OCEANCASH

OCEANCASH PACIFIC BERHAD

(590636-M)

Annual Report 2015

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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 2015.

FINANCIAL PERFORMANCE

For the financial year ended 31 December 2015, the Group registered a revenue of RM79.43 million compared to the preceding year's revenue of RM72.81 million which represents an increase of RM6.62 million or 9.1%. The Group achieved a net profit of RM8.72 million or an increase of RM3.81 million compared to the preceding year's net profit of RM4.91 million.

REVIEW OF OPERATIONS

The overall improved performance was mainly due to the increase in sales of nonwoven cloth to Japan and Thailand, foreign exchange gain and the deduction of a one-time loss of RM1.69 million on the disposal of PE Modular machine in the third (3rd) quarter of the preceding financial year. However, the performance of Felts division was lower than the preceding financial year mainly due to the slowdown in new automotive sales in Indonesia.

PROSPECTS, INDUSTRY TREND AND DEVELOPMENT

Felts Division

During the last financial year, revenue from the air-conditioner industry grew substantially to almost a third of the total revenue in the Malaysian division. With the current warmer weather, the Group believes there is a growth potential in both the local and overseas markets in the air-conditioner industry.

The Group expects the new motor vehicles sales in Malaysia to remain the same as last year under the current economic climate. In Indonesia, the construction of the factory buildings has been completed and the two (2) production lines are now operating in the new factory building.

During the fourth (4th) quarter of last year, the trading company in China was de-registered as the Group did not foresee any prospects in trading felts in China in the near future.

As the outlook of Thailand`s automotive industry is still gloomy, the relocation of one of the existing production lines from Malaysia to Thailand has been postponed. The Group will reconsider its expansion plan after re-evaluating the automotive industry growth in Thailand.

Amidst the economic uncertainty in the region, the felts division performance is expected to remain the same as in Year 2015.

Nonwoven Division

The demand for nonwoven disposable hygiene products has risen rapidly in China and Southeast Asia. The Japanese diaper and personal care manufacturers are branching into these countries that have a substantial demand for quality premium brands (eg air-through nonwoven) to limit direct competition with local brands. To cater to the requirements of the diaper and personal care manufacturers' expansion and improved productivity plans, the Nonwoven division has ordered a spooling machine to upgrade its production capability of premium grade nonwoven products. The resulting expected increase in sales will come from the existing customers and new customers during the second (2nd) half of 2016.

Nonwoven division sales rose 14.8% last year. The Group believes Nonwoven division will continue to contribute positively to the performance of the Group in 2016.

Barring any unforeseen circumstances, the Group expects a better performance in 2016.

DIVIDEND

The Board exercised prudence and balance in ensuring attractive returns to shareholders while retaining sufficient resources for expansion programmes. Therefore, the Board recommended, declared on 25 November 2015 and paid an interim dividend of 7% (0.7 sen per share) on 30 December 2015.

APPRECIATION

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

TAN SIEW CHIN

Date: 8 April 2016

Corporate Directory

BOARD OF DIRECTORS

Tan Siew Chin
Chief Executive Officer
Executive Chairman

Lo Pong Kiat @ Lor Hong Ling
Executive Director

Tan Wey Chien
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

Lor Seng Thee
Alternate Director to Lo Pong Kiat @ Lor Hong Ling

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 64, 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) from 1985 to 1987. In 1988, he started 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 in 1997.

Mr. Tan is the husband of Madam Chen Lee Chew, a Non-Independent Non-Executive Director and substantial shareholder of the Company, the father of Mr. Tan Wey Chien, an Executive Director and the brother of Mr. Tan Siew Tyan, a Non-Independent Non-Executive Director of the Company. Save as disclosed above, Mr Tan has no family relationship with any director and/or substantial shareholder 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 62, 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 substantial shareholder, Chief Executive Officer and Executive Chairman of the Company and the mother of Mr. Tan Wey Chien, an Executive Director as well as the sister in-law of Mr. Tan Siew Tyan, a Non-Independent Non-Executive Director. Save as disclosed above, Madam Chen has no family relationship with any director and/or substantial shareholder of the Company. 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 79, 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.

Mr Lo is the father of Mr Lor Seng Thee, his Alternate Director. Save as disclosed above, Mr Lo has no family relationship with any director and/or substantial shareholder 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 three (3) out of the five (5) Board of Directors' meetings held during the financial year of the Company.

CHAN SOO WAH
Aged 64, 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 substantial 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 four (4) out of the five (5) Board of Directors' meetings held during the financial year of the Company.

DR. HAN SWAN KWONG @ ADRIAN HAN
Aged 59, 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 substantial 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 54, 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 substantial 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 and the uncle of Mr. Tan Wey Chien, an Executive Director. Save as disclosed above, Mr. Tan has no family relationship with any director and/or substantial shareholder 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.

LOR SENG THEE
Aged 48, Malaysian
(Alternate Director to Mr. Lo Pong Kiat @ Lor Hong Ling)

Mr. Lor Seng Thee was appointed to the Board on 25 November 2015. Mr. Lor graduated with a Bachelor of Building degree (B.BUILD) from the University of New South Wales in Sydney, Australia in 1990. He began his working career in the construction and property development industry and worked for 6 years in various capacities before joining Oceancash Felts Sdn Bhd as the Operation Manager in 1997.

Mr. Lor Seng Thee has been with the company since its formation. He is currently the Group General Manager of Oceancash Group of Companies, a position he assumed in 2006.

Mr. Lor Seng Thee is the son of Mr. Lo Pong Kiat @ Lor Hong Ling, an Executive Director of the Company. Save as disclosed above, Mr. Lor has no family relationship with any director and/or substantial shareholder 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 not attended any Board of Directors' meeting held during the financial year since he was appointed on 25 November 2015.

TAN WEY CHIEN
Aged 29, Malaysian
Executive Director

Mr. Tan Wey Chien was appointed to the Board on 25 November 2015. Mr. Tan graduated with (BA) Accounting & IT from University of Manchester, United Kingdom. He is a member of CPA-Australia and he is also a registered member of the Malaysian Institute of Accountants. Mr. Tan started his career by joining Ernst & Young in year 2009 till June 2010. After which Mr. Tan joined Oceancash Felts Sdn Bhd as Operation Executive from June 2010 till present.

Mr. Tan Wey Chien is the son of Mr. Tan Siew Chin, a substantial shareholder, Chief Executive Office and Executive Chairman of the Company as well as the son of Madam Chen Lee Chew, a Non-Independent Non-Executive Director and substantial shareholder of the Company and the nephew of Mr. Tan Siew Tyan, a Non-Independent Non-Executive Director of the Company. Save as disclosed above, Mr. Tan has no family relationship with any director and/or substantial shareholder 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 not attended any Board of Directors' meeting held during the financial year since he was appointed on 25 November 2015.

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 seven (7) members, comprising one (1) Executive Chairman, two (2) Executive Directors, 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 making 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 Commitment

The underlying factors of Directors' commitment to the Group are devotion of time and continuous improvement of knowledge and skill. The Board meets every quarter with additional meetings convened as and when necessary. During the year ended 31 December 2015, 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	3/5
Chan Soo Wah	4/5
Dr. Han Swan Kwong @ Adrian Han	5/5
Tan Siew Tyan	5/5
Tan Wey Chien (Appointed on 25 November 2015)	N/A

Supply of Information

All Board members are provided with documents and relevant information for them to review the agenda items 7 days 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. The Directors interact directly with the senior management for further explanation, information or updates on the company's business to discharge their duties in relation to the matters being deliberated.

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.

Directors who are above seventy (70) years of age are required to offer themselves for re-appointment annually in accordance with Section 129 (6) of the Companies Act 1965.

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.

The Remuneration Committee meeting is held at least once a year. During the financial year, two (2) Remuneration Committee Meetings were held on 26 February 2015 and 25 November 2015 respectively, which were attended by all members.

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.

During the financial year, the Nomination Committee had two (2) meetings which were held on 26 February 2015 and 25 November 2015 and were attended by all members.

The details of directors' remuneration for the financial year ended 31 December 2015 are as follows:-

(a) Aggregate remuneration categorized into appropriate components:-

	Executive Directors RM	Non-Executive Directors RM
Salaries, bonuses and other emoluments	419,080	70,070
Fees	42,000	80,000
Benefits-In-Kind	48,393	-
Total	509,473	150,070

(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	-
RM200,001 to RM300,000	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 Risk Management and 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 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 2015, 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, Mdm Chan Soo Wah attended the "Future of Auditor Reporting - The Game Changer for Boardroom" conducted by Bursa Malaysia Securities Berhad.

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 2015.

