



AYS VENTURES BERHAD (925171-T)

Partnering for Excellence



2015
ANNUAL
REPORT

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Form of Proxy

Our Vision

To become a recognised leader in the steel distribution industry by being a first-choice supplier of steel and non-ferrous products serving the needs of the engineering, fabrication and construction sectors.

Our Mission

Providing customers with quality products and services.
Broadening our product range and value-added activities.
Assuming good corporate social responsibility.
Rewarding all stakeholders equitably.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fourth Annual General Meeting of the Company will be held at Function Room 1, Mezzanine Floor, Setia City Convention Centre, No. 1, Jalan Setia Dagang AG U13/AG, Setia Alam Seksyen U13, 40170 Shah Alam, Selangor on Tuesday, 14 July 2015 at 9.30 a.m. to transact the following business:

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 31 March 2015 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of a first and final single tier dividend of 1 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 March 2015. **Resolution 1**
3. To re-elect Oh Yung Kwan, the Director who is retiring in accordance with Article 106 of the Company's Articles of Association. **Resolution 2**
4. To re-elect the following Directors who are retiring in accordance with Article 101 of the Company's Articles of Association:
(i) Chang Chee Seng **Resolution 3**
(ii) Oh Yung Sim **Resolution 4**
5. To pass the following Ordinary Resolution:

"THAT pursuant to Section 129(6) of the Companies Act, 1965, Haji Mohd. Sharif Bin Haji Yusof be re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting." **Resolution 5**
6. To approve the payment of Directors' fees not exceeding RM380,000.00 per annum. **Resolution 6**
7. To re-appoint Messrs. SJ Grant Thornton as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 7**
8. **SPECIAL BUSINESS**
To consider and, if thought fit, pass the following resolution:

ORDINARY RESOLUTION

Proposed Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

"THAT pursuant to Section 132D of the Companies Act, 1965 and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the issued 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 for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

Resolution 8

By Order of the Board

Leong Oi Wah (MAICSA 7023802)
Company Secretary

Klang
22 June 2015

Notes:

1. A Member of the Company who is entitled to attend and vote at this meeting is entitled to appoint a proxy or being appointed as a proxy for another Member or in the case of a corporation a duly authorised representative to attend and to vote in his stead.
2. A proxy need not be a Member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply.
3. A Member may appoint more than 2 proxies to attend and the proxies shall not be valid unless the Member specifies the proportion of his securities holdings to be represented by each proxy.
4. The instrument appointing proxy shall be in writing under the hands of the appointor or of his attorney duly authorised in writing or, if such be executed appointed is a corporation under its common seal or the hand of its attorney.
5. The instrument appointing a proxy shall be left at the Share Registrar's office at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur at least 48 hours before the time appointed for the holding of the meeting or adjourned meeting.
6. Depositors who appear in the Record of Depositors as at 8 July 2015 shall be regarded as Member of the Company entitled to attend the Fourth Annual General Meeting or appoint a proxy to attend and vote on his behalf.

NOTES ON SPECIAL BUSINESS

(i) Resolution No. 8

The proposed Ordinary Resolution will give powers to the Directors to issue up to a maximum ten per centum (10%) of the issued share capital of the Company for the time being for such purposes as the Directors would consider in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting of the Company.

The general mandate sought for issue of securities is a renewal of the mandate that was approved by the shareholders on 22 July 2014. The Company did not utilise the mandate that was approved last year. The renewal of the general mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a First and Final Single Tier Dividend of 1 sen per ordinary share of RM0.50 each in respect of the financial year ended 31 March 2015, if approved at the Fourth Annual General Meeting, will be paid on 10 August 2015 to Depositors registered in the Record of Depositors at the close of business on 21 July 2015.

A Depositor shall qualify for entitlement only in respect of:-

- a) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 21 July 2015, in respect of transfer; and
- b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

Leong Oi Wah (MAICSA 7023802)
Company Secretary

Klang
22 June 2015

Corporate Information

BOARD OF DIRECTORS

Haji Mohd. Sharif Bin Haji Yusof
Independent Non-Executive Chairman

Oh Chiew Ho
Group Managing Director

Oh Yung Sim
Executive Director

Chang Chee Seng
Executive Director

Seow Nyoke Yoong
Independent Non-Executive Director

Mohamad Fazlin Bin Mohamad
Independent Non-Executive Director

Tay Kim Chuan
Executive Director

Oh Yung Kwan (*appointed on 1.8.2014*)
Executive Director

Oh Pooi Foon
Executive Director

AUDIT COMMITTEE

Haji Mohd. Sharif Bin Haji Yusof
(Chairman) Independent Non-Executive Director

Seow Nyoke Yoong
(Member) Independent Non-Executive Director

Mohamad Fazlin Bin Mohamad
(Member) Independent Non-Executive Director

NOMINATION COMMITTEE

Seow Nyoke Yoong
(Chairman) Independent Non-Executive Director

Haji Mohd. Sharif Bin Haji Yusof
(Member) Independent Non-Executive Director

Mohamad Fazlin Bin Mohamad
(Member) Independent Non-Executive Director

REMUNERATION COMMITTEE

Seow Nyoke Yoong
(Chairman) Independent Non-Executive Director

Haji Mohd. Sharif Bin Haji Yusof
(Member) Independent Non-Executive Director

Oh Chiew Ho
(Member) Group Managing Director

COMPANY SECRETARY

Leong Oi Wah (MAICSA 7023802)

HEAD OFFICE

Lot 6488, Jalan Haji Abdul Manan
42100 Klang
Selangor Darul Ehsan
Tel. No. : 03 - 3377 5597
Fax No. : 03 - 3377 5500
Website : www.ays-group.com

REGISTERED OFFICE

802, 8th Floor
Block C, Kelana Square
17, Jalan SS 7/26
47301 Petaling Jaya
Selangor Darul Ehsan
Tel. No. : 03 - 7803 1126
Fax No. : 03 - 7806 1387

PRINCIPAL BANKERS

AmBank (M) Berhad
Bangkok Bank Berhad
Bank of China (M) Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
Maybank Islamic Berhad
RHB Bank Berhad
United Overseas Bank (M) Berhad

AUDITORS

SJ Grant Thornton
(Member of Grant Thornton International Ltd)
Chartered Accountants
Level 11, Sheraton Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur

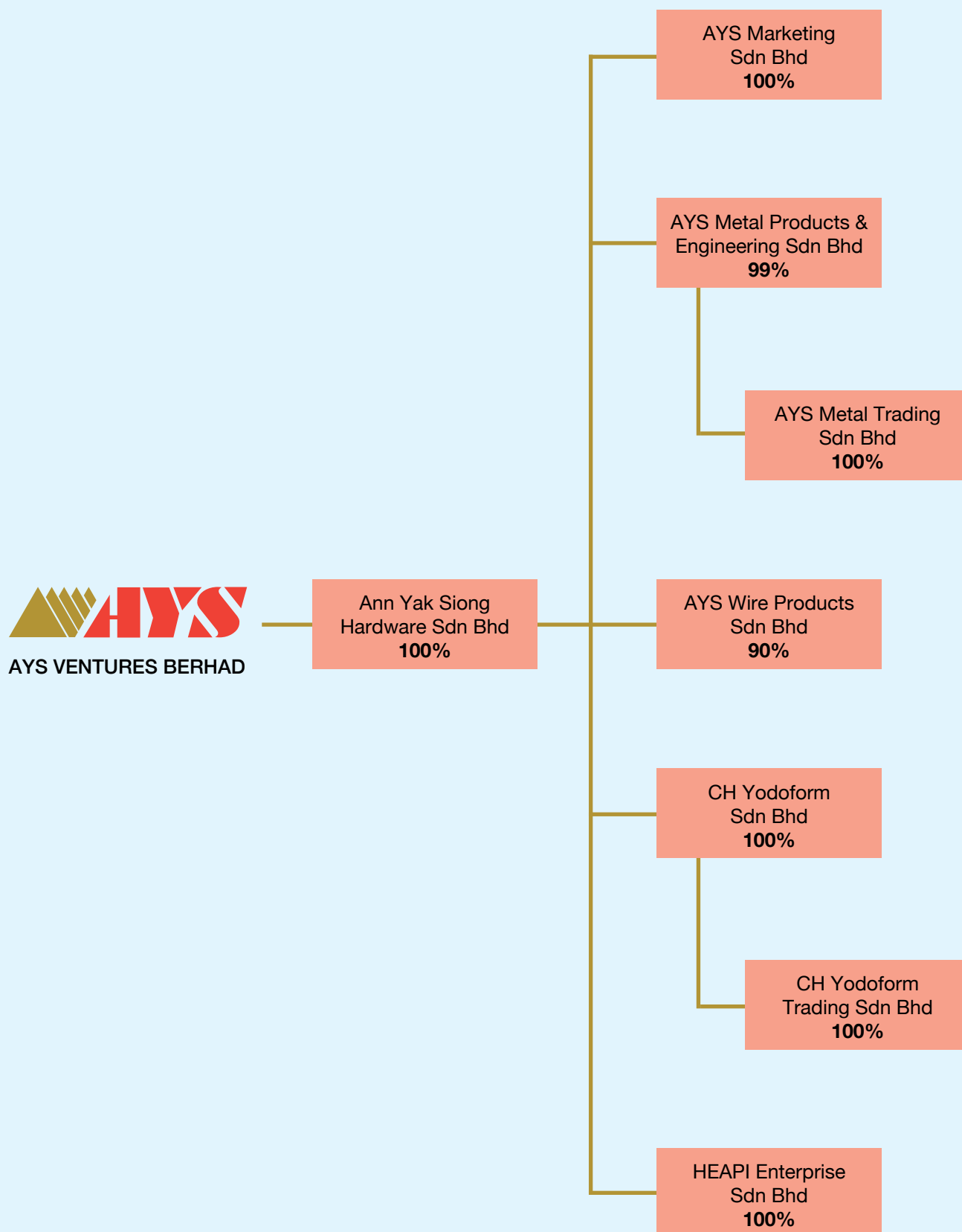
SHARE REGISTRAR

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel. No. : 03 - 2264 3883
Fax No. : 03 - 2282 1886

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock name : AYS
Stock Code : 5021

Corporate Structure as at 22 June 2015



Profile of the Board of Directors



From left to right: Oh Yung Kwan, Chang Chee Seng, Tay Kim Chuan, Seow Nyoke Yoong, Mohamad Fazlin bin Mohamad, Oh Pooi Foon, Oh Yung Sim, Oh Chiew Ho, Haji Mohd. Sharif Bin Haji Yusof

Haji Mohd. Sharif Bin Haji Yusof, aged 76, a Malaysian, was appointed as an Independent Non-Executive Chairman of AYS Ventures Berhad on 17 November 2011. He is a fellow member of the Institute of Chartered Accountants, England & Wales, Malaysian Institute of Accountants and Malaysian Association of Certified Public Accountants.

He started his career with the Selangor State Government Service in 1967 as an Accountant, Jabatan Kerja Raya. He was a Corporate Accountant with the Selangor State Development Corporation (now known as Perbadanan Kemajuan Negeri Selangor) from 1968 to 1972. In 1973, he joined Anglo Oriental Sdn Bhd, a tin mining management company as a Senior Accountant and in 1974 he joined Bumiputra Merchant Bankers Berhad (now known as CIMB Investment Bank Berhad) as a Corporate Finance Officer. In 1977, he joined British American Life & General Insurance Co. Bhd (now known as Manulife Insurance (Malaysia) Berhad) as a Vice President, Finance and retired in 1989 as a Senior Vice President, Finance cum Company Secretary. He is currently the Senior Independent Non-Executive Director of Ireka Corporation Berhad and also an Independent Non-Executive Director of Atlan Holdings Berhad and Axis REIT Managers Berhad.

Tuan Haji Mohd. Sharif Bin Haji Yusof has no shareholdings in the Company and its related companies. He has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He attended all the Board Meetings held during the financial year and has no conviction for any offences within the past 10 years, other than traffic offences, if any.

Oh Chiew Ho, aged 68, a Malaysian, was appointed as the Group Managing Director of AYS Ventures Berhad on 17 November 2011. He is the co-founder of AYS Group and has been the key driving force in steering the corporate direction and growth of the AYS Group besides overseeing the overall operations of Ann Yak Siong Hardware Sdn Bhd ("AYSH") since its inception. In 1964, at the age of 19, he joined Hiap Bee Hardware Sdn Bhd as a general helper in the warehouse/store department until 1978, where he moved over to Choo Bee Hardware (KL) Sdn Bhd and was in charge of storekeeping, sales and procurement. With his hard work and dedication, he mastered the trade and built-up good rapport with key customers and suppliers.

In 1982, Mr Oh Chiew Ho co-founded AYSH, started his business in supplying steel and hardware products. In 1993, due to the high demand for construction materials following the economic boom, he incorporated AYS Marketing Sdn Bhd to venture into trading and marketing of building and construction materials. In 1994, he incorporated AYS Metal Products & Engineering Sdn Bhd to manufacture panels and components for sectional tanks. In 1996, he set up CH Yodoform Sdn Bhd to manufacture purlins, steel frames for doors and window. He later established AYS Wire Products Sdn Bhd in 1997 to venture into the business of manufacturing and trading of wire products and expanded its business in 1998 to include wire drawing, straightening, bending and cutting of wire rods and manufacturing of wire mesh products in 2001. Under the leadership of Mr Oh Chiew Ho, AYSH has grown to be one of the leading traders of steel and construction materials in Malaysia.

Mr Oh Chiew Ho's shareholdings in the Company and its related companies is disclosed on page 71 of this Annual Report. He is the father of Mr Oh Yung Sim, Ms Oh Pooi Foon and Mr Oh Yung Kwan. He has no conflict of interest with the Company. He attended all the Board Meetings held during the financial year and has no conviction for any offences within the past 10 years, other than traffic offences, if any.

Oh Yung Sim, aged 41, a Malaysian, was appointed as an Executive Director of AYS Ventures Berhad on 17 November 2011. He graduated from University of Luton, UK in 2000 with a Bachelor of Degree in Commerce, majoring in Business Administration and Marketing.

He joined AYSH in 2000 as an Assistant to Group General Manager. He has been working on improving the productivity and efficiency of the AYS Group's operations especially in the areas of information technology and corporate development.

Mr Oh Yung Sim's shareholdings in the Company and its related companies is disclosed on page 71 of this Annual Report. He is the son of Mr Oh Chiew Ho and brother of Ms Oh Pooi Foon and Mr Oh Yung Kwan. He has no conflict of interest with the Company. He attended all the Board Meetings held during the financial year and has no conviction for any offences within the past 10 years, other than traffic offences, if any.

Chang Chee Seng, aged 64, a Malaysian, was appointed as an Executive Director of AYS Ventures Berhad on 17 November 2011. He has been the Group General Manager of the AYS Group since March 2007. He graduated from University of Westminster, London with a Bachelor of Engineering (First Class Honours) degree in Mechanical Engineering in 1976. In 1977, he graduated from the University of London with a Masters Degree in Management Science.

He started his career in 1977 with the MBF Holdings group of companies and subsequently joined TDM Bhd in the corporate planning field. In 1981, he joined the Lion Group and held various positions in the Lion Group including Materials Manager for Amsteel Corporation Berhad, Head of the cement marketing company, Simen Dagangan Sdn Bhd, General Manager of Bright Steel Sdn Bhd, a producer of cold finished steel bars and steel coil centre, Head of Commercial and Administration Division of Amsteel Mills Sdn Bhd, an Executive Director and Chief Executive Officer of Sabah Forest Industries Sdn Bhd, Sales Director of Amsteel Mills Sdn Bhd, Marketing Director of Megasteel Sdn Bhd and Managing Director of Lion Forest Industries Bhd. In 2005, he joined Malayawata Steel Bhd as an Executive Vice President and was an Executive Director until February 2007 whereupon he relinquished his portfolio in Malayawata Steel Bhd (now known as Ann Joo Steel Bhd) to join the AYS Group.

Mr Chang Chee Seng has no shareholdings in the Company and its related companies. He has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He attended all the Board Meetings held during the financial year and has no conviction for any offences within the past 10 years, other than traffic offences, if any.

Seow Nyoke Yoong, aged 53, a Malaysian, was appointed as an Independent Non-Executive Director of AYS Ventures Berhad on 17 November 2011. She graduated with a Bachelor of Commerce degree from University of New South Wales, Australia in 1984 and went on to complete a Bachelor of Law degree from University of Melbourne, Australia in 1985. She is currently an Independent Non-Executive Director of CYL Corporation Berhad.

