THIS ABRIDGED PROSPECTUS ("AP") IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY. If you have sold or transferred all your shares in Asia Poly Holdings Berhad ("**Asia Poly**" or the "**Company**"), you should immediately hand this AP together with the Notice of Provisional Allotment ("**NPA**") and Rights Subscription Form ("**RSF**") (collectively referred to as "**Documents**") to the purchaser or transferee or agent/broker through whom you have effected the sale or transfer for onward transmission to the purchaser or transferee. You should address all enquiries concerning the Two-Call Rights Issue of Shares with Warrants (as defined herein) to our share registrar, Symphony Share Registrars Sdn Bhd ("**Share Registrar**") at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan.

The Documents are only despatched to our shareholders ("**Entitled Shareholders**") whose names appear in our Record of Depositors as at 5.00 p.m. on 20 November 2015 ("**Entitlement Date**") at their registered addresses in Malaysia. The Documents are not intended to be (and will not be) issued, circulated or distributed in any countries or jurisdictions other than Malaysia. No action has been or will be taken to ensure that the Two-Call Rights Issue of Shares with Warrants or the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. The Documents do not constitute an offer, solicitation or invitation to subscribe for the Two-Call Rights Issue of Shares with Warrants in any jurisdiction other than Malaysia or to any person to whom it may be unlawful to make such an offer, solicitation or invitation. It shall be the sole responsibility of the Entitled Shareholders and/or their renouncees/transferees (if applicable) who are residents in countries or jurisdictions other than Malaysia to consult their legal and/or other professional adviser as to whether their acceptance or renunciation (as the case may be) of his/her entitlement to the Two-Call Rights Issue of Shares with Warrants would result in the contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders and/or their renouncees/transferees (if applicable) should note the additional terms and restrictions as set out in Section 3 of this AP. Neither our Company nor TA Securities Holdings Berhad ("**TA Securities**") shall accept any responsibility or liability whatsoever to any party in the event that any acceptance or sale/renunciation made by the Entitled Shareholders, and/or their renouncees/transferees (if applicable) is or shall become illegal, unenforceable, voidable or void in any countries or jurisdictions in which the Entitled Shareholder and/or his renouncee/transferee (if applicable) is a resident.

A copy of this AP has been registered with the Securities Commission Malaysia ("**SC**"). The registration of this AP should not be taken to indicate that the SC recommends the Two-Call Rights Issue of Shares with Warrants or assumes responsibility for the correctness or any statement made or opinion or report expressed in this AP. The SC has not, in any way, considered the merits of the securities being offered for investment. A copy of this AP, together with the NPA and RSF, has also been lodged with the Registrar of Companies who takes no responsibility for the contents of these documents.

Our shareholders have approved the Two-Call Rights Issue of Shares with Warrants at the Extraordinary General Meeting held on 28 October 2015. Bursa Malaysia Securities Berhad ("**Bursa Securities**") had vide its letter dated 22 September 2015 approved the admission of the Warrants (as defined herein) to the Official List of the ACE Market of Bursa Securities and the listing of and quotation for the Rights Shares (as defined herein) and the new Asia Poly Shares (as defined herein) to be issued upon the exercise of the Warrants on the ACE Market of Bursa Securities. However, this is not an indication that Bursa Securities recommends the Two-Call Rights Issue of Shares with Warrants. The admission of the Warrants to the Official List of the ACE Market of Bursa Securities, listing of and quotation for the Rights Shares, Warrants and new Asia Poly Shares to be issued upon exercise of the Warrants on the ACE Market of Bursa Securities are in no way reflective of the merits of the Two-Call Rights Issue of Shares with Warrants. Neither Bursa Securities nor the SC takes any responsibility for the correctness of any statement made or opinions expressed in the Documents. The listing of and quotation for the Rights Shares and Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository that all the Central Depository System accounts of the Entitled Shareholders and/or their renouncees/transferees (if applicable) have been duly credited and notices of allotment have been despatched to the Entitled Shareholders and/or their renouncees/transferees (if applicable).

Our Board of Directors ("**Board**") has seen and approved all the documentation relating to this Two-Call Rights Issue of Shares with Warrants. They collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable inquiries, and to the best of their knowledge and belief, there are no false or misleading statements or other facts which, if omitted, would make any statement in these documents false or misleading.

TA Securities, being the Adviser for the Two-Call Rights Issue of Shares with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning the Two-Call Rights Issue of Shares with Warrants.

FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO "RISK FACTORS" AS SET OUT IN SECTION 6 HEREIN.

ASIA POLY

ASIA POLY HOLDINGS BERHAD

(Company No. 619176-A)
(Incorporated in Malaysia under the Companies Act, 1965)

RENOUNCEABLE TWO-CALL RIGHTS ISSUE OF UP TO 175,829,920 NEW ORDINARY SHARES OF RM0.10 EACH IN ASIA POLY ("ASIA POLY SHARES" OR "SHARES") ("RIGHTS SHARES") ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING ASIA POLY SHARE HELD AS AT 5.00 P.M. ON 20 NOVEMBER 2015, TOGETHER WITH UP TO 58,609,973 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) WARRANT FOR EVERY THREE (3) RIGHTS SHARES SUBSCRIBED FOR, AT AN ISSUE PRICE OF RM0.10 PER RIGHTS SHARE, OF WHICH THE FIRST CALL OF RM0.05 IS PAYABLE IN CASH ON APPLICATION AND THE SECOND CALL OF RM0.05 IS TO BE CAPITALISED FROM ASIA POLY'S SHARE PREMIUM AND RETAINED EARNINGS ("TWO-CALL RIGHTS ISSUE OF SHARES WITH WARRANTS")

Adviser and Joint Underwriter

TA SECURITIES
A MEMBER OF THE TA GROUP
TA SECURITIES HOLDINGS BERHAD (14948-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Underwriter

Apex
JF APEX SECURITIES BERHAD (47680-X)
A Participating Organisation of Bursa Malaysia Securities Berhad

IMPORTANT RELEVANT DATES AND TIME

Entitlement date	:	Friday, 20 November 2015 at 5.00 p.m.
Last date and time for:		
Sale of provisional allotment of rights	:	Friday, 27 November 2015 at 5.00 p.m.
Transfer of provisional allotment of rights	:	Wednesday, 2 December 2015 at 4.00 p.m.
Acceptance and payment	:	Monday, 7 December 2015 at 5.00 p.m.*
Excess application and payment	:	Monday, 7 December 2015 at 5.00 p.m.*

* or such later date and time as our Board may decide at their absolute discretion and announce not less than two (2) market days before the stipulated date and time

This Abridged Prospectus is dated 20 November 2015

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

BURSA SECURITIES HAS APPROVED THE ADMISSION OF THE WARRANTS TO THE OFFICIAL LIST OF THE ACE MARKET OF BURSA SECURITIES AND LISTING OF AND QUOTATION FOR THE RIGHTS SHARES AND THE NEW SHARES TO BE ISSUED PURSUANT TO THE EXERCISE OF THE WARRANTS ON THE ACE MARKET OF BURSA SECURITIES AND THE APPROVAL SHALL NOT BE TAKEN TO INDICATE THAT BURSA SECURITIES RECOMMENDS THE TWO-CALL RIGHTS ISSUE OF SHARES WITH WARRANTS.

THE SC AND BURSA SECURITIES ARE NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKE NO RESPONSIBILITY FOR THE CONTENTS OF THIS AP, MAKE NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIM ANY LIABILITY WHATSOEVER FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS AP.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS AP ARE DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT 2007 ("CMSA").

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

WE AND OUR ADVISER HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THIS AP.

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DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this AP and the accompanying appendices:

"5D-VWAP"	:	Five (5)-day volume weighted average market price
"ACE Market"	:	ACE Market of Bursa Securities
"Act"	:	Companies Act, 1965
"Adviser"	:	Any person who is eligible to act as principal adviser under the Principal Adviser Guidelines issued by the SC
"Amendments"	:	Amendments to the M&A of our Company which took effect on 28 October 2015
"Announcement"	:	Announcement in relation to the Corporate Exercises dated 30 July 2015
"Announcement LPD"	:	29 July 2015, being the latest practicable date prior to the Announcement
"AP"	:	This Abridged Prospectus issued by our Company dated 20 November 2015
"Asia Poly" or "Company"	:	Asia Poly Holdings Berhad
"Asia Poly Group" or "Group"	:	Asia Poly and our subsidiary
"Asia Poly Shares" or "Shares"	:	Ordinary shares of RM0.10 each in Asia Poly
"Board"	:	Board of Directors of our Company
"Bumiputera Equity Requirement"	:	Requirement for Asia Poly to meet the thirty percent (30%) Bumiputera equity requirement within one (1) year after achieving the profit track record required for listing on the Main Market of Bursa Securities or five (5) years from our listing on the ACE Market (*then known as MESDAQ Market*), whichever is earlier. Subsequently, a revision was made to the Bumiputera equity requirement and our Company is required to have at least 12.5% of our enlarged issued and paid-up share capital held by Bumiputera investors recognised/approved by MITI
"Bumiputera Shares"	:	Up to 39,561,000 new Asia Poly Shares to be issued pursuant to the Special Bumiputera Issue
"Bursa Depository"	:	Bursa Malaysia Depository Sdn Bhd
"Bursa Securities"	:	Bursa Malaysia Securities Berhad
"CAGR"	:	Compound annual growth rate
"CDS"	:	An account established by Bursa Depository or its successor-in-title or any other approved depository under SICDA
"CMSA"	:	Capital Markets and Services Act 2007
"Code"	:	Malaysian Code on Take-overs and Mergers 2010
"Corporate Exercises"	:	Two-Call Rights Issue of Shares with Warrants, Special Bumiputera Issue, SIS, Increase in Authorised Share Capital and Amendments, collectively
"Deed Poll"	:	The document constituting the Warrants dated 5 November 2015

DEFINITIONS (*CONT'D*)

