OCEANCASH

OCEANCASH PACIFIC BERHAD

(590636-M)

ANNUAL REPORT 2014

Contents

On behalf of the Board of Directors of Oceancash Pacific Berhad, I am pleased to present the Annual Report and Financial Statements of the Group and Company for the financial year ended 31 December 2014.

FINANCIAL PERFORMANCE

For the financial year ended 31 December 2014, the Group recorded a revenue of RM72.81 million which represents an increase of 6.17% compared to the preceding year revenue of RM68.581 million. Despite the increase in revenue, the Group net profit dropped to RM4.91 million from RM6.5 million in the preceding year which is a reduction of RM1.59 million mainly due to the loss of disposal of Polyethylene (PE) Modular machine.

REVIEW OF OPERATIONS

The Group recorded an increase in sales of nonwoven cloth to Japan, Thailand, China and Malaysia and increase in sales in felts in Indonesia but experienced a drop in sales in nonwoven cloth in Indonesia and sales in felts in Malaysia.

During the year, the Group incurred a one time loss of RM1.69 million on the disposal of PE Modular machine and write-off some fixed assets and stock in hygiene division. During the year, the Group profit was also reduced due to implementation of minimum wage and increase in electricity traffic.

PROSPECTS, INDUSTRY TREND AND DEVELOPMENT

Felts Division

Moving forward, the Group believes the Malaysian economy will continue on a steady growth path driven by domestic demand. The Group expects the implementation of the Goods and Services Tax in 2015 not to have any impact on the local automotive industry. The felts sales in Malaysian market is expected to remain at the same level as Year 2014.

In Indonesia, the construction of the factory buildings is in progress and expected to complete in June 2015. Our new machine, second (2nd) production line will be installed and commissioned during the third (3rd) quarter of 2015. After the 2nd production line is operational, we will relocate the existing (1st) production line from the rented premise to our new factory buildings at the end of 2015. The two (2) production lines would be fully operational in the new premise in 2016.

The trading company in China was not performing within our expectation and had incurred losses since it commenced operations. We have ceased operation since the beginning of Year 2015.

The Group intends to expand our business operations to Thailand at the end of 2015 as our customers from Thailand are increasing their sales order. We will relocate one of our existing production lines from Malaysia to Thailand.

The felts division performance is expected to remain the same as Year 2014.

Nonwoven Division

Japanese diaper and personal care manufacturers are branching out their operations from Japan to South East Asia to cater to the increase in demand in this region. The Group expects the demand for premium grade (air-through) nonwoven cloth to increase from the existing and new customers. To meet the demand in this product, we have modified our existing thermalbond production line into air-through production line and also increase the capacity. We will continue to develop new niche products to cater to our customers' needs and also to increase our customer base.

Nonwoven division will have a double digit growth in revenue in Year 2015 and contribute positively to the performance of the Group for the Year 2015.

Barring any unforeseen circumstances, with the cessation of non-profitable business operation, the Group expects a better performance in Year 2015.

DIVIDEND

The Board exercised prudence and balance in ensuring sustainable returns to shareholders while retaining sufficient resources for expansion program. Therefore, the Board has recommended, declared and paid an interim dividend of 6% (0.6 sen per share) on 30 December 2014.

APPRECIATION

We would like to express our sincere gratitude and appreciation to the management and staff for their dedication and pursuit of innovation these past years. We also wish to thank our customers, suppliers, regulatory authorities, bankers, and shareholders for their invaluable support and confidence in the Group.

TAN SIEW CHIN

Date: 10 April 2015

Corporate Directory

BOARD OF DIRECTORS

Tan Siew Chin
Chief Executive Officer
Executive Chairman

Lo Pong Kiat @ Lor Hong Ling
Executive Director

Tan Siew Tyan
Non-Independent Non-Executive Director

Chan Soo Wah
Senior Independent Non-Executive Director

Dr Han Swan Kwong @ Adrian Han
Independent Non-Executive Director

Chen Lee Chew
Non-Independent Non-Executive Director

AUDIT COMMITTEE

Chan Soo Wah - Chairman
Independent Non-Executive Director

Tan Siew Tyan - Member
Non-Independent Non-Executive Director

Dr Han Swan Kwong @ Adrian Han - Member
Independent Non-Executive Director

REGISTERED OFFICE

Level 2, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel No.: 03-2241 5800
Fax No.: 03-2282 5022

HEAD / MANAGEMENT OFFICE

Lot 73, Jalan P10/21
Taman Industri Selaman,
43650 Bandar Baru Bangi
Selangor Darul Ehsan
Tel No.: 03-8925 0000
Fax No.: 03-8925 5800
Email: ofsb@oceancash.com.my

COMPANY SECRETARIES

Wong Youn Kim (MAICSA 7018778)
Yip Siew Cheng (MAICSA 7006780)

STOCK EXCHANGE LISTING

ACE Market
Bursa Malaysia Securities Berhad

PRINCIPAL BANKER

United Overseas Bank (Malaysia) Bhd (271809K)
1st Floor, Bangunan UOB Medan Pasar
10-12, Medan Pasar
50050 Kuala Lumpur, Malaysia
Tel No.: 03-2772 8000
Fax No.: 03-2072 2791

REGISTRAR

Sectrars Management Sdn Bhd (1127890-P)
Lot 9-7, Menara Sentral Vista
No. 150, Jalan Sultan Abdul Samad Brickfields
50470 Kuala Lumpur
Tel No.: 03-2276 6138 / 6139 / 6130
Fax No.: 03-2276 6131

AUDITORS

Baker Tilly Monteiro Heng (AF 0117)
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel No.: 03-2297 1000
Fax No.: 03-2282 9980

WEBSITE

www.oceancash.com.my

TAN SIEW CHIN
Aged 63, Malaysian
Executive Chairman and Chief Executive Officer

Mr. Tan Siew Chin was appointed to the Board on 29 March 2004. He is a member of the Chartered Institute of Management Accountants of United Kingdom and a registered member of the Malaysian Institute of Accountants.

Mr. Tan joined Supreme Finance (M) Bhd in 1979. In 1982, he moved to a group of property development companies known as Mepro Holdings Bhd as an Accountant and was later appointed as Executive Director. He was formerly an Executive Director of Emtex Corporation Bhd (now known as PJ Development Bhd) in 1985, which had a core business in the planting of oil palm, coconut, rubber, cocoa and operating oil palm mills. In 1988, he bought over a manufacturing company, which was later known as Paragon Union Bhd. Paragon Union Bhd's core business was in the manufacturing of car components and commercial wall-to-wall carpets. He ventured into the nonwoven business through Oceancash Felts Sdn Bhd ("OFSB") after he sold his shareholdings in Paragon Union Bhd. He is also a substantial shareholder in Oceancash Holdings Sdn Bhd which is a property investment company.

Mr. Tan is the husband of Madam Chen Lee Chew, a Non-Independent Non-Executive Director and major shareholder of the Company and the brother of Mr. Tan Siew Tyan, a Non-Independent Non-Executive Director of the Company. He has no conflict of interest with the Company nor any convictions for offences within the past ten years other than traffic offences. He has fully attended all the five (5) Board of Directors' meetings held during the financial year of the Company.

CHEN LEE CHEW
Aged 61, Malaysian
Non-Independent Non-Executive Director

Madam Chen Lee Chew was appointed to the Board on 19 August 2004. She was trained as a staff nurse and midwife in England in 1976. She is a director and substantial shareholder in Oceancash Holdings Sdn Bhd which is a property investment company.

Madam Chen is the wife of Mr. Tan Siew Chin, a major shareholder, Chief Executive Officer and Executive Chairman of the Company as well as the sister in-law of Mr. Tan Siew Tyan, a Non-Independent Non-Executive Director. She has no conflict of interest with the Company nor any convictions for offences within the past ten years other than traffic offences. She has fully attended all the five (5) Board of Directors' meetings held during the financial year of the Company.

LO PONG KIAT @ LOR HONG LING
Aged 78, Malaysian
Executive Director

Mr. Lo Pong Kiat @ Lor Hong Ling was appointed to the Board on 29 March 2004. He spent the early part of his career in sales and marketing for various car companies including Wearne's Brothers, Fiat and Tan Chong Motors. With his experience in the automotive industry, he joined Coco Industry Sdn Bhd in 1980, a Japanese company involved in the production of mattresses using coconut fibres in Malaysia. He was responsible for the company's venture into the manufacture of car seat paddings using coconut fibres in the early 1980's. As a result of this breakthrough and under the guidance of the parent company in Japan, Ikeda Busan, he was instrumental in the subsequent establishment of Ikeda Malaysia Sdn Bhd, one of the largest automotive interior trim companies in Malaysia. In 1989, recognizing the potential of nonwoven felt applications in the automotive industry, he left to set up his trading company, Jugaya Sdn Bhd, importing and dealing in all kinds of nonwoven felts. In 1997, he was involved in the commencement of operations in OFSB.

He has no conflict of interest with the Company nor any convictions for offences within the past ten years other than traffic offences, neither does he have any family relationship with any other director and/or major shareholder of the Company. He has fully attended all the five (5) Board of Directors' meetings held during the financial year of the Company.

CHAN SOO WAH

Aged 63, Malaysian
Senior Independent Non-Executive Director

Madam Chan Soo Wah was appointed to the Board on 29 March 2004. She is the Chairman of the Audit Committee.

She is a fellow member of the Institute of Chartered Accountants of England and Wales and a Chartered Accountant with the Malaysian Institute of Accountants.

Madam Chan began her professional career with international accounting firms in England and Malaysia. She has held senior positions in investment companies, an investment bank and a public listed company in Malaysia.

She has no family relationship with any other director and/or major shareholder nor has any conflict of interest with the Company. She has not been convicted for any offences within the past ten years other than traffic offences. She has attended all the five (5) Board of Directors' meetings held during the financial year of the Company.

DR. HAN SWAN KWONG @ ADRIAN HAN

Aged 58, Malaysian
Independent Non-Executive Director

Dr. Han Swan Kwong @ Adrian Han was appointed to the Board on 29 March 2004. He has been practicing law since 1987. He is a graduate of the University of London and qualified with a Certificate in Legal Practice in 1986. He also qualified for associateship in the Chartered Institute of Arbitrators in 1998.

He was previously a tax accountant with two (2) major international public accounting firms. He is a fellow of the Institute of Taxation and holds a post-graduate Certified Diploma in Accounting and Finance. He also completed his Master of Business Administration (Finance) from the University of Hull. He was recently conferred the Doctor of Business Administration by the University of Newcastle, Australia.

He has no family relationship with any other director and/or major shareholder nor has any conflict of interest with the Company. He has not been convicted for any offences within the past ten years other than traffic offences. He has attended all the five (5) Board of Directors' meetings held during the financial year of the Company.

TAN SIEW TYAN

Aged 53, Malaysian
Non-Independent Non-Executive Director

Mr. Tan Siew Tyan was appointed to the Board on 29 March 2004. He graduated with a Bachelor of Civil and Structural Engineering from Carleton University in Ottawa, Canada, 1985. He is a member of the Board of Engineers Malaysia, as well as a member of the Institute of Engineers, Malaysia since 1986.

Between 1985 and 1990, he worked as a Project Engineer in Anti Hydro Care Sdn Bhd, a specialist in waterproofing. He worked as a General Sales Manager in Forsoc Sdn Bhd, a subsidiary of Fosroc International Limited in the UK from 1991 to 2011. From January 2012 to present, he works as a Business Unit Manager in MAPEI Malaysia Sdn Bhd, a subsidiary of MAPEI in Italy. Apart from this, he was a Company Director of Paragon Union Bhd, a company listed on Second Board of Bursa Malaysia Securities Berhad, from March 1995 to June 1997.

Mr. Tan is the brother of Mr. Tan Siew Chin, a major shareholder, Chief Executive Officer as well as Executive Chairman of the Company. He is also the brother in-law of Madam Chen Lee Chew, a Non-Independent Non-Executive Director of the Company. He has no conflict of interest with the Company nor any convictions for offences within the past ten years other than traffic offences. He has attended all the five (5) Board of Directors' meetings held during the financial year of the Company.

The Board of Directors ("the Board") recognizes the importance of corporate governance as set out in the Malaysian Code of Corporate Governance ("the Code"). The Board is committed to adopting the principles outlined in the Code wherever practical and reasonable.

BOARD OF DIRECTORS

Board Responsibilities

The Board has overall responsibilities for the business direction and overseeing the conduct of business, review and adopt strategic plan and succession planning. The Board also acknowledges the responsibility and regularly reviews the adequacy and the integrity of the Group's internal control system and management information systems to ensure compliance with the applicable laws, regulations, rules, directives and guidelines.

Board Charter

The Board has formalized and adopted a Board Charter on 15 April 2014 to set the composition and balance, roles and responsibilities, functions, procedure and operation of the Board. The Board Charter provides guidance for Board members in carrying out their roles and discharging their duties which are in line with the principle of good corporate governance. A copy of the Board Charter is available at the Group's website at www.oceancash.com.my

The Board Composition and Balance

The Board consists of one (1) Executive Chairman, one (1) Executive Director, two (2) Non-Independent Non-Executive Directors and two (2) Independent Non-Executive Directors. The Chairman is responsible for the day to day management of the business and the implementation of the Board's decisions and policies.

The Independent Non-Executive Directors are free of any relationship which could interfere with the exercise of their independent judgement.

The Board comprising individuals with different qualifications and diverse backgrounds, collectively provides a wide range of skills and expertise required to discharge the Board's duties and responsibilities.

The executive directors are responsible for the implementation of the Board's policies and decisions and keep the Board informed of the overall operations of the Group. The non-executive directors, who have the skill and experience, provide independent views, advice and judgment in the decision process of the Board as well as to safeguard the interests of the public shareholders.

Mr. Tan Siew Chin takes on the roles of Chairman and Chief Executive Officer and as Executive Chairman of the Group, given his capability to show leadership and entrepreneurship skills, business acumen and his vast experience in the industry, the Board continues to maintain this arrangement which is in the best interest of the Group.

Chan Soo Wah was appointed by the Board as the Senior Independent Non-Executive Director to whom concerns may be conveyed.

The Board is satisfied that the current Board composition fairly reflects the interest of minority shareholders.

Board Meetings and Supply of Information

The Board meets every quarter with additional meetings convened as and when necessary. During the year ended 31 December 2014, the Directors' attendances are as follows:-

Name of Director	Attendance
Tan Siew Chin	5/5
Chen Lee Chew	5/5
Lo Pong Kiat @ Lor Hong Ling	5/5
Chan Soo Wah	5/5
Dr. Han Swan Kwong @ Adrian Han	5/5
Tan Siew Tyan	5/5

Board Meetings and Supply of Information (cont'd)

All Board members are provided with documents and relevant information for them to review the agenda items prior to Board meetings. Senior management staff are invited to attend Board meetings when necessary to provide further clarifications on matters being tabled. The Board has access to information with regard to the activities within the Group and to the advice and services of the Company Secretary, who is responsible for ensuring the Board meeting procedures are adhered to. As and when necessary, the Board may seek independent advice, at the Company's expense.

Re-election of Directors

In accordance with the Company's Articles of Association, all directors who are appointed by the Board are subject to re-election by the shareholders at the Annual General Meeting subsequent to their appointment and one third of the remaining directors are subject to re-election by rotation at each Annual General Meeting at least once in every three (3) years.

Remuneration Committee

The Remuneration Committee comprises entirely of non-executive directors. The members of the committee are as follows:

Dr. Han Swan Kwong @ Adrian Han	Chairman
Chan Soo Wah	Member
Tan Siew Tyan	Member

The terms of reference of the Remuneration Committee are as follows:-

The Remuneration Committee shall be appointed by the Board from among the directors of the Company and shall consist of at least three directors, wholly or mainly of non-executive directors. The members of the Remuneration Committee shall elect the Chairman from amongst their number who shall be a non-executive director.

In order to form a quorum in respect of a meeting of the Remuneration Committee, two members present must be wholly or mainly non-executive directors. The Company Secretary shall be the Secretary of the Remuneration Committee. The Secretary to the Committee shall circulate the minutes of the Remuneration Committee to all members of the Board.