Ms Seow Nyoke Yoong has no shareholdings in the Company and its related companies. She has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. She attended all the Board Meetings held during the financial year and has no conviction for any offences within the past 10 years, other than traffic offences, if any.

Profile of the Board of Directors *cont'd*

Mohamad Fazlin bin Mohamad, aged 43, a Malaysian, was appointed as an Independent Non-Executive Director of AYS Ventures Berhad on 17 November 2011. He graduated from the University of Huddersfield in 1995 with a LLB (Hons) Degree.

He started his career with KPMG as a Consulting Assistant in 1996 and remained with KPMG until 2004 where he left as a Managing Consultant. He joined Pharmaniaga Berhad in 2004 as Manager, Business Development and was later promoted to Senior Manager Business Development and Corporate Strategy. He has also held positions in the Indonesian Operations and Middle East Operations of Pharmaniaga Berhad. In 2012, he resigned as the Senior Manager and Head of Vendor Development in Pharmaniaga Berhad to venture on his own business as a Director in Magnus Force Sdn Bhd and Agensi Pekerjaan Intercity Sdn Bhd.

En Mohamad Fazlin bin Mohamad has no shareholdings in the Company and its related companies. He has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He attended all the Board Meetings held during the financial year and has no conviction for any offences within the past 10 years, other than traffic offences, if any.

Tay Kim Chuan, aged 55, a Malaysian, was appointed as an Executive Director of AYS Ventures Berhad on 1 December 2012. He is a Chartered Management Accountant (an Associate member of the Chartered Institute of Management Accountants, UK) and a member of the Malaysian Institute of Accountants.

Upon his graduation from College Tunku Abdul Rahman in the School of Business Studies in 1984, he briefly served in a palm oil milling and plantation company before he joined Bright Steel Sdn. Bhd. as an Accountant in 1985. In 1988 he moved on to the then newly formed Anshin Group until 1997 when he was transferred to serve the holding company in the Ann Joo Group. During his tenure serving companies in the steel sector he has accumulated management experience in the financial and corporate services area. He resigned as the Group Financial Controller of Ann Joo Resources Berhad in 2007 to venture on his own in the field of management services prior to joining AYS Group.

Mr Tay Kim Chuan has no shareholdings in the Company and its related companies. He has no family relationship with any Director and/or major shareholder of the Company nor any conflict of interest with the Company. He attended all the Board Meetings held during the financial year and has no conviction for any offences within the past 10 years, other than traffic offences, if any.

Oh Yung Kwan, aged 37, a Malaysian, was appointed as an Executive Director of AYS Ventures Berhad on 1 August 2014. He graduated from University of Phoenix, USA in 1998 with a Diploma in Marketing. In 2003, he graduated from RMIT University of Melbourne, Australia with a Bachelor Degree in Business Administration.

He joined AYSH in 2003 as Sales Executive and was responsible for formulating marketing strategies and plans, coordinating activities of sales and marketing for the Company. In 2012, he promoted to the position of Executive Director, assisting Group General Manager for planning, organising and overseeing operations of subsidiary companies of AYS Group as well as overseeing Group Human Resources/Administration Department and Payroll.

Mr Oh Yung Kwan's shareholdings in the Company and its related companies is disclosed on page 71 of this Annual Report. He is the son of Mr Oh Chiew Ho and brother of Mr Oh Yung Sim and Ms Oh Pooi Foon. He has no conflict of interest with the Company. He attended all the Board Meetings held during the financial year after his appointment and has no conviction for any offences within the past 10 years, other than traffic offences, if any.

Oh Pooi Foon, aged 35, a Malaysian, was appointed as an Executive Director of AYS Ventures Berhad on 1 December 2012. She graduated from Melbourne University, Australia in 2003 with a Bachelor of Physiotherapy.

Upon graduation in 2003, she worked in a hospital in Melbourne as physiotherapist before joining AYSH in 2005 as a Purchasing Executive. In 2009, she was promoted to the position of Procurement Director and is responsible for formulating and evaluating procurement strategies, developing and implementing procurement policies and procedures, analysing trends and market conditions including sourcing, negotiating and entering into contracts with local and overseas suppliers. In 2012, she was promoted to Operation Director and is responsible for the overall operations of AYSH.

Ms Oh Pooi Foon's shareholdings in the Company and its related companies is disclosed on page 71 of this Annual Report. She is the daughter of Mr Oh Chiew Ho and sister of Mr Oh Yung Sim and Mr Oh Yung Kwan and has no conflict of interest with the Company. She attended all the Board Meetings held during the financial year and has no conviction for any offences within the past 10 years, other than traffic offences, if any.

Chairman's Statement

On behalf of the Board of Directors, it gives me great pleasure to present to you the Annual Report and Audited Financial Statements of AYS Ventures Berhad ("AYS" or "the Group") for the financial year ended 31 March 2015.

Performance and Operations Review

The financial year 2015 had been a challenging year for the steel industry sector in general amid the softening global economy. The oversupply situation in the global steel industry had led to sluggish steel prices and high raw material costs. The situation was compounded by the rampant dumping activities by Chinese steel mills followed by the dramatic drop in crude oil price during the year. With intense competition in the market place, the Group achieved a lower net revenue of RM563.799 million in the financial year ended 31 March 2015 ("FYE 2015"), representing a 14% reduction as compared to the revenue of RM656.065 million in the previous financial year ("FYE 2014"). Corresponding to the lower revenue, the Group's profit before tax ("PBT") decreased to RM8.641 million as compared to the PBT of RM18.171 million in the FYE 2014, albeit the incorporation of a fair value gain on the Group's investment properties of RM3.398 million (FYE 2014: RM0.925 million).

The Group's main trading unit in steel materials, Ann Yak Siong Hardware Sdn. Bhd. registered a lower revenue of RM434.224 million in the financial year under review due to lower sales volume and depressed selling prices of steel products on the back of dumped imports from China. Another trading unit of the Group, AYS Marketing Sdn. Bhd., a distributor of building materials for the domestic construction market also registered a lower revenue of RM72.167 million due to sectorial slowdown and intense competition.

As for the Group's manufacturing division, the total revenue of RM54.916 million achieved in the FYE 2015 was comparable with the previous financial year of RM54.846 million despite the higher sales tonnage as the selling prices had weakened. The division recorded lower PBT of RM1.804 million as compared to PBT of RM6.140 million in the FYE 2014 mainly due to higher raw material costs coupled with depressed steel prices.

Basic earnings per share in the FYE 2015 declined to 1.85 sen from that of 3.41 sen in the previous financial year. Notwithstanding, the Group's financial position remains strong, with total equity attributable to equity holders as at 31 March 2015 of RM214.347million, an increase of RM7.005 million from RM207.342 million in the previous financial year end.

Outlook and Prospects

Malaysia's Gross Domestic Product growth is projected to be moderate, due to factors among others the dampened crude oil prices, weakened Ringgit and the short term impact of the Goods and Service Tax implementation. Based on Bank Negara Malaysia's Annual Report 2014, the Malaysian economy is expected to register steady growth of 4.5% - 5.5% in 2015, supported by sustained expansion



in domestic demand amid strong domestic fundamentals and a resilient export sector. Domestic demand will continue to anchor growth in 2015, driven by private sector spending as well as the various major construction projects being undertaken by the state. The Group is confident to secure orders from new and existing customers as it enters into the new financial year and will focus on better costs control, improving services, productivity and efficiency.

Notwithstanding the above, the Group takes cognizance of the slower economy growth in China and the contraction in demand for steel there that may have repercussions to the Group. The China's steel mills would likely ramp up their exports and continue to suppress steel prices further in the global market. AYS believes that with strategies in place to counter this through operational efficiency, it will continue to expand its revenue portfolio and be resilient in facing changes in the business environment.

Corporate Social Responsibility

While in the course of conducting its business activities, AYS strives to take care of the interest of all its stakeholders. AYS remains dedicated to playing an active role in corporate citizenship and to embrace corporate social responsibility, balancing the social, employees' welfare, community and environmental responsibilities among others. The Group constantly seeks avenues to balance business growth with positive impact on the environment in which it operates. It also recognises the importance of maintaining active dialogue with stakeholders including employees, investors, suppliers, regulators and others. Employees' skills and competencies are enhanced through attendance at courses and workshops that are structured to cater to their personal development. To balance the work life balance, the Group also organizes and encourages participation in sports and recreational activities. During the financial year under review, AYS supported a number of charitable organisations and also participated in flood relief effort in aid of the victims.



Chairman's Statement *cont'd*

Corporate Governance

AYS is committed to excellence in corporate governance, transparency, business ethics and complies with all applicable provisions in Bursa Malaysia's Main Market Listing Requirements and the Malaysian Code on Corporate Governance 2012. AYS believes that implementing and maintaining high governance standards underpin business objectives and drive to create, protect and maximise shareholder's value.

Corporate Development

Save from disclosed below, there were no major corporate developments in financial year 2015 and up to the date of this Annual Report.

Pursuant to a Corporate Exercise undertaken by AYS during the financial year of 2014, AYS undertook a special issue of up to 54,345,380 new ordinary shares of RM0.50 each in AYS ("Special Issue Shares"), representing approximately 12.5% of the enlarged issued and paid-up share capital of AYS, to the identified Bumiputera investors approved by the Ministry of International Trade and Industry at RM0.50 per Special Issue Share ("Special Issue"). At the close of the extended deadline, AYS did not receive firm participation from the identified investors for the subscription of any of the Special Issue Shares. Subsequently, AYS had notified the Securities Commission Malaysia ("SC") that AYS is deemed to have complied with the Bumiputera Equity Condition pursuant to the terms and conditions as set out in the approval letter from the SC for the Special Issue. In view that the Special Issue was previously undertaken to facilitate the compliance of the Bumiputera Equity Condition, the Board has decided not to proceed further with the Special Issue and accordingly terminated the Special Issue.



Dividends

In line with AYS's continued focus on shareholders' returns and subject to shareholders' approval at the forthcoming Annual General Meeting, the Board recommends a first and final single tier dividend of 1.0 sen (FYE 2014: Nil) per share for the FYE 2015. Therefore, if the first and final dividend is approved during the forthcoming Annual General Meeting, total dividend payment for the FYE 2015 is RM3.804 million (FYE 2014: a first single tier interim dividend of 1.0 sen per share was declared and paid on 26 February 2014).

The Board will continue to reward shareholders with satisfactory dividend payout in line with the performance of the Group besides conserving adequate funds to meet the Group's future investments and expansion programs.

Appreciation

To our valued customers, business associates, vendors, financiers, shareholders and regulatory bodies, I on behalf of the Board would like to extend our gratitude and sincere thanks for their continued support and confidence in AYS. To the dedicated management team and all employees of the Group, I would like to express our appreciation to them for their continued commitment, loyalty, support and contribution in 2015 which resulted in another successful year for the Group.

On behalf of the Board of Directors, I take this opportunity to welcome Mr Oh Yung Kwan who has joined the Board on 1st August 2014 as an Executive Director.

Last but not least, my personal thanks to my fellow Board members for their great support and contributions. We strive to create more stakeholders' value and to deliver our best as we move ahead towards greater accomplishments.

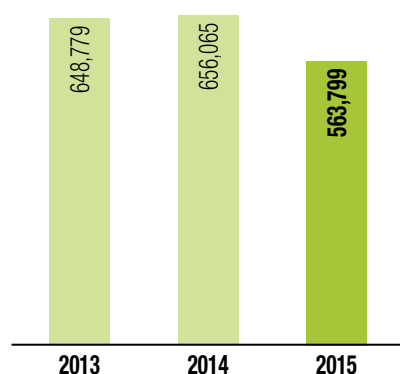
Haji Mohd. Sharif Bin Haji Yusof
Independent Non-Executive Chairman
June 2015



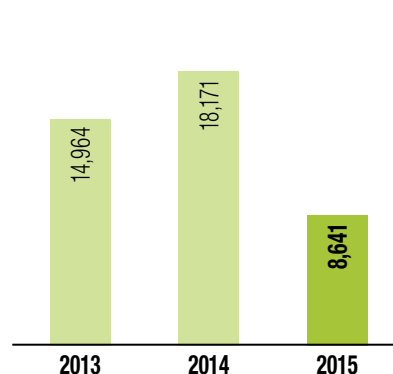
Group Financial Highlights

Financial Year Ended 31st March (RM'000)	2013	2014	2015
Revenue	648,779	656,065	563,799
Profit Before Tax	14,964	18,171	8,641
Profit After Tax	9,567	13,035	7,096
Profit Attributable To Owners Of The Company	9,551	12,970	7,050
Total Equity Attributable To Owners Of The Company	198,131	207,342	214,347
Net Assets Per Share (sen)	0.53	0.55	0.56
Earnings Per Share (sen)	2.58	3.41	1.85

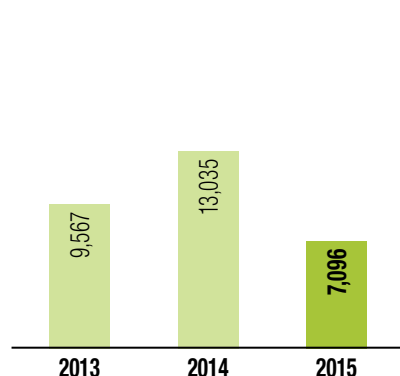
Revenue (RM'000)



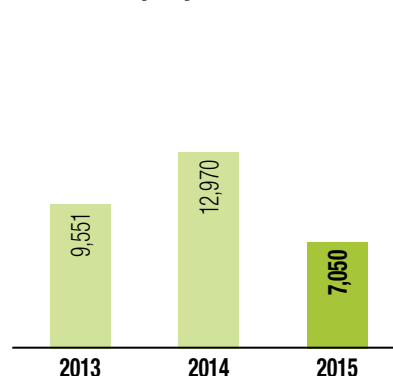
Profit Before Tax (RM'000)



Profit After Tax (RM'000)



Profit Attributable to Owners of The Company (RM'000)



Corporate Social Responsibility Disclosure

AYS Ventures Berhad and its subsidiaries ("AYS" or "the Group") recognise the importance of Corporate Social Responsibility ("CSR") as an integral part of business as the Group continues to ensure sustainable future for its business while being committed to achieve a balance among the interests of all stakeholders. The Group views CSR not just as philanthropy but as part and parcel of organisational culture and philosophy as the Group continues to contribute to the betterment of the communities at large, the environment and the workplace while conducting day-to-day business responsibly. The Group will remain committed and focused on building positive impacts on communities and preserving the environment through ethical business practices and CSR initiatives.

Environment

Environmental responsibility is part of the Group's commitment towards building a sustainable and growing organisation. Although the Group does not operate in an environmentally sensitive business, the Group always recognises and commits to reduce its impact on the environment where it operates while raising the level of environmental awareness among its staff. One of the measures taken is by regulating procedures for waste disposal, encouraging reuse of consumables and recycled paper, the adoption of energy efficient electronics, solar-powered street lighting and electrical appliances. The Group also educates the staff on the importance of energy conservation such as instilling good habit of switching off lights and air-conditioning when not in use.

Marketplace

The Group is committed to honesty, integrity, professionalism and excellence in all business dealings and has endeavoured in building AYS as a trusted company through ethical business practices. The Group strictly adheres to the laws or regulations available in the respective country where it operates the business. In order to ensure close communication link with the stakeholders, particularly with the customers and suppliers, the Group keeps the official corporate website-www.ays-group.com updated with the latest development of the Group's events, activities and products. Adhering to the Group's principle of upholding the long term viability and ensuring shareholders' value is protected, the Group also keeps the existing shareholders and potential investors in touch through investor relations portal at the official corporate website. With the aim to run AYS business and manufacturing operations in a socially and environmentally responsible manner, every business process is being closely monitored, from sourcing of raw material to delivery of goods to ensure compliance with regulatory and statutory requirements and conformity in terms of quality standards.

Welfare of Staff

The Group recognises that the most important resource of the Group is the human capital because the Group depends on the talents, loyalty and commitments of the staff for the Group's success. Although the Group does not have a policy on diversity of gender, ethnicity and age, the Group is committed to the practice of equal opportunity for workforce and respect for employees' human rights in the communities it operates in. The Group sees inherent value in the continuing development and training of the workforce. Each year, the Group allocates its resources, at both the management and staff levels, to increase workforce productivity, improve performance, increase staff interest and satisfaction to help them succeed. At the same time, the Group also works hard to promote an inclusive culture to retain talent and help them achieve their potential at work and in life. The Group also strives to maintain a safe and healthy working environment for all the staff because creating a safe working environment and ensuring safe practices in all aspects is the paramount duty of the Group. In line with creating and nurturing a healthy culture, the Group Sports & Recreation Club planned various activities throughout the year.