"DMMA"	:	Depolymerise MMA
"Director"	:	A natural person who holds a directorship in our Company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 4 of the Act and Section 2(1) of the CMSA
"EBITDA"	:	Earnings before interest, taxation, depreciation and amortisation
"EGM"	:	Extraordinary general meeting of our Company held on 28 October 2015
"Entitled Shareholders"	:	The shareholders of our Company whose names appear in our Company's Record of Depositors on the Entitlement Date
"Entitlement Date"	:	20 November 2015 at 5.00 p.m. being the date and time on which our shareholders must appear in the Record of Depositors in order to be entitled to the Two-Call Rights Issue of Shares with Warrants
"EPS"	:	Earnings per Share
"FDL"	:	FDL Technology Sdn Bhd
"First Call"	:	Being the first call price of RM0.05 per Rights Share payable in full in cash upon application by the Entitled Shareholders
"FPE"	:	Financial period ending
"FYE"	:	Financial year ended/ending, as the case may be
"GST"	:	Goods and Services Tax
"GP"	:	Gross profit
"IMR Report"	:	Independent market research report dated 26 October 2015, prepared by Infobusiness
"Increase in Authorised Share Capital"	:	Increase in the authorised share capital of our Company from RM10,000,000 comprising 100,000,000 Asia Poly Shares to RM50,000,000 comprising 500,000,000 Asia Poly Shares which took effect on 28 October 2015
"Infobusiness"	:	Infobusiness Research & Consulting Sdn Bhd, the independent market researcher
"Issue Price"	:	The issue price pursuant to the Two-Call Rights Issue of Shares with Warrants of RM0.10 per Rights Share
"IT"	:	Information technology
"JF Apex"	:	JF Apex Securities Berhad
"Joint Underwriters"	:	TA Securities and JF Apex, collectively
"Listing Requirements"	:	ACE Market Listing Requirements of Bursa Securities
"LPD"	:	2 November 2015, being the latest practicable date prior to the registration of this AP
"M&A"	:	Memorandum and Articles of Association
"Market Day"	:	A day on which the stock market of Bursa Securities is open for trading in securities
"Maximum Scenario"	:	Assuming all the Entitled Shareholders fully subscribe for their respective entitlements of the Rights Shares with Warrants

"MFRS-2"	:	Malaysian Financial Reporting Standard 2 – Share-based Payment
"Minimum Scenario"	:	Assuming only the Undertaking Shareholders subscribe for their aggregate entitlements of 75,250,000 Rights Shares with Warrants while the Joint Underwriters subscribe for 66,000,000 Rights Shares with Warrants
"Minimum Subscription Level"	:	A minimum level of subscription of 141,250,000 Rights Shares together with 47,083,333 Warrants, after taking into consideration the Undertakings and Underwriting
"MITI"	:	Ministry of International Trade and Industry
"MITI-Recognised Bumiputera Investors"	:	Bumiputera investors to be recognised by the MITI
"MMA"	:	Methyl Methacrylate monomer
"MT"	:	Metric tonnes
"NA"	:	Net assets
"NPA"	:	Notice of Provisional Allotment in relation to the Two-Call Rights Issue of Shares with Warrants
"NTA"	:	Net tangible assets
"Option Price"	:	The price at which the grantee is entitled to subscribe for the new Asia Poly Shares
"PAT"	:	Profit after taxation
"PBT"	:	Profit before taxation
"PMMA"	:	Polymethyl methacrylate
"R&D"	:	Research and development
"Record of Depositors"	:	A record of securities holders established by Bursa Depository under the Rules of Bursa Depository
"Rights Shares"	:	Up to 175,829,920 new Asia Poly Shares to be issued pursuant to the Two-Call Rights Issue of Shares with Warrants
"RM" and "sen"	:	Ringgit Malaysia and sen, respectively
"RSF"	:	Rights Subscription Form in relation to the Two-Call Rights Issue of Shares with Warrants
"Rules of Bursa Depository"	:	Rules of Bursa Depository including the rules in relation to a central depository as described in Section 2 of the SICDA
"SC"	:	Securities Commission Malaysia
"Second Call"	:	Being the second call price of RM0.05 per Rights Share which will be capitalised from the share premium and retained earnings of our Company
"Share Registrar"	:	Symphony Share Registrars Sdn Bhd
"SICDA"	:	Securities Industry (Central Depositories) Act, 1991

DEFINITIONS (*CONT'D*)

"SIS"	:	Share issuance scheme of up to thirty percent (30%) of the issued and paid-up share capital of our Company (excluding treasury shares, if any) at any one time during the duration of the scheme for the eligible persons to be established after the completion of the Two-Call Rights Issue of Shares with Warrants
"SIS Options"	:	The right of a grantee to subscribe for new Asia Poly Shares, as granted under the SIS
"SIS Shares"	:	New Asia Poly Shares to be offered and issued under the SIS
"Special Bumiputera Issue"	:	Special issue of up to 39,561,000 Bumiputera Shares, representing approximately fifteen percent (15%) of the enlarged issued and paid-up share capital of our Company to be implemented after the completion of the Two-Call Rights Issue of Shares with Warrants
"TA Securities"	:	TA Securities Holdings Berhad
"TCC"	:	Teoh Cheng Chuan
"TEAP"	:	Theoretical ex-all price
"TERP"	:	Theoretical ex-rights price
"TSH"	:	Thoo Soon Huat
"Two-Call Rights Issue of Shares with Warrants"	:	Renounceable two-call rights issue of up to 175,829,920 new Asia Poly Shares on the basis of two (2) Rights Shares for every one (1) existing Asia Poly Share held at the Entitlement Date, together with up to 58,609,973 Warrants on the basis of one (1) Warrant for every three (3) Rights Shares subscribed by the Entitled Shareholders
"Undertakings"	:	Unconditional and irrevocable written undertakings from the Undertaking Shareholders that they will subscribe in full of their aggregate entitlement as at the Announcement LPD of 75,250,000 Rights Shares together with 25,083,333 Warrants prior to the closing date
"Undertaking Shareholders"	:	YBL, TCC and TSH
"Underwriting"	:	Underwriting arrangements for 66,000,000 Rights Shares together with 22,000,000 Warrants, for which no unconditional and irrevocable written undertakings have been obtained from other shareholders of our Company
"Underwriting Agreement"	:	Underwriting agreement dated 5 November 2015 entered into between our Company and the Joint Underwriters
"Underwritten Shares"	:	66,000,000 Rights Shares Shares together with 22,000,000 Warrants, representing approximately 46.72% of the Minimum Subscription Level of the Two-Call Rights Issue of Shares with Warrants, underwritten by the Joint Underwriters (severally and not jointly) based on the terms and conditions of the Underwriting Agreement
"Warrants"	:	Up to 58,609,973 free detachable warrants to be issued pursuant to the Two-Call Rights Issue of Shares with Warrants
"YBL"	:	Dato' Yeo Boon Leong

DEFINITIONS (*CONT'D*)

All references to "**our Company**" and/or "**Asia Poly**" in this AP are to Asia Poly Holdings Berhad. References to "**our Group**" and/or "**Asia Poly Group**" are to Asia Poly and our subsidiary and references to "**we**", "**us**" "**our**" and "**ourselves**" are to Asia Poly and where the context does require, shall include our subsidiary.

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this AP to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this AP shall be reference to Malaysian time, unless otherwise specified.

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CORPORATE DIRECTORY

BOARD OF DIRECTORS

Name	Address	Age	Nationality	Profession
Dato' Yeo Boon Leong *(Executive Chairman)*	No 2 & 4, Jalan BK1/19 Kinrara Industrial Park Bandar Kinrara 58200 Kuala Lumpur Wilayah Persekutuan	49	Malaysian	Company Director
Teoh Cheng Chuan *(Chief Executive Officer)*	104, Jalan Athinahapan 2 Taman Tun Dr. Ismail 60000 Kuala Lumpur Wilayah Persekutuan	61	Malaysian	Company Director
Lim Teck Seng *(Independent Non-Executive Director)*	23, Jalan Puteri 8/3 Bandar Puteri 47100 Puchong Selangor Darul Ehsan	45	Malaysian	Company Director
Thoo Soon Huat *(Independent Non-Executive Director)*	B-27-1, The Plaza Apartment Jalan Wan Kadir 3 Taman Tun Dr Ismail 60000 Kuala Lumpur Wilayah Persekutuan	53	Malaysian	Company Director
Yap Sing Khon *(Independent Non-Executive Director)*	17, Jalan SS3/21 47300 Petaling Jaya Selangor Darul Ehsan	48	Malaysian	Company Director

AUDIT COMMITTEE

Name	Designation	Directorship
Yap Sing Khon	Chairman	Independent Non-Executive Director
Lim Teck Seng	Member	Independent Non-Executive Director
Thoo Soon Huat	Member	Independent Non-Executive Director

COMPANY SECRETARIES :

Ho Meng Chan (MACS 00574)
Wu Siew Hong (MAICSA 7039647)
308, Block A (3rd Floor)
Kelana Business Centre
97, Jalan SS 7/2
Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan
Tel. no. : 03-7492 1818
Fax. no. : 03-7492 1933

CORPORATE DIRECTORY (*CONT'D*)