Share Buy-Back

The Company did not buy-back any of its shares during the financial year ended 31 December 2015.

Non-Audit Fees

The amount of non-audit fees payable to the external auditors for the financial year ended 31 December 2015 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 2015.

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 2015.

Variation of Results

The Company did not issue any profit estimate, forecast or projection for the financial year ended 31 December 2015.

There were no variances of 10% or more between the audited results for the financial year ended 31 December 2015 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 2015.

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 2015.

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 2015.

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 2015.

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 2015 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.

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:

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

SUMMARY OF ACTIVITIES

The Audit Committee has met five (5) times during the financial year ended 31 December 2015. Details of the number of meetings attended by each member are as follows:

Members	Number of meetings attended
Chan Soo Wah (Chairman)	4/5
Dr. Han Swan Kwong @ Adrian Han	5/5
Tan Siew Tyan	5/5

The following activities were undertaken by the Audit Committee to discharge its functions during the financial year ended 31 December 2015:-

- Discussed with the external auditors, prior to the commencement of audit, the audit plan which states the nature and scope of audit;
- Reviewed the Audit Planning Memorandum and 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;
- Reviewed with the external auditors, their evaluation of the system of internal controls, their management letter and management's responses;
- Reviewed the internal audit scope and functions, plans, findings and the corrective actions taken and implemented;
- Reviewed the internal auditors' recommendations and comments from the management;
- Reviewed 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;
- Reviewed and assessed the suitability and independence of the external auditors and made recommendation to the Board for their appointment;
- Obtained written assurance from the external auditors confirming their independence;
- Reviewed whether there is reason (supported by grounds) to believe that the external auditors are not suitable for re-appointment;

SUMMARY OF ACTIVITIES (cont'd)

- Reviewed 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;

- Assisted 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;

- Assessed and evaluated the capabilities, qualification and independence of the internal auditors.

INTERNAL AUDIT FUNCTION

During the year under review, the Group had outsourced its internal audit function to an independent consulting firm to assist the Audit Committee in discharging its duties and responsibilities.

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 processes within the Group. The internal auditor adopts a risk-based approach in planning and conducting of audits.

The scope and plan of internal audit activities were identified annually and approved by the Audit Committee. The Audit Committee received reports of the findings of the internal audits with comments from the management and the internal auditors' recommendations. The Audit Committee reviewed the findings with the management to ensure that the necessary corrective actions are implemented and reported to the Board.

The cost incurred for the Group's internal audit function in respect of the financial year ended 31 December 2015 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 2015.

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 7 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 for the financial year, net of tax	8,723,533	2,008,908
Attributable to:		
Owners of the Company	8,723,533	2,008,908

DIVIDENDS

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

	RM
Single tier interim dividend of 7% on 223,000,000 ordinary shares of RM0.10 each in respect of the financial year ended 31 December 2015, declared on 25 November 2015 and paid on 30 December 2015	1,561,000

The directors do not recommend any final dividend in respect of the financial year ended 31 December 2015.

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 comprehensive income 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 doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

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 doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

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

At the date of this report, the directors are not aware of any circumstances which 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 method 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 or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

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

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or 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

In the opinion of the directors,

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

(ii) 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, no new issue of shares or debentures was made by the Company.

DIRECTORS

The directors in office since the date of the last 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	
Tan Wey Chien	(Appointed on 25 November 2015)
Lor Seng Thee (Alternate Director to Lo Pong Kiat @ Lor Hong Ling)	(Appointed on 25 November 2015)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings required to be kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares of RM0.10 each			
	At 1.1.2015	Bought	Sold	At 31.12.2015
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	230,000	-	230,000	-
Lo Pong Kiat @ Lor Hong Ling	4,999,800	-	-	4,999,800
Tan Siew Chin	97,982,840	-	-	97,982,840
Tan Siew Tyan	1,352,420	-	-	1,352,420
Lor Seng Thee (Alternate to Lo Pong Kiat @ Lor Hong Ling)	4,535,040	-	-	4,535,040
Indirect interest				
Chen Lee Chew*1	101,844,300	-	150,000	101,694,300
Lo Pong Kiat @ Lor Hong Ling*2	4,535,040	-	-	4,535,040
Tan Siew Chin*3	38,402,610	-	150,000	38,252,610
Tan Siew Tyan*4	135,033,030	-	150,000	134,883,030
Tan Wey Chien*5	132,073,180	-	-	132,073,180
Lor Seng Thee*6	4,999,800	-	-	4,999,800

*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.

*5 This is his mother's and father's interest in the ordinary shares of the Company which shall be treated as his interest in the ordinary shares of the Company.

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

DIRECTORS' INTERESTS (cont'd)

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

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as disclosed in Note 27 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.

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

AUDITORS

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

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

....

TAN SIEW CHIN
Director

....

LO PONG KIAT @ LOR HONG LING
Director

Kuala Lumpur
Date: 8 April 2016

Statements Of Financial Position

As At 31 December 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	51,254,207	38,688,477	45,000	45,000
Land use rights	6	6,097,805	5,664,815	-	-
Investment in subsidiaries	7	-	-	22,789,679	22,789,679
Deferred tax assets	8	3,107,808	2,678,075	-	-
Total non-current assets		60,459,820	47,031,367	22,834,679	22,834,679
Current assets					
Inventories	9	8,618,188	7,935,815	-	-
Trade receivables	10	11,578,989	10,758,933	-	-
Other receivables, deposits and prepayments	11	1,663,515	3,141,640	4,556	4,176
Amount owing by subsidiaries	12	-	-	3,140,828	3,633,764
Tax recoverable		1,203,099	372,067	1,737	90,668
Other investments	13	937,674	2,066,847	176,955	-
Cash and bank balances		7,833,911	8,369,678	167,589	226,494
Total current assets		31,835,376	32,644,980	3,491,665	3,955,102
TOTAL ASSETS		92,295,196	79,676,347	26,326,344	26,789,781
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	14	22,300,000	22,300,000	22,300,000	22,300,000
Reserves	15	43,707,132	35,753,334	3,858,253	3,410,345
Total equity attributable to owners of the Company		66,007,132	58,053,334	26,158,253	25,710,345
Non-current liabilities					
Loans and borrowings	16	3,752,624	760,857	-	-
Deferred tax liabilities	8	3,718,031	3,394,080	-	-
Total non-current liabilities		7,470,655	4,154,937	-	-
Current liabilities					
Loans and borrowings	16	10,831,282	12,723,766	-	-
Trade payables	17	1,988,514	1,782,066	-	-
Other payables and accruals	18	2,670,092	1,184,892	46,091	36,886
Amount owing to directors	19	3,327,521	1,042,550	122,000	1,042,550
Tax payable		-	734,802	-	-
Total current liabilities		18,817,409	17,468,076	168,091	1,079,436
TOTAL LIABILITIES		26,288,064	21,623,013	168,091	1,079,436
TOTAL EQUITY AND LIABILITIES		92,295,196	79,676,347	26,326,344	26,789,781

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

Statements Of Comprehensive Income

For The Financial Year Ended 31 December 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Continuing operations					
Revenue	20	79,425,291	72,808,182	2,221,261	2,070,829
Cost of sales		(62,958,932)	(58,672,548)	-	-
Gross profit		16,466,359	14,135,634	2,221,261	2,070,829
Other items of income					
Interest income	22	34,176	77,828	-	-
Dividend income		67,261	147,463	-	-
Other income		3,107,098	151,155	407,064	-
Other items of expense					
Administrative expenses		(5,238,848)	(4,729,523)	(563,331)	(523,886)
Selling and distribution expenses		(3,516,127)	(2,699,927)	-	-
Operating profit	21	10,919,919	7,082,630	2,064,994	1,546,943
Finance costs	22	(1,103,894)	(570,149)	(43,546)	(92,399)
Profit before tax		9,816,025	6,512,481	2,021,448	1,454,544
Income tax expense	23	(1,092,492)	(1,598,655)	(12,540)	57
Profit net of tax		8,723,533	4,913,826	2,008,908	1,454,601
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		791,265	195,715	-	-
Total comprehensive income for the financial year		9,514,798	5,109,541	2,008,908	1,454,601
Profit attributable to:					
Owners of the Company		8,723,533	4,913,826	2,008,908	1,454,601
Total comprehensive income attributable to:					
Owners of the Company		9,514,798	5,109,541	2,008,908	1,454,601
Earnings per ordinary share attributable to owners of the parent (sen)					
- basic	24	3.91	2.20		
- diluted	24	3.91	2.20		