Community

The Group builds and maintains community relationships through engagement and honouring the commitments to communities in the countries and/or areas in which it operate. The Group strives to be a good neighbour, sharing the concerns of the communities and dedicating its capabilities, resources and people to help creating a better future. The Group continues contribute towards educational, religious, social and recreational activities. Besides contributions to various charitable organisations and schools, the Group also contributed in the flood relief programme assisted the Dec 2014 East Coast flood victims affected by the devastating flood. The Group has also made donation to the Social Affairs Bureau of Kaohsiung "81 Gas Explosion Disaster Fund" to help those who were in need as a result of the unfortunate underground gas pipeline explosions in the southern city of Kaohsiung, Taiwan in August 2014.

June 2014, cycling day at Taman Botani Negara Shah Alam.



September 2014, Pantai Hospital Klang Pink Charity Run 2014.



October 2014, badminton tournament.



The Group's Events in FYE 2015



November 2014, bowling tournaments.



December 2014, 2-Day-1-Night trip to Avillion Admiral Cove Port Dickson Hotel & Resort.



December 2014, contribution to the Flood Relief programme in the East Coast of Peninsular Malaysia.



January 2015, movie night.



February 2015, Chinese New Year open house.



Trainings and seminars.



Yoga and Zumba classes.



Corporate Governance Statement

The Board of Directors ("the Board") of AYS VENTURES BERHAD ("the Company") recognises that the exercise of good corporate governance in conducting the affairs of the Company and its subsidiaries ("the Group") is the key component for the Group's continuing progress and success as these would not only safeguard and enhance shareholders' value but also provide some assurance that the interests of the other stakeholders are preserved. The Group will continue to endeavour to comply with all the key Principles and Best Practices of the Malaysian Code on Corporate Governance 2012 ("the Code") in its effort to observe high standards of transparency, accountability and integrity.

The following paragraphs describe how the Group has applied the Principles of the Code and how the Board has complied with the Recommendations set out in the Code for the financial year ended 31 March 2015.

BOARD OF DIRECTORS

The Directors bring a broad range of skills, experiences and knowledge required to successfully direct and supervise the Group's business activities. The Company is led and managed by an experienced Board comprising members with a wide range of experience in relevant fields such as entrepreneurship, manufacturing, marketing, business development, finance, accounting and legal. As part of the governance process, the Company will be adopting a Board Charter.

Board Composition and Balance

The Board currently comprises of an Independent Non-Executive Chairman, a Group Managing Director, five (5) Executive Directors and two (2) Independent Non-Executive Directors. The Board composition complies with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad that requires at least one-third of the Board to comprise of independent directors.

The roles of the Chairman of the Board and Group Managing Director are segregated. The Chairman is primarily responsible for the proper conduct and working of the Board whilst the Group Managing Director is responsible for the day-to-day running of the business and implementation of Board policies and decisions.

The Independent Non-Executive Directors of the Company are independent of management and free from any business relationship which could materially interfere with the exercise of their judgement. They provide guidance, unbiased, fully balanced and independent views, advice and judgement to many aspects of the Group's strategy so as to safeguard the interests of minority shareholders and to ensure that the highest standards of conduct and integrity were maintained by the Group. As the Company was only listed in 2012, the tenure of the Independent Non-Executive Directors of the Company are still well below the 9 years limit as recommended in the Code. At this juncture, the Company has not adopted any policy on limiting the tenure of the Independent Non-Executive Directors and will consider this at a later stage.

The Company does not have a policy on diversity of gender, ethnicity and age. The appointment of Ms Seow Nyoke Yoong and Ms Oh Pooi Foon as Directors reflects that the Board recognises the value of a lady member to the Board. The age of the Directors range from 35 to 76 as the Board believes that this creates an environment where each generation brings different skills, experience and talents to the Board.

The Board has also appointed the Independent Non-Executive Chairman, Haji Mohd. Sharif Bin Haji Yusof, as the Senior Independent Director to whom concerns may be conveyed.

Board Responsibilities

The Board members exercise due diligence and care in discharging their duties and responsibilities to ensure that high ethical standards are applied, through compliance with the relevant rules and regulations, directives and guidelines in addition to adopting the best practices in the Code and act in the best interest of the Group and shareholders.

The Board retains full and effective control of the Group and has developed corporate objectives and position descriptions including the limits to Management's responsibilities, which the Executive Directors are aware and are responsible for meeting. The decision making of the overall Group strategy and direction, investment policy, major capital expenditures, consideration of significant financial matters and review of the financial and operating performance of the Group is reserved to the Board.

The principal risk of all aspects of the business that the Group is engaged in is recognised by the Board. As business decisions require the incurrence of risk, the Board has in place systems that effectively monitor and manage these risks with a view to the long term viability of the Group. This is to achieve a proper balance between risks incurred and potential returns to shareholders.

In discharging its fiduciary duties, the Board has delegated specific tasks to three (3) Board Committees namely the Audit Committee, Nomination Committee and Remuneration Committee. All the Board Committees have its own terms of reference and has the authority to act on behalf of the Board within the authority as lay out in the terms of reference and to report to the Board with the necessary recommendation.

As certain Board functions are delegated to Management, the Board ensures Management is of the highest caliber and has in place programmes to train and develop Management and also provide for the orderly succession of Management.

The Board recognises the importance to devote sufficient time and efforts to carry out their duties and responsibilities and has committed to this requirement at the time of their appointment. A Director of the Company is at liberty to accept other Board appointments so long as the appointment is not in conflict with the business of the Company and does not affect his performance as a Director. None of the Directors of the Company hold more than five (5) directorships in public listed companies.

Supply of Information

An agenda together with the relevant papers covering quantitative and qualitative information are distributed to all Directors within a week of the scheduled meetings. The Board members are provided with comprehensive explanation of pertinent issues and recommendations by the Management and issues would then be deliberated and discussed thoroughly by the Board prior to decision-making. The Board members are also updated on the Group's activities and its operations on a regular basis. All Directors have access to all information of the Company on a timely basis whether as a full Board or in their individual capacity in an appropriate form and quality necessary to enable them to discharge their duties and responsibilities.

All Directors have access to the advice and services of the Company Secretary and to obtain independent professional advice, whenever necessary, at the expense of the Company.

Board Meetings

There were four (4) Board of Directors' Meetings held during the financial year ended 31 March 2015. Details of the attendance of the Directors at the Board of Directors' Meetings are as follows:-

DIRECTORS	TOTAL MEETINGS ATTENDED	PERCENTAGE OF ATTENDANCE (%)
Haji Mohd. Sharif Bin Haji Yusof	4/4	100
Seow Nyoke Yoong	4/4	100
Mohamad Fazlin Bin Mohamad	4/4	100
Oh Chiew Ho	4/4	100
Oh Yung Sim	4/4	100
Chang Chee Seng	4/4	100
Tay Kim Chuan	4/4	100
Oh Pooi Foon	4/4	100
Oh Yung Kwan (Appointed on 1.8.2014)	3/3	100

The Board meets at least four (4) times a year and as and when it is necessary. Due notice of matters to be discussed are provided to the Board before the meetings are held. The proceedings, deliberations and conclusions made by the Board are properly recorded in the minutes of meetings kept by the Company and confirmed by the Board and signed by the Chairman of the meeting.

Appointment to the Board

The principal function of making recommendations for new appointments or re-election of retiring Directors is delegated to the Nomination Committee.

A Nomination Committee has been established by the Board comprising wholly of Independent Non-Executive Directors as follows:

Seow Nyoke Yoong	Chairman (Independent Non-Executive Director)
Haji Mohd. Sharif Bin Haji Yusof	Member (Independent Non-Executive Director)
Mohamad Fazlin Bin Mohamad	Member (Independent Non-Executive Director)

The Nomination Committee is entitled to the services of the Company Secretary who would ensure that all appointments are properly made upon obtaining all necessary information from the Directors. All the assessments and evaluations carried out during the year was properly documented and minuted by the Company Secretary.

Further details on the duties and activities of the Nomination Committee are set out in the Nomination Committee Report.

Re-election

In accordance with the provisions of the Articles of Association of the Company, one-third (1/3) of the Board of Directors for the time being or if their number is not three (3) or multiples of three (3), then the number nearest to one-third (1/3) shall retire from office at each annual general meeting and shall be eligible for re-election.

Corporate Governance Statement *cont'd*

Directors' Training

All the Directors who were appointed have attended the Mandatory Accreditation Programme as required under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and have also attended external training courses and programmes.

Directors' Remuneration

The Remuneration Committee had been established by the Board comprised majority of Independent Non-Executive Directors, as follows:-

Seow Nyoke Yoong	Chairman (Independent Non-Executive Director)
Haji Mohd. Sharif Bin Haji Yusof	Member (Independent Non-Executive Director)
Oh Chiew Ho	Member (Group Managing Director)

The Remuneration Committee shall ensure that the levels of remuneration are sufficient to attract and retain Directors of the quality required to manage the business of the Group. The Remuneration Committee is entrusted under its terms of reference to assist the Board, amongst others, to recommend to the Board the remuneration of the Executive Directors, by linking their rewards to corporate and individual performance with the Director concerned abstaining from deliberations and voting on decisions in respect of his remuneration package. In the case of Non-Executive Directors, the level of remuneration shall reflect the experience and level of responsibilities undertaken by the Non-Executive Directors concerned and is determined by the Board as a whole.

The Remuneration Committee met twice during the financial year ended 31 March 2015 to review the Non- Executive Directors' fees and allowance, remuneration package of the existing and new Executive Directors and the annual bonuses and increments.

Details of Directors' remuneration for the financial year ended 31 March 2015 are set out as below:

GROUP	FEES (RM'000)	SALARIES (RM'000)	BONUS AND ALLOWANCES (RM'000)	STATUTORY CONTRIBUTION (RM'000)	OTHERS/ BENEFIT-IN-KIND (RM'000)	TOTAL (RM'000)
Executive Directors	204	3,689	1,236	940	208	6,277
Non-Executive Directors	152	-	6	-	-	158

The number of Directors whose total remuneration falls within the respective bands is as follows:

	NO. OF DIRECTORS	
	EXECUTIVE	NON-EXECUTIVE
Below RM50,000		1
RM50,001 - RM100,000		2
RM450,001 - RM500,000	1	
RM500,001 - RM550,000		
RM550,001 - RM600,000	3	
RM650,001 - RM700,000	1	
RM3,350,001 - RM3,400,000	1	
	6	3

Directors do not participate in decisions regarding their own remuneration packages. Any increase in Directors' fees will be approved at the Annual General Meeting by the shareholders.

SHAREHOLDERS

Dialogue with Investors

The Board is committed to ensuring that the shareholders and other stakeholders are well informed of the Group's strategy performance and major developments of the Company and the information is communicated to them through the following:

- the Annual Report;
- the various disclosures and announcements made to Bursa Malaysia Securities Berhad including the quarterly results and annual results;
- the website at www.ays-group.com which shareholders as well as members of the public are invited to access for the latest information on the Group; and
- the meetings with fund managers and analysts and interviews by the press.

General Meetings

The Company's Annual General Meeting ("AGM") serves as a principal forum for dialogue with shareholders. Shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions. Extraordinary General Meetings is held as and when required.

ACCOUNTABILITY AND AUDIT

The oversight function of the Board is served by the Audit Committee that has been established comprising wholly of Independent Non-Executive Directors as follows:-

Haji Mohd. Sharif Bin Haji Yusof	Chairman (Independent Non-Executive Director)
Seow Nyoke Yoong	Member (Independent Non-Executive Director)
Mohamad Fazlin Bin Mohamad	Member (Independent Non-Executive Director)

Further details on the duties and activities of the Audit Committee are set out in the Audit Committee Report.

Financial Reporting

The Directors are responsible to present a true and fair assessment of the Group's position and prospects in the annual reports and quarterly reports. The quarterly financial results were reviewed by the Audit Committee and approved by the Board of Directors prior to submission to Bursa Malaysia Securities Berhad. A statement by the Directors of their responsibilities in the preparation of financial statements is set out in the ensuing section.

Statement of Directors' Responsibility for Preparing Financial Statements

The Board is responsible to ensure that the financial statements are properly drawn up in accordance with the provisions of the Companies Act 1965 and approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group as at the end of the financial year and of the results and cash flows of the Group for the financial year then ended.

The Directors are satisfied that in preparing the financial statements of the Group for the financial year ended 31 March 2015, the Group has adopted suitable accounting policies and applied them consistently, prudently and reasonably. The Directors also consider that all applicable approved accounting standards have been followed in the preparation of the financial statements, subject to any material departures being disclosed and explained in the notes to the financial statements. The financial statements have been prepared on the going concern basis.

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

Internal Control

The Board has an overall responsibility in maintaining a sound internal control system that provides reasonable assurance of effective and efficient operations and compliance with internal procedures and guidelines. Details of the Company's internal control system and the framework are set out in the Statement on Risk Management and Internal Control.

Relationship with the Auditors

The Board has established a formal and transparent arrangement for maintaining appropriate relationships with the external auditors in seeking professional advice and ensuring the compliance with the appropriate accounting standards. The Audit Committee reviews and monitors the suitability and independence of external auditors. To provide support for an assessment on independence, the Audit Committee obtains written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Audit Committee Report

COMPOSITION

Haji Mohd. Sharif Bin Haji Yusof
Seow Nyoke Yoong
Mohamad Fazlin bin Mohamad

Chairman, Independent Non-Executive Director
Member, Independent Non-Executive Director
Member, Independent Non-Executive Director

AUDIT COMMITTEE MEETINGS AND ATTENDANCE

During the financial year ended 31 March 2015, four (4) Audit Committee Meetings were held and the details of attendance of each member are as follows:-

AUDIT COMMITTEE MEMBERS	TOTAL MEETINGS ATTENDED
Haji Mohd. Sharif Bin Haji Yusof	4/4
Seow Nyoke Yoong	4/4
Mohamad Fazlin bin Mohamad	4/4

FUNCTIONS OF AUDIT COMMITTEE

The main functions of the Committee shall include the following:

(1) review the following and report the same to the Board:

- (a) with the external auditors, the audit plan;
- (b) with the external auditors, his evaluation of the system of internal controls;
- (c) with the external auditors, his audit report;
- (d) the assistance given by the employees of the Company to the external auditors;
- (e) the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- (f) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
- (g) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:
 - (i) changes in or implementation of major accounting policy changes;
 - (ii) significant and unusual events; and
 - (iii) compliance with accounting standards and other legal requirements;
- (h) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (i) any letter of resignation from the external auditors of the Company; and
- (j) whether there is reason (supported by grounds) to believe that the Company's external auditors is not suitable for re-appointment.

(2) recommend the nomination of a person or persons as external auditors.

(3) assessment of financial risk.

(4) to consider the major findings of internal investigations and management's response.

ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 31 March 2015, the Audit Committee, in discharging its functions and duties, carried out the following activities:-

- Review of the quarterly reports of the Group prior to submission to the Board of Directors for consideration and approval;
- Review of the audited financial statements of the Company and of the Group for the financial year ended 31 March 2014 prior to submission to the Board of Directors for consideration and approval;
- Reviewed the external auditors' report on the Statement on Risk Management and Internal Control in respect of the financial year ended 31 March 2014 prior to submission of the Board of Directors for consideration and approval;
- Reviewed the Committee's report in respect of the financial year ended 31 March 2014 prior to submission of the Board of Directors for consideration and approval;
- Reviewed and approved the Audit Planning Memorandum;
- Reviewed and discussed the Internal Audit Report;
- Reviewed and discussed on the Enterprise Risk Management Report;
- Recommended the re-appointment of external auditors and the payment of audit fees;
- Reviewed the policies and procedures prior to submission to the Board of Directors for consideration and approval;
- Reviewed the performance of the Group; and
- Reviewed the competency and effectiveness of the internal auditors.

Internal Audit Function

The Company's internal audit function is undertaken on a co-sourcing basis. The Company's in-house Internal Auditor works together with UHY Advisory (KL) Sdn Bhd ("UHY") to perform the independent risk-based internal audit review on the key operational areas of the Group. The approved Internal Audit Plan for the year 2015/2016 was approved and the four main areas identified for review encompassed the following:

- (i) Human Resource Management;
- (ii) Customer Service Function, Complaints and Claims Handlings;
- (iii) Warehouse Management of Ann Yak Siong Hardware Sdn Bhd - Bukit Raja and Jalan Kapar warehouses; and
- (iv) Production and Warehouse Management of AYS Metal Products & Engineering Sdn Bhd, AYS Wire Products Sdn Bhd and CH Yodoform Sdn Bhd - Jalan Kapar warehouse.