REGISTERED OFFICE	:	308, Block A (3rd Floor) Kelana Business Centre 97, Jalan SS 7/2, Kelana Jaya 47301 Petaling Jaya Selangor Darul Ehsan Tel. no. : 03-7492 1818 Fax. no. : 03-7492 1933
HEAD/MANAGEMENT OFFICE/ PRINCIPAL PLACE OF BUSINESS	:	Lot 758, Jalan Haji Sirat Mukim Kapar 42100 Klang Selangor Darul Ehsan Tel. no. : 03-3342 2567 Fax. no. : 03-3342 8320 Website : www.asiapoly.com.my E-mail address : corporate@asiapoly.com.my
SHARE REGISTRAR	:	Symphony Share Registrars Sdn Bhd Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Tel. no. : 03-7849 0777 Fax. no. : 03-7841 8151/8152
AUDITORS AND REPORTING ACCOUNTANTS FOR THE TWO-CALL RIGHTS ISSUE OF SHARES WITH WARRANTS	:	Messrs. Deloitte Chartered Accountants Level 16, Menara LGB 1 Jalan Wan Kadir Taman Tun Dr. Ismail 60000 Kuala Lumpur Tel. no. : 03-7610 8888 Fax. no. : 03-7726 8986
SOLICITORS FOR THE TWO-CALL RIGHTS ISSUE OF SHARES WITH WARRANTS	:	Messrs. Gary Teh & Ngiam Advocates & Solicitors Unit 1608, 16th Floor Block A, Damansara Intan No. 1, Jalan SS20/27 47400 Petaling Jaya Selangor Darul Ehsan Tel. no. : 03-7732 9323 Fax. no. : 03-7733 5326
INDEPENDENT MARKET RESEARCHER	:	Infobusiness Research & Consulting Sdn Bhd C4-3A-2, Solaris Dutamas No.1 Jalan Dutamas 1 50480 Kuala Lumpur Tel. no. : 03-6205 3930 Fax. no. : 03-6205 3927

CORPORATE DIRECTORY (*CONT'D*)

PRINCIPAL BANKERS	:	AmBank (M) Berhad No.42-44, Wisma Sh Ng Persiaran Sultan Ibrahim 41300 Klang Selangor Darul Ehsan Tel. no. : 03-3377 6263 Fax. no.: 03-3344 3744 AmIslamic Bank Berhad No.42-44, Wisma Sh Ng Persiaran Sultan Ibrahim 41300 Klang Selangor Darul Ehsan Tel. no. : 03-3377 6263 Fax. no.: 03-3344 3744
ADVISER FOR THE TWO-CALL RIGHTS ISSUE OF SHARES WITH WARRANTS	:	TA Securities Holdings Berhad 32nd Floor, Menara TA One 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel. no. : 03-2072 1277 Fax. no. : 03-2026 0127
JOINT UNDERWRITERS	:	TA Securities Holdings Berhad 32nd Floor, Menara TA One 22, Jalan P. Ramlee 50250 Kuala Lumpur Tel. no: 03-2072 1277 Fax. no. : 03-2026 0127 JF Apex Securities Berhad 6th Floor, Menara Apex Off Jalan Semenyih Bukit Mewah 43000 Kajang Selangor Darul Ehsan Tel. no. : 03-8736 1118 Fax. no. : 03-8736 2135
STOCK EXCHANGE LISTING	:	ACE Market of Bursa Securities

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Company No. 619176-A

ASIA POLY HOLDINGS BERHAD
(Company No. 619176-A)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:

308, Block A (3rd Floor)
Kelana Business Centre
97, Jalan SS 7/2
Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

20 November 2015

Our Board of Directors:

Dato' Yeo Boon Leong *(Executive Chairman)*
Teoh Cheng Chuan *(Chief Executive Officer)*
Lim Teck Seng *(Independent Non-Executive Director)*
Thoo Soon Huat *(Independent Non-Executive Director)*
Yap Sing Khon *(Independent Non-Executive Director)*

To: Our Entitled Shareholders

Dear Sir/Madam,

TWO-CALL RIGHTS ISSUE OF SHARES WITH WARRANTS

---

1. INTRODUCTION

Our shareholders had, at the EGM held on 28 October 2015 approved the Two-Call Rights Issue of Shares with Warrants.

A certified true extract of the resolution in relation to the Two-Call Rights Issue of Shares with Warrants passed at the EGM is set out in the Appendix I of this AP.

SC had vide its letter dated 8 September 2015 approved the Special Bumiputera Issue.

Bursa Securities has vide its letter dated 22 September 2015 approved the following:

(i) listing of and quotation for the Rights Shares to be issued pursuant to the Two-Call Rights Issue of Shares with Warrants;

(ii) listing of and quotation for the Bumiputera Shares;

(iii) admission to the Official List of the ACE Market for the Warrants to be issued pursuant to the Two-Call Rights Issue of Shares with Warrants;

(iv) listing of and quotation for the new Asia Poly Shares to be issued pursuant to the exercise of the Warrants, and

(v) listing of and quotation for the SIS Shares, on the ACE Market of Bursa Securities.

The approval of Bursa Securities is subject to the following conditions:

	Conditions imposed	**Status of compliance**
(a)	Our Company and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Two-Call Rights Issue of Shares with Warrants, Special Bumiputera Issue and SIS;	To be complied
(b)	Our Company and TA Securities to inform Bursa Securities upon the completion of the Two-Call Rights Issue of Shares with Warrants and Special Bumiputera Issue;	To be complied
(c)	Our Company to furnish Bursa Securities with a written confirmation of our compliance with the terms and conditions of Bursa Securities' approval once the Two-Call Rights Issue of Shares with Warrants and Special Bumiputera Issue are completed;	To be complied
(d)	TA Securities is required to submit a confirmation to Bursa Securities of full compliance of the SIS pursuant to Rule 6.44(1) of the Listing Requirements and stating the effective date of implementation together with a certified true copy of the resolution passed by the shareholders in general meeting;	To be complied
(e)	Our Company and TA Securities to furnish Bursa Securities with a certified true copy of the resolutions passed by the shareholders in general meeting approving the Two-Call Rights Issue of Shares with Warrants and Special Bumiputera Issue; and	Complied
(f)	Our Company is required to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants and the SIS Options, as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied

On 5 November 2015, TA Securities had on our behalf announced that the Entitlement Date has been fixed on 20 November 2015 at 5.00 p.m. and the other relevant dates pertaining to the Two-Call Rights Issue of Shares with Warrants.

No person is authorised to give any information or to make any representation not contained in this AP in connection with the Two-Call Rights Issue of Shares with Warrants and if given or made, such information or representation must not be relied upon as having been authorised by us or by TA Securities in connection with the Two-Call Rights Issue of Shares with Warrants.

If you are in any doubt as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

2. DETAILS OF THE TWO-CALL RIGHTS ISSUE OF SHARES WITH WARRANTS

The Two-Call Rights Issue of Shares with Warrants entails the issuance of up to 175,829,920 Rights Shares on the basis of two (2) Rights Shares for every one (1) existing Asia Poly Share held by the Entitled Shareholders, together with up to 58,609,973 Warrants on the basis of one (1) Warrant for every three (3) Rights Shares subscribed by the Entitled Shareholders, at an issue price of RM0.10 for each Rights Share to be payable in two (2) calls, of which the First Call of RM0.05 will be payable in cash on application, and the Second Call of RM0.05 is to be capitalised from the share premium and retained earnings of our Company.

The Rights Shares with Warrants which are not taken up or validly taken up shall be made available for excess applications by the Entitled Shareholders and/or their renouncees/transferees (if applicable). It is the intention of our Board to allocate the excess Rights Shares in a fair and equitable basis specified under Section 3.7 herein. The entitlements for the Rights Shares with Warrants are renounceable in full or in part. The Warrants will be immediately detached from the Rights Shares upon issuance and will be separately traded. The renunciation of Rights Shares by the Entitled Shareholders will accordingly entail the renunciation of the Warrants to be issued together with the Rights Shares pursuant to the Two-Call Rights Issue of Shares with Warrants. However, if the Entitled Shareholders decide to accept only part of their Rights Shares entitlements, they shall be entitled to the Warrants in the proportion of their Rights Shares subscribed. Any unsubscribed Rights Shares with Warrants shall be offered to other Entitled Shareholders and/or their renouncees/transferees (if applicable) under the excess Rights Shares with Warrants application.

In determining shareholders' entitlements to the Warrants under the Two-Call Rights Issue of Shares with Warrants, fractional entitlements, if any, shall be disregarded, and shall be dealt with by our Board in such manner at its absolute discretion as it may deem fit, expedient and in the best interest of our Company.

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of provisional allotted Two-Call Rights Shares with Warrants, which you are entitled to subscribe for in full or in part under terms of the Two-Call Rights Issue of Shares with Warrants. You will find enclosed with this AP, the NPA notifying you of the crediting of such provisional Rights Shares with Warrants into your CDS Account and the RSF to enable you to subscribe for the provisional Rights Shares with Warrants, as well as to apply for the excess Rights Shares with Warrants if you choose to.

Any dealing in our securities will be subject to the SICDA and the Rules of Bursa Depository. Accordingly, the Rights Shares with Warrants and new Shares to be issued arising from the exercise of the Warrants will be credited directly to the respective CDS Accounts of the successful applicants and exercising Warrant holders (as the case may be). No physical share certificates and warrant certificates will be issued to the Entitled Shareholders and/or their renouncee/transferee, if applicable. A notice of allotment will be despatched to the successful applicants within eight (8) Market Days from the last date of acceptance and payment for the Two-Call Rights Issue of Shares with Warrants and a notice of allotment will be despatched to the exercising Warrant holders within eight (8) Market Days after the date of receipt of the subscription form together with the requisite payment (for exercise of Warrants) from the date of exercise of the Warrants.

2.1 Cash call and capitalisation of reserves

The issue price of RM0.10 per Rights Share will be payable in two (2) calls comprising the First Call of RM0.05 per Rights Share to be payable in full in cash upon application and the Second Call of RM0.05 per Rights Share to be payable via capitalisation of the share premium and retained earnings of our Company. The Entitled Shareholders who subscribe to the Two-Call Rights Issue of Shares with Warrants will not be required to make any further cash payment after the payment for the First Call.

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For illustrative purposes, the details of the capitalisation of reserves for the Second Call based on our Company's latest audited consolidated financial statements for the FYE 31 March 2015 and latest unaudited financial results for the three (3)-month period ended 30 June 2015 are as follows:

	Minimum Scenario		Maximum Scenario	
Company level	**Share premium (RM)**	**Retained earnings (RM)**	**Share premium (RM)**	**Retained earnings (RM)**
Audited as at 31 March 2015	4,222,960	1,166,917	4,222,960	1,166,917
Add: Dividend from subsidiary[(1)]	-	6,000,000	-	6,000,000
Less: Amount to be capitalised for the Second Call	(3,592,960)	(3,469,540)	(3,592,960)	(5,198,536)
Less: Estimated expenses for the Corporate Exercises	(630,000)	-	(630,000)	-
After the Two-Call Rights Issue of Shares with Warrants	**-**	**3,697,377**	**-**	**1,968,381**

Note:

(1) Being the net dividend declared and paid by the wholly-owned subsidiary of our Company on 19 June 2015 and 29 June 2015, respectively.