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

Consolidated Statement Of Changes In Equity

For The Financial Year Ended 31 December 2015

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 2014	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 25)	-	-	-	-	(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
Foreign currency translation	-	-	791,265	-	-	791,265
Profit net of tax	-	-	-	-	8,723,533	8,723,533
Total comprehensive income for the financial year	-	-	791,265	-	8,723,533	9,514,798
Transfer to retained earnings	-	-	-	(112,170)	112,170	-
Transactions with owners : Dividends (Note 25)	-	-	-	-	(1,561,000)	(1,561,000)
At 31 December 2015	22,300,000	3,948,670	718,254	7,846,129	31,194,079	66,007,132

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

Company	*Non-Distributable* Share Capital RM	Share Premium RM	Accumulated Losses RM	Total RM
At 1 January 2014	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 25)	-	-	(1,338,000)	(1,338,000)
At 31 December 2014	22,300,000	3,948,670	(538,325)	25,710,345
Profit net of tax and total comprehensive income for the financial year	-	-	2,008,908	2,008,908
Transaction with owners : Dividends (Note 25)	-	-	(1,561,000)	(1,561,000)
At 31 December 2015	22,300,000	3,948,670	(90,417)	26,158,253

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

Statements Of Cash Flows

For The Financial Year Ended 31 December 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
OPERATING ACTIVITIES					
Profit before tax		9,816,025	6,512,481	2,021,448	1,454,544
Adjustments for:					
Amortisation of land use rights		188,760	-	-	-
Dividend income		(77,898)	(169,192)	(1,741,261)	(1,590,829)
Interest expense		1,103,894	570,149	43,546	92,399
Interest income		(34,176)	(77,828)	-	-
Property, plant and equipment					
- depreciation		2,635,998	3,374,844	-	5,301
- net loss on disposal of property, plant and equipment		45,112	1,685,044	-	-
- net loss on written off of property, plant and equipment		31,855	25,458	-	-
Unrealised (gain)/loss on foreign exchange		(1,753,462)	140,400	-	-
Reversal of impairment loss on amount owing by subsidiary		-	-	(407,064)	-
Operating cash flows before changes in working capital		11,956,108	12,061,356	(83,331)	(38,585)
Changes in Working Capital:					
Inventories		(682,373)	(2,009,072)	-	-
Receivables		669,971	1,924,833	(380)	(202)
Payables		1,667,424	(937,707)	9,205	15,598
Bills payables		(1,479,587)	1,087,850	-	-
Cash flows from/(used in) operations		12,131,543	12,127,260	(74,506)	(23,189)
Interest paid		(206,860)	(191,473)	-	-
Interest received		34,176	77,828	-	-
Tax paid		(2,814,657)	(1,907,854)	(16,651)	(9,839)
Tax refund		93,042	-	93,042	-
Net cash flows from/(used in) operating activities		9,237,244	10,105,761	1,885	(33,028)
INVESTING ACTIVITIES:					
Purchase of property, plant and equipment	(a)	(8,921,671)	(2,764,236)	-	-
Proceeds from disposal of property, plant and equipment		105,000	340,300	-	-
Purchase of land use rights		-	(5,565,621)	-	-
Amount owing by subsidiaries		-	-	900,000	102,190
Dividends received		77,898	169,192	1,741,261	1,590,829
Redemption/(placement) of other investments		1,129,173	2,132,667	(176,955)	-
Net cash flows (used in)/from investing activities		(7,609,600)	(5,687,698)	2,464,306	1,693,019

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

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
FINANCING ACTIVITIES:					
Interest paid		(897,034)	(378,676)	(43,546)	(92,399)
Dividends paid		(1,561,000)	(1,338,000)	(1,561,000)	(1,338,000)
Amount owing to directors		2,284,971	(1,107,601)	(920,550)	(1,107,601)
Repayment of hire purchase liabilities		(318,235)	(769,751)	-	-
Repayment of term loans		(1,446,239)	(993,191)	-	-
Net cash flows used in financing activities		(1,937,537)	(4,587,219)	(2,525,096)	(2,538,000)
Translation differences		(1,145,096)	(105,415)	-	-
NET CHANGE IN CASH AND CASH EQUIVALENTS CARRIED FORWARD		(1,454,989)	(274,571)	(58,905)	(878,009)
Effect of exchange rate changes		1,092,314	351,449	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR		8,159,775	8,082,897	226,494	746,732
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR		7,797,100	8,159,775	167,589	226,494
ANALYSIS OF CASH AND CASH EQUIVALENTS:					
Cash at bank and on hand		7,833,911	8,369,678	167,589	226,494
Bank overdraft		(36,811)	(209,903)	-	-
		7,797,100	8,159,775	167,589	226,494

(a) Purchase of property, plant and equipment:

	Group 2015 RM	Group 2014 RM
Purchase of property, plant and equipment	14,111,577	2,764,236
Financed by way of finance lease arrangements	(734,422)	-
Financed by way of term loan arrangements	(4,455,484)	-
Cash payments on purchase of property, plant and equipment	8,921,671	2,764,236

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

1. CORPORATE INFORMATION

Oceancash Pacific Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and is 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 Company is principally engaged in investment holding and the provision of management services. The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 8 April 2016.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Adoption of Amendments/Improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs that are mandatory for the current financial year:

Amendments/Improvements to MFRSs	
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 2	Share-based Payment
MFRS 3	Business Combinations
MFRS 8	Operating Segments
MFRS 13	Fair Value Measurement
MFRS 116	Property, Plant and Equipment
MFRS 119	Employee Benefits
MFRS 124	Related Party Disclosures
MFRS 138	Intangible Assets
MFRS 140	Investment Property

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group's and the Company's existing accounting policies, except for those as discussed below:

Amendments to MFRS 3 Business Combinations

Amendments to MFRS 3 clarify that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to MFRS 132. They also clarify 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 clarify that MFRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in MFRS 11) in the financial statements of the joint arrangement itself.

2. BASIS OF PREPARATION (cont'd)

2.2 Adoption of Amendments/Improvements to MFRSs (cont'd)

Amendments to MFRS 8 Operating Segments

Amendments to MFRS 8 require 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 clarify 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 13 Fair Value Measurement

Amendments to MFRS 13 relate 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 clarify that the scope of the portfolio exception of MFRS 13 includes all contracts accounted for within the scope of MFRS 139 or MFRS 9, regardless of whether they meet the definition of financial assets or financial liabilities as defined in MFRS 132.

Amendments to MFRS 116 Property, Plant and Equipment

Amendments to MFRS 116 clarify the accounting treatment for the accumulated depreciation when an asset is revalued. They clarify 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 is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

Amendments to MFRS 119 Employee Benefits

Amendments to MFRS 119 provide 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).

Amendments to MFRS 124 Related Party Disclosures

Amendments to MFRS 124 clarify 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.

2. BASIS OF PREPARATION (cont'd)

2.3 New MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRSs		
MFRS 9	Financial Instruments	1 January 2018
MFRS 14	Regulatory Deferred Account	1 January 2016
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments/Improvements to MFRSs		
MFRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
MFRS 7	Financial Instruments: Disclosures	1 January 2016
MFRS 10	Consolidated Financial Statements	1 January 2016
MFRS 11	Joint Arrangements	1 January 2016
MFRS 12	Disclosure of Interest in Other Entities	1 January 2016
MFRS 101	Presentation of Financial Statements	1 January 2016
MFRS 116	Property, Plant and Equipment	1 January 2016
MFRS 119	Employee Benefits	1 January 2016
MFRS 127	Separate Financial Statements	1 January 2016
MFRS 128	Investments in Associates and Joint Ventures	1 January 2016
MFRS 134	Interim Financial Reporting	1 January 2016
MFRS 138	Intangible Assets	1 January 2016
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 MFRSs and amendments/improvements to MFRSs, the financial effects of their adoption are currently still being assessed by the Group and the Company.

MFRS 9 Financial Instruments

Key requirements of MFRS 9:-

- 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 statements 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 statements of financial position.

2. BASIS OF PREPARATION (cont'd)

2.3 New MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective (cont'd)

MFRS 9 Financial Instruments (cont'd)

- 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.
- 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 14 Regulatory Deferral Accounts

MFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulations, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of MFRS. Entities that adopt MFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in the account balances as separate line items in the statement of comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its 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:

(i) identify the contracts with a customer;
(ii) identify the performance obligation in the contract;
(iii) determine the transaction price;
(iv) allocate the transaction price to the performance obligations in the contract;
(v) recognise revenue when (or as) the entity satisfies a performance obligation.

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.

2. BASIS OF PREPARATION (cont'd)

2.3 New MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective (cont'd)

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

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 Involving Advertising Services

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

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

Amendments to MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 7 provide 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.