During the financial year ended 31 March 2015, an amount of RM117,880.00 was incurred in respect of the Group's internal audit function.

Nomination Committee Report

COMPOSITION

The Company has established a Nomination Committee comprising exclusively of Independent Non-Executive Directors, as follows:-

Seow Nyoke Yoong	Chairman (Independent Non-Executive Director)
Haji Mohd. Sharif Bin Haji Yusof	Member (Independent Non-Executive Director)
Mohamad Fazlin Bin Mohamad	Member (Independent Non-Executive Director)

The Nomination Committee has a written terms of reference dealing with its authority and duties which includes the selection and assessment of directors.

FUNCTIONS

The key functions of the Nomination Committee include the following:

- (a) Examine the size of the Board with a view to determine the number of Directors on the Board in relation to its effectiveness.
- (b) Review annually its required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board and disclose the same in the Annual Report.
- (c) Recommend suitable orientation, educational and training programmes to continuously train and equip the existing and new Directors.
- (d) Recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board taking into consideration the skills, knowledge, expertise and experience; professionalism; integrity of the candidate; and in the case of candidates for position of Independent Non-Executive Directors, the Committee should also evaluate the candidates' ability to discharge such responsibilities/ functions as expected from Independent Non-Executive Directors.
- (e) Formalise a transparent procedure for proposing new nominees and recommending on the suitability of candidates nominated for appointment to the Board and to fill the seats of the Audit, Nomination, Remuneration and other Committees.
- (f) Assess annually the effectiveness of the Board as a whole, the committees of the Board and the contribution of each individual Director based on the process implemented by the Board.

The Nomination Committee met once during the financial year ended 31 March 2015.

ACTIVITIES OF THE NOMINATION COMMITTEE

During the financial year ended 31 March 2015, the Nomination Committee, in discharging its functions and duties, carried out the following activities:-

- a. reviewed the mix of skill and experience and other qualities of the Board;
- b. assessed the effectiveness of the Board as a whole, the Board committees and the Directors;
- c. discussed and recommended the re-election/re-appointment of retiring Directors; and
- d. recommend to the Board, the candidate to fill the seat on the Board.

The Nomination Committee upon its annual assessment carried out for financial year 2015, was satisfied that:

- a. the size and composition of the Company Board is optimum with appropriate mix of knowledge, skills, attribute and core competencies;
- b. the Board has been able to discharge its duties professionally and effectively;
- c. all the Directors continues to uphold the highest governance standards in discharging their duties and responsibilities;
- d. all the Members of the Board are well qualified to hold their positions as Directors of the Company in view of their respective work experience, academic and professional qualifications, depth of knowledge, skills and experience and their personal qualities;
- e. the Directors are able to devote sufficient time commitment to their roles and responsibilities as evidenced by their attendance records; and
- f. all the Directors have received training during the financial year ended 31 March 2015 that is relevant and would serve to enhance their effectiveness in the Board.

Statement on Risk Management and Internal Control

INTRODUCTION

The Malaysian Code on Corporate Governance 2012 requires listed companies to maintain a sound internal control system and risk management to safeguard the shareholders' investments and the Group's assets. The Board of Directors ("Board") is committed to maintain a sound system of risk management and internal control in the Group. Set out below is the Board of Directors' "Statement on Risk Management and Internal Control" which has been prepared in accordance with the paragraph 15.26 (b) of the Main Market Listing Requirements and Guidelines for Directors of Listed Issuers: Statement on Risk Management and Internal Control.

RESPONSIBILITY OF THE BOARD

The Board acknowledges its overall responsible for the adequacy, integrity and effectiveness of the AYS Group's ("the Group") risk management and internal control system. The Board ensures that the system manages the Group's key areas of risk within an acceptable risk profile to increase the likelihood that the Group's policies and business objectives will be achieved. The Board regularly reviews the internal control system to ensure it provides a reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Board has established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control system as and when there are changes to the business environment or regulatory guidelines. Management assists the Board in the implementation of the Board's policies and procedures on risk management and internal control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

The Board has received assurance from the Group Managing Director and the Group Financial Controller that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

The Board is of the view that the risk management and internal control system in place for the financial year under review and up to the date of issuance of the financial statements is adequate and effective to safeguard the shareholders' investment, the interests of customers, regulators and employees, and the Group's assets.

RISK MANAGEMENT

The Board of Directors is aware that a sound system of internal control should be embedded in the operations of the Group and form part of its culture. This system should be capable of responding quickly to evolving risks to the business arising from factors within the Group and changes in the business environment. It should include procedures for reporting immediately to appropriate levels of management any significant control failings or weaknesses that are identified together with details of corrective action being taken.

The Group has in place an on-going process for identifying, monitoring and managing significant risks that may affect the achievement of business objectives.

Management is continuously reviewing potential risk areas through discussions held at half yearly management meetings. Where a particular risk is identified, it will be monitored with counter measures taken to mitigate the risk, if possible.

INTERNAL REVIEW AND AUDIT

The Group's internal audit function is outsourced to an independent professional firm, UHY Advisory (KL) Sdn Bhd who reports directly to the Audit Committee. In addition, the internal audit function is responsible to conduct consistent and systematic review on the adequacy and integrity of internal control systems to provide reasonable assurance to ensure risks are appropriately identified and mitigated.

An internal audit review report is submitted to the Audit Committee on a quarterly basis. Criteria to be addressed in the report include risk identification and mitigation, corrective action plans and implementation of the plans by the Management.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Recommended Practice Guide ("RPG") 5 issued by the Malaysian Institute of Accountant ("MIA") for inclusion in the annual report for the financial year ended 31 March 2015 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control system.

RPG 5 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control cover all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon.

CONCLUSION

During the financial year under review, the Board is satisfied that no material losses, deficiencies or errors were arising from any inadequacy or failure of the Group's internal control system that will require disclosure in the Annual Report.

The Board will continue to take measures to strengthen the system of internal control maintained by the Group and ensure shareholders' investment and the Group's assets are consistently safeguarded.

Additional Compliance Information

SHARE BUY-BACK

The Company has not undertaken any share buy-back exercise during the financial year under review.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no issue of options, warrants or convertible securities during the financial year ended 31 March 2015.

AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR)

The Company did not sponsor any ADR or GDR programme.

SANCTION AND /OR PENALTY

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the regulatory bodies during the financial year ended 31 March 2015, save for penalties of amount less than RM550.00 for late remittances.

NON-AUDIT FEES

The amount of non-audit fees payable to external auditors by the Group for the financial year ended 31 March 2015 is RM5,000.00.

PROFIT GUARANTEE

The Company did not provide any form of profit guarantee to any parties during the financial year.

MATERIAL CONTRACTS INVOLVING DIRECTORS'/MAJOR SHAREHOLDERS' INTEREST

There were no material contracts of the Company and its subsidiaries involving Directors' and major shareholders' interests for the financial year under review.

Financial Statements

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Directors' Report

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2015.

PRINCIPAL ACTIVITY

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

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

FINANCIAL RESULTS

	GROUP RM'000	COMPANY RM'000
Profit for the financial year	7,096	2,493
Attributable to:		
Owners of the company	7,050	2,493
Non-controlling interests	46	-
	7,096	2,493

RESERVES AND PROVISIONS

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

DIVIDENDS

The Board of Directors have proposed a first and final single-tier dividend of 1.0 sen per ordinary shares in respect of the financial year ended 31 March 2015, amounting to a net dividend payable of RM 3,804,177. The proposed dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting. This proposed dividend is not reflected in the current year's financial statements and if approved by the shareholders will be accounted for in shareholders' equity as appropriation of retained earnings in the financial year ending 31 March 2016.

DIRECTORS

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

Haji Mohd. Sharif Bin Haji Yusof
Oh Chiew Ho
Oh Yung Sim
Chang Chee Seng
Seow Nyoke Yoong
Mohamad Fazlin Bin Mohamad
Tay Kim Chuan
Oh Yung Kwan (Appointed on 1 August 2014)
Oh Pooi Foon

DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings, the direct and indirect interest in the shares of the Company and of its related corporation of those who were Directors at the end of the financial year are as follows:

	ORDINARY SHARES OF RM0.50 EACH		
	AT 1 APRIL 2014	BOUGHT SOLD	AT 31 MARCH 2015
Indirect interests			
Oh Chiew Ho#	264,707,360	-	- 264,707,360
Interest in the holding company (Chiew Ho Holding Sdn. Bhd)			
Direct interest			
Oh Chiew Ho	51	-	- 51
Oh Yung Sim	10	-	- 10
Oh Yung Kwan	10	-	- 10
Oh Pooi Foon	10	-	- 10

Indirect interest by virtue of his shareholdings in Chiew Ho Holding Sdn. Bhd. and Ann Yak Siong Group Sdn. Bhd.

By virtue of his interest in the ordinary shares of the Company, Oh Chiew Ho is also deemed to be interested in the ordinary shares of the related corporations to the extent the Company has an interest under Section 6A of the Companies Act 1965.

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

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

Since the end of previous financial year, no Director has received or become entitled to receive any benefit (other than as disclosed in Notes 26, 30 and 33 to the financial statements) by reason of a contract made by the Company 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.

ISSUE OF SHARES AND DEBENTURES

There were no changes in the authorised, issued and paid up capital of the Company during the financial year.

There were no debentures issued during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and 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 provision for doubtful debts and satisfied themselves that all known bad debts have been written off and adequate provision for doubtful debts had been made; and
- to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value as shown in the accounting records of the Group and the Company have been written down to an amount which they might be expected so to realise.

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

- which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

Directors' Report *cont'd*

OTHER STATUTORY INFORMATION *cont'd*

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

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

In the opinion of the Directors:-

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

HOLDING COMPANY

The holding company is Chiew Ho Holding Sdn. Bhd., a company incorporated in Malaysia.

AUDITORS

The Auditors, Messrs SJ Grant Thornton have expressed their willingness to continue in office.

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

.....
OH CHIEW HO
DIRECTOR

.....
OH YUNG SIM
DIRECTOR

Klang
10 June 2015

Statement by Directors

In the opinion of the Directors, the financial statements set out on pages 30 to 67 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2015 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the supplementary information set out on page 68 had been compiled 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, issued by the Malaysian Institute of Accountants and presented based on format prescribed by Bursa Malaysia Securities Berhad.

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

.....
OH CHIEW HO

.....
OH YUNG SIM

Klang
10 June 2015

Statutory Declaration

I, Low Wai Han, being the Officer primarily responsible for the financial management of AYS Ventures Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 30 to 67 and the supplementary information set out on page 68 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Klang in)
Selangor Darul Ehsan this day of)
10 June 2015)
LOW WAI HAN

Before me:

Tee Hsiao Mei
No. B272

Commissioner for Oaths

Independent Auditors' Report to the members of AYS VENTURES BERHAD

Report on the Financial Statements

We have audited the financial statements of AYS Ventures Berhad, which comprise the Statements of Financial Position as at 31 March 2015 of the Group and of the Company, and the Statements of Profit or Loss and Other Comprehensive Income, Statements of Changes in Equity and Statements of Cash Flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 30 to 67.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of the 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 control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the accounts 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.
- (c) The auditors' reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

Other Reporting Responsibilities

The supplementary information set out on page 68 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

SJ GRANT THORNTON
(NO. AF: 0737)
CHARTERED ACCOUNTANTS

LIAN TIAN KWEE
(NO: 2943/05/17(J))
CHARTERED ACCOUNTANT

Kuala Lumpur
10 June 2015

Statements of Financial Position as at 31 March 2015

		GROUP		COMPANY	
	NOTE	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	71,672	72,756	-	-
Investment properties	5	15,015	10,845	-	-
Investment in subsidiaries	6	-	-	160,000	160,000
Other investments	7	-	104	-	-
Total non-current assets		86,687	83,705	160,000	160,000
Current assets					
Inventories	8	191,056	172,255	-	-
Trade receivables	9	145,087	139,066	-	-
Other receivables	10	23,117	15,278	5	147
Amount due from a subsidiary	11	-	-	35,307	32,699
Tax recoverable		3,400	534	-	-
Derivative financial instruments	12	1,463	-	-	-
Fixed deposits with licensed banks	13	30,875	34,407	-	-
Cash and bank balances		18,165	17,485	26	7
Total current assets		413,163	379,025	35,338	32,853
Total assets		499,850	462,730	195,338	192,853
EQUITY AND LIABILITIES					
EQUITY					
Equity attributable to owners of the Company					
Share capital	14	190,209	190,209	190,209	190,209
Retained earnings	15	164,015	156,965	4,960	2,467
Fair value adjustment reserve	16	-	45	-	-
Revaluation reserve	17	9,718	9,718	-	-
Capital reserve	18	3,595	3,595	-	-
Merger deficit	19	(153,190)	(153,190)	-	-
		214,347	207,342	195,169	192,676
Non-controlling interest		854	808	-	-
Total Equity		215,201	208,150	195,169	192,676
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	20	1,981	2,179	-	-
Finance lease liabilities	21	2,511	2,179	-	-
Bank borrowings	22	2,095	2,513	-	-
Total non-current liabilities		6,587	6,871	-	-
Current liabilities					
Trade payables	23	22,482	24,236	-	-
Other payables	24	7,089	7,104	169	177
Finance lease liabilities	21	1,211	1,371	-	-
Bank borrowings	22	247,249	213,813	-	-
Provision for taxation		31	935	-	-
Derivative financial instruments	12	-	250	-	-
Total current liabilities		278,062	247,709	169	177
Total liabilities		284,649	254,580	169	177
Total equity and liabilities		499,850	462,730	195,338	192,853

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

Statements of Profit or Loss and Other Comprehensive Income

for the financial year ended 31 March 2015

	NOTE	GROUP		COMPANY	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	25	563,799	656,065	3,133	6,600
Cost of sales		(512,534)	(593,834)	-	-
Gross profit		51,265	62,231	3,133	6,600
Other income		6,337	5,367	-	-
Selling and distribution expenses		(9,830)	(9,678)	-	-
Administration expenses		(22,413)	(21,857)	(640)	(517)
Other expenses		(6,420)	(7,921)	-	-
Finance costs		(10,298)	(9,971)	-	-
Profit before tax	26	8,641	18,171	2,493	6,083
Tax expense	27	(1,545)	(5,136)	-	(4)
Profit for the financial year		7,096	13,035	2,493	6,079
Item that will be reclassified subsequently to profit or loss					
Gain on fair value of available-for-sale financial assets		-	45	-	-
Reversal of gain on fair value upon disposal of available-for-sale financial assets		(45)	-	-	-
Other comprehensive income for the financial year		(45)	45	-	-
Total comprehensive income for the financial year		7,051	13,080	2,493	6,079
Profit for the financial year attributable to:					
Owners of the company		7,050	12,970	2,493	6,079
Non-controlling interest		46	65	-	-
		7,096	13,035	2,493	6,079
Total comprehensive income attributable to:					
Owners of the company		7,005	13,015	2,493	6,079
Non-controlling interest		46	65	-	-
		7,051	13,080	2,493	6,079
Earnings per share	28				
Basic earnings per ordinary share attributable to owners of the Company (RM)		0.02	0.03		

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

Statements of Changes in Equity for the financial year ended 31 March 2015

	ATTRIBUTABLE TO OWNERS OF COMPANY								
	NON-DISTRIBUTABLE					DISTRIBUTABLE			
	FAIR VALUE								
	SHARE CAPITAL RM'000	CAPITAL RESERVE RM'000	MERGER DEFICIT RM'000	ADJUSTMENT RESERVE RM'000	REVALUATION RESERVE RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000	NON- CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
Group									
Balance at 1 April 2013	190,209	3,595	(153,190)	-	9,718	147,799	198,131	743	198,874
Profit for the financial year	-	-	-	-	-	12,970	12,970	65	13,035
Other comprehensive income for the financial year	-	-	-	45	-	-	45	-	45
Total comprehensive income for the financial year	-	-	-	45	-	12,970	13,015	65	13,080
Transaction with owners:									
Dividend to owners of the Company	-	-	-	-	-	(3,804)	(3,804)	-	(3,804)
Balance at 31 March 2014	190,209	3,595	(153,190)	45	9,718	156,965	207,342	808	208,150
Profit for the financial year	-	-	-	-	-	7,050	7,050	46	7,096
Other comprehensive loss for the financial year	-	-	-	(45)	-	-	(45)	-	(45)
Total comprehensive income for the financial year	-	-	-	(45)	-	7,050	7,005	46	7,051
Balance at 31 March 2015	190,209	3,595	(153,190)	-	9,718	164,015	214,347	854	215,201
Company									
Balance at 1 April 2013	190,209	-	-	-	-	192	190,401	-	190,401
Total comprehensive income for the financial year	-	-	-	-	-	6,079	6,079	-	6,079
Transaction with owners:									
Dividend to owners of the Company	-	-	-	-	-	(3,804)	(3,804)	-	(3,804)
Balance at 31 March 2014	190,209	-	-	-	-	2,467	192,676	-	192,676
Total comprehensive income for the financial year	-	-	-	-	-	2,493	2,493	-	2,493
Balance at 31 March 2015	190,209	-	-	-	-	4,960	195,169	-	195,169