	Minimum Scenario		Maximum Scenario	
Company level	**Share premium (RM)**	**Retained earnings (RM)**	**Share premium (RM)**	**Retained earnings (RM)**
Unaudited as at 30 June 2015	4,222,960	7,117,635	4,222,960	7,117,635
Less: Amount to be capitalised for the Second Call	(3,592,960)	(3,469,540)	(3,592,960)	(5,198,536)
Less: Estimated expenses for the Corporate Exercises	(630,000)	-	(630,000)	-
After the Two-Call Rights Issue of Shares with Warrants	**-**	**3,648,095**	**-**	**1,919,099**

Based on our Company's latest audited consolidated financial statements for the FYE 31 March 2015 and latest unaudited financial results for the three (3)-month period ended 30 June 2015, our Board confirms that the reserves available to be capitalised for the Second Call under the Two-Call Rights Issue of Shares with Warrants are adequate and unimpaired by losses on a consolidated basis in accordance with Rules 6.20 and 6.31(1) of the Listing Requirements.

Our Board also confirms that based on our Company's audited financial statements for the FYE 31 March 2015 and after incorporating the effects of the dividend received from the wholly-owned subsidiary of our Company as well as our Company's latest unaudited financial results for the three (3)-month period ended 30 June 2015, our Company has sufficient reserves in our share premium and retained earnings accounts for the capitalisation of the Second Call.

Pursuant to Rule 6.31(3) of the Listing Requirements, Messrs. Deloitte as the Reporting Accountants had vide its letter dated 30 September 2015 confirmed that based on the audited financial statements of our Company for the FYE 31 March 2015 and after incorporating the effects of the dividend received from the wholly-owned subsidiary of our Company as well as the latest unaudited financial results of our Company for the three (3)-month period ended 30 June 2015, our Company has adequate reserves in our share premium and retained earnings accounts for the capitalisation of the Second Call.

2.2 Basis of determining the Issue Price of the Rights Shares and exercise price of the Warrants

(i) Rights Shares

The issue price of RM0.10 per Rights Share, the First Call of RM0.05 and the Second Call of RM0.05 are arrived at after taking into consideration, among others, the following:

(a) the TEAP of Asia Poly Shares of RM0.2487 based on the 5D-VWAP of Asia Poly Shares up to and including the Announcement LPD of RM0.7451;

(b) the par value of Asia Poly Shares of RM0.10 each; and

(c) the funding requirements of our Group, details of which are set out in Section 5 of this AP.

The issue price of the Rights Shares and the First Call at RM0.10 and RM0.05 per Rights Share, respectively, represent discounts of approximately RM0.1487 or 59.79% and RM0.1987 or 79.90%, respectively to the TEAP of Asia Poly Shares of RM0.2487, based on the 5D-VWAP of Asia Poly Shares up to and including the Announcement LPD of RM0.7451.

In determining the above-mentioned discounts of the issue price of the Rights Shares, our Board has taken into consideration, among others, the funding requirements of our Group as set out in Section 5 of this AP and the level of reserves (i.e., share premium and retained earnings) that the Company deems acceptable to be capitalised for the Second Call. It is our Board's intention to make the Two-Call Rights Issue of Shares with Warrants attractive to the Entitled Shareholders and likely to encourage a broad participation by them in the said issuance.

(ii) Warrants

The Warrants will be issued at no cost to the Entitled Shareholders who successfully subscribed for the Rights Shares, and are exercisable into new Asia Poly Shares. Each Warrant will entitle its holder to subscribe for one (1) new Asia Poly Share at the exercise price of RM0.10 per Warrant.

The exercise price of RM0.10 per Warrant is arrived at after taking into consideration, amongst others, the following:

(a) the TERP of Asia Poly Shares of RM0.2817 based on the 5D-VWAP of Asia Poly Shares up to and including the Announcement LPD of RM0.7451; and

(b) the par value of Asia Poly Shares of RM0.10 each.

The exercise price of the Warrants at RM0.10 represents a discount of approximately RM0.1817 or 64.50% to the TERP of Asia Poly Shares of RM0.2817, based on the 5D-VWAP of Asia Poly Shares up to and including the Announcement LPD of RM0.7451.

The exercise price of the Warrants of 0.10 was fixed at par and at the above-mentioned discounts to provide an incentive to the Entitled Shareholders who successfully subscribed for the Rights Shares to exercise their Warrants, thereby further increasing their equity participation in our Company.

2.3 Ranking of the Rights Shares and the new Asia Poly Shares to be issued arising from the exercise of the Warrants

The holders of the Warrants will not be entitled to any voting right or participation in any form of distribution and/or offer of further securities in our Company until and unless such holders of the Warrants exercise their Warrants into new Asia Poly Shares.

The Rights Shares and the new Asia Poly Shares to be issued arising from the exercise of the Warrants shall, upon issuance and allotment, rank *pari passu* in all respects with the then existing Asia Poly Shares, save and except that the Rights Shares and the new Asia Poly Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the Rights Shares and the new Asia Poly Shares arising from the exercise of the Warrants.

2.4 Salient terms of the Warrants

The salient terms of the Warrants are as follows:

Terms		Details
Issue size	:	Up to 58,609,973 Warrants.
Form and denomination	:	The Warrants which are free will be issued in registered form and will be constituted by the Deed Poll.
Exercise period	:	The Warrants may be exercised at any time within five (5) years commencing on and including the date of issuance of the Warrants until 5.00 p.m. on the date immediately preceding the fifth (5^{th}) anniversary of the date of issuance of the Warrants. Warrants not exercised during the exercise period will thereafter lapse and cease to be valid.
Exercise price	:	The exercise price of the Warrants has been fixed at RM0.10 each.
Exercise rights	:	Each Warrant entitles the registered holder to subscribe for one (1) new Asia Poly Share at any time during the exercise period at the exercise price (subject to adjustments in accordance with the provisions of the Deed Poll).
Mode of exercise	:	The registered holder of the Warrants is required to lodge an exercise form, as set out in the Deed Poll, with our Company's registrar, duly completed, signed and stamped together with payment of the exercise price for the new Asia Poly Shares subscribed for by banker's draft or cashier's order or money order or postal order in Ringgit Malaysia drawn on a bank or post office operating in Malaysia.
Board lot	:	For the purpose of trading on Bursa Securities, one (1) board lot of Warrant shall comprise one hundred (100) Warrants carrying the right to subscribe for one hundred (100) new Asia Poly Shares at any time during the exercise period, or such other denomination as determined by Bursa Securities from time to time.

Adjustments in the exercise price and/or number of the Warrants	: Subject to the provisions in the Deed Poll, the exercise price and the number of Warrants held by each Warrant holder shall be adjusted by our Board in consultation with the approved adviser and certification of the external auditors, in the event of alteration to the share capital of our Company.
Provision for changes in the terms of the Warrants	: Any modification to the Deed Poll (including the form and content of the global warrant certificate) may be effected only by Deed Poll, executed by our Company and expressed to be supplemental to the Deed Poll, and only if the requirement of Condition 7 of the Deed Poll has been complied with. Any modification shall however be subject to the approval of Bursa Securities (if so required).
Rights of the Warrants	: The Warrants holders are not entitled to any voting rights or participation in any form of distribution and/or offer of securities in our Company until and unless such Warrant holders exercise their Warrants into new Asia Poly Shares.
Rights in the event of winding-up, liquidation, compromise and/or arrangement	: If a resolution is passed for a members' voluntary winding up of our Company or there is a compromise or arrangement, whether or not for the purpose of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with one or more companies, then: (i) for the purposes of such winding-up, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the Warrant holder (or some person designated by them for such purpose by special resolution) shall be a party, the terms of such winding up, compromise and arrangement shall be binding on all the Warrant holders; and (ii) in any other case, every Warrant holder shall be entitled upon and subject to the conditions at any time within six (6) weeks after the passing of such resolution for a members' voluntary winding-up of our Company or the granting of the court order approving the compromise or arrangement (as the case may be), to exercise their Warrants by submitting the exercise form duly completed authorising the debiting of his Warrants together with payment of the relevant exercise price to elect to be treated as if he had immediately prior to the commencement of such winding-up exercised the exercise rights to the extent specified in the exercise form(s) and had on such date been the holder of the new Shares to which he would have become entitled pursuant to such exercise and the liquidator of our Company shall give effect to such election accordingly.

Transferability	:	The transfer of Warrants shall be subject to, and be carried out in accordance with, the provisions of the Deed Poll and the relevant regulations. Subject to the provisions of, and unless otherwise disclosed in accordance with the relevant regulations, each Warrant holder shall be deemed to remain the holder of the Warrants deposited in his CDS Account until such Warrants are debited from the said CDS Account. Subject to the provisions of the relevant regulations, no person shall be recognised by our Company as having title to the Warrants entitling the holder thereof to subscribe for a fractional part of an Asia Poly Share or otherwise than as the sole holder of the entirety of such Asia Poly Shares. The Warrant holders may transfer the Warrants in any manner provided under the SICDA and the Rules of Bursa Depository.
Listing status	:	The Warrants will be listed and traded on the ACE Market. Approval has been obtained from Bursa Securities for the admission of Warrants to the Official List of the ACE Market and the listing of and quotation for the new Asia Poly Shares to be issued pursuant to the exercise of the Warrants on the ACE Market.
Governing law	:	The laws of Malaysia.

2.5 Shareholders' Undertakings and Underwriting arrangement

The Two-Call Rights Issue of Shares with Warrants will be implemented on a Minimum Subscription Level.