The Remuneration Committee shall meet at least once a year or at such other times as the Chairman of the Committee deems necessary.

Questions arising shall be decided by a majority of votes and determination by a majority of members shall for all purposes be deemed a determination of the Remuneration Committee.

In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote provided that where two (2) members form a quorum, the Chairman of the meeting at which only such a quorum is present, or at which only two (2) members are competent to vote on the question at issue, shall not have a casting vote.

Any resolution in writing, signed or assented to by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held, and may consist of several documents in the like form, each signed by one or more members of the Committee.

The responsibilities of the Remuneration Committee are as follows:-

- To recommend to the Board the framework of remuneration of Executive Directors and the remuneration package for each Executive Director, drawing from outside advice as necessary.
- To recommend to the Board guidelines for determining remuneration of Non-Executive Directors.

Remuneration Committee (cont'd)

- To recommend to the Board any performance related pay schemes for Executive Directors.
- To review the scope of service contract of Executive Directors (if any).
- To consider the appointment of the service of such advisers or consultants as it deems necessary to fulfill its functions.
- To review any major changes in remuneration policy and employee benefit structures for senior management throughout the Company or Group, and if thought fit, recommend them to the Board for adoption.

The remuneration of Directors shall be the ultimate responsibility of the full Board after considering the recommendation of the Committee. Executive Directors do not participate in discussion on their own remuneration. The determination of remuneration package of Non-Executive Directors should be a matter for the Board as a whole. The level of remuneration should be sufficient to attract and retain the Directors needed to run the Company successfully. All decisions and recommendations of the Committee shall be reported to the Board.

Nomination Committee

The members of the committee are as follows:

Dr. Han Swan Kwong @ Adrian Han	Chairman
Chan Soo Wah	Member
Tan Siew Tyan	Member

The terms of reference of the Nomination Committee are as follows:

The Nomination Committee shall be appointed by the Board from among the directors of the Company and shall consist of at least three directors composed exclusively of non-executive directors, a majority of whom are independent. The members of the Nomination Committee shall elect the Chairman from amongst their members who shall be an independent director.

In order to form a quorum in respect of a meeting of the Nomination Committee, two members present must be wholly or majority non-executive directors. The Company Secretary shall be the Secretary of the Nomination Committee.

The meetings shall be held not less than one (1) time a year. A member may at any time and the Secretary shall on the requisition of a Director summon a meeting of the Nomination Committee.

Questions arising at any meeting of Nomination Committee shall be decided by a majority of votes and a determination by a majority of members shall for all purposes be deemed a determination of the Nomination Committee.

In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote provided that where two (2) members form a quorum, the Chairman of the meeting at which only such a quorum is present, or at which only two members are competent to vote on the question at issue, shall not have a casting vote.

Any resolution in writing, if signed or assented to by all the members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held, and may consist of several documents in the like form, each signed by one or more members of the Committee.

The primary objectives of the Nomination Committee is to act as a committee of the full Board to assist in discharging the Board's responsibilities in assessing the ability of the existing Directors to contribute to the effective decision making of the Board, identifying, appointing and orientating new Directors and identifying the mix skills and experience and other qualities the Board requires in order to function completely and efficiently.

Nomination Committee (cont'd)

The Nomination Committee shall have the following responsibilities:

- Assess and recommend to the board the candidature of directors, appointment of directors to board committees, review of board's succession plans and training programmes for the board. In assessing suitability of candidates, considerations should be given to the competencies, commitment, contribution and performance. In the case of candidates for the position of Independent Non-Executive Directors, the Nomination Committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.
- Consider in making its recommendations, candidates for directorship proposed by the Chief Executive Officer and, within the bounds of practicability, by any other senior executive or any Director or shareholder.
- Recommend to the board, Directors to fill seats on Board Committees.
- Assess the effectiveness of the Board as a whole.
- Assess the effectiveness of the committees of the Board.
- Assess the contribution of each individual Director.
- Review and recommend to the Board the required mix of skills and experience and other qualities the Board requires in order to function completely and efficiently.
- Assess the performance and contribution of Directors who stand for re-election whether they meet established performance evaluation criteria.
- To develop criteria to assess independence of Directors.
- To review Board's succession plan.
- To facilitate Board induction and training for newly appointed Directors.
- To review training programs for the Board.
- To facilitate achievement of Board gender diversity policies and targets.

The details of directors' remuneration for the financial year ended 31 December 2014 are as follows:-

(a) Aggregate remuneration categorized into appropriate components:-

	Executive Directors RM	**Non-Executive Directors RM**
Salaries, bonuses and other emoluments	286,960	69,770
Fees	36,000	72,000
Benefits-In-Kind	22,978	-
Total	345,938	141,770

(b) The number of directors whose remuneration fall into respective bands are as follows:-

	Number of Directors	
Range of Remuneration	**Executive**	**Non-Executive**
Less than RM50,000	-	3
RM50,001 to RM100,000	1	1
RM100,001 to RM200,000	1	-

RELATIONSHIP WITH SHAREHOLDERS

Relationship with Shareholders and Investors

The Company recognizes the importance of effective communication with its shareholders, investors and the general public. The Annual General Meetings (AGM) and Extraordinary General Meetings (EGM) provide a forum for dialogue with the public shareholders. The shareholders are given the opportunity to seek clarification on any matter pertaining to the business activities and financial performance. The investors and shareholders are kept informed of the Group's financial results and corporate developments through public announcements made to Bursa Malaysia Securities Berhad, Circulars and Annual Report.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to present a balanced and comprehensive assessment of the Group's financial performance and prospects primarily through the Annual Report and the Quarterly Results announced to Bursa Malaysia. The Audit Committee reviews the financial results before recommending to the Board for approval.

Internal Control

The Board recognizes the responsibilities to maintain an effective system of internal controls to safeguard the shareholders' interest and the Group's assets. The Group's system of internal controls is presented in the Statement on Internal Control in this Annual Report.

Relationship with External Auditors

The Board ensures that there are formal and transparent arrangements for the achievement of objectives and maintenance of professional relationship with the external auditors. The external auditors have full access to the books and records of the Group at all times. They participate in the annual stock counts of the Group.

The Audit Committee meets the External Auditors at least twice a year to discuss their audit plan, audit findings and the financial statements. The Audit Committee also meets the External Auditors without the presence of the Executive Directors and any member of the management whenever deemed necessary.

The roles of both the External and Internal Auditors are further described in the Audit Committee Report which is set out in this Annual Report.

Statement of Directors' Responsibilities in Financial Reporting

The Board is responsible for ensuring that the financial statements are properly drawn up so as to give a true and fair view of the financial position of the Group and of the Company at the end of the financial year and of the financial performance and cash flows of the Group and the of the Company for the financial year then ended. In preparing the financial statements, the Board has ensured that applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 have been applied.

In preparing the financial statements, the Board has adopted and applied consistently suitable accounting policies, and made judgments and estimates that are reasonable and prudent.

The Board also has a general responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and to prevent and detect other irregularities.

Directors' Training

All the Directors of the Company have completed the Mandatory Accreditation Programme prescribed by the Bursa Malaysia Securities Berhad. The Board has assessed the training needs of the Directors and encourages the Directors to attend any relevant programme to further enhance their knowledge to enable them to discharge their responsibility more effectively. All new directors are given a briefing of the Company's history, operations and performance. Directors are encouraged to attend continuous education programmes and seminars to keep abreast of relevant changes in laws and regulations and the development in the industry.

During the financial year ended 31 December 2014, all the Directors have attended the briefings conducted by the Company Secretary and External Auditors pertaining to the updates on the Listing Requirements and Companies Act, 1965 and accounting standards. In addition, Mr Tan Siew Chin, Mr Tan Siew Tyan, Mdm Chan Soo Wah and Mdm Chen Lee Chew attended the "Advocacy Sessions on Corporate Disclosure for Directors" conducted by Bursa. Mdm Chan Soo Wah has also attended "Risk Management and Internal Control Workshop for Audit Committee Members" and "Roundtable Discussion on Financial Reporting".

The Directors will continue to undergo other relevant training programmes, conferences and seminars that may further enhance their skills and knowledge.

Compliance Statement

The Company has, in all material aspects, complied with the recommendations of the Code throughout the financial year, save for the requirement where the Board must comprise a majority of independent directors where the chairman of the Board is not an independent director;

The Board feels that given Mr. Tan Siew Chin's capability to show leadership and entrepreneurship skills, business acumen and his vast experience in the industry, the arrangement to maintain him as Chief Executive Officer and as Executive Chairman of the Group is in the best interest of the Group for the time being.

The Board will take steps to appoint additional independent Directors so that the Board comprises majority of independent directors where the chairman of the Board is not an independent Director or to restructure its composition to be in line with the recommendations of the Code.

The Board intends to strengthen its roles and responsibilities by:

i) Implementing whistle blowing policy and procedure to provide employee with a mechanism to monitor the compliance of code of ethics;

ii) Defining its business sustainability policy and ensuring its current business decision making process incorporating the elements of Environment, Social and Governance ("ESG") within its value chain in the business processes.

The Board is pleased to inform that the Board Charter and Code of Ethics for Directors have been published on the Company's website.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA

Utilisation of Proceeds

There were no proceeds raised from any corporate proposal during the financial year ended 31 December 2014.

Share Buy-Back

The Company did not buy-back any of its shares during the financial year ended 31 December 2014.

Non-Audit Fees

The amount of non-audit fees payable to the external auditors for the financial year ended 31 December 2014 is RM8,000.

Amount of Options, Warrants or Convertible Securities Exercised During the Financial year

There were no options, warrants or convertible securities exercised during the financial year ended 31 December 2014.

American Depository Receipt ("ADR") or Global Depository Receipt (GDR")

The Company did not sponsor any ADR and GDR programme during the financial year.

Sanction and/or Penalties

There were no sanction and/or penalties imposed on the Company and its subsidiaries, directors or management by any regulatory body during the financial year ended 31 December 2014.

Variation of Results

The Company did not issue any profit estimate, forecast or projection for the financial year ended 31 December 2014.

There were no variances of 10% or more between the audited results for the financial year ended 31 December 2014 and the unaudited results previously announced.

Profit Guarantee

There were no profit guarantee given by the Company in respect of the financial year ended 31 December 2014.

Material Contracts

There were no material contracts entered into by the Group involving directors' and substantial shareholders interests, either still subsisting, or entered into since the end of the previous financial year.

Revaluation of Landed Properties

The Group does not adopt a policy of regular revaluation of its landed properties. During the financial year ended 31 December 2014, the Group had revalued its landed properties based on a valuation carried out by a registered valuer with an independent firm of professional valuers, using the Comparison Method of valuation basis. The revaluation surplus of 6.623 million has been recognised as revaluation surplus in the Balance Sheet.

Save as disclosed above, carrying values of property, plant and equipment have been brought forward without amendment from the audited financial statements for the financial year ended 31 December 2014.

Recurrent Related Party Transactions of a Revenue or Trading Nature

There was no recurrent related party transaction of a revenue or trading nature made during the financial year ended 31 December 2014.

Corporate Social Responsibility Activities or Practices

The Group did not undertake any corporate social responsibilty activities or practices during the financial year ended 31 December 2014.

BOARD RESPONSIBILITIES

The Board is overall responsible for the Group's system of internal control and risk management practices which includes reviewing the adequacy and effectiveness of this system to safeguard shareholders' investment and the Group's assets. The system of internal control covers not only financial controls but also operational and compliance controls for the Group.

However, the Group's system of internal control and system of risk management are designed to manage and not eliminate the risk of failure to achieve the business objectives; hence it can only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has a continuous process to identify, evaluate and manage the significant risks faced by the Group to obtain a reasonable assurance that business objectives are met. This process has been in place for the year under review and is regularly reviewed by the Board.

Currently, the Group does not have an internal audit function. The Board believes that the same objectives can be achieved as it has established the working structure with clearly defined lines of accountability and delegated authorities and the current key processes of the Group's internal control system are sufficient for the size and operations of the Group. The Group has outsourced its internal audit function to a professional firm as part of its strategy to further provide the Board with assurances regarding the adequacy and effectiveness of the internal control system.

The outsourced internal audit function carried out internal audits to review the adequacy and effectiveness of the internal control system and to identify area of risks based on the audit plan that has been approved by audit committee. The internal auditors reported their findings and recommendations to the management and subsequently to the audit committee.

INTERNAL CONTROL SYSTEM

The key processes of the internal control system are as follows:

- The Group has an organisation structure with clearly defined duties, lines of responsibilities, authority and accountability.
- The management meet the key personnel every month to discuss and to monitor key operational - indicators.
- Day to day affairs and operational procedures are monitored and regularly reviewed by the management.
- The executive directors receive regular reports on monthly financial statements, business performances and developments and other corporate matters.
- Surveillance audits are conducted periodically by a certification body to ensure compliance with the ISO 9001.

RISK MANAGEMENT

The Group has an on-going process for identifying, evaluating and managing significant risks that may affect the achievement of its business objective. Currently these processes are executed by the key personnel and executive directors. The key personnel have access to important information and key operational indicators to enable them to identify and improve on the system of internal control and system of risk management and also for decision making. The key personnel and executive directors will follow-up with the action plan to improve the weakness of the internal controls and to minimise risk of the Group. The key personnel will attend the training and seminars to ensure compliance of the regulatory bodies. The progress of the risk management process is periodically updated to the Audit Committee. The Audit Committee reviews this process regularly and enhances it as and when needed to ensure sustainability.

CONCLUSION

There were no material losses incurred by the Group during the financial year ended 31 December 2014 as a result of weaknesses in the Group's system of internal control. The Group continues to take the necessary measures to strengthen its internal controls. However, such system, no matter how well designed, implemented and monitored, does not eliminate the possibility of human error, collusion or deliberate circumvention of control procedures. The Board is of the view that the current system of risk management and internal controls are adequate for the current business environment and level of operation.

The CEO and Finance Manager have provided assurance to the Board that the Group's risk management and internal control system is operating adequately and effectively in all material aspects.

Audit Committee Report

COMPOSITION

The Audit Committee comprises three (3) members as follows:-

Chairman : Chan Soo Wah - Senior Independent Non-Executive Director
Member : Dr. Han Swan Kwong @ Adrian Han - Independent Non-Executive Director
Member : Tan Siew Tyan - Non-Independent Non-Executive Director

TERMS OF REFERENCE OF AUDIT COMMITTEE

The members of the Committee, consisting of non-executive directors only, shall be determined by the Board of Directors and shall be composed of no fewer than 3 members, the majority of whom should be independent directors. The Chairman of the Committee shall be an Independent Director. In the absence of the chairman of the Audit Comittee, the remaining members present shall elect one of their members as chairman of the meeting. The members of the Committee shall also possess the requisite qualification and experience that meet the prescribed requirements of Bursa Malaysia Securities Berhad for ACE Market from time to time in force. No Alternate Director or Chief Executive Officer shall be appointed as a member of the Audit Committee.

Meetings

Meetings shall be held not less than four (4) times a year and attended by the Chief Executive Officer, General Manager of Finance and other senior management who may be invited as and when required. The presence of external and/or internal auditors will be requested, if required. Other members of the Board and senior management may attend meetings upon the invitation of the Audit Committee. Both the internal and/or external auditors may request a meeting if they consider it to be necessary. The Audit Committee shall meet with the external auditors without executive board members present at least twice a year.

Questions arising shall be decided by a majority of votes and determination by a majority of members shall for all purposes be deemed a determination of the Audit Committee.

In the case of an equality of votes, the Chairman of the meeting shall have a second or casting vote provided that where two (2) members form a quorum, the Chairman of the meeting at which only such a quorum is present, or at which only two (2) members are competent to vote on the question at issue, shall not have a casting vote.

Any resolution in writing, signed or assented to by all the members of the Committee shall be as valid and effectual as if it has been passed at a meeting of the Committee duly convened and held, and may consist of several documents in the like form, each signed by one or more members of the Committee.

Authority

The Audit committee is authorised by the Board to investigate any activity within its terms of reference and shall have unrestricted access to any information pertaining to the Group, to both the internal and external auditors and to all employees of the Group.

The committee is also authorised by the Board to obtain external legal or other independent professional advice as necessary in the discharge of its duties.