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

Statements of Cash Flows for the financial year ended 31 March 2015

		GROUP		COMPANY	
	NOTE	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		8,641	18,171	2,493	6,083
Adjustments for:-					
Depreciation of property, plant and equipment		3,142	3,112	-	-
Impairment loss on trade receivables		2,087	3,790	-	-
Interest expenses		10,298	9,971	-	-
Unrealised loss/(gain) on foreign exchange		253	(116)	-	-
Gain on disposal of property, plant and equipment		(230)	(396)	-	-
Gain on disposal of investment property		-	(70)	-	-
Gain on disposal of other investments		(58)	-	-	-
Gain on fair value adjustments on investment properties		(3,398)	(925)	-	-
Interest income		(1,134)	(1,530)	-	-
Bad debts written off		43	3	-	-
Inventories written down		-	33	-	-
Impairment loss on trade receivables no longer required		(446)	(674)	-	-
Operating profit before working capital changes		19,198	31,369	2,493	6,083
Changes in working capital:-					
Inventories		(18,801)	(28,383)	-	-
Receivables		(14,580)	15,797	142	(127)
Payables		(1,767)	(2,441)	(8)	(202)
Cash (used in)/from operations		(15,950)	16,342	2,627	5,754
Tax paid		(5,513)	(5,625)	-	(4)
Tax refund		-	889	-	-
Net cash (used in)/from operating activities		(21,463)	11,606	2,627	5,750
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	A	(410)	(582)	-	-
Purchase of investment property		(772)	(805)	-	-
Proceeds from disposal of investment property		-	370	-	-
Proceeds from disposal of property, plant and equipment		231	508	-	-
Proceeds from disposal of other investment		117	-	-	-
Interest received		1,134	1,530	-	-
Net cash from investing activities		300	1,021	-	-

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

Statements of Cash Flows for the financial year ended 31 March 2015 *cont'd*

	NOTE	GROUP		COMPANY	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
CASH FLOW FROM FINANCING ACTIVITIES					
Subsidiary		-	-	(2,608)	(1,954)
Interest paid		(10,298)	(9,971)	-	-
Dividend paid		-	(3,804)	-	(3,804)
Fixed deposits uplifted with licensed banks		2,030	359	-	-
Net drawdown from borrowings		29,847	(1,328)	-	-
Repayment of finance lease liabilities		(1,477)	(1,563)	-	-
Repayment of term loan		(394)	(400)	-	-
<hr/>					
Net cash from/(used in) financing activities		19,708	(16,707)	(2,608)	(5,758)
<hr/>					
CASH AND CASH EQUIVALENTS					
Net changes		(1,455)	(4,080)	19	(8)
At beginning of financial year		18,864	22,938	7	15
Effect on foreign exchange rate		24	6	-	-
<hr/>					
At end of financial year	B	17,433	18,864	26	7

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

Group

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM2,059,000 (2014: RM1,701,000) of which RM1,649,000 (2014: RM1,119,000) were acquired by means of finance lease. Cash payments of RM410,000 (2014: RM582,000) were made to purchase the property, plant and equipment.

B. CASH AND CASH EQUIVALENTS COMPRISE:-

Cash and cash equivalents included in the Statements of Cash Flows comprise the following amounts:-

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances	18,165	17,485	26	7
Fixed deposits with licensed banks	30,875	34,407	-	-
Less: Bank overdrafts	(1,232)	(621)	-	-
	47,808	51,271	26	7
Less: Fixed deposits pledged	(30,375)	(32,407)	-	-
	17,433	18,864	26	7

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

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

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

The registered office of the Company is located at 802, 8th Floor, Block C, Kelana Square, 17, Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal activity of the Company is investment holding.

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

The holding company is Chiew Ho Holding Sdn. Bhd., a company incorporated in Malaysia.

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

The financial statements were authorised by the Board of Directors in accordance with a resolution of the Directors on 10 June 2015.

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 Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 1965 in Malaysia.

2.2 Basis of Measurement

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

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

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

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

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

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

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

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period.

2.3 Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia (RM), which is the Group's and the Company's functional currency and all value are rounded to the nearest thousand (RM'000), except when otherwise stated.

2. BASIS OF PREPARATION *cont'd*

2.4 Adoption of New and Revised MFRSs, Amendments/Improvements to MFRSs, and IC Interpretations ("IC Int")

Except for the changes below, the Group and the Company have consistently applied the accounting policies set out in Note 3 to all periods presented in these financial statements.

At the beginning of the current financial year, the Group and the Company adopted MFRSs and amendments to MFRSs which are mandatory for the financial periods beginning on or after 1 April 2014.

Initial application of the standards and amendments to the standards did not have material impact to the financial statements. The nature and the impact of these new standards and amendments are described below:

Amendments to MFRSs and Interpretation effective 1 January 2014:

MFRS 10	Consolidated Financial Statements: Investment Entities
MFRS 12	Disclosure of Interests in Other Entities: Investment Entities
MFRS 127	Separate Financial Statements: Investment Entities
MFRS 132	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities
MFRS 136	Recoverable Amount Disclosures for Non-Financial Assets
MFRS 139	Financial Instrument: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Leases

Interpretation 21 is not applicable to the Group's operation.

MFRS 10, 12, 127 and IC Interpretation 21 are not applicable to the Company's operation.

The adoption of new/revised standards did not have material impact on the Group's and the Company's financial statements.

2.5 Standards Issued But Not Yet Effective

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

Amendments to MFRSs effective 1 July 2014:

Amendments to MFRS 119 Employee Benefits: Defined Benefit Plans – Employee Contributions

Annual Improvements to MFRSs 2010 – 2012 Cycle, including the amendments to:

- MFRS 2 Share-based Payment Definition of vesting condition
- MFRS 3 Business Combination: Accounting for contingent consideration in a business combination
- MFRS 8 Operating Segments: Aggregation of operating segments
- MFRS 8 Operating Segments: Reconciliation of the total of the reportable segments' assets to the entity's assets
- MFRS 13 Fair Value Measurement: Short-term receivables and payables
- MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets: Revaluation method – proportionate restatement of accumulated depreciation
- MFRS 124 Related Party Disclosures: Key Management Personnel

Annual Improvements to MFRSs 2011 – 2013 Cycle, including the amendments to:

- MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards: Meaning of "Effective MFRSs"
- MFRS 3 Business Combinations: Scope exceptions for joint ventures
- MFRS 13 Fair Value Measurement: Scope of paragraph 52 (portfolio exception)
- MFRS 140 Investment Property: Clarifying the interrelationship between MFRS 3 and MFRS 140 when classifying property as investment property or owner-occupied property

MFRS and Amendments to MFRSs effective 1 January 2016:

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 10	Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures: Sale or contribution of assets between an investor and its associate or joint-venture
Amendments to MFRS 10	Consolidated Financial Statement, MFRS 12 Disclosure of Interest in Other Entities and MFRS 128 Investments in Associates and Joint Ventures: Investment Entities-Applying the Consolidation Exception
Amendments to MFRS 11	Joint Arrangements: Accounting for acquisitions of interests in joint operations

2. BASIS OF PREPARATION *cont'd*

2.5 Standards Issued But Not Yet Effective *cont'd*

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

Amendments to MFRSs effective 1 July 2014 (Cont'd):

Amendments to MFRS 101	Presentation of Financial Statements: Disclosure Initiative
Amendments to MFRS 116	Property, Plant and Equipment and MFRS 138 Intangible Assets: Clarification of acceptable methods of depreciation and amortisation
Amendments to MFRS 116	Property, Plant and Equipment and MFRS 141 Agriculture: Agriculture-Bearer Plants
Amendments to MFRS 127	Consolidated and Separate Financial Statements: Equity Method in Separate Financial Statements

Annual Improvements to MFRSs 2012-2014 Cycle, including the amendments to:

MFRS 5	Non-current Assets Held for Sale and Discontinued Operations: Changes in methods of disposal
MFRS 7	Financial Instruments – Disclosures: Servicing contracts
MFRS 7	Financial Instruments – Disclosures: Applicability of the amendments to MFRS 7 to condensed interim financial statements
MFRS 119	Employee Benefits: Discount rate – regional market issue
MFRS 134	Interim Financial Reporting: Disclosures of information "elsewhere in the interim financial report"

MFRS effective 1 January 2017:

MFRS 15 Revenue from Contracts with Customers

MFRS and Amendments to MFRS effective 1 January 2018:

MFRS 9 Financial Instruments	(IFRS 9 Issued by IASB in July 2014)
Amendments to MFRS 7	Financial Instruments – Disclosures: Mandatory effective date of MFRS 9 and transitional disclosures

MFRS 1, 2, 3, 5, 11 and 14 are not applicable to the Company's operation.

MFRS 1, 2, 5, 11 and 14 are not applicable to the Group's operation.

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

The initial application of the above standards, amendments and interpretation are not expected to have any financial impacts to the financial statements, except for:

MFRS 9 Financial Instruments

MFRS 9 is issued during the financial year, which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous version of MFRS 9. The new standard introduces extensive requirements and guidance for classification and measurement of financial assets and financial liabilities which fall under the scope of MFRS 9, new "expected credit loss model" under the impairment of financial assets and greater flexibility has been allowed in hedge accounting transactions.

The Group and the Company are currently examining the financial impact of adopting MFRS 9.

MFRS 15 Revenue From Contracts with Customers

MFRS 15 presents new requirements for the recognition of revenue, replacing the guidance of MFRS 111 Construction Contracts, MFRS 118 Revenue, IC Int 13 Customer Loyalty Programmes, IC Int 15 Agreements for Construction of Real Estate, IC Int 18 Transfers of Assets from Customers and IC Int 131 Revenue – Barter Transaction Involving Advertising Services. The principles in MFRS 15 provide a more structured approach to measuring and recognising revenue. It establishes a new five-step model that will apply to revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Group and the Company are currently assessing the impact of MFRS 15 and plans to adopt the new standards on the required effective date.

2. BASIS OF PREPARATION *cont'd*

2.6 Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

2.6.1 Estimation Uncertainty

Information about significant judgement, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below.

Revaluation of property, plant and equipment

The Group measures its land and buildings at revalued amount with changes in fair value being recognised in other comprehensive income.

The carrying amount of the land and buildings at the end of the reporting period, and the relevant revaluation bases, are disclosed in Note 4 to the financial statements.

Useful lives of depreciable assets

Property, plant and equipment are depreciated on a straight-line basis over their useful life. Management estimates the useful lives of the property, plant and equipment to be within 5 to 50 years and reviews the useful lives of depreciable assets at each end of the reporting date. As at 31 March 2015, management assesses that the useful lives represent the expected utility of the assets to the Group. The carrying amounts are analysed in Note 4 to the financial statements.

Actual results, however, may vary due to change in the expected level of usage and technological developments, resulting in the adjustment to the Group's assets.

Management expects that the expected useful lives of the property, plant and equipment would not have material difference from the management estimates and hence it would not result in material variance in the Group's profit for the financial year.

Income taxes

Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transaction and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets

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

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 receivables and default or significant delay in payments.

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

The management expects that the carrying amount of the Group's loans and receivables would not have material difference from the management's estimates and hence it would not result in material variance in the Group's profit for the financial year.

2. BASIS OF PREPARATION *cont'd*

2.6 Significant Accounting Estimates and Judgements *cont'd*

2.6.1 Estimation Uncertainty *cont'd*

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the times the estimates are made. The Group's core business is subject to economical and technology changes which may cause selling prices to change rapidly, and the Group's profit to change.

The carrying amount of the Group's inventories at the end of the reporting date is disclosed in Note 8 to the financial statements.

2.6.2 Significant Management Judgement

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effects on the financial statements.

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under finance lease), the Group accounts for the portion separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all periods presented in the financial statements.

3.1 Consolidation

3.1.1 Subsidiaries

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

Investment in subsidiaries is stated at cost less any impairment losses in the Company's financial position, unless the investment is held for sale or distribution.

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

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

3.1 Consolidation *cont'd*

3.1.2 Basis of consolidation

The Group's financial statements consolidate the audited financial statements of the Company and all of its subsidiaries, which have been prepared in accordance with the Group's accounting policies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting date.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

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

3.1.3 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

3.1.4 Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

3.1 Consolidation *cont'd*

3.1.5 Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if that results in a deficit balance.

3.2 Foreign Currency Translation

Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates, whether realised or unrealised, are recognised in profit or loss except for exchange differences arising from monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity.

Non-monetary items measured at historical cost are translated using the exchange rates at the date of the transaction (not retranslated). Non-monetary items measured at fair value are translated using the exchange rates at the date when fair value was determined. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

3.3 Tax Expenses

Tax expenses comprise current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or items recognised directly in equity or other comprehensive income.

3.3.1 Current tax

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

Current tax is recognised in the statement of financial position as a liability (or an asset) to the extent that it is unpaid (or refundable).

3.3.2 Deferred tax

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

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

3.4 Property, Plant and Equipment and Depreciation

All property, plant and equipment, except for land and buildings, are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity, usually every five years, to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of the reporting period.

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus arising upon appraisal of land is recognised in other comprehensive income and credited to the 'revaluation reserve' in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to other comprehensive income.

Depreciation of property, plant and equipment is provided on the straight line method in order to write off the cost of each asset over its estimated useful life. No depreciation is provided on freehold land.

The principal annual depreciation rates used are as follows:-

Factory and buildings	2%
Machinery and equipment	10% - 20%
Motor vehicles and others	8% - 20%

Restoration cost relating to an item of the property, plant and equipment is capitalised only if such expenditure is expected to increase the future benefits from the existing property, plant and equipment beyond its previously assessed standard of performance.

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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

3.5 Investment Properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost, including transaction cost. Cost includes expenditures that are directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Subsequent to initial recognition, investment properties are measured at fair value and are included in the statement of financial position at their open market values. Any gain or loss resulting from either a change in the fair value or the sale of an investment property is immediately recognised in profit or loss in the period in which they arise. The fair values are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property and supported by market evidence.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the financial year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

3.6 Inventories

Inventories of raw materials, work-in-progress and finished goods are value at the lower of cost and net realisable value less allowance for obsolete and slow moving items. Cost is determined on the weighted average basis.

Cost of work-in-progress and finished goods include the cost of materials, direct labour and proportion of the manufacturing overheads.

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

3.7 Financial Instruments

3.7.1 Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group or the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets and financial liabilities are measured subsequently as described below.

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, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

3.7.2 Financial assets – categorisation and subsequent measurement

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- (a) loans and receivables;
- (b) financial assets at fair value through profit or loss;
- (c) held to maturity investments; and
- (d) available-for-sale financial assets.

The category determines subsequent measurement and whether any resulting income and expense is recognised in profit or loss or in other comprehensive income.

All financial assets except for those at fair value through profit or loss are subject to review for impairment at least at each reporting date. Financial assets are impaired when there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in the profit or loss.

At the reporting date, the Group and the Company carry the loans and receivables and available-for-sale financial assets on its statements of financial position.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less allowance for impairment. Discounting is omitted where the effect of discounting is immaterial. Gains or losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

3.7 Financial Instruments *cont'd*

3.7.2 Financial assets – categorisation and subsequent measurement *cont'd*

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's available-for-sale financial assets include listed securities and the equity instruments.

Available-for-sale financial assets are measured at fair value subsequent to the initial recognition. Gains and losses are recognised in other comprehensive income and reported within the available-for-sale reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired, the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income.

Interest calculated using the effective interest method and dividends are recognised in profit or loss. Dividends on an available-for-sale equity are recognised in profit or loss when the Group or the Company's right to receive payment is established.

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

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the end of the reporting period.

3.7.3 Financial liabilities – categorisation and subsequent measurement

After the initial recognition, financial liabilities are classified as:-

- (a) financial liabilities at fair value through profit or loss;
- (b) other financial liabilities measured at amortised cost using the effective interest method; and
- (c) financial guarantee contracts.

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

As at the reporting date, the Group and the Company carry only other financial liabilities on its statement of financial position.