Amendments to MFRS 11 Joint Arrangements

Amendments to MFRS 11 clarify 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, 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 101 Presentation of Financial Statements

Amendments to MFRS 101 improve the effectiveness of disclosures. The amendments clarify 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 prohibit 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 clarify 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.

2. BASIS OF PREPARATION (cont'd)

2.3 New MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective (cont'd)

Amendments to MFRS 127 Separate Financial Statements

Amendments to MFRS 127 allow 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 134 Interim Financial Reporting

The amendments to MFRS 134 require entities to disclose information in the notes to the interim financial statements 'if not disclosed elsewhere in the interim financial report'. The amendments state that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g. in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

Amendments to MFRS 138 Intangible Assets

Amendments to MFRS 138 introduce a rebuttable presumption that the revenue-based amortisation method is inappropriate. This presumption can be overcome only in the following limited circumstances:

- when 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 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address and 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, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

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 address the following issues that have arisen in the application of the consolidation exception for investment entities:

- Exemption from presenting consolidated financial statements: the amendments clarify 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 clarify 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.

2. BASIS OF PREPARATION (cont'd)

2.3 New MFRSs and amendments/improvements to MFRSs that have been issued, but yet to be effective (cont'd)

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

These amendments address the following issues that have arisen in the application of the consolidation exception for investment entities: (cont'd)

- Policy choice for equity accounting for investments in associates and joint ventures: the amendments allow 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.

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.

2.4 Functional and presentation currency

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

2.5 Basis of measurement

The financial statements of the Group and the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(i) Subsidiaries (cont'd)

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 sale. The policy for the recognition or measurement of impairment losses is in accordance with Note 3(d)(ii) to the financial statements.

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 excess of the following:

- 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 excess 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 acquiree 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(d) 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%
Renovation	10%

The long term leasehold land are amortised on a straight line basis over the lease term. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

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

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) Land use rights

Land purchased in Indonesia classified as land use rights is initially measured at cost. Following initial recognition, land use rights is measured at costs less accumulated amortisation and any accumulated impairment losses. The land use rights is amortised over its lease term.

(d) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Impairment (cont'd)

(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.

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.

(e) 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.

(f) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Financial Instruments (cont'd)

(i) Financial Assets (cont'd)

Available-for-sale financial assets (cont'd)

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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Financial Instruments (cont'd)

(v) Derecognition (cont'd)

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.

(h) 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.

(i) 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.

(j) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) Borrowings (cont'd)

(i) Classification (cont'd)

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.

(ii) Borrowing costs

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

(k) 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.

(l) 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.

(m) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Foreign Currencies (cont'd)

(i) Foreign Currency Transaction (cont'd)

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.

(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.

(n) 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.

(o) 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)

(o) 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.

(p) 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.

(q) 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.

(r) 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.

(s) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) 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.

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.

(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.

(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.

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

4.2 Key Sources of Estimation Uncertainty (cont'd)

(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

	Leasehold Land RM	Leasehold Buildings RM	Plant and Machinery RM	Factory and Office Equipment RM	Furniture and Fittings RM	Motor Vehicles RM	Building Under Construction RM	Renovation RM	Total RM
Group									
2015									
Cost/Valuation									
At 1 January 2015	14,855,746	8,735,268	36,690,769	2,431,173	231,897	1,161,011	1,113,408	401,902	65,621,174
Additions	-	-	9,160,686	326,666	38,251	351,515	4,083,049	151,410	14,111,577
Disposals	-	-	-	(4,051)	-	(298,000)	-	-	(302,051)
Written off	-	-	-	(77,861)	(407)	-	-	-	(78,268)
Effect of movements in exchange rates	-	-	1,092,854	30,487	2,303	5,209	350,851	1,728	1,483,432
At 31 December 2015	14,855,746	8,735,268	46,944,309	2,706,414	272,044	1,219,735	5,547,308	555,040	80,835,864
Representing									
- cost	-	-	46,944,309	2,706,414	272,044	1,219,735	5,547,308	555,040	57,244,850
- valuation	14,855,746	8,735,268	-	-	-	-	-	-	23,591,014
	14,855,746	8,735,268	46,944,309	2,706,414	272,044	1,219,735	5,547,308	555,040	80,835,864
Accumulated Depreciation									
At 1 January 2015	246,775	556,913	24,153,725	1,342,384	194,925	331,107	-	106,868	26,932,697
Depreciation for the financial year	174,652	251,906	1,743,448	285,315	10,987	157,402	-	12,288	2,635,998
Disposals	-	-	-	(3,939)	-	(148,000)	-	-	(151,939)
Written off	-	-		(46,037)	(376)	-	-	-	(46,413)
Effect of movements in exchange rates	-	-	190,763	13,956	752	4,118	-	1,725	211,314
At 31 December 2015	421,427	808,819	26,087,936	1,591,679	206,288	344,627	-	120,881	29,581,657
Net Carrying Value at 31 December 2015	14,434,319	7,926,449	20,856,373	1,114,735	65,756	875,108	5,547,308	434,159	51,254,207
Representing									
- cost	-	-	20,856,373	1,114,735	65,756	875,108	5,547,308	434,159	28,893,439
- valuation	14,434,319	7,926,449	-	-	-	-	-	-	22,360,768
	14,434,319	7,926,449	20,856,373	1,114,735	65,756	875,108	5,547,308	434,159	51,254,207

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

	Leasehold Land RM	Leasehold Buildings RM	Plant and Machinery RM	Factory and Office Equipment RM	Furniture and Fittings RM	Motor Vehicles RM	Building Under Construction RM	Renovation RM	Total RM
Group									
2014									
Cost/Valuation									
At 1 January 2014	8,580,000	9,296,963	47,788,576	2,754,187	283,752	579,428	-	96,874	69,379,780
Additions	-	-	506,338	272,462	7,397	579,717	1,093,912	304,410	2,764,236
Revaluation surplus	6,532,342	90,814	-	-	-	-	-	-	6,623,156
Elimination of accumulated depreciation on revaluation	(256,596)	(652,509)	-	-	-	-	-	-	(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	-	-	236,806	9,178	356	1,866	19,496	618	268,320
At 31 December 2014	14,855,746	8,735,268	36,690,769	2,431,173	231,897	1,161,011	1,113,408	401,902	65,621,174
Representing									
- cost	-	-	36,690,769	2,431,173	231,897	1,161,011	1,113,408	401,902	42,030,160
- valuation	14,855,746	8,735,268	-	-	-	-	-	-	23,591,014
	14,855,746	8,735,268	36,690,769	2,431,173	231,897	1,161,011	1,113,408	401,902	65,621,174
Accumulated Depreciation									
At 1 January 2014	364,294	970,420	31,361,846	1,612,422	236,254	230,597	-	93,840	34,869,673
Depreciation for the financial year	139,077	239,002	2,618,694	252,464	13,694	99,442	-	12,471	3,374,844
Elimination of accumulated depreciation on revaluation	(256,596)	(652,509)	-	-	-	-	-	-	(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	-	-	46,643	3,247	181	1,068	-	557	51,696
At 31 December 2014	246,775	556,913	24,153,725	1,342,384	194,925	331,107	-	106,868	26,932,697
Net Carrying value at 31 December 2014	14,608,971	8,178,355	12,537,044	1,088,789	36,972	829,904	1,113,408	295,034	38,688,477
Representing									
- cost	-	-	12,537,044	1,088,789	36,972	829,904	1,113,408	295,034	15,901,151
- valuation	14,608,971	8,178,355	-	-	-	-	-	-	22,787,326
	14,608,971	8,178,355	12,537,044	1,088,789	36,972	829,904	1,113,408	295,034	38,688,477

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

Company 2015	Motor Vehicle RM
Cost	
At 1 January 2015	90,422
Additions	-
At 31 December 2015	90,422
Accumulated Depreciation	
At 1 January 2015	45,422
Depreciation for the financial year	-
At 31 December 2015	45,422
Carrying value at 31 December 2015	45,000
2014	
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

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 16 to the financial statements with the following net carrying value:

	Group 2015 RM	Group 2014 RM
Long term leasehold land	14,434,319	14,608,971
Long term buildings	7,926,449	8,178,355
	22,360,768	22,787,326

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 2015 RM	Group 2014 RM
Lease period of more than 50 years:		
Land	14,434,319	14,608,971
Buildings	7,926,449	8,178,355
	22,360,768	22,787,326

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

	Group 2015 RM	Group 2014 RM
Plant and machinery	13,563,113	648,464
Motor vehicles	77,541	92,623
Factory equipment	78,191	-
	13,718,845	741,087

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 2014 based on a valuation 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 values would have been as follows:-

	Cost RM	Accumulated depreciation RM	Net carrying value RM
Group			
2015			
Long term leasehold land	5,900,366	(873,193)	5,027,173
Long term buildings	6,276,106	(1,684,088)	4,592,018
	12,176,472	(2,557,281)	9,619,191
2014			
Long term leasehold land	5,900,366	(812,625)	5,087,741
Long term buildings	6,276,106	(1,558,566)	4,717,540
	12,176,472	(2,371,191)	9,805,281

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:

	Fair value measurement using		
	Level 1	Level 2	Level 3
Group	RM	RM	RM
2015			
Long term leasehold land	-	14,434,319	-
Long term leasehold buildings	-	7,926,449	-
2014			
Long term leasehold land	-	14,608,971	-
Long term leasehold buildings	-	8,178,355	-

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 2015 and 31 December 2014.