Responsibilities and Duties

In fulfilling its primary objectives, the Audit Committee undertakes, amongst others, the following responsibilities and duties:

- To discuss with the external auditors, prior to the commencement of audit, the audit plan which states the nature and scope of audit;
- To review major audit findings arising from the interim and final external audits, the audit report and the assistance given by the Group's officers to the external auditors;
- To review with the external auditors, their evaluation of the system of internal controls, their management letter and management's responses;
- To review the internal audit scope and functions, plans and findings;
- To review any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- To consider the nomination and appointment of external auditors, as well as the audit fee;
- To review any letter of resignation from the external auditors and any questions on resignation or dismissal;
- To obtain written assurance from the external auditors confirming their independence;
- To review whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment;
- To report to Bursa Securities promptly if it is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements;
- To review the quarterly results and year end consolidated financial statements, prior to the approval by the board of directors, focusing particularly on:-

  (i) changes in or implementation of major accounting policies;
  (ii) significant and unusual events;
  (iii) compliance with accounting standards and other legal requirements;
  (iv) the going concern assumption; and
  (v) major judgemental issues;

- To assist the Board in identifying the principal risks in the achievement of the Company's objectives and ensuring the implementation of appropriate systems to manage these risks;
- To perform any other duties as may be agreed by the Committee and the Board of Directors.

SUMMARY OF ACTIVITIES

The Audit Committee has met five (5) times during the financial year ended 31 December 2014. Details of the number of meetings attended by each member are as follows:

Members	Number of meetings attended
Chan Soo Wah (Chairman)	5/5
Dr. Han Swan Kwong @ Adrian Han	5/5
Tan Siew Tyan	5/5

The following activities were undertaken by the Audit Committee during the financial year ended 31 December 2014:-

- Reviewed the quarterly unaudited financial results and the audited accounts for the year ended 31 December 2014 before recommending them for the Board's approval.
- Reviewed the Company's compliance with the listing requirements and other relevant legal and regulatory requirements.
- Reviewed pertinent issues of the Group.
- Reviewed with the External Auditors their scope of work on the Group for the financial year ended 31 December 2014.
- Reviewed with the External Auditors the results of their audit, the Auditor's Report and recommendations.
- Reviewed and discussed the internal audit plan, the internal audit reports and ensured that corrective actions had been implemented to rectify the weaknesses highlighted in the audit reports.
- Reviewed related party transactions and conflict of interest situations.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent consulting firm.

The internal auditor reports directly to the Audit Committee and assists the Board in monitoring and reviewing the effectiveness of the risk management, internal control and governance process within the Group. The internal auditor adopts a risk-based approach in planning and conducting of audits.

The cost incurred for the Group's internal audit function in respect of the financial year ended 31 December 2014 was RM12,000.

MATERIAL CONTRACTS INVOLVING DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

There were no material contracts entered into by the Company or its subsidiaries, which involved the interest of the Directors and Substantial Shareholders during the financial year.

VARIATION IN RESULTS

There were no significant variations between the audited results for the financial year and the unaudited results previously announced.

EMPLOYEES SHARE OPTION SCHEME

No allocation of options pursuant to an employees share option scheme was made during the financial year.

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and the provision of management services. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM	Company RM
Profit net of tax	4,913,826	1,454,601
Other comprehensive income for the financial year, net of tax	195,715	-
Total comprehensive income for the financial year	5,109,541	1,454,601
Profit attributable to:		
Owners of the Company	4,913,826	1,454,601
Total comprehensive income attributable to:		
Owners of the Company	5,109,541	1,454,601

DIVIDENDS

The dividends paid by the Company since the end of the previous financial year were as follows:

	RM
Single-tier interim dividend of 6% on 223,000,000 ordinary shares in respect of the financial year ended 31 December 2014, declared on 25 November 2014 and paid on 30 December 2014	1,338,000

The directors do not recommend any final dividend in respect of the financial year ended 31 December 2014.

RESERVES AND PROVISIONS

There were no material transfers to and from reserves and provisions during the financial year other than as disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

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

At the date of this report, the directors are not aware of any circumstances that would render the amount written off for bad debts or the amount of allowance for impairment in respect of the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the statements of profit or loss and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ensure that for any current assets, other than debts, which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company had been written down to an amount that they might be expected to be realised.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

No item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is 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.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company did not issue any shares or debentures.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:-

Chen Lee Chew
Chan Soo Wah
Dr. Han Swan Kwong @ Adrian Han
Lo Pong Kiat @ Lor Hong Ling
Tan Siew Chin
Tan Siew Tyan

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965, the interests of those directors who held office at the end of the financial year in shares in the Company and its related corporations during the financial year ended 31 December 2014 are as follows:-

	Number of ordinary shares of RM0.10 each			
	At 1.1.2014	Bought	Sold	At 31.12.2014
The Company				
Direct interest				
Chen Lee Chew	34,090,340	-	-	34,090,340
Chan Soo Wah	30,000	-	-	30,000
Dr. Han Swan Kwong @ Adrian Han	30,000	200,000	-	230,000
Lo Pong Kiat @ Lor Hong Ling	8,000,000	-	3,000,200	4,999,800
Tan Siew Chin	107,582,840	400,000	10,000,000	97,982,840
Tan Siew Tyan	1,352,420	-	-	1,352,420
Indirect interest				
Chen Lee Chew*1	111,394,300	450,000	10,000,000	101,844,300
Lo Pong Kiat @ Lor Hong Ling*2	5,135,040	-	600,000	4,535,040
Tan Siew Chin*3	38,352,610	50,000	-	38,402,610
Tan Siew Tyan*4	144,583,030	450,000	10,000,000	135,033,030

*1 This is her spouse's, brother-in-law's and sister-in-law's interest in the ordinary shares of the Company which shall be treated as her interest in the ordinary shares of the Company.

*2 This is his son's interest in the ordinary shares of the Company which shall be treated as his interest in the ordinary shares of the Company.

*3 This is his spouse's, brother's, sister's, and sister-in-law's interest in the ordinary shares of the Company which shall be treated as his interest in the ordinary shares of the Company.

*4 This is his brother's, sister's and sister-in-law's interest in the ordinary shares of the Company which shall be treated as his interest in the ordinary shares of the Company.

By virtue of their interests in the shares of the Company, Chen Lee Chew, Lo Pong Kiat @ Lor Hong Ling, Tan Siew Chin and Tan Siew Tyan are also deemed to be interested in the shares of all the subsidiaries to the extent that the Company has an interest.

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 the benefits included in the aggregate amount of emoluments received or due and receivable by the directors or a full time employee of the Company as shown in Note 30 to 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, other than as disclosed in Note 30 to the financial statements.

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

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

On behalf of the Board,

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TAN SIEW CHIN
Director

....

LO PONG KIAT @ LOR HONG LING
Director

Kuala Lumpur
Date: 10 April 2015

Statements Of Financial Position

As At 31 December 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	44,353,292	34,510,107	45,000	50,301
Investment in subsidiaries	6	-	-	22,789,679	22,789,679
Deferred tax assets	7	2,678,075	2,551,100	-	-
		47,031,367	37,061,207	22,834,679	22,839,980
Current assets					
Inventories	8	7,935,815	5,926,743	-	-
Trade receivables	9	10,758,933	13,408,386	-	-
Other receivables, deposits and prepayments	10	3,141,640	2,428,257	4,176	3,974
Amount owing by subsidiaries	11	-	-	3,633,764	3,735,954
Tax recoverable		372,067	80,772	90,668	80,772
Cash and bank balances	12	10,436,525	13,126,744	226,494	1,104,503
		32,644,980	34,970,902	3,955,102	4,925,203
TOTAL ASSETS		79,676,347	72,032,109	26,789,781	27,765,183
EQUITY AND LIABILITIES					
Equity attributable to owners of the company					
Share capital	13	22,300,000	22,300,000	22,300,000	22,300,000
Reserves	14	35,753,334	26,948,195	3,410,345	3,293,744
Total equity attributable to owners of the company		58,053,334	49,248,195	25,710,345	25,593,744
Non-current liabilities					
Long term borrowings	15	760,857	1,980,348	-	-
Deferred tax liabilities	7	3,394,080	2,018,752	-	-
		4,154,937	3,999,100	-	-
Current liabilities					
Trade payables	17	1,782,066	2,516,537	-	-
Other payables and accruals	18	1,184,892	1,399,427	36,886	21,288
Amount owing to directors	19	1,042,550	2,150,151	1,042,550	2,150,151
Short term borrowings	20	12,513,863	11,477,553	-	-
Bank overdraft	21	209,903	844,333	-	-
Tax payable		734,802	396,813	-	-
		17,468,076	18,784,814	1,079,436	2,171,439
Total liabilities		21,623,013	22,783,914	1,079,436	2,171,439
TOTAL EQUITY AND LIABILITIES		79,676,347	72,032,109	26,789,781	27,765,183

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

Statements Of Profit Or Loss And Other Comprehensive Income

For The Financial Year Ended 31 December 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Continuing operations					
Revenue	22	72,808,182	68,581,222	2,070,829	1,740,085
Cost of sales		(58,672,548)	(53,771,936)	-	-
Gross profit		14,135,634	14,809,286	2,070,829	1,740,085
Other items of income					
Interest income	24	77,828	23,627	-	-
Dividend income		147,463	61,753	-	-
Other income		151,155	204,958	-	5,211,098
Other items of expense					
Administrative expenses		(4,729,523)	(3,855,975)	(523,886)	(483,092)
Selling and distribution expenses		(2,699,927)	(2,753,112)	-	-
Operating profit	23	7,082,630	8,490,537	1,546,943	6,468,091
Finance costs	24	(570,149)	(704,386)	(92,399)	(133,518)
Profit before tax		6,512,481	7,786,151	1,454,544	6,334,573
Income tax expense	25	(1,598,655)	(1,283,215)	57	(185,507)
Profit net of tax		4,913,826	6,502,936	1,454,601	6,149,066
Other comprehensive income for the financial year, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Foreign curency translation		195,715	(239,103)	-	-
Total comprehensive income for the financial year		5,109,541	6,263,833	1,454,601	6,149,066
Profit attributable to:					
Owners of the company		4,913,826	6,502,936	1,454,601	6,149,066
Total comprehensive income attributable to:					
Owners of the company		5,109,541	6,263,833	1,454,601	6,149,066
Earnings per ordinary share attributable to owners of the company (sen)					
- basic	26	2.20	2.92		
- diluted	26	2.20	2.92		

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

Consolidated Statement Of Changes In Equity

For The Financial Year Ended 31 December 2014

Group	Share Capital RM	Share Premium RM	Foreign Currency Translation Reserve RM	Revaluation Reserve RM	Retained Earnings RM	Total Equity RM
	Attributable to Owners of the Company					
		Non-Distributable			*Distributable*	
At 1 January 2013	22,300,000	3,948,670	(29,623)	3,017,868	14,639,447	43,876,362
Foreign currency translation	-	-	(239,103)	-	-	(239,103)
Profit net of tax	-	-	-	-	6,502,936	6,502,936
Total comprehensive income for the financial year	-	-	(239,103)	-	6,502,936	6,263,833
Transfer to retained earnings	-	-	-	(11,293)	11,293	-
Transactions with owners : Dividends (Note 27)	-	-	-	-	(892,000)	(892,000)
At 31 December 2013	22,300,000	3,948,670	(268,726)	3,006,575	20,261,676	49,248,195
Foreign currency translation	-	-	195,715	-	-	195,715
Profit net of tax	-	-	-	-	4,913,826	4,913,826
Total comprehensive income for the financial year	-	-	195,715	-	4,913,826	5,109,541
Revaluation of property, plant and equipment	-	-	-	5,033,598	-	5,033,598
Transfer to retained earnings	-	-	-	(81,874)	81,874	-
Transactions with owners : Dividends (Note 27)	-	-	-	-	(1,338,000)	(1,338,000)
At 31 December 2014	22,300,000	3,948,670	(73,011)	7,958,299	23,919,376	58,053,334

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

Statement Of Changes In Equity

For The Financial Year Ended 31 December 2014

Company	Non-Distributable Share Capital RM	Share Premium RM	Accumulated Losses RM	Total RM
At 1 January 2013	22,300,000	3,948,670	(5,911,992)	20,336,678
Profit net of tax and total comprehensive income for the financial year	-	-	6,149,066	6,149,066
Transaction with owners : Dividends (Note 27)	-	-	(892,000)	(892,000)
At 31 December 2013	22,300,000	3,948,670	(654,926)	25,593,744
Profit net of tax and total comprehensive income for the financial year	-	-	1,454,601	1,454,601
Transaction with owners : Dividends (Note 27)	-	-	(1,338,000)	(1,338,000)
At 31 December 2014	22,300,000	3,948,670	(538,325)	25,710,345

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

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
OPERATING ACTIVITIES				
Profit before tax	6,512,481	7,786,151	1,454,544	6,334,573
Adjustments for:				
Dividend income	(169,192)	(75,788)	(1,590,829)	(1,260,085)
Interest expense	570,149	704,386	92,399	133,518
Interest income	(77,828)	(23,627)	-	-
Property, plant and equipment				
- depreciation	3,374,844	3,864,223	5,301	9,084
- net loss on disposal of property, plant and equipment	1,685,044	31,527	-	-
- net loss on written off of property, plant and equipment	25,458	-	-	-
Unrealised loss/(gain) on foreign exchange	140,400	(174,568)	-	-
Reversal of impairment loss on investment in a subsidiary	-	-	-	(5,211,098)
Operating cash flows before changes in working capital	12,061,356	12,112,304	(38,585)	5,992
Changes in Working Capital:				
Inventories	(2,009,072)	(143,540)	-	-
Receivables	1,924,833	(2,161,907)	(202)	108
Payables	(937,707)	308,359	15,598	(7,227)
Bills payables	1,087,850	2,093,297	-	-
Cash flows from/(used in) operations	12,127,260	12,208,513	(23,189)	(1,127)
Interest paid	(191,473)	(136,102)	-	-
Interest received	77,828	23,627	-	-
Tax paid	(1,907,854)	(1,676,820)	(9,839)	(120)
Tax refund	-	109,672	-	9,091
Net cash flows from/(used in) operating activities	10,105,761	10,528,890	(33,028)	7,844
INVESTING ACTIVITIES:				
Purchase of property, plant and equipment	(8,329,857)	(369,975)	-	-
Proceeds from disposal of property, plant and equipment	340,300	212,500	-	-
Amount owing by subsidiaries	-	-	102,190	276,900
Dividends received	169,192	75,788	1,590,829	1,052,412
Net cash flows (used in)/from investing activities	(7,820,365)	(81,687)	1,693,019	1,329,312

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

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
FINANCING ACTIVITIES:				
Interest paid	(378,676)	(568,284)	(92,399)	(133,518)
Dividends paid	(1,338,000)	(892,000)	(1,338,000)	(892,000)
Amount owing to directors	(1,107,601)	(1,314,283)	(1,107,601)	133,345
Repayment of hire purchase liabilities	(769,751)	(928,868)	-	(9,028)
Repayment of term loans	(993,191)	(1,557,435)	-	-
Net cash flows used in financing activities	(4,587,219)	(5,260,870)	(2,538,000)	(901,201)
Translation differences	(105,415)	643,668	-	-
NET CHANGE IN CASH AND CASH EQUIVALENTS CARRIED FORWARD	(2,407,238)	5,830,001	(878,009)	435,955
Effect of exchange rate changes	351,449	324,396	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	12,282,411	6,128,014	1,104,503	668,548
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	10,226,622	12,282,411	226,494	1,104,503
ANALYSIS OF CASH AND CASH EQUIVALENTS:				
Cash at bank and on hand	8,369,678	8,927,230	226,494	746,732
Short term investment	2,066,847	4,199,514	-	357,771
Bank overdraft	(209,903)	(844,333)	-	-
	10,226,622	12,282,411	226,494	1,104,503

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

1. GENERAL INFORMATION

The Company is principally engaged in investment holding and the provision of management services. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

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

The registered office of the Company is located at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur.

The principal place of business of the Company is located at Lot 73, Jalan P10/21, Taman Industri Selaman, 43650 Bandar Baru Bangi, Selangor Darul Ehsan.