Other liabilities measured at amortised cost

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

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group or the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

3.8 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, 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 a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Group or the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time of money is material, the amount of provision is the present value of the expenditure expected to be required to settle the obligation.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

3.9 Assets Acquired Under Finance Lease Arrangements

The cost of property, plant and equipment acquired under finance lease arrangements which transferred substantially all the risks and rewards of ownership to the Company are capitalised. The depreciation policy on these assets is similar to that of the Group's and of the Company's property, plant and equipment depreciation policy.

Outstanding obligations due under finance lease arrangements after deducting finance expenses are included as liabilities in the financial statements. Finance charges on hire purchase arrangements are allocated to statement of comprehensive income over the period of the respective agreements.

3.10 Cash and Cash Equivalents

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

3.11 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group or the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

3.11.1 Sale of goods

Revenue from sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyers. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated cost or the possible returns of goods.

3.11.2 Interest income

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

3.11.3 Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

3.12 Impairment of Financial Assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

3.12.1 Trade and other receivables and other financial assets carried at cost

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

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

3.13 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 indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

3.14 Derivative Financial Instruments and Hedging Activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and subsequently remeasured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivatives are designated as hedging instruments, and if so, the nature of the item being hedged.

3.15 Equity Instrument

Ordinary shares are classified as equity which are recorded at the normal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Dividend on ordinary shares is recognised as liability when declared.

The transaction cost of an equity transaction which comprise only those incremental external costs directly attributable to the equity transaction are accounted for as a deduction from equity, net of tax, from the proceeds.

Retained earnings include all current and prior periods' retained profits.

All transactions with the owners of the Company are recorded separately within equity.

3.16 Borrowing Costs

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised as part of the cost of those assets during the period of time that is required to complete and prepare the assets for their intended use.

All other borrowing costs are expensed in the year in which they incurred.

3.17 Employee Benefits

3.17.1 Short term benefits

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

3.17.2 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contributions are recognised as expenses in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

3.18 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 revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

3. SIGNIFICANT ACCOUNTING POLICIES *cont'd*

3.19 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or the Company. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs such that outflow is probable and can be measured reliably, it will then be recognised as a provision.

3.20 Related Parties

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

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

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

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

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

3.21 Common Control Business Combination

A business combination involving entities under common control is a business combination in which all the combining entities or business are ultimately controlled by the same party or parties both before or after the business combination, and that control is not transitory.

The acquisition resulted in a business involving common control entities, and accordingly the accounting treatment is outside the scope of MFRS 3. For such common control business combinations, the merger accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the combining entities in the consolidated financial statements.

Under the merger method of accounting, the results of subsidiaries are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the end of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit differences is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any share premium, capital redemption reserve and any other that which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference are classified and presented as movement in other capital reserves.

Notes to the Financial Statements 31 March 2015 *cont'd*

4. PROPERTY, PLANT AND EQUIPMENT

Group	At Valuation		At Cost		Total RM'000
	Freehold Land	Factory and Buildings	Machinery and Equipment	Motor vehicles and Others	
	RM'000	RM'000	RM'000	RM'000	
Cost or valuation					
At 1 April 2013	39,898	26,233	13,657	12,706	92,494
Additions	214	-	59	1,428	1,701
Disposals	-	-	-	(1,321)	(1,321)
At 31 March 2014	40,112	26,233	13,716	12,813	92,874
Additions	-	-	530	1,529	2,059
Disposals	-	-	(134)	(919)	(1,053)
Written off	-	-	-	(2)	(2)
At 31 March 2015	40,112	26,233	14,112	13,421	93,878
Accumulated depreciation					
At 1 April 2013	-	1,581	9,435	7,199	18,215
Charge for the financial year	-	571	753	1,788	3,112
Disposals	-	-	-	(1,209)	(1,209)
At 31 March 2014	-	2,152	10,188	7,778	20,118
Charge for the financial year	-	575	794	1,773	3,142
Disposals	-	-	(134)	(918)	(1,052)
Written off	-	-	-	(2)	(2)
At 31 March 2015	-	2,727	10,848	8,631	22,206
Net carrying amount					
At 31 March 2014	40,112	24,081	3,528	5,035	72,756
At 31 March 2015	40,112	23,506	3,264	4,790	71,672

GROUP
2015 2014
RM'000 RM'000

Details of assets under finance lease arrangements

Motor vehicles

- additions during the financial year	1,049	1,344
- net carrying amount at financial year end	2,968	2,830

Machinery and equipment

- additions during the financial year	500	-
- net carrying amount at financial year end	1,026	1,328

4. PROPERTY, PLANT AND EQUIPMENT *cont'd*

Revaluation of land and buildings

- (a) The Group's land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent depreciation and subsequent accumulated impairment losses.

Freehold land and buildings were revalued on 31 March 2013 by Savills (Malaysia) Sdn. Bhd. (formerly known as CB Richard Ellis (Malaysia) Sdn. Bhd.), an independent professional valuer. The sales comparison method was adopted in arriving at the market value of the freehold land and buildings.

In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year. The revaluation surplus net of applicable deferred tax was credited to other comprehensive income and is shown in "Revaluation Reserve" under the equity. Freehold land and buildings at valuation are categorised as Level 2 fair value.

Level 2 Fair Value

Level 2 fair value of freehold land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Had the freehold land and buildings of the Group been stated at historical cost less accumulated depreciation, the net carrying amount would have been RM23,248,427 (2014: RM23,560,016).

- (b) The net carrying value of property, plant and equipment of the Group amounted to RM63,618,000 (2014: RM67,153,000) are pledged as securities for bank facilities granted to the Group as disclosed in Note 22 to the financial statements.

5. INVESTMENT PROPERTIES

Group	FREEHOLD LAND RM'000	BUILDINGS RM'000	TOTAL RM'000
Fair Value			
At 1 April 2013	6,695	2,720	9,415
Change in fair value recognised in profit or loss	825	100	925
Additions	805	-	805
Disposals	-	(300)	(300)
At 31 March 2014	8,325	2,520	10,845
Change in fair value recognised in profit or loss	2,876	522	3,398
Additions	64	708	772
At 31 March 2015	11,265	3,750	15,015
At 31 March 2014	8,325	2,520	10,845
At 31 March 2015	11,265	3,750	15,015

5. INVESTMENT PROPERTIES *cont'd*

Fair value basis of investment properties

- (a) The Group applies fair value model in measuring its buildings and freehold land. Buildings and freehold land of the Group were revalued in the financial year 2015 by Savills (Malaysia) Sdn. Bhd. (formerly known as CB Richard Ellis (Malaysia) Sdn. Bhd.), an independent professional valuer.

The sale comparison method was adopted in arriving at the market value of the buildings and freehold land.

- (b) The freehold land and buildings at valuation are categorised at Level 2 fair value.

Level 2 Fair Value

Level 2 fair value of freehold land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Had the freehold land and buildings of the Group been stated at historical cost less accumulated depreciation, the net carrying amount would have been RM11,297,217 (2014: RM10,694,201).

- (c) The net carrying amount of investment properties pledged as securities for the banking facilities granted to the Group are as follows:-

	GROUP	
	2015 RM'000	2014 RM'000
Land and buildings	12,630	9,495

- (d) The title deed of buildings of the Group with the fair value of RM140,000 (2014: RM300,000) is yet to be issued by the relevant authorities.

6. INVESTMENT IN SUBSIDIARIES

	COMPANY	
	2015 RM'000	2014 RM'000
Unquoted shares at cost	160,000	160,000

The subsidiaries, all of which are incorporated in Malaysia, are as follows:-

Subsidiary	EFFECTIVE INTEREST (%)		PRINCIPAL ACTIVITY
	2015	2014	
Ann Yak Siong Hardware Sdn. Bhd.	100	100	Trading and marketing of steel products
Indirect Subsidiaries			
AYS Marketing Sdn. Bhd.	100	100	Trading in all types of construction materials and steel products
AYS Metal Products & Engineering Sdn. Bhd.	99	99	Manufacture and trading of panels and components for sectional tanks
AYS Wire Products Sdn. Bhd.	90	90	Manufacture and trading of wire and steel products
CH Yodoform Sdn. Bhd.	100	100	Manufacture and trading of purlin and other steel products
Heapi Enterprise Sdn. Bhd.	100	100	Dormant
AYS Metal Trading Sdn. Bhd.	99	99	Trading of panels and components, supply of installation and maintenance services of sectional tanks
CH Yodoform Trading Sdn. Bhd.	100	100	Dormant

All the subsidiaries are audited by SJ Grant Thornton.

7. OTHER INVESTMENTS

	GROUP	
	2015 RM'000	2014 RM'000
Available-for-sale financial assets		
Share quoted in Malaysia		
At 1 April	104	5
Additions	-	54
Disposal	(59)	-
Fair value adjustment	(45)	45
	(104)	99
At 31 March	-	104
Market value	-	104

8. INVENTORIES

	GROUP	
	2015 RM'000	2014 RM'000
Raw materials	3,764	4,409
Work-in-progress	2,590	2,509
Finished goods	184,702	165,337
At carrying amount	191,056	172,255
Recognised in profit and loss:		
Inventories recognised as cost of sales	499,541	582,508
Inventories written down	-	33

9. TRADE RECEIVABLES

	GROUP	
	2015 RM'000	2014 RM'000
Trade receivables	152,081	144,462
Less: Allowance for impairment losses	(6,994)	(5,396)
Net trade receivables	145,087	139,066

The movement of impairment losses during the financial year is as follows:

	GROUP	
	2015 RM'000	2014 RM'000
At beginning of financial year	5,396	2,296
Recognised	2,087	3,790
Written off	(43)	(16)
Reversed	(446)	(674)
At end of financial year	6,994	5,396

Trade receivables are non-interest bearing and generally on 30 to 120 (2014: 30 to 120) days term.

Impairment losses written off during the financial year by the Group amounted to RM43,000 (2014: RM16,000).

The currency exposure profile of the trade receivables other than denominated in the Group's functional currency is as follows:-

	GROUP	
	2015 RM'000	2014 RM'000
US Dollar	3,384	2,608
SGD	9,108	6,880

Notes to the Financial Statements 31 March 2015 *cont'd*

10. OTHER RECEIVABLES

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Non-trade receivables	16,022	11,097	-	-
Deposits	1,322	565	5	70
Prepayments	5,684	3,520	-	77
Staff advances	89	96	-	-
	23,117	15,278	5	147

As at 31 March 2015, included in non-trade receivables of the Group are payments in advance made to suppliers of RM15,311,685 (2014: RM10,330,764) for the supply of goods.

The currency exposure profile of the other receivables other than denominated in the Group's functional currency is as follows:-

	GROUP	
	2015	2014
	RM'000	RM'000
US Dollar	3,520	10,331

11. AMOUNT DUE FROM A SUBSIDIARY

	COMPANY	
	2015	2014
	RM'000	RM'000
Non-trade nature	35,307	32,699

Amount due from a subsidiary that is non-trade related is unsecured, interest free and is repayable on demand.

12. DERIVATIVE FINANCIAL INSTRUMENTS

	GROUP			
	2015		2014	
	CONTRACT/ NOTIONAL AMOUNT RM'000	(ASSETS)/ LIABILITIES RM'000	CONTRACT/ NOTIONAL AMOUNT RM'000	(ASSETS)/ LIABILITIES RM'000
Hedging derivatives:				
Forward currency contracts	61,848	(1,463)	104,315	250

The Group uses forward currency contracts to manage some of the transaction exposure. Trading derivatives are classified as a current asset or liability. The full fair value of a derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

As at 31 March 2015, the Group has forward currency contracts outstanding designated as hedges of expected future purchases from suppliers in Singapore, Thailand, China, Japan, Korea, Europe and Indonesia for which the Company has high probable forecasted transactions. The forward currency contracts are being used to hedge the foreign currency risk of the highly probable forecasted transactions.

13. FIXED DEPOSITS WITH LICENSED BANKS

Included in fixed deposits with licensed banks of the Group are RM30,375,000 (2014: RM32,407,000) pledged to the licensed banks for banking facilities granted as disclosed in Note 22 to the financial statements.

14. SHARE CAPITAL

Group and Company

	No. of Ordinary Shares of		Amount	
	RM0.50 Each 2015	RM0.50 Each 2014	2015 RM	2014 RM
Authorised: At 1 April / 31 March	400,000,000	400,000,000	200,000,000	200,000,000

Group and Company

	No. of Ordinary Shares of		Amount	
	RM0.50 Each 2015	RM0.50 Each 2014	2015 RM	2014 RM
Issued and fully paid: At 1 April / 31 March	380,417,656	380,417,656	190,208,828	190,208,828

15. RETAINED EARNINGS

The Company is under single tier system and can frank the payment of dividends out of its entire earnings without incurring additional tax liabilities.

16. FAIR VALUE ADJUSTMENT RESERVE

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

17. REVALUATION RESERVE

Revaluation reserve relates to the revaluation of land and buildings previously recognised in other comprehensive income.

18. CAPITAL RESERVE

Capital reserve relates to the bonus share issued by subsidiaries.

19. MERGER DEFICIT

The merger deficit arose from the acquisition of Ann Yak Siong Hardware Sdn Bhd by share exchange in year 2013 as follows:

Merger deficit

	GROUP RM'000
Nominal value of shares issued by the Company	160,000
Less: Nominal values of share capital of subsidiaries acquired	(6,810)
	153,190

As the Company acquired its subsidiaries by means of a share exchange, resulting in a business combination involving entities under common control and where no acquirer is identified, the merger method of consolidation had been used. Therefore, the difference between the purchase consideration and the carrying value of the share capital and any share premium acquired is adjusted to equity.

20. DEFERRED TAX LIABILITIES

	GROUP 2015 RM'000	2014 RM'000
At beginning of financial year	2,179	2,259
Recognised in profit or loss (Note 27)		
- current year	(198)	(80)
At end of financial year	1,981	2,179
Presented after appropriate off-setting as follows:-		
Deferred tax liabilities	1,981	2,179

The balance in the deferred tax liabilities is made of tax effect on temporary differences arising from:-

	GROUP 2015 RM'000	2014 RM'000
Deferred tax liabilities		
Carrying amount of qualifying property, plant and equipment in excess of their tax base	959	896
Revaluation of freehold land and buildings	1,725	1,725
Receivables – allowance for impairment loss in receivables	(703)	(501)
Others – unrealised foreign exchange differences	-	59
	1,981	2,179

21. FINANCE LEASE LIABILITIES

	GROUP 2015 RM'000	2014 RM'000
Minimum lease premium:-		
- payable within 1 year	1,441	1,509
- payable after 1 year but not later than 5 years	2,607	2,304
	4,048	3,813
Less: Unexpired interest in suspense	(326)	(263)
	3,722	3,550
Present value of finance lease liabilities		
- within 1 year	1,211	1,371
- after 1 year but not later than 5 years	2,511	2,179
	3,722	3,550

22. BANK BORROWINGS

	GROUP	
	2015 RM'000	2014 RM'000
Non-current		
Secured:-		
Term loan	2,095	2,513
Current		
Secured:-		
Bank overdrafts	1,232	621
Bankers' acceptance	203,499	176,223
Onshore foreign currency loan	42,052	36,528
Term loan	466	441
	247,249	213,813

The above bank borrowings are secured by:-

- (i) Corporate guarantee by its subsidiary and the Company; and
- (ii) Fixed deposits pledged to the banks as disclosed in Note 13 to the financial statements.

The bank borrowings of the Group bear interest rates ranging from 1.86% to 8.60% (2014: 1.90% to 8.60%) per annum.

The above term loan of RM4,800,000 is repayable over 120 monthly installments of RM53,438 each month from the date of full drawdown.

The currency exposure profile of the borrowings is as follows:-

	GROUP	
	2015 RM'000	2014 RM'000
US Dollar	42,052	36,528

23. TRADE PAYABLES

Trade payables are non-interest bearing and are generally on 14 to 120 (2014: 14 to 120) days term.