Highest and best use
The Group'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. LAND USE RIGHTS

	Group	
	2015	2014
	RM	RM
Cost		
At 1 January	5,664,815	5,565,621
Amortisation for the financial year	(188,760)	-
Effect of movement in exchange rates	621,750	99,194
At 31 December	6,097,805	5,664,815

The Group has land use rights over a land located in the Republic of Indonesia with remaining tenure of 33 years.

7. INVESTMENT IN SUBSIDIARIES

	Company 2015 RM	Company 2014 RM
Unquoted shares, at cost	22,789,679	22,789,679
Less: Impairment loss	-	-
	22,789,679	22,789,679

Details of the subsidiaries are as follows:-

Name of Company	Country of Incorporation	Group's Effective Ownership Interest 2015 %	Group's Effective Ownership Interest 2014 %	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 subsidiaries held 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	Trading, import and export of felts

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

On 12 November 2015, OFGZL, an indirect wholly-owned subsidiary of the Company has been de-registered as a company by the State Administration of Industry and Commerce in China. The de-registration does not have any material effect in the financial position of the Group and of the Company for the financial year ended 31 December 2015.

8. 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 2015 RM	Group 2014 RM
Deferred tax assets, net	3,107,808	2,678,075
Deferred tax liabilities, net		
- subject to income tax	(3,718,031)	(3,394,080)
	(610,223)	(716,005)

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.

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

	Group 2015 RM	Group 2014 RM
At 1 January	(716,005)	532,348
Recognised in profit or loss (Note 23)		
- property, plant and equipment	733,383	(60,452)
- revaluation of leasehold land and buildings	32,879	23,274
- unutilised capital allowance	(760,977)	288,345
- unutilised reinvestment allowance	592,730	-
- unutilised tax losses	(54,838)	-
- other items	(451,421)	85,919
	91,756	337,086
Foreign currency translation reserve	14,026	4,118
Revaluation reserve	-	(1,589,557)
At 31 December	(610,223)	(716,005)

8. DEFERRED TAXATION (cont'd)

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

	Group 2015 RM	Group 2014 RM
Deferred tax assets		
Deferred tax assets (before offsetting)		
- unutilised tax losses	1,199,162	1,254,000
- unutilised capital allowance	2,366,154	3,127,131
- unutilised reinvestment allowance	592,730	-
	4,158,046	4,381,131
Offsetting	(1,050,238)	(1,703,056)
Deferred tax assets (after offsetting)	3,107,808	2,678,075
Deferred tax liabilities		
Deferred tax liabilities (before offsetting)		
- property, plant and equipment	(1,891,405)	(2,638,814)
- revaluation of leasehold land and buildings	(2,464,868)	(2,497,747)
- other items	(411,996)	39,425
	(4,768,269)	(5,097,136)
Offsetting	1,050,238	1,703,056
Deferred tax liabilities (after offsetting)	(3,718,031)	(3,394,080)

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

	Group 2015 RM	Group 2014 RM
Unutilised reinvestment allowance	13,028,612	15,498,321
Temporary difference	-	2,834,528
	13,028,612	18,332,849
Potential deferred tax assets not recognised at 24% (2014: 24%)	3,126,867	4,399,884

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

9. INVENTORIES

	Group 2015 RM	Group 2014 RM
At Cost		
Machinery parts	682,541	633,414
Raw materials and packing materials	5,385,200	4,748,261
Work-in-progress	365,611	246,775
Finished goods	2,184,836	2,307,365
	8,618,188	7,935,815

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year in respect of continuing operations was RM49,613,600/- (2014: RM45,094,828/-).

10. TRADE RECEIVABLES

	Group 2015 RM	Group 2014 RM
Trade receivables	11,578,989	10,758,933

Trade receivables that are non-interest bearing and the normal trade credit terms range from 30 days to 60 days (2014: 30 days to 60 days) from the date of invoices. 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.

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

	Group 2015 RM	Group 2014 RM
Neither past due nor impaired	10,936,248	9,251,595
1 to 30 days past due not impaired	642,741	1,507,338
	11,578,989	10,758,933

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.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Other receivables	149,478	30,325	-	-
Deposits	1,089,815	2,643,757	1,000	1,000
Prepayments	424,222	467,558	3,556	3,176
	1,663,515	3,141,640	4,556	4,176

Included in the deposits of the Group is an amount of RM992,250/- (2014: RM2,186,749/-) being deposits made for the purchase of plant and machineries.

12. AMOUNT OWING BY SUBSIDIARIES

	Company 2015 RM	Company 2014 RM
Non-trade amounts	3,140,828	4,040,828
Less: Allowance for impairment	-	(407,064)
	3,140,828	3,633,764

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

13. OTHER INVESTMENTS

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Financial assets at fair value through profit or loss				
- Investment in unit trust, quoted in Malaysia	937,674	2,066,847	176,955	-
Market value of quoted unit trust	937,674	2,066,847	176,955	-

14. SHARE CAPITAL

	2015		2014	
	Number of Shares Unit	RM	Number of Shares Unit	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

15. RESERVES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Non-distributable				
Share premium	3,948,670	3,948,670	3,948,670	3,948,670
Revaluation reserve	7,846,129	7,958,299	-	-
Foreign currency translation reserve	718,254	(73,011)	-	-
	12,513,053	11,833,958	3,948,670	3,948,670
Distributable				
Retained earnings/(Accumulated losses)	31,194,079	23,919,376	(90,417)	(538,325)
	43,707,132	35,753,334	3,858,253	3,410,345

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.

16. LONG TERM BORROWINGS

		Group 2015 RM	Group 2014 RM
Non-current			
Secured			
Term loans	(a)	3,312,792	735,052
Finance lease liabilities	(b)	439,832	25,805
		3,752,624	760,857
Current			
Secured			
Term loans	(a)	1,517,214	1,111,042
Finance lease liabilities	(b)	204,195	202,035
Bank overdraft	(c)	36,811	209,903
Bill payables	(d)	8,816,913	10,969,970
Revolving credit	(e)	256,149	230,816
		10,831,282	12,723,766
Total loans and borrowings:			
Term loans	(a)	4,830,006	1,846,094
Finance lease liabilities	(b)	644,027	227,840
Bank overdraft	(c)	36,811	209,903
Bill payables	(d)	8,816,913	10,969,970
Revolving credit	(e)	256,149	230,816
		14,583,906	13,484,623

(a) Term loans

Term loan 1 of a subsidiary of RM689,510/- (2014: RM1,386,957/-) bears interest at 12% (2014: 11.5%) per annum and is repayable by monthly instalments of RM82,659/-over 5 years commencing from the day of first drawdown and is secured and supported as follows:

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

(ii) Corporate guarantee executed by the Company.

Term loan 2 of a subsidiary of RM4,140,496/- (2014: RM NIL) bears interest at 12% (2014: NIL%) per annum and is repayable by monthly instalments of RM107,186/- over 5 years commencing from the day of first drawdown and is secured and supported as follows:

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

(ii) Corporate guarantee executed by the Company.

Term loan 3 of a subsidiary of RM NIL (2014: RM459,137/-) bears interest at NIL% (2014: 5.29%) per annum and is repayable by monthly instalments of RM35,673/-over 8 years commencing from the day of first drawdown and is secured and supported as follows:

(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.

16. LONG TERM BORROWINGS (cont'd)

(b) Finance lease liabilities

Future minimum lease payments under finance leases together with the present value of net minimum lease payments are as follows:

	Group 2015 RM	Group 2014 RM
Minimum lease payments:		
- Not later than one year	236,547	209,259
- Later than one year and not later than 5 years	470,212	26,158
	706,759	235,417
Less: Future finance charges	(62,732)	(7,577)
Present value of minimum lease payments	644,027	227,840
Present value of minimum lease payments:		
- Not later than one year	204,195	202,035
- Later than one year and not later than 5 years	439,832	25,805
	644,027	227,840

The hire purchase liabilities bear interest at rates ranging from 3.50% to 6.80% (2014: 3.40% to 3.66%) per annum.