The financial statements are expressed in Ringgit Malaysia.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 10 April 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with the 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 basis, other than as disclosed in the significant accounting policies in Note 3.

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int")

(a) Adoption of Amendments/Improvements to MFRSs and New IC Int

The Group and the Company had adopted the following amendments/improvements to MFRSs and new IC Int that are mandatory for the current financial year:-

Amendments/Improvements to MFRSs	
MFRS 10	Consolidated Financial Statements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 127	Separate Financial Statements
MFRS 132	Financial Instruments Presentation
MFRS 136	Impairment of Assets
MFRS 139	Financial Instruments: Recognition and Measurement

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (cont'd)

(a) Adoption of Amendments/Improvements to MFRSs and New IC Int (cont'd)

New IC Int

IC Int 21	Levies

The adoption of the above amendments/improvements to MFRSs and new IC Int do not have any effect on the financial statements of the Group and of the Company except for those as discussed below:-

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 127 Separate Financial Statements

Amendments to MFRS 10 introduces an exception to the principle that all subsidiaries shall be consolidated. The amendments define an investment entity and require a parent that is an investment entity to measure its investment in particular subsidiaries at fair value thorough profit or loss in accordance with MFRS 139 *Financial Instruments: Recognition and Measurement* instead of consolidating those subsidiaries in its consolidated financial statements. Consequently, new disclosure requirements related to investment entities are introduced in amendments to MFRS 12 and MFRS 127.

In addition, amendments to MFRS 127 also clarifies that if a parent is required, in accordance with paragraph 31 of MFRS 10, to measure its investment in a subsidiary at fair value through profit or loss in accordance with MFRS139, it shall also account for its investment in that subsidiary in the same way in its separate financial statements.

Amendments to MFRS 132 Financial Instruments: Presentation

Amendments to MFRS 132 does not change the current offsetting model in MFRS 132. The amendments clarify the meaning of `currently has a legally enforceable right of set-off', that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. The amendments clarify that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria. This Amendments only impacts the presentation in the financial statements but has no impact on the financial results and positions of the Group and of the Company.

Amendments to MFRS 136 Impairment of Assets

Amendments to MFRS 136 clarifies that disclosure of the recoverable amount (based on fair value less costs of disposal) of an asset or cash generating unit is required to be disclosed only when an impairment loss is recognised or reversed. In addition, there are new disclosure requirements about fair value measurement when impairment or reversal of impairment is recognised.

Amendments to MFRS 139 Financial Instruments: Recognition and Measurement

Amendments to MFRS 139 provides relief from discontinuing hedge accounting in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. As a result of the amendments, continuation of hedge accounting is permitted if as a consequence of laws or regulations, the parties to hedging instrument agree to have one or more clearing counterparties replace their original counterparty and the changes to the terms arising from the novation are consistent with the terms that would have existed if the novated derivative were originally cleared with the central counterparty.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new MFRSs and amendments/ improvements to MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

		Effective for financial periods beginning on or after
New MFRSs		
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2017
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 July 2014
MFRS 2	Share-based Payment	1 July 2014
MFRS 3	Business Combinations	1 July 2014
MFRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
MFRS 7	Financial Instruments: Disclosures	1 January 2016
MFRS 8	Operating Segments	1 July 2014
MFRS 10	Consolidated Financial Statements	1 January 2016
MFRS 11	Joint Arrangements	1 January 2016
MFRS 12	Disclosures of Interests in Other Entities	1 January 2016
MFRS 13	Fair Value Measurement	1 July 2014
MFRS 101	Presentation of Financial Statements	1 January 2016
MFRS 116	Property, Plant and Equipment	1 July 2014/ 1 January 2016
MFRS 119	Employee Benefits	1 July 2014/ 1 January 2016
MFRS 124	Related Party Disclosures	1 July 2014
MFRS 127	Separate financial statements	1 January 2016
MFRS 128	Investments in Associates and Joint Ventures	1 January 2016
MFRS 138	Intangible Assets	1 July 2014/ 1 January 2016
MFRS 140	Investment Property	1 July 2014
MFRS 141	Agriculture	1 January 2016

A brief discussion on the above significant new MFRSs and amendments/improvements to MFRSs are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and the Company.

MFRS 9 Financial Instruments

MFRS 9 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (cont'd)

MFRS 9 Financial Instruments (cont'd)

Classification and measurement

MFRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statement of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statement of financial position.

Impairment

MFRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

Hedge accounting

MFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

- Identify the contracts with a customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (cont'd)

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

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The following MFRSs and IC Interpretations will be withdrawn on the application of MFRS 15:-

MFRS 111	Construction Contracts
MFRS 118	Revenue
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 131	Revenue – Barter Transactions Involcing Advertising Services

Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards

Amendments to MFRS 1 relates to the IASB's Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that a first-time adopter is permitted but not required to apply a new or revised Standard that is not yet mandatory but is available for early application.

Amendments to MFRS 2 Share-based Payment

Amendments to MFRS 2 clarifies the definition of 'vesting conditions' by separately defining 'performance condition' and 'service condition' to ensure consistent classification of conditions attached to a share-based payment.

Amendments to MFRS 3 Business Combinations

Amendments to MFRS 3 clarifies that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to MFRS 132 *Financial Instruments: Presentation*. It also clarifies that contingent consideration that is classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In addition, amendments to MFRS 3 clarifies that MFRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in MFRS 11 *Joint Arrangements*) in the financial statements of the joint arrangement itself.

Amendments to MFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Amendments to MFRS 5 introduces specific guidance when an entity reclassifies an asset (or disposal group) from held-for-sale to held-for-distribution to owners (or vise versa), or when held-for-distribution is discontinued.

Amendments to MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 7 provides additional guidance to clarify whether servicing contracts constitute continuing involvement for the purposes of applying the disclosure requirements of MFRS 7.

The Amendments also clarify the applicability of Disclosure – Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 7) to condensed interim financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (cont'd)

Amendments to MFRS 8 Operating Segments

Amendments to MFRS 8 requires an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments. This includes a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

The Amendments also clarifies that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly to the chief operating decision maker.

Amendments to MFRS 11 Joint Arrangements

Amendments to MFRS 11 clarifies that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in MFRS 3 *Business Combinations*, it shall apply the relevant principles on business combinations accounting in MFRS 3, and other MFRSs, that do not conflict with MFRS 11. Some of the impact arising may be the recognition of goodwill, recognition of deferred tax assets / liabilities and recognition of acquisition-related costs as expenses. The Amendments do not apply to joint operations under common control and also clarify that previously held interests in a joint operation are not re-measured if the joint operator retains joint control.

Amendments to MFRS 13 Fair Value Measurement

Amendments to MFRS 13 relates to the IASB's Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that when IASB issued IFRS 13, it did not remove the practical ability to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, if the effect of discounting is immaterial.

The Amendments also clarifies that the scope of the portfolio exception of MFRS 13 includes all contracts accounted for within the scope of MFRS 139 *Financial Instruments: Recognition and Measurement* or MFRS 9 *Financial Instruments*, regardless of whether they meet the definition of financial assets or financial liabilities as defined in MFRS 132 *Financial Instruments: Presentation*.

Amendments to MFRS 101 Presentation of Financial Statements

Amendments to MFRS 101 improves the effectiveness of disclosures. The Amendments clarifies guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Amendments to MFRS 116 Property, Plant and Equipment

Amendments to MFRS 116 clarifies the accounting for the accumulated depreciation/amortisation when an asset is revalued. It clarifies that:

- the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; and
- the accumulated depreciation / amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (cont'd)

Amendments to MFRS 116 Property, Plant and Equipment (cont'd)

Amendments to MFRS 116 prohibits revenue-based depreciation because revenue does not reflect the way in which an item of property, plant and equipment is used or consumed.

Amendments to MFRS 119 Employee Benefits

Amendments to MFRS 119 provides a practical expedient in accounting for contributions from employees or third parties to defined benefit plans.

If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.

However, if the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by MFRS 119 for the gross benefit (i.e. either based on the plan's contribution formula or on a straight-line basis).

In addition, the Amendments clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability and the depth of the market for high quality corporate bonds should be assessed at a currency level.

Amendments to MFRS 124 Related Party Disclosures

Amendments to MFRS 124 clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

Amendments to MFRS 127 Separate Financial Statements

Amendments to MFRS 127 allows a parent and investors to use the equity method in its separate financial statements to account for investments in subsidiaries, joint ventures and associates, in addition to the existing options.

Amendments to MFRS 138 Intangible Assets

Amendments to MFRS 138 introduces a rebuttable presumption that the revenue-based amortisation method is inappropriate (for the same reasons as per the Amendments to MFRS 116). This presumption can be overcome only in the limited circumstances:-

- in which the intangible asset is expressed as a measure of revenue, i.e. in the circumstance in which the predominant limiting factor that is inherent in an intangible asset is the achievement of a revenue threshold; or
- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

Amendments to MFRS 140 Investment Property

Amendments to MFRS 140 clarifies that the determination of whether an acquisition of investment property meets the definition of both a business combination as defined in MFRS 3 and investment property as defined in MFRS 140 requires the separate application of both Standards independently of each other.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (cont'd)

Amendments to MFRS 116 Property, Plant and Equipment and Amendments to MFRS 141 Agriculture

With the Amendments, bearer plants would come under the scope of MFRS 116 and would be accounted for in the same way as property, plant and equipment. A bearer plant is defined as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Nevertheless, the produce growing on the bearer plant would remain within the scope of MFRS 141. This is because the growth of the produce directly increases the expected revenue from the sale of the produce. Moreover, fair value measurement of the growing produce provides useful information to users of financial statements about future cash flows that an entity will actually realise as the produce will ultimately be detached from the bearer plants and sold separately.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These Amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the Amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not), as defined in MFRS 3 *Business Combinations*. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosures of Interests in Other Entities and MFRS 128 Investments in Associates and Joint Ventures

These Amendments addresses the following issues that have arisen in the application of the consolidation exception for investment entities:-

- Exemption from presenting consolidated financial statements:- the Amendments clarifies that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Consolidation of intermediate investment entities:- the Amendments clarifies that only a subsidiary is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.
- Policy choice for equity accounting for investments in associates and joint ventures:- the Amendments allows a non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interest in subsidiaries, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture.

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements:-

(a) Basis of Consolidation and Subsidiaries

(i) Subsidiaries

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

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

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

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

(ii) Business combinations

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

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

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

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

For each business combination, the Group elects whether it measures the non-controlling interests in the acquire either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

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

(iii) Acquisitions of non-controlling interests

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of Consolidation and Subsidiaries (cont'd)

(iv) Loss of control

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

(v) Transactions eliminated on consolidation

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

(b) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The leasehold land and buildings were subsequently shown at market value, based on valuations of external independent valuers, less subsequent accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(c) to the financial statements.

Cost includes expenditure that is directly attributable to the acquisition of the asset. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The cost of replacing part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

Depreciation of property, plant and equipment is provide on the straight line basis to write off the cost of each asset to its residual value over their estimated useful lives, at the following principal annual rates:-

Buildings	2%
Plant and machinery	10% - 15%
Factory and office equipment	10% - 20%
Furniture and fittings	10% - 33 1/3%
Motor vehicles	20%

The long term leasehold land are amortised on a straight line basis over the lease term. Land is not depreciated as it has indefinite useful life. Building under construction is not depreciated until it is ready for its intended use.

The residual values, useful life and depreciation method are reviewed, and adjusted if appropriate, at each financial year end to ensure that the amounts, method and period of depreciation are consistent with previous estimates. The effects of any revisions of the residual values and useful lives are included in the profit or losses for the financial year in which the changes arise.

Fully depreciated assets are retained in the financial statements until the assets are no longer in use.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Property, Plant and Equipment and Depreciation (cont'd)

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

(c) Impairment

(i) Impairment of Financial Assets

All financial assets (except for financial assets categorised as fair value through profit or loss and investment in subsidiaries) are assessed at 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. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

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

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

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

Impairment losses recognised in profit or loss for an investment in an equity instrument is not reversed through the profit or loss.

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

(ii) Impairment of Non-financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. Where the carrying amounts of an asset exceed its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Impairment (cont'd)

(ii) Impairment of Non-financial Assets (cont'd)

An impairment loss is recognised in the profit or loss in the period in which it arises.

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

(d) Revaluation of Assets

Leasehold land and building at valuation are revalued by independent professional valuers at a regular interval of at least once in every five years with additional valuations in the intervening years where market conditions indicate that the carrying values of the revalued land and buildings materially differ from the market values.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any surplus or deficit arising there from the revaluations will be dealt with in the revaluation reserve account. Any deficit is set-off against the revaluation reserve account only to the extent of surplus credited from the previous revaluation of the land and buildings and the excess of the deficit is charged to the profit and loss.

Upon disposal or retirement of an asset, any revaluation surplus relating to the particular asset is transferred directly to retained earnings. The surplus may be transferred as the asset is used by the Company. The amount of the surplus transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Transfers from revaluation surplus to retained earnings are not made through profit or loss.

(e) Inventories

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

Cost is determined on the first-in first-out basis. The cost of finished goods and work-in-progress comprise raw material, direct labour, other direct costs and appropriate proportion of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and applicable variable selling expenses.

(f) Financial Instruments

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Financial Instruments (cont'd)

The Group and the Company categorise the financial instruments as follows:

(i) Financial Assets

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss if they are held for trading, including derivatives, or are designated as such upon initial recognition.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised as other gains or losses in statement of comprehensive income.

Loans and Receivables

Financial assets with fixed or determinable payments that are not quoted in an active market, trade and other receivables and cash and cash equivalents are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Held-to-maturity Investments

Financial assets with fixed or determinable payments and fixed maturity that are quoted in an active market and the Group have the positive intention and ability to hold the investment to maturity is classified as held-to-maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value with the gain or loss recognised in other comprehensive income, except for 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.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

(ii) Financial Liabilities

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Financial Instruments (cont'd)

(ii) Financial Liabilities (cont'd)

Fair value through profit or loss comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated as fair value through profit or loss upon initial recognition.

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

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

(iii) Financial Guarantee Contracts

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

Financial guarantee contracts are classified as deferred income and are amortised to profit or loss over the contractual period or, upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

(iv) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention the marketplace concerned.

A regular way purchase or sale of financial asset is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date, and
(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(v) Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired or is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Leases

(i) Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the benefits and risks of ownership are classified as finance leases.

Assets acquired by way of finance lease are stated at an amount equal to the lower of their fair values and the present value of minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the statement of financial position as borrowings. In calculating the present value of minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Property, plant and equipment acquired under finance leases are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance cost, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

(ii) Operating leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense on a straight line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight line basis.

In the previous years, a leasehold land that normally had an indefinite economic life and title was not expected to pass to the lessee by the end of the lease term was treated as an operating lease. The payment made on entering into or acquiring a leasehold land that was accounted for as an operating lease represents prepaid lease payments, except for leasehold land classified as investment property.

(h) Hire Purchase

Assets financed by hire purchase arrangements which transfer substantially all risks and rewards of ownership to the Group are capitalised as property, plant and equipment, and the corresponding obligations are treated as liabilities. The assets so capitalised are depreciated in accordance with the accounting policy on property, plant and equipment. Finance charges are charged to the profit or loss over the periods of the respective agreements.

(i) Borrowings

(i) Classification

Borrowings are initially recognised based on the proceeds received, net of transaction cost incurred. In the subsequent periods, borrowings are stated at amortised cost using the effective yield method; any difference between proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings.

Interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the profit or loss.

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Borrowings (cont'd)

(ii) Borrowing costs

Borrowing costs are charged to profit or loss as an expense in the period in which they are incurred.

(j) Provisions

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(k) Ordinary shares

Ordinary shares are recorded at the nominal value and the consideration in excess of nominal value of shares issued, if any, is accounted for as share premium. Both ordinary shares and share premium are classified as equity.

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the reporting date. A dividend proposed or declared after the reporting date, but before the financial statements are authorised for issue, is not recognised as a liability at the reporting date.