The currency exposure profile of the trade payables is as follows:-

	GROUP	
	2015 RM'000	2014 RM'000
SGD	-	6
US Dollar	1,168	11,284

24. OTHER PAYABLES

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-trade payables	4,858	4,687	3	30
Accruals	2,198	2,376	166	147
Deposits	33	41	-	-
	7,089	7,104	169	177

25. REVENUE

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Sale of goods	563,799	656,065	-	-
Dividend income	-	-	3,133	6,600
	563,799	656,065	3,133	6,600

Notes to the Financial Statements 31 March 2015 *cont'd*

26. PROFIT BEFORE TAX

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

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Impairment for doubtful debts no longer required	(446)	(674)	-	-
Audit fees				
- current financial year	113	105	17	17
- under provision in prior year	5	2	-	-
Bad debts written off	43	3	-	-
Depreciation of property, plant and equipment	3,142	3,112	-	-
Directors' remuneration				
- fees	356	332	356	332
- other emoluments	5,945	6,047	6	6
Gain on disposal of property, plant and equipment	(230)	(396)	-	-
Gain on disposal of investment property	-	(70)	-	-
Gain on disposal of other investments	(58)	-	-	-
Gain on fair value adjustment on investment properties	(3,398)	(925)	-	-
Impairment loss on trade receivables	2,087	3,790	-	-
Hiring of machinery	427	470	-	-
Interest expenses				
- bankers' acceptance	9,780	9,407	-	-
- bank overdrafts	93	118	-	-
- finance lease	168	195	-	-
- term loan	247	241	-	-
- other interest	10	10	-	-
Interest income				
- overdue customers	(192)	(536)	-	-
- interest on fixed deposits	(904)	(957)	-	-
- current account	(38)	(37)	-	-
Bad debts recovered	(20)	-	-	-
Rental expense	84	77	-	-
Rental income	(85)	(72)	-	-
Realised loss on foreign exchange	4,843	1,111	-	-
Unrealised loss /(gain) on foreign exchange	253	(116)	-	-
Inventories written down	-	33	-	-

27. TAX EXPENSE

	GROUP		COMPANY	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Taxation				
- current year	2,070	5,370	-	-
- (over)/under provision in prior years	(327)	(154)	-	4
Transfer to deferred taxation (Note 20)				
- current year	(306)	(80)	-	-
- over provision in prior years	108	-	-	-
	1,545	5,136	-	4

27. TAX EXPENSE *cont'd*

The numerical reconciliation of tax expense at the statutory income tax rate to tax expense at the effective income tax rate is as follows:-

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax	8,641	18,171	2,493	6,083
Tax at 25%	2,160	4,543	623	1,521
Income not subject to tax	(1,032)	(526)	(783)	(1,650)
Non-allowable expenses	789	1,207	160	129
Double deduction expenses	(81)	(117)	-	-
Utilisation of deferred tax assets	(92)	(62)	-	-
Real property gain tax	-	7	-	-
Deferred tax assets not recognised	20	238	-	-
	1,764	5,290	-	-
(over)/under provision of taxation in prior year	(327)	(154)	-	4
under provision of deferred taxation in prior year	108	-	-	-
Total tax expense	1,545	5,136	-	4

As at 31 March 2015, the Group has an unutilised tax losses and unabsorbed capital allowances amounting to approximately RM3,052,000 (2014: RM3,082,000) and RM717,000 (2014: RM592,000) available for offset against future taxable profit.

However, the above amounts are subject to the approval of the Inland Revenue Board of Malaysia.

28. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share have been calculated based on profit attributable to the owners of the Company with the weighted average number of ordinary shares in issue during the financial year.

	GROUP	
	2015	2014
Profit for the financial year attributable to owners of the Company (RM)	7,050,000	12,970,000
Weighted average number of ordinary shares in issue	380,417,656	380,417,656
Basic earnings per share (RM)	0.02	0.03

Diluted earnings per share

No diluted earnings per share is presented as there are no potential dilutive ordinary shares as at the end of the financial year.

Notes to the Financial Statements 31 March 2015 *cont'd*

29. DEFERRED TAX ASSETS NOT RECOGNISED

Deferred tax assets have not been recognised in respect of the following items:-

	GROUP	
	2015 RM'000	2014 RM'000
Excess of property, plant and equipment's carrying amount over its tax base	(463)	(447)
Unutilised tax losses	3,052	3,082
Unabsorbed capital allowances	717	592
Reinvestment allowance	2,128	2,128
	<u>5,434</u>	<u>5,355</u>

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiaries that have a recent history of losses.

30. EMPLOYEES BENEFITS EXPENSES

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Salaries, allowances and overtime	14,414	13,737	6	6
Social security contributions	92	206	-	-
Defined contribution plan	2,207	2,206	-	-
Bonus	2,852	3,899	-	-
Other benefits	380	397	-	-
	<u>19,945</u>	<u>20,445</u>	<u>6</u>	<u>6</u>

Included in the employees benefits expenses is the
Directors' remuneration as below:-

Salaries, allowances and overtime	3,689	3,119	6	6
Social security contributions	3	3	-	-
Defined contribution plan	937	950	-	-
Bonus	1,236	1,890	-	-
Other benefits	80	85	-	-
	<u>5,945</u>	<u>6,047</u>	<u>6</u>	<u>6</u>
Estimated money value of benefits-in-kind	128	100	-	-
	<u>6,073</u>	<u>6,147</u>	<u>6</u>	<u>6</u>

31. COMMITMENTS

Group

(a) Capital commitment

	2015 RM'000	2014 RM'000
Authorised but not contracted for:-		
- Property, plant and equipment	18,962	19,962
- Investment property	2,088	-
Authorised and contracted for:-		
- Property, plant and equipment	250	906

(b) Finance lease commitments

The future minimum lease payments under finance lease are disclosed in Note 21 to the financial statements.

32. CONTINGENT LIABILITIES - UNSECURED

	COMPANY	
	2015 RM'000	2014 RM'000
Corporate guarantee given to banks as securities for facilities granted to subsidiaries	368,350	340,500

33. RELATED PARTY DISCLOSURE

(a) Related party transactions

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Dividend income received from a subsidiary	-	-	(3,133)	(6,600)
Purchases from company in which Directors of the Company have interest	-	4	-	-
Rental income from company in which Directors of the Company have interest	(40)	(18)	-	-

(b) Compensation of key management personnel

The remunerations of Directors and other members of key management personnel during the financial year are as follows:-

	GROUP		COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Salaries, wages and other emoluments	8,241	8,486	6	6
Social security contributions	10	10	-	-
Defined contribution plan	1,361	1,425	-	-
Other benefits	330	328	-	-
	9,942	10,249	6	6

Other members of key management personnel comprise persons other than the Directors of the Group and of the Company, having authority and responsibility for planning, directing and controlling the activities of the group either directly or indirectly.

Notes to the Financial Statements 31 March 2015 *cont'd*

34. FINANCIAL INSTRUMENTS

Categories of financial instruments

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

- (a) Loans and receivables (L&R)
- (b) Available-for-sale financial assets (AFS); and
- (c) Other liabilities measured at amortised cost (AC).

Group	CARRYING AMOUNT RM'000	L&R RM'000	AFS RM'000	AC RM'000
2015				
Financial assets				
Trade and other receivables (Notes 9 and 10)	162,520	162,520	-	-
Fixed deposits with licensed banks (Note 13)	30,875	30,875	-	-
Cash and bank balances	18,165	18,165	-	-
	211,560	211,560	-	-
Financial liabilities				
Trade and other payables (Notes 23 and 24)	29,571	-	-	29,571
Finance lease liabilities (Note 21)	3,722	-	-	3,722
Bank borrowings (Note 22)	249,344	-	-	249,344
	282,637	-	-	282,637
2014				
Financial assets				
Other investment	104	-	104	-
Trade and other receivables (Notes 9 and 10)	150,824	150,824	-	-
Fixed deposits with licensed banks (Note 13)	34,407	34,407	-	-
Cash and bank balances	17,485	17,485	-	-
	202,820	202,716	104	-
Financial liabilities				
Trade and other payables (Notes 23 and 24)	31,340	-	-	31,340
Finance lease liabilities (Note 21)	3,550	-	-	3,550
Bank borrowings (Note 22)	216,326	-	-	216,326
	251,216	-	-	251,216
Company				
2015				
Financial assets				
Other receivables (Note 10)	5	5	-	-
Amount due from a subsidiary (Note 11)	35,307	35,307	-	-
Cash and bank balances	26	26	-	-
	35,338	35,338	-	-
Financial liabilities				
Other payables (Note 24)	169	-	-	169
2014				
Financial assets				
Other receivables (Note 10)	70	70	-	-
Amount due from a subsidiary (Note 11)	32,699	32,699	-	-
Cash and bank balances	7	7	-	-
	32,776	32,776	-	-
Financial liabilities				
Other payables (Note 24)	177	-	-	177

35. OPERATING SEGMENT

(a) Business segments

For the management purposes, the Group is organised into business units based on their products and services, which comprises the following:

Trading	Trading and marketing of steel products and all types of construction materials
Manufacturing	Manufacturing of panels, purlin and wire and steel products
Others	Investment holding and dormant

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respect as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

2015 Group	NOTE	MANUFACTURING RM'000	TRADING RM'000	OTHERS RM'000	ADJUSTMENTS AND ELIMINATIONS RM'000	TOTAL AS PER CONSOLIDATED FINANCIAL STATEMENTS RM'000
Revenue						
External customers		53,547	510,252	-	-	563,799
Inter-segment	i	1,369	7,938	3,133	(12,440)	-
Total revenue		54,916	518,190	3,133	(12,440)	563,799
Results:						
Interest income		(650)	(802)	-	318	(1,134)
Interest expense		134	10,482	-	(318)	10,298
Depreciation of property, plant and equipment		840	2,302	-	-	3,142
Fair value gains on investment properties		(60)	(3,338)	-	-	(3,398)
Other non-cash expenses	ii	379	1,558	-	-	1,937
Income tax expense		417	1,128	-	-	1,545
Segment profit		1,387	6,352	(643)	-	7,096
Assets:						
Additions to non-current asset	iii	636	2,195	-	-	2,831
Segment assets		52,824	446,995	31	-	499,850
Liabilities:						
Segment liabilities		(24,413)	(259,986)	(250)	-	(284,649)
2014 GROUP						
Revenue						
External customers		54,846	601,219	-	-	656,065
Inter-segment	i	1,621	8,544	6,600	(16,765)	-
Total revenue		56,467	609,763	6,600	(16,765)	656,065
Results:						
Interest income		(459)	(1,246)	-	175	(1,530)
Interest expense		208	9,938	-	(175)	9,971
Depreciation of property, plant and equipment		887	2,225	-	-	3,112
Fair value gains on investment properties		(30)	(895)	-	-	(925)
Other non-cash expenses	ii	395	2,641	-	-	3,036
Income tax expense		926	4,206	4	-	5,136
Segment profit		5,214	8,346	(525)	-	13,035
Assets:						
Additions to non-current asset	iii	70	2,490	-	-	2,560
Segment assets		42,796	419,780	154	-	462,730
Liabilities:						
Segment liabilities		(7,415)	(246,988)	(177)	-	(254,580)

35. OPERATING SEGMENT *cont'd*

(a) Business segments *cont'd*

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

- i Inter-segment revenues are eliminated on consolidation.
- ii Other material non-cash expenses/(income) consist of the following items:

	GROUP	
	2015	2014
	RM'000	RM'000
Impairment loss on trade receivables	2,087	3,790
Bad debts written off	43	3
Impairment for doubtful debts no longer required	(446)	(674)
Unrealised loss/ (gain) on foreign currency	253	(116)
Inventories written down	-	33
	1,937	3,036

- iii Additions to non-current assets consist of:-

	GROUP	
	2015	2014
	RM'000	RM'000
Property, plant and equipment	2,059	1,701
Investment properties	772	805
Other investments	-	54
	2,831	2,560

(b) Geographical segment

No geographical segmental information being presented as the Group operates principally within Malaysia.

(c) Major customers

The Group does not have any revenue from a single external customer which represents 10% or more of the Group's revenue.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's business whilst managing its credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group operates within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the policies in respect of the major areas of treasury activity are set out as follows:

(a) 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. It is the Group's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group does not expect to incur material credit losses of its financial assets or other financial instruments.

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the Group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's portfolio of financial instrument is broadly diversified along industry, product and geographical lines, and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group does not offer credit terms without the approval of the head of credit control.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

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

Followings are the areas where the Group is exposed to credit risk:

(i) Receivables

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is limited to the carrying amounts in the statement of financial position.

With a credit policy in place to ensure the credit risk is monitored on an ongoing basis, management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses aging analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk, and are monitored individually.

The ageing analysis of these trade receivables is as follows:-

Group	GROSS	INDIVIDUALLY IMPAIRED	NET
<u>2015</u>	RM'000	RM'000	RM'000
Not past due	71,089	-	71,089
Past due 1 - 30 days	37,019	-	37,019
Past due 31 - 60 days	19,443	-	19,443
Past due 61 - 90 days	8,567	-	8,567
Past due 91 - 120 days	4,028	-	4,028
More than 121 days	11,935	(6,994)	4,941
	152,081	(6,994)	145,087
<u>2014</u>			
Not past due	85,791	-	85,791
Past due 1 - 30 days	28,085	-	28,085
Past due 31 - 60 days	12,986	-	12,986
Past due 61 - 90 days	2,854	-	2,854
Past due 91 - 120 days	1,762	-	1,762
More than 121 days	12,984	(5,396)	7,588
	144,462	(5,396)	139,066

Trade receivables that are past due not impaired are credit worthy debtors with good payment records with the Group. As at 31 March 2015, trade receivables of RM73,998,000 (2014: RM53,275,000) for the Group are past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The net carrying amount of trade receivables is considered a reasonable approximate of fair value. The maximum exposure to credit risk is the carrying value of each class of receivables mentioned above. Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

(ii) Corporate guarantees

The maximum exposure to credit risk is represented by the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The Company provides financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the borrowers and their repayments to the banks. As at the end of the reporting period, there was no indication that any of the subsidiaries would default on repayment.

(iii) Intercompany balances

The maximum exposure to credit risk is represented by their carrying amount in the statements of financial position.

The Company provides unsecured advances to subsidiaries and monitors their results regularly. As at the end of the reporting date, there was no indication that the advances to subsidiaries are not recoverable.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due, due to shortage of funds.

In managing its exposures to liquidity risk arises principally from its various payables, loans and borrowings, the Group and the Company maintain 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.

The Group and the Company aim at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

Following are the areas where the Group and the Company are exposed to liquidity risk:-

Group	CARRYING AMOUNT RM'000	CONTRACTUAL CASH FLOWS RM'000	MATURITY		
			CURRENT LESS THAN 1 YEAR RM'000	MORE THAN 1 YEAR BUT LESS THAN 5 YEARS RM'000	MORE THAN 5 YEARS RM'000
2015					
Secured:					
Finance lease liabilities	3,722	4,048	1,441	2,607	-
Bank overdrafts	1,232	1,232	1,232	-	-
Bankers' acceptance	203,499	203,499	203,499	-	-
Term loan	2,561	3,040	641	2,399	-
Onshore foreign currency loan	42,052	42,052	42,052	-	-
	253,066	253,871	248,865	5,006	-
Unsecured:					
Trade payables	22,482	22,482	22,482	-	-
Other payables	7,089	7,089	7,089	-	-
	29,571	29,571	29,571	-	-
Total	282,637	283,442	278,436	5,006	-
2014					
Secured:					
Finance lease liabilities	3,550	3,813	1,509	2,304	-
Bank overdrafts	621	621	621	-	-
Bankers' acceptance	176,223	176,223	176,223	-	-
Term loan	2,954	3,607	641	2,565	401
Onshore foreign currency loan	36,528	36,528	36,528	-	-
	219,876	220,792	215,522	4,869	401
Unsecured:					
Trade payables	24,236	24,236	24,236	-	-
Other payables	7,104	7,104	7,104	-	-
	31,340	31,340	31,340	-	-
Total	251,216	252,132	246,862	4,869	401

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(b) Liquidity risk *cont'd*

Following are the areas where the Group and the Company are exposed to liquidity risk:-

Company	CARRYING A MOUNT RM'000	CONTRACTUAL CASH FLOWS RM'000	MATURITY		
			CURRENT LESS THAN 1 YEAR RM'000	MORE THAN 1 YEAR BUT LESS THAN 5 YEARS RM'000	MORE THAN 5 YEARS RM'000
2015					
Unsecured:					
Other payables	169	169	169	-	-
Total	169	169	169	-	-
2014					
Unsecured:					
Other payables	177	177	177	-	-
Total	177	177	177	-	-

(c) 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.

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily US Dollar (USD) and Singapore Dollar (SGD). The Group uses forward exchange contracts to hedge its foreign currency risk when necessary. All the forward exchange contracts have maturities of less than one year after the end of the reporting period.

The foreign currency exposure as at reporting date is detailed in the respective notes to the financial statements.

The following table demonstrates the sensitivity of the Group's and of the Company's profit for the financial year to a reasonably possible change in the USD and SGD against the respective functional currency of the Group and of the Company, with all other variables held constant.