The Minimum Subscription Level was determined based on, among others, the minimum level of funds needed by our Group after taking into consideration the funding plans as set out in Section 5 of this AP.

To meet the Minimum Subscription Level, our Company has obtained written unconditional and irrevocable undertakings from the Undertaking Shareholders that they will not dispose any of their Asia Poly Shares as at the Announcement LPD following the Announcement up to the completion of the Two-Call Rights Issue of Shares with Warrants and that they will subscribe in full for their Undertakings. Subsequent to the Announcement LPD, the shareholdings of YBL and TCC have increased from 24,957,000 and 10,000,000 Asia Poly Shares to 25,351,500 and 10,002,000 Asia Poly Shares as at the LPD, respectively. Nevertheless, the Undertakings from YBL and TCC shall remain at 49,914,000 and 20,000,000 Rights Shares, respectively (being their full entitlement as at the Announcement LPD). Based on the Minimum Subscription Level, the minimum level of funds raised will be sufficient for our Group's funding plans as set out in Section 5 of this AP.

For the remaining portion of the Rights Shares under the Minimum Subscription Level, we have entered into the Underwriting Agreement with the Joint Underwriters to severally but not jointly underwrite 66,000,000 Rights Shares (representing approximately 46.72% of the total issue size of the Two-Call Rights Issue of Shares with Warrants based on the Minimum Subscription Level) for which no unconditional and irrevocable written undertaking to subscribe has been obtained from other shareholders. The underwriting commission is two percent (2.0%) of the value of Underwritten Shares, amounting to RM66,000. The underwriting commission payable to the Joint Underwriters and all other costs in relation to the Underwriting shall be fully borne by our Company.

Details of the Undertakings and Underwriting based on the Minimum Subscription Level as at the Announcement LPD are as follows:

	As at the Announcement LPD		Rights Shares entitled[(1)] and undertaken/to be underwritten	
	No. of Asia Poly Shares held	%	No. of Rights Shares	%[(2)]
Undertaking Shareholders				
YBL	24,957,000	28.39	49,914,000	35.34
TCC	10,000,000	11.37	20,000,000	14.16
TSH	2,668,000	3.03	5,336,000	3.78
Sub-Total	**37,625,000**	**42.79**	**75,250,000**	**53.28**
Joint Underwriters				
JF Apex	-	-	61,000,000	43.18
TA Securities	-	-	5,000,000	3.54
Total	**37,625,000**	**42.79**	**141,250,000**	**100.00**

Notes:

(1) Entitlement based on the respective shareholdings as at the Announcement LPD.

(2) Percentage calculated based on 141,250,000 Rights Shares available for subscription under the Minimum Subscription Level.

Details of the Undertakings and Underwriting based on the Minimum Subscription Level as at the LPD are as follows:

	As at the LPD		Rights Shares entitled[(1)]	Rights Shares undertaken[(2)]/to be underwritten	
	No. of Asia Poly Shares held	%	No. of Rights Shares	No. of Rights Shares	%[(3)]
Undertaking Shareholders					
YBL	25,351,500[(4)]	28.84	50,703,000	49,914,000	35.34
TCC	10,002,000[(4)]	11.38	20,004,000	20,000,000	14.16
TSH	2,668,000	3.03	5,336,000	5,336,000	3.78
Sub-Total	**38,021,500**	**43.25**	**76,043,000**	**75,250,000**	**53.28**
Joint Underwriters					
JF Apex	-	-	-	61,000,000	43.18
TA Securities	-	-	-	5,000,000	3.54
Total	**38,021,500**	**43.25**	**76,043,000**	**141,250,000**	**100.00**

Notes:

(1) Entitlement based on the respective shareholdings in our Record of Depositors as at the LPD.

(2) Subscription of the Rights Shares pursuant to the respective Undertakings.

(3) Percentage calculated based on 141,250,000 Rights Shares available for subscription under the Minimum Subscription Level.

(4) The shareholdings of YBL and TCC have increased subsequent to the Announcement LPD.

The Undertaking Shareholders have confirmed that they have sufficient financial resources to subscribe for their aggregate entitlements of the 75,250,000 Rights Shares (being their full entitlement as at the Announcement LPD) pursuant to the Undertakings. As the Adviser for the Two-Call Rights Issue of Shares with Warrants, TA Securities has verified that the Undertaking Shareholders have sufficient financial resources to fulfil their commitments pursuant to the Undertakings.

After taking into consideration of the Undertakings and Underwriting, subscription of the Rights Shares by the Undertaking Shareholders and Joint Underwriters will not give rise to any mandatory general offer obligations pursuant to the Code. Nonetheless, the Undertaking Shareholders and Joint Underwriters have given their respective confirmations to observe and comply at all times with the provisions of the Code.

2.6 Details of other corporate exercises

As at the LPD, save as disclosed below and for the Two-Call Rights Issue of Shares with Warrants, there is no other outstanding corporate proposal which has been announced but pending completion:

2.6.1 Special Bumiputera Issue

Our Company was listed on the ACE Market on 26 October 2005. Pursuant to the approval letter from the SC dated 13 May 2004, our Company had to meet the thirty percent (30%) Bumiputera equity requirement within one (1) year after achieving the profit track record required for listing on the Main Market of Bursa Securities or five (5) years from its listing on the ACE Market (*then known as MESDAQ Market*), whichever is earlier. Subsequently, a revision was made to the Bumiputera Equity Requirement and Asia Poly is required to have at least 12.5% of its enlarged issued and paid-up share capital held by Bumiputera investors recognised/approved by MITI.

MITI had vide its letter dated 25 March 2015 recognised the Existing MITI-Recognised Bumiputera Investors in our Company holding 556,300 Asia Poly Shares, representing approximately 0.63% of the issued and paid-up share capital of our Company as at 12 December 2014. For information purposes only, the said 556,300 Asia Poly Shares represent approximately 0.63% of the issued and paid-up share capital of our Company as at the LPD.

Our Company had obtained approvals from the SC vide its letter dated 23 April 2015 for an extension of time of eighteen (18) months from the date of the said letter for our Company to meet the Bumiputera Equity Requirement subject to our Company submitting a proposal to the SC to comply with the Bumiputera Equity Requirement before 22 October 2015 as well as its letter dated 8 September 2015 for the Special Bumiputera Issue.

In view of the above, the Special Bumiputera Issue, which was approved by our shareholders at our Company's EGM held on 28 October 2015, is to facilitate our Company to meet the Bumiputera Equity Requirement.

The Special Bumiputera Issue entails the issuance of up to 39,561,000 Bumiputera Shares, representing approximately fifteen percent (15%) of the enlarged issued and paid-up share capital of our Company after the completion of the Two-Call Rights Issue of Shares with Warrants based on the Maximum Scenario. The Special Bumiputera Issue will be implemented after the completion of the Two-Call Rights Issue of Shares with Warrants.

The issue price of the Bumiputera Shares shall be determined by our Board at a later date in the following manner:

(i) at a discount of not more than ten percent (10%) to the 5D-VWAP of Asia Poly Shares immediately preceding the price fixing date, if deemed appropriate by our Board; or

(ii) the par value of the Asia Poly Shares of RM0.10 each;

whichever is higher.

For illustrative purposes only, the issue price of Asia Poly Shares is assumed at RM0.2150, representing a discount of RM0.0235 or approximately 9.85% to the assumed 5D-VWAP of Asia Poly Shares of RM0.2385 (being the TEAP of Asia Poly Shares of RM0.2385 after the Two-Call Rights Issue of Shares with Warrants, based on the 5D-VWAP of Asia Poly Shares up to the LPD of RM0.7077).

2.6.2 SIS

The SIS, which was approved by our shareholders at our Company's EGM held on 28 October 2015, involves the establishment of a share issuance scheme of up to thirty percent (30%) of the issued and paid-up share capital of our Company (excluding treasury shares, if any) at any one time during the duration of the scheme for the eligible persons after the completion of the Two-Call Rights Issue of Shares with Warrants.

Subject to any adjustments in accordance with the by-laws, the Option Price to be determined by our Board upon recommendation of the option committee, shall be fixed based on the higher of the following:

(i) the 5D-VWAP of Asia Poly Shares, as quoted on Bursa Securities, immediately preceding the date of offer of the SIS Option with a discount of not more than ten percent (10%), if deemed appropriate, or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Securities or any other relevant authorities as amended from time to time; or
(ii) the par value of Asia Poly Shares.

Nevertheless, the Special Bumiputera Issue and SIS will only be implemented after the completion of the Two-Call Rights Issue of Shares with Warrants.

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3. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION FOR THE TWO-CALL RIGHTS ISSUE OF SHARES WITH WARRANTS

3.1 General

As you are an Entitled Shareholder, your CDS Account will be duly credited with the number of provisional Rights Shares with Warrants which you are entitled to subscribe for in full or in part, under the terms of the Two-Call Rights Issue of Shares with Warrants. You will find enclosed with this AP, the NPA notifying you of the crediting of such provisional Rights Shares with Warrants into your CDS Account and the RSF to enable you to subscribe for the provisional Rights Shares with Warrants, as well as to apply for excess Rights Shares with Warrants if you choose to do so.

3.2 NPA

The provisional allotted Rights Shares with Warrants are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in the provisional Rights Shares with Warrants will be by book entries through the CDS Accounts and will be governed by the SICDA and the Rules of Bursa Depository. You and/or your renouncees/transferees (if applicable) are required to have valid and subsisting CDS Accounts when making your applications.

3.3 Last date and time for acceptance and payment

The last date and time for acceptance and payment for the provisional Rights Shares with Warrants is at **5.00 p.m. on 7 December 2015**, or such extended date and time as our Board may decide at its absolute discretion. Where the closing date of the acceptance is extended from the original closing date, the announcement of such extension will be made not less than two (2) Market Days before the original closing date.

3.4 Procedure for full acceptance and payment by Entitled Shareholders and renouncees/transferees

If you wish to accept your entitlement to the provisional Rights Shares with Warrants, the acceptance of and payment for the provisional Rights Shares with Warrants must be made on the respective RSF enclosed with this AP and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances which do not conform to the terms of this AP, the NPA or the RSF or the notes and instructions contained in these documents or which are illegible may not be accepted at the absolute discretion of our Board.