Cost incurred directly attributable to the issuance of the shares are accounted for as a deduction from share premium, if any, otherwise it is charged to the profit or loss. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(l) Foreign Currencies

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

(i) Foreign Currency Transaction

Transactions in foreign currencies are translated into Ringgit Malaysia at rates of exchange ruling at transaction dates. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into Ringgit Malaysia at the foreign exchange rates ruling at that date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the profit or loss.

Non-monetary items are measured in term of historical cost in a foreign currency or translated using the exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Foreign Currencies (cont'd)

(ii) Financial Statement of Foreign Operation

For consolidation purposes, all assets and liabilities of foreign operations that have a functional currency other than Ringgit Malaysia are translated at the exchange rate ruling at the reporting date. Income and expenses items are translated at exchange rate approximately those ruling on transactions dates.

All exchange differences arising from the translation of the financial statements of foreign operations are dealt with through the exchange translation reserve account within equity. On the disposal of a foreign operation, the cumulative exchange translation reserves relating to that foreign operation are recognised in the profit or loss as part of the gain or loss on disposal.

(m) Revenue

(i) Sales of goods

Revenue is recognised upon delivery of products and customers' acceptance, net of discounts and returns when the significant risk and rewards of ownership have been passed to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding of the consideration due, associated costs or the possible return of goods.

(ii) Management fee

Management fee is recognised on an accrual basis.

(iii) Dividend income

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

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(n) Income Taxes

The tax expense in the profit or loss represents the aggregate amount of current tax and deferred tax. Current tax expense is the expected tax amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date, and adjustment of tax payable in respect of the previous year.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses and unutilised tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unutilised tax losses and unutilised tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at time of the transaction, affects neither accounting profit nor taxable profit.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(n) Income Taxes (cont'd)

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(o) Employee Benefits

(i) Short term employee benefits

Wages, salaries, bonuses, social security contribution and non-monetary benefits are recognised as an expense in the financial year in which the associated services are rendered by the employees. 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 sick leave, maternity and paternity leave are recognised when absences occur.

(ii) Post-employment benefits

The Group contributes to the Employees' Provident Fund, the national defined contribution plan. The contributions are charged to the profit or loss in the period to which they are related. Once the contributions have been paid, the Group has no further payment obligations.

(p) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

(q) Operating Segments

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

(r) Cash and Cash Equivalents

For the purpose of statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances, demand deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are stated net of bank overdrafts and deposits pledged to the financial institution.

(s) Fair Value Measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(s) Fair Value Measurements (cont'd)

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

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (Unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other that quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as the date of the event or change in circumstances that caused the transfers.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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 adjustments to the carrying amount of the asset or liability affected in the future.

4.1 Judgements Made in Applying Accounting Policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Classification between operating lease and finance lease for leasehold land

The Group has developed certain criteria based on MFRS 117 *Leases* in making judgement whether a leasehold land should be classified either as operating lease or finance lease.

Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset and operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership. If the leasehold land meets the criteria of the financial lease, the lease will be classified as property, plant and equipment if it is for own use. Judgements are made on the individual leasehold land to determine whether the leasehold land qualifies as operating lease or finance lease.

The Group judged that the leasehold land of the Group is in substance finance leases and had reclassified the leasehold land to property, plant and equipment.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

4.2 Key Sources of Estimation Uncertainty

The key assumption concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as stated below:-

(i) Useful Lives of Property, Plant and Equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets. Land purchased in Indonesia is considered to have an indefinite life and thus not depreciated as the probability of obtaining an extension or renewal is high.

(ii) Impairment of Investment in Subsidiaries

The Group tests investment in subsidiaries for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary. The assessment of the net tangible assets of the subsidiaries affects the result of the impairment test. The impairment made on investments in subsidiaries entails an allowance for impairment to be made to the amount owing by these subsidiaries.

(iii) Impairment of Non-Current Assets

The Group reviews the carrying amount of its non-current assets, which include property, plant and equipment, to determine whether there is an indication that those assets have suffered an impairment loss in accordance with relevant accounting policies on the respective category of non-current assets. Independent professional valuations to determine the carrying amount of these assets will be procured when the need arise.

(iv) Deferred Tax Assets

Deferred tax assets are recognised for all unutilised tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management's 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.

(v) Allowance for Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgements and estimates. Possible changes in these estimates could result in revisions to the valuations of inventories.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

4.2 Key Sources of Estimation Uncertainty (cont'd)

(vi) Allowance for Impairment of Receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset 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 debtor and default or significant delay in payments.

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

(vii) Income Taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

5. PROPERTY, PLANT AND EQUIPMENT

	Land RM	Leasehold Land and Buildings RM	Plant and Machinery RM	Factory and Office Equipment RM	Furniture and Fittings RM	Motor Vehicles RM	Building Under Construction RM	Total RM
Group								
2014								
Cost/Valuation								
At 1 January 2014	-	17,973,837	47,788,576	2,754,187	283,752	579,428	-	69,379,780
Additions	5,565,621	304,410	506,338	272,462	7,397	579,717	1,093,912	8,329,857
Revaluation surplus	-	6,623,156	-	-	-	-	-	6,623,156
Elimination of accumulated depreciation on revaluation	-	(909,105)	-	-	-	-	-	(909,105)
Disposals	-	-	(11,790,861)	(272,356)	-	-	-	(12,063,217)
Written off	-	-	(50,090)	(332,298)	(59,608)	-	-	(441,996)
Effect of movements in exchange rates	99,194	618	236,806	9,178	356	1,866	19,496	367,514
At 31 December 2014	5,664,815	23,992,916	36,690,769	2,431,173	231,897	1,161,011	1,113,408	71,285,989
Representing								
- cost	5,664,815	-	36,690,769	2,431,173	231,897	1,161,011	1,113,408	47,293,073
- valuation	-	23,992,916	-	-	-	-	-	23,992,916
	5,664,815	23,992,916	36,690,769	2,431,173	231,897	1,161,011	1,113,408	71,285,989
Accumulated Depreciation								
At 1 January 2014	-	1,428,554	31,361,846	1,612,422	236,254	230,597	-	34,869,673
Depreciation for the financial year	-	390,550	2,618,694	252,464	13,694	99,442	-	3,374,844
Elimination of accumulated depreciation on revaluation	-	(909,105)	-	-	-	-	-	(909,105)
Disposals	-	-	(9,826,938)	(210,935)	-	-	-	(10,037,873)
Written off	-	-	(46,520)	(314,814)	(55,204)	-	-	(416,538)
Effect of movements in exchange rates	-	557	46,643	3,247	181	1,068	-	51,696
At 31 December 2014	-	910,556	24,153,725	1,342,384	194,925	331,107	-	26,932,697
Net Carrying Value at 31 December 2014	5,664,815	23,082,360	12,537,044	1,088,789	36,972	829,904	1,113,408	44,353,292
Representing								
- cost	5,664,815	-	12,537,044	1,088,789	36,972	829,904	1,113,408	21,270,932
- valuation	-	23,082,360	-	-	-	-	-	23,082,360
	5,664,815	23,082,360	12,537,044	1,088,789	36,972	829,904	1,113,408	44,353,292

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

	Leasehold Land and Buildings RM	Plant and Machinery RM	Factory and Office Equipment RM	Furniture and Fittings RM	Motor Vehicles RM	Total RM
Group						
2013						
Cost/Valuation						
At 1 January 2013	17,969,012	48,883,439	2,485,567	281,226	1,312,225	70,931,469
Additions	18,745	44,900	302,405	3,925	-	369,975
Disposals	(11,296)	(136,000)	-	-	(724,888)	(872,184)
Effect of movements in exchange rates	(2,624)	(1,003,763)	(33,785)	(1,399)	(7,909)	(1,049,480)
At 31 December 2013	17,973,837	47,788,576	2,754,187	283,752	579,428	69,379,780
Representing						
- cost	893,037	47,788,576	2,754,187	283,752	579,428	52,298,980
- valuation	17,080,800	-	-	-	-	17,080,800
	17,973,837	47,788,576	2,754,187	283,752	579,428	69,379,780
Accumulated Depreciation						
At 1 January 2013	1,094,916	28,397,408	1,370,545	219,254	690,822	31,772,945
Depreciation for the financial year	338,006	3,193,936	249,505	17,505	65,271	3,864,223
Disposals	(2,597)	(103,183)	-	-	(522,377)	(628,157)
Effect of movements in exchange rates	(1,771)	(126,315)	(7,628)	(505)	(3,119)	(139,338)
At 31 December 2013	1,428,554	31,361,846	1,612,422	236,254	230,597	34,869,673
Net Carrying value at 31 December 2013	16,545,283	16,426,730	1,141,765	47,498	348,831	34,510,107
Representing						
- cost	1,248,144	16,426,730	1,141,765	47,498	348,831	19,212,968
- valuation	15,297,139	-	-	-	-	15,297,139
	16,545,283	16,426,730	1,141,765	47,498	348,831	34,510,107

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

Company 2014	Motor Vehicle RM
Cost	
At 1 January 2014	90,422
Additions	-
At 31 December 2014	90,422
Accumulated Depreciation	
At 1 January 2014	40,121
Depreciation for the financial year	5,301
At 31 December 2014	45,422
Carrying value at 31 December 2014	45,000
2013	
Cost	
At 1 January 2013	90,422
Additions	-
At 31 December 2013	90,422
Accumulated Depreciation	
At 1 January 2013	31,037
Depreciation for the financial year	9,084
At 31 December 2013	40,121
Carrying value at 31 December 2013	50,301

i) Included in property, plant and equipment of the Group are assets pledged to the licensed banks to secure credit facilities granted to the subsidiaries as stated in Note 15 and 20 to the financial statements with the following net carrying value:

	Group 2014 RM	 2013 RM
Long term leasehold land	14,543,353	8,150,091
Long term buildings	8,539,007	8,395,192
	23,082,360	16,545,283

The title of the leasehold land of a subsidiary is in the process of being transferred to the name of the subsidiary.

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

ii) Included in the carrying amounts of leasehold land and buildings are:-

	Group 2014 RM	Group 2013 RM
Lease period of more than 50 years:		
Land	14,543,353	8,150,091
Buildings	8,539,007	8,395,192
	23,082,360	16,545,283

iii) Included in property, plant and equipment of the Group and of the Company are assets acquired under hire purchase, finance lease agreements and term loan arrangements with the following net carrying value:-

	Group 2014 RM	Group 2013 RM
Plant and machinery	648,464	7,640,292
Motor vehicles	92,623	298,530
	741,087	7,938,822

A motor vehicle of the Group is registered under a key management personnel's name and it is being held in trust by the key management personnel.

iv) The leasehold land and buildings were revalued in the current financial year based on a valuation report dated 5 August 2014. The valuation was carried out by an independent professional firm of valuers using the open market value basis.

Had the revalued assets been carried at historical cost less accumulated depreciation, the net carrying value would have been as follows:-

	Cost RM	Accumulated depreciation RM	Net carrying value RM
Group			
2014			
Long term leasehold land	6,510,001	(728,932)	5,781,069
Long term buildings	8,822,291	(2,376,488)	6,445,803
	15,332,292	(3,105,420)	12,226,872
2013			
Long term leasehold land	6,510,001	(683,133)	5,826,868
Long term buildings	8,822,291	(2,164,993)	6,657,298
	15,332,292	(2,848,126)	12,484,166

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

The fair value of an asset has been categorised in different levels as follows:

(a) Quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1).
(b) Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
(c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Fair value of the long term leasehold land and buildings are categorised as follows:

Group	Fair value measurement using Level 1 RM	Level 2 RM	Level 3 RM
2014			
Long term leasehold land	-	14,543,353	-
Long term leasehold buildings	-	8,539,007	-
2013			
Long term leasehold land	-	8,150,091	-
Long term leasehold buildings	-	7,147,048	-

The properties are valued by independent external valuers using a comparison method of valuation. The comparison method entails comparison of the subject property with similar properties that have been sold recently and those that are currently being offered for sale in the vicinity or other comparable localities. The characteristics, merits and demerits of these properties are noted and appropriate adjustments thereof are then made to reflect the differences and arrive at the value of the subject property.

The significant input into this valuation approach is price per square feet of comparable properties.

Policy on transfer between levels

There were no transfers between level 1, level 2 and level 3 during the financial year ended 31 December 2014 and 31 December 2013.

Highest and best use
The Group's and the Company's properties are currently office and factory buildings. The office and factory buildings are at its highest and best use as they are located on the prime land for building that are ideal for warehouse and factories.

6. INVESTMENT IN SUBSIDIARIES

	Company 2014 RM	2013 RM
Unquoted shares, at cost	22,789,679	22,789,679
Less: Impairment loss	-	-
	22,789,679	22,789,679

6. INVESTMENT IN SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Group's Effective Ownership Interest 2014 %	2013 %	Principal Activities
Direct Subsidiaries				
Oceancash Nonwoven Sdn. Bhd. ("ONSB")	Malaysia	100	100	Manufacturing and trading of non-woven products
Oceancash Felts Sdn. Bhd. ("OFSB")	Malaysia	100	100	Manufacturing and distribution of resinated felts
Indirect Subsidiary through OFSB				
PT Oceancash Felts ("PTOF")*	Indonesia	100	100	Manufacturing and distribution of felts and manufacturing of parts and accessories for vehicles with four or more wheels
Oceancash Felts (GZ) Ltd. ("OFGZL")*	China	100	100	Trading, import and export of felts

* These companies are audited by another firm of professional accountants other than Baker Tilly Monteiro Heng.

7. DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:-

	Group 2014 RM	2013 RM
Deferred tax assets, net	2,678,075	2,551,100
Deferred tax liabilities, net		
- subject to income tax	(3,394,080)	(2,018,752)
	(716,005)	532,348

The directors are of the opinion that the Group will, to the extent that it is probable, produce more than enough taxable profits to realise the deferred tax assets based on a five years cash flows projection which incorporates increased sales volume.

7. DEFERRED TAXATION (cont'd)

The net movement in deferred taxation credited and charged to the profit and loss are as follows:-

	Group 2014 RM	Group 2013 RM
At 1 January	532,348	50,691
Recognised in profit or loss (Note 25)		
- property, plant and equipment	(60,452)	462,838
- revaluation of leasehold land and buildings	23,274	67,056
- unutilised capital allowance	288,345	21,166
- other items	85,919	(58,435)
	337,086	492,625
Foreign currency translation reserve	4,118	(10,968)
Revaluation reserve	(1,589,557)	-
At 31 December	(716,005)	532,348

The deferred tax assets and liabilities are made up of temporary differences arising from:-

	Group 2014 RM	Group 2013 RM
Deferred tax assets		
Deferred tax assets (before offsetting)		
- unutilised tax losses	1,254,000	1,254,000
- unutilised capital allowance	3,127,131	2,838,786
	4,381,131	4,092,786
Offsetting	(1,703,056)	(1,541,686)
Deferred tax assets (after offsetting)	2,678,075	2,551,100
Deferred tax liabilities		
Deferred tax liabilities (before offsetting)		
- property, plant and equipment	(2,638,814)	(2,582,480)
- revaluation of leasehold land and buildings	(2,497,747)	(931,464)
- other items	39,425	(46,494)
	(5,097,136)	(3,560,438)
Offsetting	1,703,056	1,541,686
Deferred tax liabilities (after offsetting)	(3,394,080)	(2,018,752)

7. DEFERRED TAXATION (cont'd)

Deferred tax assets have not been recognised for the following items:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Unutilised tax losses	5,033,009	5,069,912	17,586	54,489
Unutilised reinvestment allowance	15,093,624	15,093,624	-	-
Temporary difference	(45,000)	(44,086)	(45,000)	(44,086)
	20,081,633	20,119,450	(27,414)	10,403
Potential deferred tax assets not recognised at 24% (2013: 24%)	4,819,592	4,828,668	(6,579)	2,497

The unutilised tax losses, unutilised reinvestment allowance and deductible temporary differences do not expire under current tax legislation.