(c) Bank overdraft

The bank overdraft bears interest at the rate of 8.10% (2014: 8.10%) per annum.

(d) Bills payable

The bills payable bear interest at rates ranging from 1.68% to 12.25% (2014: 1.68% to 12.25%) per annum.

(e) Revolving credit

The revolving credit bear interest at rates of 12% (2014: 12%) per annum.

(f) The bills payable, bank overdraft and revolving credit 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.

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 (2014: 30 days to 120 days).

18. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Other payables	2,376,584	762,802	5,292	-
Accruals	293,508	422,090	40,799	36,886
	2,670,092	1,184,892	46,091	36,886

Other payables are non-interest bearing and are normally settled on 30 days to 60 days terms (2014: 30 days to 60 days).

19. AMOUNT OWING TO DIRECTORS

Group

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 RM3,205,521/- (2014: RM934,550/-) which bears interest at the rate of 6.5% (2014: 6%) per annum.

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 RM NIL/- (2014: RM934,550/-) which bears interest at the rate of NIL% (2014: 6%) per annum.

20. REVENUE

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Sales of non-woven products	51,417,540	44,773,636	-	-
Sales of resinated felt for heat and sound insulation	27,997,114	28,012,817	-	-
Management fees	-	-	480,000	480,000
Dividend income	10,637	21,729	1,741,261	1,590,829
	79,425,291	72,808,182	2,221,261	2,070,829

21. OPERATING PROFIT

Operating profit has been arrived at:-

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
After charging:-				
Audit fees				
- current year	119,818	117,901	24,000	24,000
- prior year	4,900	22,496	-	6,720
Amortisation on land use rights	188,760	-	-	-
Directors' remuneration				
- fee	122,000	108,000	122,000	108,000
- salaries, bonuses and allowances	626,100	609,300	224,700	223,500
- Employees' Provident Fund	73,498	71,446	24,840	24,660
Loss on foreign exchange				
- realised	2,065,321	189,089	-	-
- unrealised	-	140,400	-	-
Property, plant and equipment				
- depreciation	2,635,998	3,374,844	-	5,301
- loss on disposal	45,112	1,685,044	-	-
- written off	31,855	25,458	-	-
Rental of premises	372,089	390,940	-	-
Staff costs				
- salaries, allowances and bonuses	5,472,846	5,384,476	-	-
- Employees' Provident Fund	381,972	374,011	-	-
- Socso	76,099	69,042	-	-
- other staff related expenses	190,899	145,266	-	-
And crediting:-				
Dividend income from short term investment	67,261	147,463	-	-
Unrealised gain on foreign exchange	1,753,462	-	-	-
Reversal of impairment loss on amount owing by subsidiary	-	-	407,064	-

22. FINANCE COSTS (NET)

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Interest income				
- loan and receivables	34,176	77,828	-	-
Interest expenses				
- bank overdraft	(16,265)	(24,741)	-	-
- hire purchase	(39,930)	(40,325)	-	-
- term loan	(576,403)	(245,952)	-	-
- other loan	(280,701)	(92,399)	(43,546)	(92,399)
- bills payables	(190,595)	(166,732)	-	-
	(1,103,894)	(570,149)	(43,546)	(92,399)
	(1,069,718)	(492,321)	(43,546)	(92,399)

23. TAXATION

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Income tax expense				
- current year	(1,214,508)	(1,939,242)	(11,663)	-
- prior year	30,260	3,501	(877)	57
	(1,184,248)	(1,935,741)	(12,540)	57
Deferred income tax (Note 8)				
- current year	91,756	337,086	-	-
	(1,092,492)	(1,598,655)	(12,540)	57

Domestic income tax is calculated at the Malaysia statutory tax rate of 25% (2014: 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 2015 and 31 December 2014 has reflected those changes.

23. TAXATION (cont'd)

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		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit before tax	9,816,025	6,512,481	2,021,448	1,454,544
Tax at applicable tax rate of 25% (2014: 25%)	(2,454,006)	(1,628,120)	(505,362)	(363,636)
Tax effects arising from				
- non-deductible expenses	(231,469)	(425,950)	(43,382)	(43,147)
- double deduction	8,374	-	-	-
- non-taxable income	197,359	253,626	537,081	397,707
- Deferred tax not recognised on temporary differences	-	9,076	-	9,076
- Utilisation of previously unrecognised tax losses and capital allowance	1,273,017	-	-	-
- effects on changes in income tax rate	51,094	165,938	-	-
- crystallisation of deferred tax	32,879	23,274	-	-
- over/(under) accrual in prior years	30,260	3,501	(877)	57
Tax expense for the financial year	(1,092,492)	(1,598,655)	(12,540)	57

24. 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 RM8,723,533/- (2014: RM4,913,826/-) by the number of ordinary shares in issue of 223,000,000 (2014: 223,000,000).

The diluted earnings per share of the Group for the financial year ended 31 December 2015 and 31 December 2014 are the same as the basic earnings per share of the Group as the Group does not have any dilutive potential shares.

25. DIVIDENDS

	Group and Company	
	2015 RM	2014 RM
Dividends paid		
Single tier interim dividend of 7% per share, declared on 25 November 2015 and paid on 30 December 2015	1,561,000	-
Single tier interim dividend of 6% per share, declared on 25 November 2014 and paid on 30 December 2014	-	1,338,000

26. CAPITAL COMMITMENTS

	Group	
	2015	2014
	RM	RM
Property, plant and equipment		
- approved and contracted for but not provided in the financial statements	2,315,250	7,341,624

27. 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.

(b) Significant Related Party Transactions

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

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Transactions with the subsidiaries				
- Dividend income received	-	-	1,730,625	1,569,100
- 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.

27. SIGNIFICANT RELATED PARTY DISCLOSURES (cont'd)

(c) Compensation of Key Management Personnel

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

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Directors' remuneration	821,598	788,746	371,540	356,160
Other Key Management Personnel *				
- short term employee benefits	928,466	874,192	-	-
	1,750,064	1,662,938	371,540	356,160

* 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 RM80,265/- and RM3,000/- (2014 : RM59,634/- and RM4,050/-) respectively.

28. 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 performance is used to measure performance as Group's Chief Executive Officer believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

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.

28. OPERATING SEGMENTS (cont'd)

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.

Factors used to identify reportable segments

The factors used to identify the entity's reportable segments are based on each subsidiary's principal activities and the products manufactured.

Reportable Segments and Major Customers

	Insulation RM	Hygiene RM	Investment Holding RM	Inter-Segment Elimination RM	Note	Total RM
At 31 December 2015						
Revenue:						
External customers	27,997,114	51,417,540	10,637	-		79,425,291
Inter-segment	-	-	2,210,624	(2,210,624)		-
Total revenue	27,997,114	51,417,540	2,221,261	(2,210,624)	a	79,425,291
Results:						
Interest income						34,176
Interest expense						(1,103,894)
Depreciation						(2,635,998)
Amortisation						(188,760)
Segment profit	6,708,485	7,074,709	2,064,994	(6,032,163)	b	9,816,025
Income tax expense	(1,126,562)	46,610	(12,540)	-		(1,092,492)
Profit net of tax	5,581,923	7,121,319	2,052,454	(6,032,163)		8,723,533
Additions to non-current assets other than financial instruments and deferred tax assets	12,269,544	1,842,033	-	-		14,111,577
Segment assets	48,905,799	45,597,564	3,534,928	(10,054,002)	c	87,984,289
Segment liabilities	11,032,776	21,423,168	168,091	(10,054,002)	d	22,570,033
Major customers	-	33,216,453	-	-		33,216,453
Major customers (in numbers)	-	2	-	-		2

28. OPERATING SEGMENTS (cont'd)

Reportable Segments and Major Customers (cont'd)

	Insulation RM	Hygiene 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:						
Interest income						77,828
Interest expense						(570,149)
Depreciation						(3,374,844)
Segment profit	8,769,102	2,185,158	1,552,244	(5,994,023)	b	6,512,481
Income tax expense	(1,786,624)	187,912	57	-		(1,598,655)
Profit net of tax	6,982,478	2,373,070	1,552,301	(5,994,023)		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

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.

28. OPERATING SEGMENTS (cont'd)

Geographical Information

	Revenues RM	Non-current assets other than deferred tax asset RM
At 31 December 2015		
Malaysia	24,366,775	32,867,577
Indonesia	13,703,268	24,484,435
Japan	24,325,012	-
Thailand	12,878,242	-
Others	4,151,994	-
	79,425,291	57,352,012
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

Information about major customers

For hygiene segment, revenue from two individual customers (2014: one customer) represent approximately RM24,326,884/- and RM8,889,569/- respectively (2014: RM20,807,161/-).

29. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statement of financial position by the classes of financial instruments to which they are assigned:

(i) Loans and receivables ("L&R")
(ii) Fair value through profit or loss ("FVTPL")
- Held for trading ("HFT"); and
(iii) Other financial liabilities ("FL")

	Carying amount RM	L&R/ (FL) RM	FVTPL- HFT RM
At 31 December 2015			
Financial assets			
Group			
Other investments	937,674	-	937,674
Trade receivables	11,578,989	11,578,989	-
Other receivables and deposits	1,239,293	1,239,293	-
Cash and bank balances	7,833,911	7,833,911	-
	21,589,867	20,652,193	937,674

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

(a) Categories of financial instruments (cont'd)

	Carying amount RM	L&R/ (FL) RM	FVTPL- HFT RM
At 31 December 2015			
Financial assets			
Company			
Other investment	176,955	-	176,955
Deposits	1,000	1,000	-
Cash and bank balances	167,589	167,589	-
	345,544	168,589	176,955
Financial liabilities			
Group			
Loans and borrowings	(14,583,906)	(14,583,906)	-
Trade payables	(1,988,514)	(1,988,514)	-
Other payables and accruals	(2,670,092)	(2,670,092)	-
Amount owing to director	(3,327,521)	(3,327,521)	-
	(22,570,033)	(22,570,033)	-
Financial liabilities			
Company			
Other payables and accruals	(46,091)	(46,091)	-
Amount owing to director	(122,000)	(122,000)	-
	(168,091)	(168,091)	-
At 31 December 2014			
Financial assets			
Group			
Other investments	2,066,847	-	2,066,847
Trade receivables	10,758,933	10,758,933	-
Other receivables and deposits	2,674,082	2,674,082	-
Cash and bank balances	8,369,678	8,369,678	-
	23,869,540	21,802,693	2,066,847
Company			
Deposits	1,000	1,000	-
Cash and bank balances	226,494	226,494	-
	227,494	227,494	-

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

(a) Categories of financial instruments (cont'd)

	Carying amount RM	L&R/ (FL) RM	FVTPL- HFT RM
At 31 December 2014			
Financial liabilities			
Group			
Loans and borrowings	(13,484,623)	(13,484,623)	-
Trade payables	(1,782,066)	(1,782,066)	-
Other payables and accruals	(1,184,892)	(1,184,892)	-
Amount owing to director	(1,042,550)	(1,042,550)	-
	(17,494,131)	(17,494,131)	-
Company			
Other payables and accruals	(36,886)	(36,886)	-
Amount owing to director	(1,042,550)	(1,042,550)	-
	(1,079,436)	(1,079,436)	-

(b) Fair Value Measurement

The carrying amount of cash and cash equivalents, short term receivables, other investments and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

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

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:

		Fair value of financial instrument not carried at fair value			
Group	**Carying amount RM**	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Total RM**
31 December 2015					
Financial liabilities					
Hire purchase liabilities	644,027	-	644,027	-	644,027
31 December 2014					
Financial liabilities					
Hire purchase liabilities	227,840	-	227,840	-	227,840

30. 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

Risk management objective, policies and processes for managing the risk
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.

Exposure to credit risk
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.

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			
	2015		2014	
	RM	% of total	RM	% of total
By country:				
Malaysia	6,043,377	52.2%	5,765,281	53.6%
Indonesia	2,195,941	19.0%	2,801,609	26.0%
Japan	1,872,666	16.2%	1,755,310	16.3%
Thailand	875,216	7.6%	108,489	1.0%
Others	591,789	5.1%	328,244	3.1%
	11,578,989	100.0%	10,758,933	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 10 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 10 to the financial statements.

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

(i) Credit Risk (cont'd)

Inter company balances

<u>Risk management objective, policies and processes for managing the risk</u>
The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

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

<u>Impairment losses</u>
At the reporting date, there was no indication that the loans and advances to subsidiaries are not recoverable.

Other financial assets

For other financial assets (including cash and bank balances and other investments), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Financial guarantees

<u>Risk management objective, policies and processes for managing the risk</u>
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.

<u>Exposure to credit risk</u>
The Company is exposed to credit risk in relation to financial guarantee given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The maximum exposure to credit risk amounts to RM13,939,879/- (2014: RM13,256,783/-) representing the maximum amount the Company could pay if the guarantee is called on. As at the reporting date, there was no indication that the subsidiaries would fail to meet the terms as stated in the contract.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

(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.

<u>Risk management objective, policies and processes for managing the risk</u>
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.

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

(ii) Liquidity Risk (cont'd)

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:

2015	On demand or within 1 Year RM	1 - 5 Years RM	More than 5 Years RM	Total RM
Group				
Trade payables	1,988,514	-	-	1,988,514
Other payables and accruals	2,670,090	-	-	2,670,090
Amount owing to directors	3,327,521	-	-	3,327,521
Loan and borrowings	10,607,485	3,783,004	-	14,390,489
Total undiscounted financial liabilities	18,593,610	3,783,004	-	22,376,614
Company				
Other payables and accruals	46,091	-	-	46,091
Amount owing to directors	122,000	-	-	122,000
Total undiscounted financial liabilities	168,091	-	-	168,091
2014				
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
Loan and borrowings	12,730,990	761,210	-	13,492,200
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

(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.

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

(iii) Market Risk (cont'd)

Interest Rate Risk

Risk management objective, policies and processes for managing the risk
Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as a result of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their long-term loans and borrowings with floating interest rates. The Group and the Company 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 other investments. The Group and the Company do not use derivative financial instruments to hedge its risk.

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	
	2015 RM	2014 RM	2015 RM	2014 RM
Fixed rate instruments				
Financial liabilities	(3,849,548)	(1,162,390)	-	(934,550)
Floating rate instruments				
Financial assets	937,674	2,066,847	176,955	-
Financial liabilities	(13,939,879)	(13,256,783)	-	-
	(13,002,205)	(11,189,936)	176,955	-

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 and of the Company which have variable interest rates at the reporting date would decrease the profit net of tax by RM97,517/- and RM1,327/- respectively. 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 and of the Company 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.

30. 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 2015 RM	Group 2014 RM
Financial assets and liabilities not held in functional currency		
United States Dollar		
Trade receivables	3,304,359	3,150,104
Cash and bank balances	6,256,976	4,767,763
Trade and other payables	(339,897)	(353,590)
Borrowings	(8,816,912)	(10,687,218)
Thai Baht		
Trade payables	(412,067)	(158,284)

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 profit net of tax by RM3,034/-. 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 of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market price (other than interest or exchange rates).

The Group's and the Company's investments in unit trust funds are subject to market price risk. Such exposures are not hedged as the investments are mostly in high quality short term bonds and fixed deposit to lower the overall risk of the investments.

Sensitivity analysis for market price risk
An increase in market price by 1% on financial assets of the Group and of the Company which have variable market price at the reporting date would increase the profit net of tax by RM7,033/- and RM1,327/- respectively. This analysis assumes that all other variables remain constant.

A decrease in market price by 1% on financial assets of the Group and of the Company which have variable market price 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.

31. 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	
	2015 RM	2014 RM	2015 RM	2014 RM
Total borrowings (Note 16)	14,583,906	13,484,623	-	-
Amount owing to director (Note 19)	3,205,521	934,550	-	934,550
Less : Cash and bank balances	(7,833,911)	(8,369,678)	(167,589)	(226,494)
Net debt/(cash)	9,955,516	6,049,495	(167,589)	708,056
Total equity attibutable to the owner of the company	66,007,132	58,053,334	26,158,253	25,710,345
Capital and net debts	75,962,648	64,102,829	25,990,664	26,418,401
Gearing ratio	13%	9%	-	3%

32. COMPARATIVE FIGURES

Certain comparatives for the financial year ended 31 December 2014 have been reclassified for the consistent presentation with the financial statements disclosures requirements for the financial year ended 31 December 2015. Other than the disclosures notes, the reclassifications in the statements of financial position and statements of cash flows are as follow:

	As restated RM	As previously reported RM
Statements of financial position		
31 December 2014		
Group		
Short term investment	2,066,847	-
Cash and bank balances	8,369,678	10,436,525
Property, plant and equipment	38,688,477	44,353,292
Land use rights	5,664,815	-
Statements of cash flows		
31 December 2014		
Group		
Net cash used in investing activities	(5,687,698)	(7,820,365)

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 2.06 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.