Renouncees/transferees who wish to accept the provisional Rights Shares with Warrants must obtain a copy of the RSF from their stockbrokers or our Share Registrar or from the Bursa Securities' website at http://www.bursamalaysia.com and complete the RSF and submit the same together with the remittance to our Share Registrar in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders also applies to renouncees/transferees who wish to accept the provisional Rights Shares with Warrants.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SHARES WITH WARRANTS, EXCESS APPLICATION FOR THE RIGHTS SHARES WITH WARRANTS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU WISH TO SELL/TRANSFER ALL OR ANY PART OF YOUR ENTITLEMENT ARE SET OUT IN THIS AP AND THE ACCOMPANYING RSF.

YOU AND/OR YOUR RENOUNCEES/TRANSFEREES (IF APPLICABLE) ARE ADVISED TO READ THIS AP, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

If you wish to accept your entitlement/acceptance, please complete Parts I(A) and II of the RSF in accordance with the notes and instructions provided in the RSF. Thereafter, please send each completed and signed RSF together with the relevant payment by using the envelope provided (at your own risk) to our Share Registrar by **ORDINARY POST** or **DELIVERED BY HAND AND/OR COURIER** at the following address:

FOR DELIVERY BY HAND AND/OR COURIER:

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Tel. no.: 03-7849 0777
Fax no.: 03-7841 8151/8152

FOR ORDINARY POST:

Symphony Share Registrars Sdn Bhd
Peti Surat 9150
Pejabat Pos Kelana Jaya
46785 Petaling Jaya
Selangor Darul Ehsan
Malaysia

so as to arrive **not later than 5.00 p.m.** on **7 December 2015**, being the last time and date for acceptance of and payment, or such extended time and date as may be determined and announced by our Board.

One (1) RSF can only be used for acceptance of provisional Rights Shares with Warrants standing to the credit of one (1) CDS Account. Separate RSF(s) must be used for separate CDS Account(s). If successful, the Rights Shares with Warrants subscribed for will be credited into your CDS Account(s) as stated in the completed RSF(s).

A reply envelope is enclosed in this AP. In order to facilitate the processing of the RSF by our Share Registrar for the Rights Shares with Warrants, you are advised to use one (1) reply envelope for each completed RSF.

You and/or your renouncee/transferee (if applicable) should take note that a trading board lot for the Rights Shares and Warrants comprises one hundred (100) Rights Shares and one hundred (100) Warrants, respectively. Successful applicants of the Rights Shares will be given the Warrants on the basis of one (1) Warrant for every three (3) Rights Shares successfully subscribed for. The minimum number of security that can be subscribed for or accepted is two (2) Rights Shares for every one (1) existing Asia Poly Share held. Fractions of a Warrant arising from the Two-Call Rights Issue of Shares with Warrants will be disregarded and shall be dealt with by our Board as it may deem fit, expedient and in the best interest of our Company.

If acceptance of and payment for the provisional Rights Shares with Warrants is not received by our Share Registrar by **5.00 p.m.** on **7 December 2015**, being the last time and date for acceptance of and payment for the provisional Rights Shares with Warrants, or any other extended date and time as may be determined and announced by our Board, you will be deemed to have declined the provisional entitlement made to you and it will be cancelled. In the event that the Rights Shares with Warrants are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares with Warrants to the applicants who have applied for the excess Rights Shares with Warrants in the manner as set out in Section 3.7 of this AP. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar. Our Board reserves the right not to accept any application or to accept any application in part only without providing any reason.

If you lose, misplace or for any other reasons require another copy of the RSF, you may obtain additional copies from your stockbrokers, Bursa Securities' website at http://www.bursamalaysia.com or our Share Registrar at the address stated above.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY REMITTANCE IN RM FOR THE FULL AMOUNT IN THE FORM OF BANKER'S DRAFT(S)/ CASHIER'S ORDER(S)/ MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "ASIA POLY RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, CONTACT NUMBER AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE TWO-CALL RIGHTS ISSUE OF SHARES WITH WARRANTS. HOWEVER, SUCCESSFUL APPLICANTS WILL BE ALLOTTED THEIR RIGHTS SHARES WITH WARRANTS, AND NOTICES OF ALLOTMENT WILL BE ISSUED AND DESPATCHED BY ORDINARY POST TO THEM OR THEIR RENOUNCEES/TRANSFEREES (IF APPLICABLE) AT THEIR OWN RISK TO THE ADDRESS SHOWN IN THE RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY WITHIN EIGHT (8) MARKET DAYS FROM THE LAST DATE AND TIME FOR ACCEPTANCE AND PAYMENT FOR THE TWO-CALL RIGHTS ISSUE OF SHARES WITH WARRANTS.

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT WITHIN FIFTEEN (15) MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE AND PAYMENT FOR THE TWO-CALL RIGHTS ISSUE OF SHARES WITH WARRANTS BY ORDINARY POST TO THE ADDRESS SHOWN ON BURSA DEPOSITORY'S RECORD OF DEPOSITORS AT THE APPLICANTS' OWN RISK.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT.

3.5 Procedure for part acceptance by Entitled Shareholders and renouncees/transferees

You must complete both Part I(A) of the RSF by specifying the number of the Rights Shares with Warrants which you are accepting and Part II of the RSF and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner set out in Section 3.4 of this AP.

The portion of the provisional Rights Shares with Warrants that have not been accepted shall be allotted to any other persons allowed under the law, regulations or rules to accept the transfer of the provisional Rights Shares with Warrants.

3.6 Procedure for sale/transfer of provisional Rights Shares with Warrants

As the provisional Rights Shares with Warrants are prescribed securities, you may dispose of or transfer all or part of your entitlement to the Rights Shares with Warrants to one (1) or more person(s) through your stockbrokers without first having to request for a split of the provisional Rights Shares with Warrants standing to the credit of your CDS Accounts. To dispose or transfer all or part of your entitlement to the provisional Rights Shares with Warrants, you may sell such entitlement in the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository. If you have sold or transferred only part of the provisional Rights Shares with Warrants, you may still accept the balance of the provisional Rights Shares with Warrants by completing Parts I(A) and II of the RSF. Please refer to Section 3.4 of this AP for the procedure of acceptance and payment.

In disposing/transferring all or part of your provisionally Rights Shares with Warrants, you need not deliver any document including the RSF, to any stockbroker. However, you must ensure that there is sufficient provisional Rights Shares with Warrants standing to the credit of your CDS Accounts that are available for settlement of the sale or transfer.

3.7 Procedure for application of excess Rights Shares with Warrants

You and/or your renouncees/transferees (if applicable) who accepted the provisional Rights Shares with Warrants may apply for excess Rights Shares with Warrants by completing Part I(B) of the RSF (in addition to Parts I(A) and II) and forward it (together with a **separate remittance** for the full amount payable in respect of the excess Rights Shares with Warrants applied for) to our Share Registrar **not later than 5.00 p.m. on 7 December 2015**, being the last time and date for acceptance and payment, or such extended time and date as may be determined and announced by our Board.

PAYMENT FOR THE EXCESS RIGHTS SHARES WITH WARRANTS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 3.4 OF THIS AP, WHERE THE BANKER'S DRAFT(S)/CASHIER'S ORDER(S)/ MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "ASIA POLY EXCESS RIGHTS ISSUE ACCOUNT" AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, CONTACT NUMBER AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR.

It is the intention of our Board to allot the excess Rights Shares with Warrants, if any, on a fair and equitable basis and in the following priority:

(i) firstly, to minimise the incidence of odd lots;

(ii) secondly, on a pro-rata basis and in board lots, to our Entitled Shareholders who have applied for the excess Rights Shares with Warrants, taking into consideration their respective shareholdings in our Company as at the Entitlement Date;

(iii) thirdly, on a pro-rata basis and in board lots, to our Entitled Shareholders who have applied for excess Rights Shares with Warrants, taking into consideration the quantum of their respective excess application; and

(iv) fourthly, on a pro-rata basis and in board lots, to our transferees and/or renouncees who have applied for excess Rights Shares with Warrants, taking into consideration the quantum of their respective excess application.

Nevertheless, our Board reserves the right to allot any excess Rights Shares with Warrants applied for under Part I(B) of the RSF in such manner as it deems fit and expedient and in the best interest of our Company subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in Section 3.7 (i) to (iv) above are achieved. Our Board also reserves the right to accept any excess Rights Shares with Warrants application, in full or in part, without assigning any reason.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.

3.8 Notice of allotment

Upon allotment of the Rights Shares with Warrants in respect of your acceptance and/or your renouncee's/transferee's acceptance (if applicable) and excess Rights Shares with Warrants application (if any), the Rights Shares with Warrants shall be credited directly into the respective CDS Account. No physical share certificates and warrant certificates will be issued in respect of the Rights Shares with Warrants. However, a notice of allotment will be despatched to you and/or your renouncees/transferees (if applicable), by ordinary post within eight (8) Market Days from the last date of acceptance and payment for the Rights Shares with Warrants and excess Rights Shares with Warrants application, or such other period as may be prescribed or allowed by Bursa Securities, at the address shown on the Record of Depositors at your own risk.

Where any application for the Rights Shares with Warrants is not accepted due to non-compliance with the terms of the Two-Call Rights Issue of Shares with Warrants or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded without interest to you within fifteen (15) Market Days from the last date and time for acceptance and payment of the Rights Shares with Warrants by ordinary post to the address shown on the Record of Depositors at your own risk.

Please note that a completed RSF and the payment thereof once lodged with our Share Registrar for the Two-Call Rights Issue of Shares with Warrants shall be irrevocable and cannot be withdrawn subsequently.