8. INVENTORIES

	Group	
	2014 RM	2013 RM
At Cost		
Machinery parts	633,414	558,242
Raw materials and packing materials	4,748,261	3,679,001
Work-in-progress	246,775	255,227
Finished goods	2,307,365	1,434,273
	7,935,815	5,926,743

9. TRADE RECEIVABLES

	Group	
	2014 RM	2013 RM
Trade receivables	10,758,933	13,408,386

Trade receivables that are non-interest bearing and the normal trade credit terms range from 30 days to 60 days (2013: 30 days to 60 days). Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

9. TRADE RECEIVABLES (cont'd)

Ageing analysis of trade receivables
The ageing analysis of the Group's trade receivables is as follows:-

	Group 2014 RM	Group 2013 RM
Neither past due nor impaired	9,251,595	11,936,546
1 to 30 days past due not impaired	1,507,338	1,471,840
	10,758,933	13,408,386

Receivables that are neither past due nor impaired
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.

Receivables that are past due but not impaired
Trade receivables that are past due but not impaired are unsecured in nature.

The classification of financial assets is as follows:

Classification of Financial Assets

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Trade receivables	10,758,933	13,408,386	-	-
Other receivables (Note 10)	30,325	72,544	-	-
Deposits (Note 10)	2,643,757	1,894,493	1,000	1,000
Amount owing by subsidiaries (Note 11)	-	-	3,633,764	3,735,954
Cash and bank balances (Note 12)	10,436,525	13,126,744	226,494	1,104,503
Total loans and receivables	23,869,540	28,502,167	3,861,258	4,841,457

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Other receivables	30,325	72,544	-	-
Deposits	2,643,757	1,894,493	1,000	1,000
Prepayments	467,558	461,220	3,176	2,974
	3,141,640	2,428,257	4,176	3,974

Included in deposits of the Group are amounts totalling of RM2,186,749/- (2013: RM1,718,739/-) being deposits made for the purchase of plant and machineries.

11. AMOUNT OWING BY SUBSIDIARIES

	Company 2014 RM	Company 2013 RM
Non-trade amounts	4,040,828	4,143,018
Less: Allowance for impairment	(407,064)	(407,064)
	3,633,764	3,735,954

The amounts owing by subsidiaries represent advances and payments made on behalf, which are unsecured, interest free and repayable on demand.

12. CASH AND BANK BALANCES

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Short term investment	2,066,847	4,199,514	-	357,771
Cash at banks and on hand	8,369,678	8,927,230	226,494	746,732
Cash and bank balances	10,436,525	13,126,744	226,494	1,104,503

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short term investment are made for varying periods of between one day to three months depending on the immediate cash requirements of the Group and the Company, and earn interest at the respective short term deposit rates.

13. SHARE CAPITAL

	2014 Number of Shares Units	2014 RM	2013 Number of Shares Units	2013 RM
Ordinary shares of RM0.10 each				
Authorised:				
At the beginning/end of the financial year	250,000,000	25,000,000	250,000,000	25,000,000
Issued and fully paid:				
At the beginning/end of the financial year	223,000,000	22,300,000	223,000,000	22,300,000

14. RESERVES

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Non-distributable				
Share premium	3,948,670	3,948,670	3,948,670	3,948,670
Revaluation reserve	7,958,299	3,006,575	-	-
Foreign currency translation reserve	(73,011)	(268,726)	-	-
	11,833,958	6,686,519	3,948,670	3,948,670
Distributable				
Retained earnings/(Accumulated losses)	23,919,376	20,261,676	(538,325)	(654,926)
	35,753,334	26,948,195	3,410,345	3,293,744

Share Premium
The share premium is arrived at after accounting for the premium received over the nominal value of shares issued to the public, less the subsequent capitalisation for bonus issue of the Company, if any.

Revaluation reserve
The revaluation reserve represents the surplus on revaluation of long term leasehold land and buildings of the Group and are not available for distribution to the shareholders by way of dividends.

Foreign currency translation reserve
The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

15. LONG TERM BORROWINGS

	Group 2014 RM	Group 2013 RM
Outstanding term loans principal	2,076,910	3,070,101
Less: Portion due within one year (Note 20)	(1,341,858)	(1,317,637)
Portion due after one year	735,052	1,752,464
Hire purchase liabilities		
- due after one year and not later than five years (Note 16)	25,805	227,884
	760,857	1,980,348

Group

The term loans are secured by way of:-

(i) Third party second legal charge over a long term leasehold land and buildings of a subsidiary; and

(ii) Corporate guarantee executed by the Company.

15. LONG TERM BORROWINGS (cont'd)

The said loans are repayable by fixed equal monthly instalments and bear interest at the rates ranging from 8.10% to 12.25 % (2013: 7.85% to 9.00%) per annum.

The remaining maturities of the term loans as at 31 December 2014 are as follows:

	Group	
	2014 RM	2013 RM
Portion due within one year (Note 20)	1,341,858	1,317,637
Portion due after one year		
- due after one year and not later than two years	735,052	1,144,556
- due after two years and not later than five years	-	607,908
	735,052	1,752,464
	2,076,910	3,070,101
Borrowings		
Bank overdraft	209,903	844,333
Long term borrowings	760,857	1,980,348
Short term borrowings (Note 20)	12,513,863	11,477,553
Total borrowings	13,484,623	14,302,234

16. HIRE PURCHASE LIABILITIES

	Group	
	2014 RM	2013 RM
Minimum hire purchase payments:		
- not later than one year	209,259	807,217
- later than one year and not later than five years	26,158	235,420
	235,417	1,042,637
Future finance charges	(7,577)	(45,046)
Present value of hire purchase liabilities	227,840	997,591
Represented by:		
Current		
- due within one year (Note 20)	202,035	769,707
Non-current		
- due after one year and not later than five years (Note 15)	25,805	227,884
	227,840	997,591

The hire purchase liabilities bear interest at rates ranging from 3.40% to 3.66% (2013: 3.40% to 3.66%) per annum.

17. TRADE PAYABLES

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 days to 120 days (2013: 30 days to 120 days).

The classification of financial liabilities is as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Trade payables	1,782,066	2,516,537	-	-
Other payables and accruals (Note 18)	1,184,892	1,399,427	36,886	21,288
Amount owing to directors (Note 19)	1,042,550	2,150,151	1,042,550	2,150,151
Total borrowings (Note 15)	13,484,623	14,302,234	-	-
Total financial liabilities carried at amortised cost	17,494,131	20,368,349	1,079,436	2,171,439

18. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Other payables	762,802	960,720	-	-
Accruals	422,090	438,707	36,886	21,288
	1,184,892	1,399,427	36,886	21,288

Other payables are non-interest bearing and are normally settled on 30 days to 60 days terms (2013: 30 days to 60 days).

19. AMOUNT OWING TO DIRECTORS

Group/Company

The amount owing to directors represent fees, advances and payments made on behalf, which are unsecured, repayable on demand and are interest free, except for the advances from a director of RM934,550/- (2013: RM2,042,151/-) which bears interest at the rate of 6% (2013: 6%) per annum.

20. SHORT TERM BORROWINGS

	Group	
	2014 RM	2013 RM
Bills payables	10,969,970	9,390,209
Hire purchase liabilities due within one year (Note 16)	202,035	769,707
Term loan portion due within one year (Note 15)	1,341,858	1,317,637
	12,513,863	11,477,553

20. SHORT TERM BORROWINGS (cont'd)

The bills payables and bank overdraft are secured by way of:-

(i) Third party third and fourth legal charges over a long term leasehold land and buildings of a subsidiary; and

(ii) Corporate guarantee executed by the Company.

The bills payables bear interest at rates ranging from 1.68% to 12.25% (2013: 1.72% to 5.65%) per annum.

21. BANK OVERDRAFT

Group

The bank overdraft bears interest at the rate of 8.10% (2013: 7.85%) per annum and is secured as disclosed in Note 20 to the financial statements.

22. REVENUE

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Sales of non-woven products	44,773,636	39,790,542	-	-
Sales of resinated felt for heat and sound insulation	28,012,817	28,776,645	-	-
Management fees	-	-	480,000	480,000
Dividend income	21,729	14,035	1,590,829	1,260,085
	72,808,182	68,581,222	2,070,829	1,740,085

23. OPERATING PROFIT

Operating profit has been arrived at:-

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
After charging:-				
Audit fees				
- current year	117,901	94,747	24,000	18,000
- prior year	22,496	6,630	6,720	2,000
Directors' remuneration				
- fee	108,000	108,000	108,000	108,000
- salaries, bonuses and allowances	325,700	312,700	223,500	210,500
- Employees' Provident Fund	31,030	29,362	24,660	22,992
Loss on foreign exchange				
- realised	189,089	516,342	-	-
- unrealised	140,400	24,860	-	-

23. OPERATING PROFIT (cont'd)

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
After charging:-				
Property, plant and equipment				
- depreciation	3,374,844	3,864,223	5,301	9,084
- loss on disposal	1,685,044	31,527	-	-
- written off	25,458	-	-	-
Rental of premises	390,940	466,371	-	-
Staff costs				
- salaries, allowances and bonuses	5,384,476	4,476,542	-	-
- Employees' Provident Fund	374,011	327,178	-	-
- Socso	69,042	33,335	-	-
- other staff related expenses	145,266	80,381	-	-
And crediting:-				
Dividend income from short term investment	147,463	61,753	-	-
Gain on foreign exchange				
- realised	-	5,529	-	-
- unrealised	-	199,428	-	-
Reversal of impairment loss on investment in a subsidiary	-	-	-	5,211,098

24. FINANCE COSTS (NET)

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Interest income				
- loan and receivables	77,828	23,627	-	
Interest expenses				
- bank overdraft	(24,741)	(23,206)	-	-
- hire purchase	(40,325)	(97,874)	-	(173)
- term loan	(245,952)	(309,858)	-	-
- other loan	(92,399)	(160,552)	(92,399)	(133,345)
- bills payables	(166,732)	(112,896)	-	-
	(570,149)	(704,386)	(92,399)	(133,518)
	(492,321)	(680,759)	(92,399)	(133,518)

25. TAXATION

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Income tax expense				
- current year	(1,939,242)	(1,748,221)	-	(185,507)
- prior year	3,501	(27,619)	57	-
	(1,935,741)	(1,775,840)	57	(185,507)
Deferred income tax (Note 7)				
- current year	337,086	492,625	-	-
	(1,598,655)	(1,283,215)	57	(185,507)

Domestic income tax is calculated at the Malaysia statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the financial year. In the Budget Speech 2014, the Government of Malaysia announced that the domestic statutory tax rate will be reduced to 24% from the current year's rate of 25% with effect from the year of assessment 2016. The computation of deferred tax as at 31 December 2014 and 31 December 2013 has reflected those changes.

A reconciliation of income tax expense applicable to profit before income tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:-

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Profit before tax	6,512,481	7,786,151	1,454,544	6,334,573
Tax at applicable tax rate of 25% (2013: 25%)	(1,628,120)	(1,946,539)	(363,636)	(1,583,643)
Tax effects arising from				
- non-deductible expenses	(425,950)	(232,038)	(43,147)	(56,853)
- non-taxable income	253,626	511,072	397,707	1,432,289
- deferred tax assets not recognised in the financial statements	9,076	223,562	9,076	22,700
- effects on changes in income tax rate	165,938	156,215	-	-
- crystallisation of deferred tax	23,274	32,132	-	-
- under accrual in prior years	3,501	(27,619)	57	-
Tax expense for the financial year	(1,598,655)	(1,283,215)	57	(185,507)

26. EARNINGS PER SHARE

Basic earnings per share of the Group is calculated by dividing the profit attributable to ordinary owners of the Company for the financial year of RM4,913,826/- (2013: RM6,502,936/-) by the number of ordinary shares in issue of 223,000,000 (2013: 223,000,000).

The diluted earnings per share of the Group for the financial year ended 31 December 2014 and 31 December 2013 are the same as the basic earnings per share of the Group as the Group does not have any dilutive potential shares.

27. DIVIDENDS

	Group and Company	
	2014	2013
	RM	RM
Dividends paid		
Single tier interim dividend of 6% per share, declared on 25 November 2014 and paid on 30 December 2014	1,338,000	-
Single tier interim dividend of 4% per share, declared on 28 November 2013 and paid on 30 December 2013	-	892,000

28. FINANCIAL GUARANTEES

	Company	
	2014	2013
	RM	RM
Unsecured		
Financial guarantees given to licensed banks to secure banking facilities and bank guarantee granted to subsidiaries	35,343,839	35,935,887

At the end of the reporting period, it was not probable that the counterparty to the financial guarantee contract will claim under the contract.

29. CAPITAL COMMITMENTS

	Group	
	2014	2013
	RM	RM
Property, plant and equipment		
- approved and contracted for but not provided in the financial statements	7,341,624	4,010,391

30. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identification of 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 or common significant influence. Related parties may be individuals or other entities.

The Company has related party relationships with:-

(i) its direct and indirect subsidiaries;

(ii) the key management personnel which comprise persons (including the directors of the Company) having the authority and responsibility for planning, directing, controlling the activities of the Group directly or indirectly; and

(iii) company in which certain directors of the Company are controlling shareholders.

30. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(b) Significant Related Party Transactions

Significant related party transactions during the financial year are as follows:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Transactions with the subsidiaries				
- Dividend income received	-	-	1,569,100	1,246,050
- Management fee received/receivable	-	-	480,000	480,000
*Transactions with a company in which certain directors of the Company are controlling shareholders **				
- Rental expenses paid/payable	72,000	72,000	-	-

* Oceancash Felts Sdn. Bhd., a wholly-owned subsidiary of the Company, had entered into a lease agreement with Oceancash Holdings Sdn. Bhd., a company in which certain directors have interests for a vacant land at a monthly rental of RM6,000/-. The lease is to facilitate the expansion of the said subsidiary.

(c) Compensation of Key Management Personnel

The remuneration of the key management personnel during the financial year are as follows:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Directors' remuneration	464,730	450,062	338,160	322,592
Other Key Management Personnel *				
- short term employee benefits	1,083,968	1,053,844	-	-
	1,548,698	1,503,906	338,160	322,592

* Other key management personnel comprise persons other than the directors of the Group, having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

The estimated monetary value of other benefits, not included in the above, received by the directors and other key management personnel of the Group and of the Company were RM48,219/- and RM4,050/- (2013 : RM47,893/- and RM4,800/-) respectively.

31. OPERATING SEGMENTS

General Information

The information reported to the Group's chief operating decision maker to make decisions about resources to be allocated and for assessing their performance is based on the business segments of the Group. The Group's operating segments are as follows:

Insulation	:	Manufacturing and distribution of insulation products.
Hygiene	:	Manufacturing and trading of hygiene products.
Investment holding	:	Investment holding and provision of management services.

Measurement of Reportable Segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Segment profit or loss is measured based on segment profit before tax, interest, depreciation and other non-cash expenses that are reviewed by the Group's chief operating decision maker. There are no significant changes from prior financial year in the measurement methods used to determine reported segment profit or loss.

The total of segment asset is measured based on all assets of a segment other than current and deferred tax assets.

The total of segment liability is measured based on all liabilities of a segment other than current and deferred tax liabilities.

Geographical Information

Revenue and non-current assets information on the basis of geographical segments information are based on the geographical location of customers and assets respectively. The amounts of non-current assets do not include financial instruments and deferred tax assets.

Major Customers

Major customers' information are revenues from transactions with a single external customer, the amount of which is ten per cent or more of the Group revenue. A group of entities known to a reporting entity to be under common control shall be considered a single customer.