The following analysis of realised and unrealised profits or losses included in the retained earnings of the Group and of the Company as at 31 December 2015 and 31 December 2014 is presented in accordance with the directive of Bursa Malaysia Securities Berhad and prepared in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements,* as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Total retained earnings/(accumulated losses) of the Company and its subsidiaries				
- Realised	34,975,990	30,467,246	(90,417)	(538,325)
- Unrealised	4,931,888	1,766,918	-	-
	39,907,878	32,234,164	(90,417)	(538,325)
Less : Consolidation adjustments	(8,713,799)	(8,314,788)	-	-
Total retained earnings/(accumulated losses) as per statements of financial position	31,194,079	23,919,376	(90,417)	(538,325)

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 23 to 78 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 2015 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 79 has been prepared 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,* as issued by the Malaysian Institute of Accountants and presented based on the format as presented based on the format as prescribed by the Bursa Malaysia Securities Berhad.

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

....

TAN SIEW CHIN
Director

....

LO PONG KIAT @ LOR HONG LING
Director

Kuala Lumpur
Date: 8 April 2016

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 23 to 78, and the supplementary information set out on page 79 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 8 April 2016.

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 2015 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 23 to 78.

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 2015 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 7 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 79 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

Heng Fu Joe
No. 2966/11/16(J)
Chartered Accountant

Kuala Lumpur
Date: 8 April 2016

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	:	2,045

ANALYSIS OF SHAREHOLDINGS

Size of shareholdings	No. of holders	Holdings	Total holdings %
less than 100	4	230	0.0001
100 – 1,000	461	420,410	0.1885
1,001 – 10,000	754	5,050,100	2.2646
10,001 – 100,000	698	24,464,800	10.9708
100,001 – less than 5% of issued shares	126	60,991,280	27.3503
5% and above of issued shares	2	132,073,180	59.2256
Total	2,045	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	38,252,610 [1]	17.1536
Chen Lee Chew	34,090,340	15.2871	101,694,300 [2]	45.6028
Tan Chin Ming	2,359,040	1.0579	133,876,410 [3]	60.0343
Tan Siew Tyan	1,352,420	0.6065	134,883,030 [4]	60.4857
Lim Siok Eng	450,810	0.2022	101,694,300 [5]	45.6028
Tan Wey Chien	-	-	132,073,180	59.2256

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 father's, Tan Siew Chin and his mother's, Chen Lee Chew, 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	38,252,610 [1]	17.1536
Chen Lee Chew	34,090,340	15.2871	101,694,300 [2]	45.6028
Tan Siew Tyan	1,352,420	0.6065	134,883,030 [3]	60.4857
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	0	0	0	0.00
Tan Wey Chien	0	0	132,073,180 [5]	59.2256
Lor Seng Thee (Alternate Director to Lo Pong Kiat @ Lor Hong Ling)	4,535,040	2.0337	4,999,800 [6]	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 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.
5. Deemed interested as per section 6A and 122A of the Act by virtue of his father's, Tan Siew Chin and his mother's, Chen Lee Chew, shareholdings.
6. Deemed interested as per section 6A and 122A of the Act by virtue of his father's, Lo Pong Kiat @ Lor Hong Ling, 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 Moong Thing	4,412,550	1.9787
5.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for RHB Dynamic Fund (200188)	2,799,000	1.2552
6.	Lor Seng Thee	2,535,040	1.1368
7.	MERCSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chew Beow Soon	2,390,000	1.0717
8.	Tan Chin Ming	2,359,040	1.0579
9.	Lor Moong Sih	2,226,000	0.9982
10.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lor Seng Thee (7001275)	2,000,000	0.8969
11.	Lee Seong Kar	1,978,730	0.8873

No.	Name	No. of shares	Percentage
12.	Yong Yuen Ling	1,476,100	0.6619
13.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for True Property Management Sdn Bhd	1,400,000	0.6278
14.	Tan Siew Tyan	1,352,420	0.6065
15.	Chen Hean Tin	1,170,000	0.5247
16.	Leong Pit Tee	1,000,000	0.4484
17.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Kong Kok Choy (8092812)	960,000	0.4305
18.	Lor Eng Huat	931,000	0.4175
19.	Ngam Jee Peng	770,000	0.3453
20.	Loo Kok Ming	690.000	0.3094
21.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Islamic Trustee Berhad for RHB Malaysia Diva Fund	667,100	0.2991
22.	Tan Bee Chen	663,500	0.2975
23.	Tan Teik Huat	650,000	0.2915
24.	M&A Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Tang Soon Chye (M&A)	600,000	0.2691
25.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Leong Wing Goon	600,000	0.2691
26.	Lim Pey Fen	500,000	0.2242
27.	Chong Ching Ching	470,000	0.2108
28.	Tan May Yee	470,000	0.2108
29.	Chong Khin Chow	462,300	0.2073
30.	Lim Yin Teck	454,200	0.2037
		173,059,960	77.6054

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 2015 RM	Date Of Last Revaluation
Oceancash Holdings Sdn Bhd ⓘ	Nonwoven Sdn Bhd (ONW)	H.S. (D) 52918 P.T. No. 41067 Town of Bandar Baru Bangi, District of Ulu Langat, State of Selangor/ Lot 73 Jalan P10/21, Taman Industri Selaman, Seksyen 10 43650 Bandar Baru Bangi, Selangor	Two-storey office block and two single-storey factory building Single-storey factory separated into two (2) sections by a metal road	Leasehold 99 years/ 19 August 2098	12	214,720	22,360,768	31 July 2014
	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)	1	97,434	11,833,873	-

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

List Of Subsidiary Companies

Name of Company	2014	2015	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%	-	Trading, import and export of felts (deregistered in November 2015)

Statement Accompanying Notice Of Annual General Meeting

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

   1.1 Article 94 of the Company's Articles of Association :
   Mr Tan Siew Chin
   Mr Tan Siew Tyan

   1.2 Article 101 of the Company's Articles of Association :
   Mr Tan Wey Chien

   1.3 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 to 7 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 2015 are disclosed in the Statement on Corporate Governance set out on page 8 of this Annual Report.

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

   Raya Room, Level 2, Hotel Bangi-Putrajaya, Off Persiaran Bandar, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Tuesday, 24 May 2016 at 12.30 p.m.

NOTICE IS HEREBY GIVEN THAT the Thirteenth 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 Tuesday, 24 May 2016 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 2015 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 2015. **Resolution 1**

3. To re-elect Mr Tan Siew Chin who retires in accordance with Article 94 of the Company's Articles of Association and being eligible, offers himself for re-election. **Resolution 2**

4. To re-elect Mr Tan Siew Tyan 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-elect Mr Tan Wey Chien who retires in accordance with Article 101 of the Company's Articles of Association and being eligible, offers himself for re-election. **Resolution 4**

6. 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 5**

7. 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 6**

SPECIAL BUSINESS:

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

8. **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 7**

9. **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 twelve (12) years since 29 March 2004 be and is hereby retained as an Independent Non-Executive Director of the Company." **Resolution 8**

"THAT 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 twelve (12) years since 29 March 2004 be and is hereby retained as an Independent Non-Executive Director of the Company." **Resolution 9**

ANY OTHER BUSINESS :

10. 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: 29 April 2016

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. Only members whose names appear in the Record of Depositors on 18 May 2016 shall be entitled to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.

EXPLANATORY NOTES ON SPECIAL BUSINESS :

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

   The proposed Ordinary Resolution 7, if passed, will give the Directors of the Company, from the date of the Thirteenth 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 Twelfth Annual General Meeting held on 3 June 2015 and which will lapse at the conclusion of the Thirteenth Annual General Meeting to be held on 24 May 2016.

   A renewal of this authority is being sought at the Thirteenth 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 8 and 9 – 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 twelve (12) 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 twelve (12) 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 more than ten (10) 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.

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 Thirteenth 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 Tuesday, 24 May 2016 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 2015.	Resolution 1		
2.	To re-elect Mr Tan Siew Chin who retires in accordance with Article 94 of the Company's Articles of Association and being eligible, offers himself for re-election.	Resolution 2		
3.	To re-elect Mr Tan Siew Tyan 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-elect Mr Tan Wey Chien who retires in accordance with Article 101 of the Company's Articles of Association and being eligible, offers himself for re-election.	Resolution 4		
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 5		
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 6		
SPECIAL BUSINESS				
7.	Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965	Resolution 7		
8.	Retention of Independent Non-Executive Director pursuant to Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012 – Ms Chan Soo Wah.	Resolution 8		
9.	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 9		

*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. *Only members whose names appear in the Record of Depositors on 18 May 2016 shall be entitled to attend, speak and vote at the meeting or appoint proxy(ies) to attend, speak and vote on his/her behalf.*

**Delete where inapplicable*

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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

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