3.9 Form of issuance

Bursa Securities has prescribed that our Shares listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Rights Shares with Warrants and the new Shares to be issued arising from the exercise of Warrants are prescribed securities and as such the SICDA and the Rules of Bursa Depository shall apply in respect of the dealings in the Rights Shares with Warrants.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. Your subscription for the Rights Shares with Warrants shall mean your consent to receiving such Rights Shares with Warrants as deposited securities which will be credited directly into your CDS Account. No physical share certificate or warrant certificate will be issued to you under the Two-Call Rights Issue of Shares with Warrants. Instead, the Rights Shares with Warrants will be credited directly into your CDS Accounts, and notices of allotment will be sent to you in the manner as stated in Section 3.8.

Any person who has purchased the provisional Rights Shares with Warrants or to whom provisional Rights Shares with Warrants has been transferred and intends to subscribe for the Rights Shares with Warrants must state his/her CDS Account number in the space provided in the RSF. The Rights Shares with Warrants will be credited directly as prescribed or deposited securities into his/her CDS Account upon allotment and issue.

The excess Rights Shares with Warrants, if allotted to the successful applicant who applies for excess Rights Shares with Warrants, will be credited directly as prescribed securities into the CDS Account of the successful applicant. The allocation of the excess Rights Shares with Warrants will be made on a fair and equitable basis as disclosed in Section 3.7 of this AP.

3.10 Laws of foreign jurisdictions

This AP and the accompanying NPA and RSF have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) of any foreign jurisdiction. The Two-Call Rights Issue of Shares with Warrants will not be made or offered for subscription in any foreign jurisdiction.

Accordingly, this AP together with the accompanying documents will not be sent to the foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) who do not have a registered address in Malaysia. However, such foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) may collect this AP including the accompanying documents from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the documents relating to the Two-Call Rights Issue of Shares with Warrants.

Foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) may only accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Two-Call Rights Issue of Shares with Warrants only to the extent that it would be lawful to do so.

TA Securities, our Company and our Directors and officers would not, in connection with the Two-Call Rights Issue of Shares with Warrants, be in breach of, responsible or liable under the laws of any jurisdiction to which that foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) are or may be subject to. He shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to. TA Securities, our Company and our Directors and officers and other professional advisers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any foreign Entitled Shareholders and/or their renouncees/transferees (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

The foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) will be responsible for payment of any issue, transfer or any other taxes or other requisite payments due in such jurisdiction and our Company shall be entitled to be fully indemnified and held harmless by such foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) for any issue, transfer or other taxes or duties as such person may be required to pay. They will have no claims whatsoever against our Company and/or TA Securities in respect of their rights and entitlements under the Two-Call Rights Issue of Shares with Warrants. Such foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Two-Call Rights Issue of Shares with Warrants.

By accepting the provisionally allotted Rights Shares with Warrants and signing the RSF, the foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) TA Securities, our Company and our Directors and officers that:

(i) our Company would not, by acting on the acceptance or renunciation in connection with the Two-Call Rights Issue of Shares with Warrants, be in breach of the laws of any jurisdiction to which that foreign Entitled Shareholders or renouncees/transferees (if applicable) is or may be subject to;

(ii) the foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the provisional Rights Shares with Warrants;

(iii) the foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) are not a nominee or agent of a person in respect of whom we would, by acting on the acceptance or renunciation of the provisional Rights Shares with Warrants, be in breach of the laws of any jurisdiction to which that person is or may be subject to;

(iv) the foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) are aware that the Rights Shares with Warrants can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;

(v) the foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) have received a copy of this AP and have been provided the opportunity to post such questions to the representatives and receive answers thereto as the foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) deem necessary in connection with the foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) decision to subscribe for or purchase the Rights Shares with Warrants. However, any information relevant to an investment shall be contained in this AP; and

(vi) the foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares with Warrants, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares with Warrants.

Persons receiving this AP, the NPA and the RSF (including without limitation custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any jurisdiction where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If this AP, the NPA and the RSF are received by any persons in such jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant jurisdiction in connection herewith.

Any person who does forward this AP, the NPA and the RSF to any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Rights Shares with Warrants from any such application by foreign Entitled Shareholders and/or their renouncees/transferees (if applicable) in any jurisdiction other than Malaysia.

Our Company reserves the right, in our absolute discretion, to treat any acceptance of the Rights Shares with Warrants as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements in Malaysia.

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4. RATIONALE FOR THE TWO-CALL RIGHTS ISSUE OF SHARES WITH WARRANTS

After due consideration of the various methods of fund raising available, our Board is of the opinion that the Two-Call Rights Issue of Shares with Warrants is currently an appropriate avenue as:

(i) it allows our Company to raise capital without incurring interest costs as compared to other means of financing, such as bank borrowings or the issuance of debt instruments. This will also allow our Group to preserve cash flow for reinvestment and/or operational purpose;

(ii) it enables our Group to raise capital for purposes as set out in Section 5 of this AP, such as to set up a waste management plant, repayment of bank borrowings and working capital requirements which are expected to contribute positively to the future earnings of our Group and improve our financial performance;

(iii) it involves the issuance of new Asia Poly Shares without diluting the existing shareholders' equity interest, assuming all Entitled Shareholders fully subscribe for their respective entitlements and exercise their Warrants subsequently. The Undertakings allow the shareholders (including the major shareholders) whom are also Directors of our Company to extend their support for the Two-Call Rights Issue of Shares with Warrants which will facilitate our Group to raise the necessary funds;

(iv) it provides an opportunity for the existing shareholders to increase their equity participation in our Company arising from the subscription of the Rights Shares with Warrants at an attractive pricing based on the First Call;

(v) the Warrants will increase the attractiveness of the Two-Call Rights Issue of Shares with Warrants by providing an incentive to the shareholders of our Company to subscribe for their entitlements and hence, providing them with the potential capital appreciation arising from the exercise of the Warrants, depending on the future performance of the Asia Poly Shares; and

(vi) the Warrants will enable our Company to raise further proceeds from the equity market as and when any of the Warrants are exercised while at the same time provide the shareholders of our Company with the opportunity to increase their equity participation in our Company at a pre-determined price over the tenure of the Warrants.

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5. UTILISATION OF PROCEEDS

Based on the First Call of RM0.05 per Rights Share, the Two-Call Rights Issue of Shares with Warrants will raise total gross proceeds of up to RM8.79 million which will be utilised in the manner set out below:

	Note	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)	Expected time frame for utilisation of proceeds (from the date of listing of the Rights Shares)
Repayment of bank borrowings	(1)	1,433	3,162	Within 12 months
Setting up of a waste management plant	(2)	3,000	3,000	Within 18 months
Working capital	(3)	2,000	2,000	Within 12 months
Estimated expenses in relation to the Corporate Exercises	(4)	630	630	Within 2 weeks
Total estimated proceeds		**7,063**	**8,792**	

Notes:

(1) Our Group intends to utilise up to RM3.16 million of the proceeds to repay part of our Group's bank borrowings. As at the LPD, our Group's total bank borrowings were approximately RM16.78 million and the prevailing interest rate of our Group is approximately 4.75% per annum.

Under the Minimum Scenario and Maximum Scenario, our Group anticipates interest savings of approximately RM0.07 million and RM0.15 million per annum, respectively as the result of the repayment of bank borrowings.

Details of our Group's bank borrowings as at the LPD are as follows:

Type of facility	Financial institution	Outstanding amount as at the LPD (RM'000)
Short term borrowings:		
Bankers' acceptance	AmIslamic Bank Berhad	9,737
	AmBank (M) Berhad	1,393
	Citibank Berhad	5,196
Hire-purchase payables	Malayan Banking Berhad	50
Long term borrowings:		
Hire-purchase payables	Malayan Banking Berhad	400
	Total	**16,776**

At this juncture, our management is unable determine the repayment breakdown of the above-mentioned bank borrowings using the proceeds from the Two-Call Rights Issue of Shares with Warrants as this will depend upon, among others, the quantum, prevailing interest rates and tenure of the respective bank borrowings at the point of repayment. There is no early repayment penalty for any of the above-mentioned bank borrowings.

(2) Our Group is principally involved in the manufacture and sale of cast acrylic products. The cast acrylic sheets are made from 100% virgin MMA sourced from Singapore and are used for various purposes such as the following:

- building applications (e.g., glazing, skylights and interior decorative partitions);

- food industry/catering (e.g., bar fittings, cinema ice-cream and vending trays (illuminated) and display counter covers);
- domestic/household (e.g., bathroom cabinets, coffee tables and furniture);
- transport (e.g., boat cabin windows, boat windscreens and car accessories/visors);
- medical (e.g., hospital trays and equipment, incubators and illuminated eye testing charts); and
- miscellaneous applications (e.g., bus shelter glazing, display cabinets, fire hydrant plates and signages).

By leveraging on our Group's existing technologies and expertise in the polymer industry, our Group intends to utilise RM3.00 million of the proceeds to fund the entire estimated cost to set up a waste management plant to recover the scrap/strip (i.e., waste) from our current business. The scrap/strip arises mainly from the manufacturing process as the acrylic sheets manufactured would be slightly larger than the customers' order. The acrylic sheets would then be cut to the actual size as per the customers' order thus resulting in scrap/strip pieces of acrylic sheets. Currently, the scraps/strips are collected and sold to third (3rd) parties and they account for approximately six percent (6%) or 40 MT of our Group's production per month.

By setting up the waste management plant, this will enable our Group to breakdown and depolymerise the scraps/strips from polymer units to monomer units which are known as DMMA. The DMMA will have an average purity of 96% to 98% and can be used in our Group's own production of cast acrylic sheets, where the DMMA can be mixed with MMA to produce new cast acrylic sheets. The waste management plant will have a production capacity of up to 100 MT per month, which will be sufficient to handle the recovery of 40 MT of scraps/strips per month.

The recovery of scraps/strips to DMMA is expected to result in cost savings to our Group as the cost of DMMA is cheaper than MMA by approximately 20% to 30%. By mixing DMMA with MMA in the production of cast acrylic sheets, our Group would be able to reduce the total cost of raw materials used in production and thus improve the gross profit margin of our Group.