31. OPERATING SEGMENTS (cont'd)

Reportable Segments and Major Customers

	Insulation RM	Hygience RM	Investment Holding RM	Inter-Segment Elimination RM	Note	Total RM
At 31 December 2014						
Revenue:						
External customers	28,012,817	44,773,636	21,729	-		72,808,182
Inter-segment	74,912	2,692	2,049,100	(2,126,704)		-
Total revenue	28,087,729	44,776,328	2,070,829	(2,126,704)	A	72,808,182
Results:						
Segment profit	8,769,102	2,185,158	1,552,244	(2,126,858)	B	10,379,646
Interest income						77,828
Interest expense						(570,149)
Depreciation						(3,374,844)
Profit before tax						6,512,481
Income tax expense						(1,598,655)
Profit net of tax						4,913,826
Additions to non-current assets other than financial instruments and deferred tax assets	7,328,559	1,001,298	-	-		8,329,857
Segment assets	40,086,992	43,541,011	3,909,434	(10,911,232)	C	76,626,205
Segment liabilities	3,386,359	24,346,631	1,079,436	(11,318,295)	D	17,494,131
Major customers	-	20,807,161	-	-		20,807,161
Major customers (in number)	-	1	-	-		1

31. OPERATING SEGMENTS (cont'd)

Reportable Segments and Major Customers (cont'd)

	Insulation RM	Hygience RM	Investment Holding RM	Inter-Segment Elimination RM	Note	Total RM
At 31 December 2013						
Revenue:						
External customers	28,776,645	39,790,542	14,035	-		68,581,222
Inter-segment	-	37,777	1,726,050	(1,763,827)		-
Total revenue	28,776,645	39,828,319	1,740,085	(1,763,827)	A	68,581,222
Results:						
Segment profit	2,772,500	16,468,254	6,477,175	(13,386,796)	B	12,331,133
Interest income						23,627
Interest expense						(704,386)
Depreciation						(3,864,223)
Profit before tax						7,786,151
Income tax expense						(1,283,215)
Profit net of tax						6,502,936
Additions to non-current assets other than financial instruments and deferred tax assets	254,268	115,707	-	-		369,975
Segment assets	37,812,542	38,109,009	4,894,730	(11,416,044)	C	69,400,237
Segment liabilities	5,248,744	24,771,276	2,171,437	(11,823,108)	D	20,368,349
Major customers	-	24,726,913	-	-		24,726,913
Major customers (in number)	-	2	-	-		2

Notes: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

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

(b) Inter-segment expenses and other operating incomes are eliminated on consolidation;

(c) Inter-segment assets are eliminated on consolidation; and

(d) Inter-segment liabilities are eliminated on consolidation.

31. OPERATING SEGMENTS (cont'd)

Geographical Information

	Revenues RM	Non-current assets other than deferred tax asset RM
At 31 December 2014		
Malaysia	23,433,418	32,854,170
Indonesia	19,950,951	11,498,126
Japan	20,805,181	-
Thailand	3,449,720	-
Others	5,168,912	996
	72,808,182	44,353,292
At 31 December 2013		
Malaysia	24,195,292	29,456,888
Indonesia	23,081,531	5,045,425
Japan	15,689,692	-
Others	5,614,707	7,794
	68,581,222	34,510,107

32. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Financial Assets (current)	
Trade receivables	9
Other receivables and deposits	10
Amount owing by subsidiaries	11
Cash and bank balances	12
Financial Liabilities (non-current)	
Long term borrowings	15
Financial Liabilities (current)	
Trade payables	17
Other payables and accruals	18
Amount owing to directors	19
Short term borrowings	20
Bank overdraft	21

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates near the reporting date.

32. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

(b) Fair Value Hierarchy

The fair value of the hire purchase liabilities is calculated based on the present value of estimated settlement amounts.

The fair values of hire purchase liabilities together with the carrying amounts shown in the statements of financial position, is as follows:

	2014		2013	
	Carying amount RM	Fair value RM	Carying amount RM	Fair value RM
Hire purchase liabilities	227,840	227,840	997,591	997,591

The table below analyses financial instruments not carried at fair value for which fair value is disclosed. The different levels have been defined as follows:

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2014				
Financial liabilities				
Hire purchase liabilities	-	227,840	-	227,840
2013				
Financial liabilities				
Hire purchase liabilities	-	997,591	-	997,591

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The operations of the Group and of the Company are subject to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk, liquidity risk and cash flow risk. The Group and the Company have adopted a financial risk management framework whose principal objective is to minimise the Group's and the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

(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 primarily from trade receivables. The Company's exposure to credit risk arises principally from loan and advances to subsidiaries and financial guarantees given.

Trade receivables

<u>Risk management objective, policies and processes for managing the risk</u>
The management has a credit policy in place to monitor and minimise the exposure of default. Credit evaluations are performed on all customers requiring credit over certain amount.

<u>Exposure to credit risk</u>
At the reporting date, the Group's maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statements of financial position.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(i) Credit Risk (cont'd)

Trade receivables (cont'd)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group			
	2014 RM	% of total	2013 RM	% of total
By country:				
Malaysia	5,765,281	53.6%	6,966,982	52.0%
Indonesia	2,801,609	26.0%	4,002,481	29.9%
Japan	1,755,310	16.3%	1,327,036	9.9%
Thailand	108,489	1.0%	60,608	0.5%
Others	328,244	3.1%	1,051,279	7.8%
	10,758,933	100.0%	13,408,386	100.0%

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 9 to the financial statements. Deposits with banks and other financial institutions are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are past due or impaired is disclosed in Note 9 to the financial statements.

Inter company balances

Risk management objective, policies and processes for managing the risk

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

Exposure to credit risk

At the reporting date, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Impairment losses

At the reporting date, there was no indication that the loans and advances to subsidiaries are not recoverable.

Financial guarantees

Risk management objective, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the performance of the subsidiaries to meet the expectation of their customers in accordance with the original terms of a contract in due course.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(i) Credit Risk (cont'd)

Financial guarantees (cont'd)

Exposure to credit risk
At the reporting date, there was no indication that the subsidiaries would fail to meet the terms as stated in the contract.

(ii) Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loan and borrowings.

Risk management objective, policies and processes for managing the risk
The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

Maturity analysis

The maturity profile of the Group's and the Company's financial liabilities based on undiscounted contractual repayment at the reporting date are as follows:

2014	On demand or within 1 Year RM	1 - 5 Years RM	More than 5 Years RM	Total RM
Financial Liabilities				
Group				
Trade payables	1,782,066	-	-	1,782,066
Other payables and accruals	1,184,892	-	-	1,184,892
Amount owing to directors	1,042,550	-	-	1,042,550
Borrowings	12,521,087	761,210	-	13,282,297
Bank overdraft	209,903	-	-	209,903
Total undiscounted financial liabilities	16,740,498	761,210	-	17,501,708
Company				
Other payables and accruals	36,886	-	-	36,886
Amount owing to directors	1,042,550	-	-	1,042,550
Total undiscounted financial liabilities	1,079,436	-	-	1,079,436

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(ii) Liquidity Risk (cont'd)

Maturity analysis (cont'd)

2013	On demand or within 1 Year RM	1 - 5 Years RM	More than 5 Years RM	Total RM
Financial Liabilities				
Group				
Trade payables	2,516,537	-	-	2,516,537
Other payables and accruals	1,399,427	-	-	1,399,427
Amount owing to directors	2,150,151	-	-	2,150,151
Borrowings	11,515,063	1,987,884	-	13,502,947
Bank overdraft	844,333	-	-	844,333
Total undiscounted financial liabilities	18,425,511	1,987,884	-	20,413,395
Company				
Other payables and accruals	21,288	-	-	21,288
Amount owing to directors	2,150,151	-	-	2,150,151
Total undiscounted financial liabilities	2,171,439	-	-	2,171,439

(iii) Market Risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flow.

Interest Rate Risk

Risk management objective, policies and processes for managing the risk
The Company and the Group manage the net exposure to interest rate risks by monitoring the exposure to such risks on an ongoing basis.

Exposure to interest rate risk
The Group's and the Company's exposure to interest rate risk arises primarily from their borrowings, advances at fixed rate from a director and short term investment classified as cash and cash equivalents. The Group and the Company do not use derivative financial instruments to hedge its risk.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(iii) Market Risk (cont'd)

Interest Rate Risk (cont'd)

Exposure to interest rate risk (cont'd)
The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments based on the carrying amounts at the reporting date are as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Fixed rate instruments				
Financial liabilities	(1,162,390)	(3,039,742)	(1,042,550)	(2,042,151)
Floating rate instruments				
Financial assets	2,066,847	4,199,514	-	357,771
Financial liabilities	(13,256,783)	(13,304,643)	-	-
	(11,189,936)	(9,105,129)	-	357,771

Financial instruments subject to floating interest rates are repriced regularly. Financial instruments at fixed rates are fixed until the maturity of the instruments.

Sensitivity analysis for interest rate risk
An increase in market interest rates by 1% on financial assets and liabilities of the Group which have variable interest rates at the reporting date would decrease the profit net of tax by RM83,925/-. This analysis assumes that all other variables remain constant.

A decrease in market interest rates by 1% on financial assets and liabilities of the Group which have variable interest rates at the reporting date would have an equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Risk management objective, policies and processes for managing the risk
The Group and the Company manage the net exposure to foreign currency risks by monitoring the exposure to such risks on an ongoing basis. Management does not enter into currency hedging transactions since it considers that the cost of such instruments outweigh the potential risk of exchange rate fluctuations.

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(iii) Market Risk (cont'd)

Foreign Currency Risk (cont'd)

Exposure to foreign currency risk
The Group is exposed to foreign currency risk on sales, purchases and cash and bank balances that are denominated in a currency other than the functional currency of the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Thai Baht.

The Group's exposure to foreign currency risks, based on carrying amounts at the reporting date are as follows:

	Group	
	2014	2013
	RM	RM
Financial assets and liabilities not held in functional currency		
United States Dollar		
Trade receivables	3,150,104	3,850,960
Cash and bank balances	4,767,763	3,454,140
Trade payables	(353,580)	(852,379)
Borrowings	(10,687,218)	(9,109,589)
Thai Baht		
Trade payables	(158,284)	(352,155)

Sensitivity analysis for foreign currency risk
A 1% strengthening of the USD against the Group's functional currency at the reporting date would increase the loss net of tax by RM23,422/-. This analysis assumes that all other variables remain constant.

A 1% weakening of the USD against the Group's functional currency at the reporting date would have an equal but opposite effect on the amount shown above, on the basis that all other variables remain constant.

The exposure to currency risk of the Group other than USD is not material and hence, sensitivity analysis is not presented.

(iv) 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 does not have any exposure to market price risk as at the reporting date.

34. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group manages its capital structure by monitoring the capital and net debt on an ongoing basis. To maintain the capital structure, the group may adjust the dividend payment to shareholders.

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

	Group		**Company**	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Total borrowings (Note 15)	13,484,623	14,302,234	-	-
Amount owing to director (Note 19)	934,550	2,042,151	934,550	2,042,151
Less: Cash and bank balances (Note 12)	(10,436,525)	(13,126,744)	(226,494)	(1,104,503)
Net debt	3,982,648	3,217,641	708,056	937,648
Total equity attibutable to the owners of the parent	58,053,334	49,248,195	25,710,345	25,593,744
Capital and net debts	62,035,982	52,465,836	26,418,401	26,531,392
Gearing ratio	6%	6%	3%	4%

Supplementary Information On The Disclosure Of Realised And Unrealised Profits Or Losses

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.07 and 2.23 of Bursa Malaysia ACE Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained earnings or accumulated losses as at the end of the reporting period, into realised and unrealised profits and losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

Pursuant to the directive, the amount of realised and unrealised profits or losses included in the retained earnings of the Group and the Company as at 31 December 2014 are as follows:-

	Group		**Company**	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Total retained earnings/(accumulated losses) of the Company and its subsidiaries				
- Realised	30,467,246	27,717,423	(538,325)	(654,926)
- Unrealised	1,766,918	867,214	-	-
	32,234,164	28,584,637	(538,325)	(654,926)
(Less)/add : Consolidation adjustments	(8,314,788)	(8,322,961)	-	-
Total retained earnings/(accumulated losses) as per statements of financial position	23,919,376	20,261,676	(538,325)	(654,926)

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

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

Statement By Directors

We, **TAN SIEW CHIN** and **LO PONG KIAT @ LOR HONG LING**, being two of the directors of Oceancash Pacific Berhad, do hereby state that in the opinion of the directors, the financial statements set out on pages 22 to 77 are properly drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 78 to the financial statements have been compiled in accordance with the Guidance of Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants.

On behalf of the Board,

....

TAN SIEW CHIN
Director

....

LO PONG KIAT @ LOR HONG LING
Director

Kuala Lumpur
Date: 10 April 2015

Statutory Declaration

I, **MAH YIT MUI**, being the officer primarily responsible for the financial management of Oceancash Pacific Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 22 to 77, and the supplementary information set out on page 78 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.

....

MAH YIT MUI

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 10 April 2015.

Before me,

....

Commissioner for Oaths

Report on the Financial Statements

We have audited the financial statements of Oceancash Pacific Berhad, which comprise the statements of financial position as at 31 December 2014 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 22 to 77.

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 the 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 controls as the directors determine are 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 controls relevant to the Company'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 Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the financial year then ended in accordance with the 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 Companies Act, 1965 in Malaysia 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 Companies Act, 1965 in Malaysia.

(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 6 to the financial statements.

Report on Other Legal and Regulatory Requirements (cont'd)

(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 Companies Act, 1965 in Malaysia.

Other Reporting Responsibilities

The supplementary information set out in page 78 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 the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Ong Teng Yan
No. 3076/07/15 (J)
Chartered Accountant

Kuala Lumpur
Date: 10 April 2015

Analysis Of Shareholdings
As At 7 April 2015

SHARE CAPITAL

Authorised	:	RM25,000,000
Issued and fully paid out	:	RM22,300,000
Types of shares	:	Ordinary share of RM0.10 each
Voting rights	:	One vote per shareholder on a show of hands
	:	One vote per ordinary share on a poll
No. of shareholders	:	1,855

ANALYSIS OF SHAREHOLDINGS

Size of shareholdings	No. of holders	Holdings	Total holdings %
less than 100	4	230	0.0001
100 – 1,000	467	433,900	0.1946
1,001 – 10,000	605	4,047,300	1.8149
10,001 – 100,000	659	24,689,700	11.0716
100,001 – less than 5% of issued shares	118	61,755,690	27.6931
5% and above of issued shares	2	132,073,180	59.2256
Total	1,855	223,000,000	100.0000

LIST OF SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

	No. of Shares held			
	Direct	%	Indirect	%
Tan Siew Chin	97,982,840	43.9385	38,402,610 [1]	17.2209
Chen Lee Chew	34,090,340	15.2871	101,844,300 [2]	45.6701
Tan Chin Ming	2,509,040	1.1251	133,876,410 [3]	60.0343
Tan Siew Tyan	1,352,420	0.6065	135,033,030 [4]	60.5529
Lim Siok Eng	450,810	0.2022	101,844,300 [5]	45.6701
Lo Po Kiat @ Lor Hong Ling	4,999,800	2.2421	4,535,040 [6]	2.0337
Lor Seng Thee	4,535,040	2.0337	4,999,800 [7]	2.2421

Notes:

1. Deemed interested as per Section 6A and 122A of the Act, by virtue of his wife's, Chen Lee Chew, his brother's, Tan Siew Tyan, his sister's, Tan Chin Ming and his sister-in-law's Lim Siok Eng, shareholdings.
2. Deemed interested as per Section 6A and 122A of the Act, by virtue of her husband's, Tan Siew Chin, her brother-in-law's, Tan Siew Tyan, and her sister-in-law's, Tan Chin Ming, shareholdings.
3. Deemed interested as per Section 6A and 122A of the Act, by virtue of her brothers', Tan Siew Chin and Tan Siew Tyan, and sisters-in-law's, Chen Lee Chew and Lim Siok Eng, shareholdings.
4. Deemed interested as per section 6A and 122A of the Act, by virtue of his brother's, Tan Siew Chin, his sister's, Tan Chin Ming, and his sisters-in-law's, Chen Lee Chew and Lim Siok Eng, shareholdings.
5. Deemed interested as per Section 6A and 122A of the Act, by virtue of her brothers-in-law's, Tan Siew Chin and Tan Siew Tyan and her sister-in-law's, Tan Chin Ming, shareholdings.
6. Deemed interested as per section 6A and 122A of the Act, by virtue of his son's, Lor Seng Thee shareholdings.
7. Deemed interested as per section 6A and 122A of the Act, by virtue of his father's, Lo Po Kiat @ Lor Hong Ling shareholdings.