Group	INCREASE/(DECREASE)	
	PROFIT FOR THE YEAR RM'000	EQUITY RM'000
2015		
USD/RM		
Strengthened 1.07%	(377)	(377)
Weakened (1.07%)	377	377
SGD/RM		
Strengthened 0.33%	37	37
Weakened (0.33%)	(37)	(37)
2014		
USD/RM		
Strengthened 0.47%	(147)	(147)
Weakened (0.47%)	147	147
SGD/RM		
Strengthened 0.32%	(26)	(26)
Weakened (0.32%)	26	26

Exposures to foreign exchange rates vary during the financial year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's and of the Company's exposures to foreign currency risk.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group's targets a mix of fixed and floating debt based on assessment of its existing exposure and desired interest rate profile.

The interest rate profile of the Group's significant interest bearing financial instruments, based on carrying amounts as at the end of the reporting period were as follows:-

	GROUP	
	2015 RM'000	2014 RM'000
Fixed rate instruments		
Fixed deposits with licensed banks	30,875	34,407
Finance lease liabilities	(3,722)	(3,550)
	<hr/> 27,153	<hr/> 30,857
Floating rate instruments		
Bank overdrafts	1,232	621
Bankers' acceptance	203,499	176,223
Term loan	2,561	2,954
Onshore foreign currency loan	42,052	36,528
	<hr/> 249,344	<hr/> 216,326

Interest rate sensitivity analysis

As at 31 March 2015, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates.

The following table illustrates the sensitivity of profit to a reasonably possible change in interest rates of +/- 50 basis points ("BP"). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	GROUP	
	EFFECT ON PROFIT FOR THE FINANCIAL YEAR	
	+50BP RM'000	-50BP RM'000
2015		
Floating rate instruments	(1,247)	1,247
2014		
Floating rate instruments	(1,082)	1,082

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *cont'd*

(e) Fair value of financial instruments

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their values and carrying amounts shown in the statement of financial position.

	FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE LEVEL 1 RM'000	FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE LEVEL 2 RM'000	CARRYING AMOUNT RM'000
2015			
Group			
Financial liabilities			
Finance lease liabilities	-	3,430	3,722
Bank borrowings	-	249,129	249,344
	FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE RM'000	FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE* RM'000	CARRYING AMOUNT RM'000
2014			
Group			
Financial assets			
Other investments	104	-	104
Financial liabilities			
Finance lease liabilities	-	3,379	3,550
Bank borrowings	-	215,713	216,326

There were no transfers between Level 1 and Level 2 during the financial year (2014: no transfer in either direction).

37. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to maintain 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 Directors monitor and determine to maintain an optimal debt-to-equity ratio and tangible net worth that complies with debt covenants and regulatory requirements.

There were no changes in the Group's approach to capital management during the financial year. The Group is required to maintain a debt-to-equity ratio not exceeding 2 and minimum tangible net worth of RM150 million to comply with the banks covenants, failing which, the bank may call an event of default. The Group has complied with these requirements.

Notes to the Financial Statements 31 March 2015 *cont'd*

DISCLOSURE OF REALISED AND UNREALISED PROFITS/(LOSSES)

Bursa Malaysia Securities Berhad had on 25 March 2010 and 20 December 2010, issued directives requiring all listed corporations to disclose the breakdown of unappropriated profits or accumulated losses into realised and unrealised on Group and Company basis, as the case may be, in quarterly reports and annual audited financial statements.

The breakdown of unappropriated profits as at the reporting date that has been prepared by the Directors in accordance with the directives from Bursa Malaysia Securities Berhad stated above and Guidance on Special Matter No. 1 issued on 20 December 2010 by the Malaysian Institute of Accountants are as follows:-

	2015 RM'000	2014 RM'000
Group		
Total retained earnings of the Group:		
- Realised	156,414	152,825
- Unrealised	7,601	4,140
	164,015	156,965
	2015 RM'000	2014 RM'000
Company		
Total retained earnings of the Company:		
- Realised	4,960	2,467
- Unrealised	-	-
	4,960	2,467

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

Properties held by AYS Ventures Berhad and its subsidiaries as at 31 March 2015

LOCATION	TENURE	DESCRIPTION	AREA	EXISTING USE	APPROX. AGE OF BUILDING (No. OF YEARS)	DATE OF ACQUISITION	DATE OF REVALUATION	REVALUED/ NBV AS AT 31-03-2015 (RM'000)
Lot 6488, Jalan Haji Abdul Manan, 42100 Klang, Selangor	Freehold	Industrial Land & Building	5.087 acres	Warehouse, Office and Open storage yard	18	1-Oct-09	31-Mar-13	23,388
No.7, Lorong Keluli 1A, Kawasan Perindustrian Bukit Raja, 40000 Shah Alam, Selangor	Freehold	Industrial Land & Building	2.177 acres	Warehouse, Office and Open Storage Yard	20	30-Nov-90	31-Mar-13	8,276
Lot 3845, 7½ Mile, Jalan Kapar, 42200 Klang, Selangor Darul Ehsan	Freehold	Industrial Land & Building	1.397 acres	Factory and Office	6	20-Dec-01	31-Mar-13	6,600
Lot 3348, 7½ Mile, Jalan Kapar, 42200 Klang, Selangor Darul Ehsan	Freehold	Industrial Land	5.262 acres	Open Storage Yard		22-Apr-96	31-Mar-13	11,512
Lot 3846, 7½ Mile, Jalan Kapar, 42200 Klang, Selangor Darul Ehsan	Freehold	Industrial Land & Building	3.559 acres	Factory and Office	14	13-Oct-92	31-Mar-13	13,700
Unit No. B-4-1, Level 4, Block B, BBK Condominium, Persiaran Bukit Raja 1, Bandar Baru Klang, 41150 Selangor	Leasehold (expiring on 09.05.2093)	Condominium	1,000 sq ft	Staff Accommodation	15	26-Oct-95	31-Mar-13	142
Sub-Total (value of properties held as property, plant and equipment)								63,618
No. 9, Lorong Tiara 1A, Bandar Baru Klang, 41150 Klang, Selangor	Leasehold (expiring on 08.05.2093)	4 Storey Shop Office	1,647 sq ft	Tenanted	17	15-Feb-94	31-Mar-15	1,500
Lot 1232, Off Jalan Bukit Kemuning, Seksyen 35 Mukim Klang, Klang, Selangor	Freehold	Industrial Land	4.438 acres	Vacant		3-Jan-96	31-Mar-15	11,000
GRN 216124/Lot 22147, College Heights Garden Resort, 71700 Martin, Negeri Sembilan	Freehold	Bungalow Land	8,267 sq ft	Vacant		29-Sep-98	31-Mar-15	130
A5-09P, Level 9, Parkview Tower, Amber Court, 69000 Genting Highlands, Pahang	Freehold	Condominium	646 sq ft	Vacant	19	1-Feb-91	31-Mar-15	100
GRN 198673/Lot 21280 College Heights Garden Resort, 71700 Martin, Negeri Sembilan	Freehold	Bungalow Land	9,096 sq ft	Vacant		20-Feb-98	31-Mar-15	135
No. 35, Jalan Kembojasari 11, Perumahan Jalan Kembojasari, Bandar Sungai Buaya, 48010 Serendah, Rawang	Leasehold (expiring on 04.01.2095)	Single Storey Terrace House	1,300 sq ft	Vacant	11	8-Sep-00	31-Mar-15	120

Properties held by AYS Ventures Berhad and its subsidiaries as at 31 March 2015 *cont'd*

LOCATION	TENURE	DESCRIPTION	AREA	EXISTING USE	APPROX. AGE OF BUILDING (No. OF YEARS)	DATE OF ACQUISITION	DATE OF REVALUATION	NET BOOK VALUE AS AT 31-03-2015 (RM'000)
Unit No. 10-11, Bangunan Duta Impian (The Embassy Suites), No. 14, Jalan Dato Abdullah Tahir, 80250 Johor Bahru	Freehold	Apartment	1,345 sq ft	Vacant	9	30-Dec-04	31-Mar-15	480
Unit No C2-11, Block C, Skudaiville (Now Skudaivilla), Taman Skudai Baru, 81300 Skudai, Johor	Freehold	Apartment	1,213 sq ft	Vacant	11	14-Jun-02	31-Mar-15	250
D-1-3, Block D, Megan Avenue 1, Jalan Tun Razak, 50400 Kuala Lumpur	Freehold	Office lot	1,287 sq ft	Vacant	17	21-Jun-14	31-Mar-15	740
No. 854, Jalan Idaman 2/15/4, Taman Desa Idaman, 81400 Senai, Johor	Freehold	Single Storey Terrace House	1,442 sq ft	Vacant	12	11-Nov-08	31-Mar-15	90
Unit No. C-3-14, 3rd Floor, Block C, Rumah Pangsa Taman Semarak II, 71800 Nilai, Negeri Sembilan	Freehold	Low-Medium Cost Apartment	721 sq ft	Vacant	17	21-Dec-04	31-Mar-15	40
Unit No. 15-2R, Tingkat 2, Jalan Maju 1/16, Taman Lembah Maju, 68000 Ampang, Selangor	Leasehold (expiring in 04.12.2086)	Apartment	790 sq ft	Tenanted	7	21-Feb-00	31-Mar-15	140
Unit No 27B, 2nd Floor, Block 4, Pusat Perniagaan Worldwide, Jalan Karate 13/47, 40675 Shah Alam, Selangor	Leasehold (expiring in 25.03.2102)	Commercial shoplot	367 sq ft	Tenanted	15	17-Apr-03	31-Mar-15	90
Unit No. D-05-24, Level 5, Block D, Kompleks Suria Kinrara, Persiaran Kinrara Seksyen 3, Taman Kinrara Seksyen 3, 47100 Puchong, Selangor Darul Ehsan	Leasehold (expiring in 24.06.2101)	Service Apartment	712 sq ft	Vacant	6	7-Jun-12	31-Mar-15	200
Sub-total (value of properties held as investment properties)								15,015
Total (value of properties held as property, plant and equipment, and investment properties)								78,633

Statistical Report as at 18 May 2015

ANALYSIS BY SIZE OF SHAREHOLDINGS

Authorised share capital	:	RM200,000,000.00
Issued and paid-up share capital	:	RM190,208,828.00
Class of shares	:	Ordinary shares of RM0.50 each
Voting rights	:	One vote per ordinary share held

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued and Paid-Up Share Capital
Less than 100	258	11.12	13,666	0.00
100 – 1,000	1,010	43.55	391,009	0.10
1,001 – 10,000	472	20.35	2,454,244	0.65
10,001 – 100,000	479	20.66	18,094,820	4.76
100,001 – less than 5% of issued shares	98	4.23	94,756,557	24.91
5% and above of issued shares	2	0.09	264,707,360	69.58
Total	2,319	100.00	380,417,656	100.00

LIST OF DIRECTORS' SHAREHOLDINGS AS AT 18 MAY 2015

	DIRECT No. of Shares	%	INDIRECT No. of Shares	%
Tuan Haji Mohd. Sharif Bin Haji Yusof	-	-	-	-
Oh Chiew Ho	-	-	264,707,360*	69.58
Oh Yung Sim	-	-	-	-
Chang Chee Seng	-	-	-	-
Seow Nyoke Yoong	-	-	-	-
Mohamad Fazlin bin Mohamad	-	-	-	-
Tay Kim Chuan	-	-	-	-
Oh Yung Kwan	-	-	-	-
Oh Pooi Foon	-	-	-	-

* Deemed interest by virtue of his substantial shareholdings in substantial shareholders under Section 6A of the Companies Act, 1965.

SHARES IN RELATED CORPORATION AS AT 18 MAY 2015

There is no change to the interest of Directors in related companies as disclosed in the Directors Report for the financial year ended 31 March 2015 on page 25 of this Annual Report.

SUBSTANTIAL SHAREHOLDERS AS AT 18 MAY 2015

	As at 18 May 2015			
Substantial Shareholders	DIRECT No. of Shares	%	INDIRECT No. of Shares	%
Oh Chiew Ho	-	-	264,707,360*	69.58
Chiew Ho Holding Sdn Bhd (CHH)	239,663,123	63.00	-	-
Ann Yak Siong Group Sdn Bhd (AYSG)	25,044,237	6.58	-	-

* Deemed interest by virtue of his substantial shareholdings in CHH and AYSG under Section 6A of the Act.

Statistical Report as at 18 May 2015 cont'd

THIRTY LARGEST SHAREHOLDERS AS AT 18 MAY 2015

No.	NAME OF SHAREHOLDERS	No OF SHARES	% OF ISSUED AND PAID-UP SHARE CAPITAL
1.	Chiew Ho Holding Sdn Bhd	239,663,123	63.00
2.	Ann Yak Siong Group Sdn Bhd	25,044,237	6.58
3.	Ong Siew Eng @ Ong Chai	10,000,000	2.63
4.	Tan Chee Kuan	8,271,000	2.17
5.	See Siew Chiet	8,070,000	2.12
6.	Au Cheen Hoe	7,000,000	1.84
7.	Toh Tuan Sun	5,392,400	1.42
8.	Lee Ching Kion	5,000,000	1.31
9.	Lim Aik Hoe	4,801,453	1.26
10.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Siew Eng @ Ong Chai (8040800)	4,751,200	1.25
11.	Anugaris Sdn Bhd	3,660,092	0.96
12.	Tay Buan Tong	2,780,000	0.73
13.	Sin Cheak Seng Pottery Sdn Bhd	2,400,000	0.63
14.	Chuah Tong Chin	2,000,000	0.53
15.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chia Yu San (8121282)	1,608,400	0.42
16.	Wong Wai Kuan	1,538,300	0.40
17.	Wong Yoon Seng	1,394,000	0.37
18.	Meridian Location Sdn Bhd	1,344,000	0.35
19.	Lim Seng Chee	1,127,200	0.30
20.	Chong Feng Tak @ Chong Wee Khean	1,120,000	0.29
21.	Tang Chee Fook	800,000	0.21
22.	Cheng Gen Min	748,000	0.19
23.	Ng Tiow Min	738,000	0.19
24.	Maybank Nominees (Tempatan) Sdn Bhd Ng See Soon	656,980	0.17
25.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd (a/c clients)	560,800	0.15
26.	Liew Sin	520,960	0.14
27.	Tay Buan Tong	510,000	0.13
28.	Ang Geok Chin	500,240	0.13
29.	HSBC Nominees (Asing) Sdn Bhd Exempt An for Credit Suisse (SG BR-TST-ASING)	500,100	0.13
30.	AME Construction Sdn Bhd	500,000	0.13

Proxy Form

*I/*We

of

being a member/members of AYS VENTURES BERHAD hereby appoint

of

or failing whom

of

or *the Chairman of the Meeting as *my/*our proxy to vote for *me/*us and on *my/*our behalf at the Fourth Annual General Meeting of the Company to be held on Tuesday, 14 July 2015 at 9.30 a.m. and at any adjournment thereof.

*My/*Our proxy(ies) is/are to vote as indicated below:-

	Resolution	For*	Against*
To approve the payment of a first and final single tier dividend of 1 sen per ordinary share of RM0.50 each	1		
Re-election of Oh Yung Kwan as Director	2		
Re-election of Chang Chee Seng as Director	3		
Re-election of Oh Yung Sim as Director	4		
Re-appointment of Haji Mohd. Sharif Bin Haji Yusof as Director	5		
Approval of payment of Directors' fees	6		
Re-appointment of Messrs. SJ Grant Thornton as Auditors	7		
Approval of the proposed Authority to issue shares pursuant to Section 132D of the Companies Act, 1965	8		

*Please indicate with (X) how you wish your vote to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.

Dated this day of 2015

NUMBER OF SHARES HELD

.....
[Signature/Common Seal of Shareholder(s)]

[*Delete if not applicable]

NOTES:-

1. A Member of the Company who is entitled to attend and vote at this meeting is entitled to appoint a proxy or in the case of a corporation a duly authorised representative to attend and to vote in his stead.
2. A proxy need not be a Member of the Company and Section 149(1)(b) of the Companies Act, 1965 shall not apply.
3. A Member may appoint more than 2 proxies to attend and the proxies shall not be valid unless the Member specifies the proportion of his securities holdings to be represented by each proxy.
4. The instrument appointing proxy shall be in writing under the hands of the appointor or of his attorney duly authorised in writing or, if such be executed appointed is a corporation under its common seal or the hand of its attorney.
5. The instrument appointing a proxy shall be left at the Share Registrar's office at Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur at least 48 hours before the time appointed for the holding of the meeting or adjourned meeting.
6. Depositors who appear in the Record of Depositors as at 8 July 2015 shall be regarded as Member of the Company entitled to attend the Fourth Annual General Meeting or appoint a proxy to attend and vote on his behalf.

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AFFIX
STAMP

AYS VENTURES BERHAD (925171-T)

c/o Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur

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