Tempatan) Sdn. Bhd., Exempt An For LGT Bank AG (Local).

*b Deemed interested by virtue of Section 6A of the Companies Act, 1965 held via Blue Velvet Property Corp.

DIRECTORS/CHIEF EXECUTIVE OFFICER'S SHAREHOLDINGS

	Direct No. of Ordinary Shares held	% #	Indirect No. of Ordinary Shares held	% #
Directors				
Datuk Wan Kassim bin Ahmed	-	-	-	-
Tan Sri Dr. Chen Lip Keong*c	16,925,000*a	20.18	8,374,389*b	9.98
Puan Sri Lee Chou Sarn*c	505,493	0.60	-	-
Dato' Dr. Abdul Razak bin Abdul	-	-	-	-
Chen Yiy Fon*c	-	-	-	-
Lim Mun Kee	-	-	-	-
Acting Chief executive Officer				
Teo Hock Kee	-	-	-	-

Notes:

*a The 16,925,000 ordinary shares are held by Cartaban Nominees (Tempatan) Sdn. Bhd., Exempt An For LGT Bank AG (Local).

*b Deemed interested by virtue of Section 6A of the Companies Act, 1965 held via Blue Velvet Property Corp.

*c Puan Sri Lee Chou Sarn is the spouse of Tan Sri Dr. Chen Lip Keong. Mr Chen Yiy Fon is the son of Tan Sri Dr. Chen Lip Keong and Puan Sri Lee Chou Sarn.

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Proxy Form

FACB INDUSTRIES INCORPORATED BERHAD (48850-K)
(Incorporated in Malaysia)

Number of Shares	CDS Account No.

I/We, ____________________

of ____________________

being a member of **FACB INDUSTRIES INCORPORATED BERHAD** hereby appoint ____________________

____

of ____________________ or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Thirty Sixth Annual General Meeting of the Company to be held at Dewan Seri Pinang, Etiqa Twins, Level 3, 11 Jalan Pinang, 50450 Kuala Lumpur on Wednesday, 2 December 2015 at 10.30 a.m. and at any adjournment thereof.

No.	Resolutions	For	Against
1	Approval of final dividend		
2	Approval of Directors' fees		
3	Re-election of Mr Chen Yiy Fon as Director		
4	Re-election of Mr Lim Mun Kee as Director		
5	Re-appointment of Messrs UHY as Auditors		
6	Authority pursuant to Section 132D of the Companies Act, 1965		
7	Proposed Renewal of Authority for Share Buy-Back		
8	Retention of Datuk Wan Kassim bin Ahmed as an Independent Director		
9	Retention of Dato' Dr. Abdul Razak bin Abdul as an Independent Director		

(Please indicate with an "X" in the appropriate box against each Resolution how you wish your vote to be cast. If this proxy form is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.)

Signed this ____________ day of ____________ , 2015

____

Signature/Seal of Shareholder

NOTES:

1. A member entitled to attend, speak and vote at the meeting is entitled to appoint a proxy and vote in his/ her stead. A proxy need not be a member of the Company.
2. Subject to the Companies Act, 1965, where a member appoints two (2) proxies, the appointment shall be invalid unless he/ she specifies the proportions of his/ her holding to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/ her attorney duly authorised in writing or, if such appointer is a corporation, either under its common seal or the hand of an officer or attorney duly authorised.
4. The Proxy Form must be completed, signed and deposited at the Company's registered office not less than 48 hours before the time set for the meeting or adjourned meeting.
5. Shareholders' attention is hereby drawn to the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, which allow a member of the Company which is an exempt authorised nominee, as defined under the Securities Industry (Central Depositories) Act, 1991, who holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account") to appoint multiple proxies in respect of each omnibus account it holds.
6. In respect of deposited securities, only members whose names appear in the Record of Depositors on 24 November 2015 shall be entitled to attend the meeting.

AFFIX
STAMP

The Company Secretary

FACB Industries Incorporated Berhad (48850-K)
Etiqa Twins, Tower 1
Level 13, 11 Jalan Pinang
50450 Kuala Lumpur