LIST OF DIRECTORS' SHAREHOLDINGS AS PER REGISTER OF DIRECTORS' HOLDINGS

	No. of Shares held			
	Direct	%	Indirect	%
Tan Siew Chin	97,982,840	43.9385	38,402,610 [1]	17.2209
Chen Lee Chew	34,090,340	15.2871	101,844,300 [2]	45.6701
Tan Siew Tyan	1,352,420	0.6065	135,033,030 [3]	60.5529
Lo Po Kiat @ Lor Hong Ling	4,999,800	2.2421	4,535,040 [4]	2.0337
Chan Soo Wah	30,000	0.0135	0	0.00
Dr Han Swan Kwong @ Adrian Han	180,000	0.0807	0	0.00

Notes:

1. Deemed interested as per Section 6A and 122A of the Act, by virtue of his wife's, Chen Lee Chew, his brother's, Tan Siew Tyan, his sister's, Tan Chin Ming and his sister-in-law's Lim Siok Eng, shareholdings.
2. Deemed interested as per Section 6A and 122A of the Act, by virtue of her husband's, Tan Siew Chin, her brother-in-law's, Tan Siew Tyan, and her sister-in-law's, Tan Chin Ming, shareholdings.
3. Deemed interested as per section 6A and 122A of the Act, by virtue of his brother's, Tan Siew Chin, his sister's, Tan Chin Ming, and sisters-in-law's, Chen Lee Chew and Lim Siok Eng, shareholdings.
4. Deemed interested as per section 6A and 122A of the Act, by virtue of his son's, Lor Seng Thee shareholdings.

LIST OF 30 LARGEST HOLDERS OF SHARES

No.	Name	No. of shares	Percentage
1.	Tan Siew Chin	97,982,840	43.9385
2.	Chen Lee Chew	34,090,340	15.2871
3.	Lo Pong Kiat @ Lor Hong Ling	4,999,800	2.2421
4.	Lor Seng Thee	4,535,040	2.0337
5.	MERCSEC Nominees (Tempatan) Sdn Bhd Exempt AN For Mercury Asset Management Sdn Bhd (Clients)	3,980,000	1.7848
6.	Lor Moong Thing	3,831,050	1.7180
7.	Lor Moong Sih	3,022,200	1.3552
8.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ang Piang Kok	2,975,800	1.3344
9.	Tan Chin Ming	2,509,040	1.1251
10.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Liberty Alliance (M) Sdn Bhd (8092710)	2,300,000	1.0314
11.	Lee Seong Kar	2,199,030	0.9861
12.	Yong Yuen Ling	1,410,100	0.6323
13.	Lor Eng Huat	1,364,200	0.6117
14.	Tan Siew Tyan	1,352,420	0.6065

No.	Name	No. of shares	Percentage
15.	Chen Hean Tin	1,170,000	0.5247
16.	Lim Kok Heng	1,000,000	0.4484
17.	Universal Trustee (Malaysia) Berhad KAF Tactical Fund	800,000	0.3587
18.	Loo Kok Ming	710,000	0.3184
19.	Chaw Moi @ Chaw Yet Moi	617,900	0.2771
20.	Chew Leng Ee	610,190	0.2736
21.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Leong Wing Goon	600,000	0.2691
22.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Fong Siling (CEB)	502,600	0.2254
23.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Lee Foon (E-SS2)	502,000	0.2251
24.	Lee Ee Lee	500,000	0.2242
25.	Lee Tick Wah	500,000	0.2242
26.	Tan May Yee	470,000	0.2108
27.	Chong Khin Chow	462,300	0.2073
28.	CIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Yin Teck (Ampang PT-CL)	454,200	0.2037
29.	Rokiah Binti Kasiman	451,000	0.2022
30.	Lim Siok Eng	450,810	0.2022
		176,352,860	79.0820

List Of Properties

Registered Owner	Beneficial Owner	Title No./ Location	Description and existing use	Tenure/Date of Expiry of Leasehold Land	Approximate Age of Building (Years)	Land Area (Sq.ft)	NBV As at 31 December 2014 RM	Date Of Last Revaluation
Oceancash Holdings Sdn Bhd ①	Nonwoven Sdn Bhd (ONW)	H.S. (D) 52918 P.T. No. 41067 Town of Bandar Baru Bangi, District of Ulu Langat, State of Selangor/	Two-storey office block and two single-storey factory building	Leasehold 99 years/ 19 August 2098	11	214,720	23,082,360	31 July 2014
		Lot 73 Jalan P10/21, Taman Industri Selaman, Seksyen 10 43650 Bandar Baru Bangi, Selangor	Single-storey factory separated into two (2) sections by a metal road					
	PT Oceancash Felts	Greenland International Industrial Center (GIIC) Kota Deltamas Blok CD No. 16, Desa Pasirranji Kec. Cikarang Pusat Kabupaten Bekasi Provinsi Jawa Barat Indonesia	Factory and Warehouse buildings under construction	valid up to Jan 2029 and is extendable for 20 years in accordance with the laws of The Republic of Indonesia 'Peraturan Pemerintah Republik' Indonesia Nomor 40 Tahun 1996 Tentang Hak Guna Usaha, Hak Guna Bangunan Dan Hak Pakai Atas Tanah, under Article 25 paragraph (1) expiry of right to build: 11.01.2029 and 16.01.2029 (up to January 2029)		97,434	6,778,223	-

① *Note: The title of the leasehold land is in the process of being transferred to the name of the subsidiary.*

Statutory Declaration

Name of Company	2013	2014	Principal Activities
Oceancash Nonwoven Sdn Bhd (501722-K)	100%	100%	Manufacturing and trading of nonwoven products.
Oceancash Felts Sdn Bhd (383427-W)	100%	100%	Manufacturing and distribution of resinated felts.
PT Oceancash Felts	100%	100%	Manufacturing and distribution of felts and manufacturing of parts and accessories for vehicles with four or more wheels.
Oceancash Felts (GZ) Ltd	100%	100%	Trading, import and export of felts

Statement Accompanying Notice Of Annual General Meeting

1. The Directors seeking re-elections/re-appointment at the Twelfth Annual General Meeting of the Company pursuant to:

   1.1 Article 94 of the Company's Articles of Association:
   Ms Chen Lee Chew
   Dr Han Swan Kwong @ Adrian Han

   1.2 Section 129(2) of the Companies Act, 1965 :
   Mr Lo Pong Kiat @ Lor Hong Ling

   The profiles of the Directors seeking re-elections/re-appointment are set out on pages 5 and 6 of this Annual Report.

2. The details of attendance of the Directors of the Company at Board of Directors' Meetings held during the financial year ended 31 December 2014 are disclosed in the Statement on Corporate Governance set out on page 7 of this Annual Report.

3. The details of the Twelfth Annual General Meeting are as follows:

   Raya Room, Level 2, Hotel Bangi-Putrajaya, Off Persiaran Bandar, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Wednesday, 3 June 2015 at 12.30 p.m.

NOTICE IS HEREBY GIVEN THAT the Twelfth Annual General Meeting of the Company will be held at Raya Room, Level 2, Hotel Bangi-Putrajaya, Off Persiaran Bandar, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Wednesday, 3 June 2015 at 12.30 p.m. for the following purposes:

AGENDA

ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2014 together with the Reports of the Directors and Auditors thereon. **Please refer to Note 1**

2. To approve the payment of Directors' Fees for the financial year ended 31 December 2014. **Resolution 1**

3. To re-elect Ms Chen Lee Chew who retires in accordance with Article 94 of the Company's Articles of Association and being eligible, offers herself for re-election. **Resolution 2**

4. To re-elect Dr Han Swan Kwong @ Adrian Han who retires in accordance with Article 94 of the Company's Articles of Association and being eligible, offers himself for re-election. **Resolution 3**

5. To re-appoint Mr Lo Pong Kiat @ Lor Hong Ling who retires pursuant to Section 129(2) of the Companies Act, 1965 and being eligible, offers himself for re-appointment. **Resolution 4**

6. To re-appoint Messrs Baker Tilly Monteiro Heng as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 5**

SPECIAL BUSINESS:

To consider and, if thought fit, to pass with or without modifications, the following Ordinary Resolutions:

7. **Ordinary Resolution**
   Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965

   "THAT subject always to the Companies Act, 1965 and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company at any time to such persons 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% of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation of the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company." **Resolution 6**

8. **Ordinary Resolution**
   Retention of Independent Non-Executive Directors Pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012

   "THAT pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, Ms Chan Soo Wah who has served the Board as an Independent Non-Executive Director of the Company for a term of eleven (11) years since 29 March 2004 be and is hereby retained as an Independent Non-Executive Director of the Company." **Resolution 7**

"THAT subject to the passing of Resolution 3 and pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, Dr Han Swan Kwong @ Adrian Han who has served the Board as an Independent Non-Executive Director of the Company for a term of eleven (11) years since 29 March 2004 be and is hereby retained as an Independent Non-Executive Director of the Company." **Resolution 8**

ANY OTHER BUSINESS:

9. To transact any other business for which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

BY ORDER OF THE BOARD

WONG YOUN KIM (MAICSA 7018778)
YIP SIEW CHENG (MAICSA 7006780)
Company Secretaries

Kuala Lumpur
Dated: 12 May 2015

NOTES:

1. Item 1 of the Notice is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of shareholders for the Audited Financial Statements and hence, is not put forward for voting.

2. A member of the Company entitled to attend and vote at the meeting may appoint one or more proxies (or being a corporate member, a corporate representative) to attend and vote in his/her stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.

4. The instrument appointing a proxy in the case of an individual shall be signed by the appointer or his/her attorney or in the case of a corporation executed under its common seal or signed on behalf of the corporation by its attorney or by an officer duly authorised.

5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

6. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or executed must be deposited at the Registered Office of the Company at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.

7. In respect of deposited securities, only members whose names appear in the Record of Depositors as at 28 May 2015 shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his/her behalf.

EXPLANATORY NOTES ON SPECIAL BUSINESS:

1. Ordinary Resolution 6 – Authority to Issue Shares Pursuant to Section 132D of the Companies Act, 1965

   The proposed Ordinary Resolution 6, if passed, will give the Directors of the Company, from the date of the Twelfth Annual General Meeting, the authority to allot and issue shares of up to 10% of the issued share capital of the Company at the time of the issue for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the shareholders of the Company at a general meeting, will expire at the conclusion of the next Annual General Meeting.

   The Company did not issue any shares pursuant to Section 132D of the Companies Act, 1965 under the general authority which was approved at the Eleventh Annual General Meeting held on 28 May 2014 and which will lapse at the conclusion of the Twelfth Annual General Meeting to be held on 3 June 2015.

   A renewal of this authority is being sought at the Twelfth Annual General Meeting to provide flexibility to the Company to undertake future possible fund raising activities, including but not limited to further placement of shares for purpose of funding future investments, working capital and/or acquisitions without having to convene another general meeting.

2. Ordinary Resolutions 7 and 8 – Retention of Independent Non-Executive Directors Pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012

   The Nomination Committee has assessed the independence of Ms Chan Soo Wah and Dr Han Swan Kwong @ Adrian Han, who have both served as Independent Non-Executive Directors of the Company for a term of eleven (11) years and recommended them to continue to act as Independent Non-Executive Directors of the Company on the following justifications :

   (a) Ms Chan Soo Wah and Dr Han Swan Kwong @ Adrian Han have fulfilled the criteria stated under the definition of Independent Director as defined in the Listing Requirements of Bursa Malaysia Securities Berhad and they would be able to provide proper check and balance thus bringing an element of objectivity to the Board;

   (b) Their length of services on the Board of eleven (11) years each do not in any way interfere with their exercise of objective judgement or their ability to act in the best interest of the Company and the Group. In fact, Ms Chan Soo Wah and Dr Han Swan Kwong @ Adrian Han, having been with the Company for eleven (11) years, are familiar with the Group's business operations and have always actively participated in Board and Board Committee discussions and have continuously provided an independent view to the Board; and

   (c) They have exercised due care during their tenures as Independent Directors of the Company and have discharged their duties with reasonable skill and competence, bringing independent judgement into the decision making of the Board and in the best interest of the Company and its shareholders.

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FORM OF PROXY
OCEANCASH PACIFIC BERHAD (590636-M)

*I/We .... *NRIC/Company No ....
(Block Letters)

of ....

being a *member/members of the abovenamed Company, hereby appoint ....

*NRIC/Company No .... of ....

or failing *him/her .... *NRIC/Company No ....

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 Twelfth Annual General Meeting of the Company to be held at Raya Room, Level 2, Hotel Bangi-Putrajaya, Off Persiaran Bandar, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Wednesday, 3 June 2015 at 12.30 p.m. and at any adjournment thereof in the manner indicated below:

No	Resolutions		For	Against
ORDINARY BUSINESS				
1.	To approve the payment of Directors' Fees for the financial year ended 31 December 2014.	Resolution 1		
2.	To re-elect Ms Chen Lee Chew who retires in accordance with Article 94 of the Company's Articles of Association and being eligible, offers herself for re-election.	Resolution 2		
3.	To re-elect Dr Han Swan Kwong @ Adrian Han who retires in accordance with Article 94 of the Company's Articles of Association and being eligible, offers himself for re-election.	Resolution 3		
4.	To re-appoint Mr Lo Pong Kiat @ Lor Hong Ling who retires pursuant to Section 129(2) of the Companies Act, 1965 and being eligible, offers himself for re-appointment.	Resolution 4		
5.	To re-appoint Messrs Baker Tilly Monteiro Heng as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	Resolution 5		
SPECIAL BUSINESS				
6.	Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965	Resolution 6		
7.	Retention of Independent Non-Executive Director pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012 – Ms Chan Soo Wah.	Resolution 7		
8.	Retention of Independent Non-Executive Director pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012 – Dr Han Swan Kwong @ Adrian Han.	Resolution 8		

*Please indicate with an "X" in the appropriate box against the resolution on how you wish your proxy to vote. If no specific instruction as to voting is given, the proxy will vote at *his/her discretion.*

Number of Shares	
CDS Account No	
Date	

....
Signature

Notes :

1. *A member of the Company entitled to attend and vote at the meeting may appoint one or more proxies (or being a corporate member, a corporate representative) to attend and vote in *his/her stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*

2. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless *he/she specifies the proportions of *his/her shareholdings to be represented by each proxy.*

3. *The instrument appointing a proxy in the case of an individual shall be signed by the appointer or *his/her attorney or in the case of a corporation executed under its common seal or signed on behalf of the corporation by its attorney or by an officer duly authorised.*

4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

5. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or executed must be deposited at the Registered Office of the Company at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

6. *In respect of deposited securities, only members whose names appear in the Record of Depositors as at 28 May 2015 shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on *his/her behalf.*

**Delete where inapplicable*

FORM OF PROXY
OCEANCASH PACIFIC BERHAD (590636-M)

*I/We .... *NRIC/Company No ....
(Block Letters)

of ....

being a *member/members of the abovenamed Company, hereby appoint ....

*NRIC/Company No .... of ....

or failing *him/her .... *NRIC/Company No ....

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 Twelfth Annual General Meeting of the Company to be held at Raya Room, Level 2, Hotel Bangi-Putrajaya, Off Persiaran Bandar, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Wednesday, 3 June 2015 at 12.30 p.m. and at any adjournment thereof in the manner indicated below:

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5.	To re-appoint Messrs Baker Tilly Monteiro Heng as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	Resolution 5		
SPECIAL BUSINESS				
6.	Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965	Resolution 6		
7.	Retention of Independent Non-Executive Director pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012 – Ms Chan Soo Wah.	Resolution 7		
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*Please indicate with an "X" in the appropriate box against the resolution on how you wish your proxy to vote. If no specific instruction as to voting is given, the proxy will vote at *his/her discretion.*

Number of Shares	
CDS Account No	
Date	

....
Signature

Notes :

1. *A member of the Company entitled to attend and vote at the meeting may appoint one or more proxies (or being a corporate member, a corporate representative) to attend and vote in *his/her stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
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5. *The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or executed must be deposited at the Registered Office of the Company at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*
6. *In respect of deposited securities, only members whose names appear in the Record of Depositors as at 28 May 2015 shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on *his/her behalf.*

**Delete where inapplicable*

Fold this line for sending

Affix
Stamp

OCEANCASH PACIFIC BERHAD

(Company No : 590636-M)

Level 2, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

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First fold here

OCEANCASH PACIFIC BERHAD (590636-M)
Lot 73, Jalan P10/21, Taman Industri Selaman, 43650 Bandar Baru Bangi, Selangor, Malaysia.
Tel: 603 8925 0000 Fax: 603 8925 5800
Website: www.oceancash.com.my