Our Group intends to utilise RM3.00 million in the following manner:

Description		RM('000)
(a)	Purchase of machinery	1,000
(b)	Setting up of building and civil engineering works	1,000
(c)	Other capital expenditure	1,000
Total		**3,000**

(a) Our Group requires specialised machines, namely reactor/ burner (2 units) and distiller (1 unit) designed to depolymerise and distill scraps/strips from polymer units to monomer units.

(b) Our Group intends to set up a separate building with a built-up area of approximately 2,400 square metres beside our current production factory on our existing land in Klang, Selangor and would conduct the necessary civil engineering works such as piling, wiring and pipings.

(c) Other capital expenditure includes but are not limited to the purchase of chiller, tanks, pumps, motors and burners to operate the waste management plant. The exact breakdown and number of units are not determinable at this juncture.

Currently, our Group has procured quotations from several manufacturers of the specialised machines and contractors for the setting up of the new building and civil engineering works.

The setting up of the waste management plant and related construction works will commence once the proceeds have been received. Barring any unforeseen circumstances, the waste management plant is expected to be completed and commence operations within eighteen (18) months from the date of listing of the Rights Shares.

Any surplus or shortfall of proceeds for the setting up of the waste management plant will be adjusted accordingly to/from the working capital of our Group.

(3) Our Group intends to utilise RM2.00 million of the proceeds for its working capital as follows:

Description	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
(a) Payment to trade creditors	1,500	1,500
(b) Other administration and operating expenses	500	500
Total	**2,000**	**2,000**

(a) Comprising payment to trade creditors for the supplies of raw materials.

(b) Comprising payment for general and other operating expenses for our Group such as rental, electricity, telephone, internet and other sundry expenses, where the exact breakdown are not determinable at this juncture.

(4) The estimated expenses consist of professional fees, fees payable to the relevant authorities, expenses to convene our forthcoming EGM and other ancillary expenses. Any surplus or shortfall of proceeds for the estimated expenses in relation to the Corporate Exercises will be adjusted accordingly to/from the working capital of our Group.

The actual proceeds to be raised from the Two-Call Rights Issue of Shares with Warrants are dependent on the number of Rights Shares to be issued. Any variation in the actual proceeds raised will be adjusted to/from the proceeds allocated for the working capital of our Group.

Pending utilisation of the proceeds from the Two-Call Rights Issue of Shares with Warrants for the abovementioned purposes, the proceeds will be placed in deposits with financial institutions or invested in short-term money market instruments as our Board may deem fit. The interest derived from the deposits with the financial institution or any gain arising from the short-term money market instruments will be used as additional working capital of our Group.

The exact quantum of proceeds that may be raised by our Company pursuant to the exercise of the Warrants will depend upon the actual number of Warrants exercised during the tenure of the Warrants. The proceeds to be raised from the exercise of the Warrants shall be utilised for the working capital of our Group of which the exact timeframe and the breakdown for the utilisation cannot be determined at this juncture.

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6. RISK FACTORS

You and/or your renouncees/transferees (if applicable) should consider carefully the following risk factors (which may not be exhaustive) which may have an impact on the future performance of our Group, in addition to other information contained elsewhere in this AP, before subscribing for or investing in the Two-Call Rights Issue of Shares with Warrants.

6.1 Risks relating to our business and industry

(i) Competition risk

Our Group faces competition in both the local and global markets as well as from existing players and/or potential new entrants to the industry. Our success is dependent upon, among others, our competitive advantages (such as our products bearing the A-Cast® brand and technology) and continuing efforts to improve our manufacturing processes and manufacturing efficiency, standards and quality of our products through R&D initiatives.

Nevertheless, should our Group fail to overcome the competition as mentioned above, this will result in loss of market share and subsequently loss of revenue. This in turn will affect the financial position of our Group.

(ii) Business risks

The principal business activities of our Group are in the manufacturing and sale of cast acrylic products. Our products are used for various purposes such as building applications (e.g., glazing, skylights and interior decorative partitions), food industry/catering (e.g., bar fittings, cinema ice-cream and vending trays (illuminated) and display counter covers), domestic/household (e.g., bathroom cabinets, coffee tables and furniture), transport (e.g., boat cabin windows, boat windscreens and car accessories/visors), medical (e.g., hospital trays and equipment, incubators and illuminated eye testing charts) and miscellaneous applications (e.g., bus shelter glazing, display cabinets, fire hydrant plates and signages). Our Group is therefore subject to certain risks inherent in the related industries. These risks include constraints in labour supply, changes in economic and business conditions, foreign exchange rate fluctuations, increases in raw material costs, business disruptions due to unexpected events such as temporary power outages and natural disasters, unfavourable changes in Government policies and intense competition from local and international players. Any of these may be a threat to the operations and/or financial performance of our Group.

(iii) Supply of raw materials and fluctuation in prices

Our Group's current production depends on the uninterrupted supply of MMA, masking, polyvinyl chloride (pvc) gasket and color matter. MMA is not manufactured in Malaysia but is manufactured in countries such as Singapore, Japan, Taiwan, China and Thailand. Our Group also intends to set out a waste management plant from the proceeds of the Two-Call Rights Issue of Shares with Warrants to produce DMMA which can be used in our Group's own production of cast acrylic sheets.

Nevertheless, any shortages in certain of these materials may cause disruptions to our Group's production. A shortage could also in turn cause fluctuation in prices. Such events could affect the timing of our deliverables as well as increase our cost of manufacturing and, as a result, may affect our financial performance.

(iv) Foreign exchange risk

Our Group is subject to foreign exchange risk through the import of raw materials and export of finished goods. Our Group supplies our products domestically as well as to international markets such as Australia, New Zealand, Japan, South Korea, India, Middle East, Europe and South Africa. The breakdown of revenue between domestic and foreign markets for the FYE 31 March 2015 was approximately 30% and 70%, respectively. As such, any fluctuation in foreign exchange rates would have an impact on our Group's profitability and financial performance.

(v) Political, economic and regulatory considerations

Any adverse developments in political, economic and regulatory conditions in Malaysia and countries such as Australia, New Zealand, Japan, South Korea, India, Middle East, Europe, Singapore and South Africa where our Group has business dealings may materially and adversely affect our financial and business prospects. Other political uncertainties that could unfavourably affect us include changes in political leadership, war, economic downturn, financial crisis, expropriation, nationalisation, re-negotiation or nullification of existing contracts, changes in interest rates and methods of taxation.

(vi) Sensitivity to economic downturn

Our Group is facing the present world economic outlook which is uncertain in view that our Group has a global presence where we supply our products domestically as well as to international markets such as Australia, New Zealand, Japan, South Korea, India, Middle East, Europe and Souh Africa. Furthermore, our Group will continue to expand our customer base by getting more production lines up within the next two (2) to three (3) years and securing more high-net-worth customers in global markets through our R&D efforts by developing new and innovative products. Our Group also intends to intensify our promotional efforts both locally and overseas by collaborating with our distributors to hold promotional campaigns and road shows to improve market awareness and enhance the presence of our Group's products.

As such, any slowdown in the growth of the manufacturing and trading of cast acrylic sheet industry and other general world-wide economic activities could materially and adversely affect our Group's operating result and financial condition.

(vii) Labour risks

The manufacturing process of our Group are reliant on manual labour. As such, our Group is subject to risks of labour shortages or increase in labour costs. Any shortage of labour will affect our Group's ability to meet production schedules, while any increase in labour cost to retain or recruit labours will affect the costs of production. Any increase in the costs of production would inevitably affect our Group's profit margin, which may in turn affect our Group's financial performance.

(viii) Dependency on key personnel

Our Group believes that the sustainability of our business will depend substantially upon the abilities and continued efforts of our existing Directors and senior management. We may not be able to successfully retain our existing Directors and senior management. The loss of such key personnel may adversely affect our Group's performance.

Our Group's future successes will also depend upon our ability to attract and retain a sufficient number of highly skilled employees. Our Group's inability to attract new qualified employees or adequately trained employee, or the delay in hiring key personnels, could adversely affect our ability to operate our business or to compete effectively. This in turn could affect our Group's business, financial condition and results of operations.

(ix) Ability to meet customers' specific perferences and requirements

To achieve our business goals, our Group must develop and sell products that appeal to our customers. This is dependent on a number of factors, such as the ability to manufacture products that meet the quality, performance and price expectations of our customers, as well as the ability to develop effective sales and marketing programmes. Further growth will depend on our Group's ability to innovate our existing products and introduce new products. Failure to keep pace with product innovation and/or to predict market demand for the products may impact on our business, financial condition and results of operations. There is no assurance that any of the above factors will not have a material adverse effect on our Group's operations and financial performance.

(x) Environmental risks

Acrylic sheet manufacturing involves highly volatile substances which require careful storage, handling, and disposal. The polymerisation process needs to be monitored properly for safety purposes. From an environmental perspective; plastic products, including acrylic sheets, take a long time to decompose and have come under increasing scrutiny. There have been sporadic pressures from some local authorities and the public to reduce and recycle plastic products.

Our Group is unable to control the recycling of our products when they have reached the end-users as acrylic sheets are used in various markets. As such, there can be no assurance that any new environmental regulations introduced will not materially affect the performance of our Group.

6.2 Risks relating to the Two-Call Rights Issue of Shares with Warrants

(i) Investment risk

The market price of the Rights Shares is influenced by, amongst others, the prevailing market sentiments, the volatility of equity markets, the liquidity of Asia Poly Shares, the outlook for the cast acrylic sheet industry, changes in regulatory requirements or market conditions, the financial performance and fluctuations in our Group's operating results. In view of this, there can be no assurance that the Rights Shares will trade above the Issue Price for the Rights Shares or TEAP upon or subsequent to the listing of and quotation for the Rights Shares on the ACE Market of Bursa Securities.

The market price of the Warrants may be influenced by, amongst others, the market price of Asia Poly Shares, and the remaining exercise period of the Warrants and the volatility of Asia Poly Shares. There can be no assurance that the Warrants will be "in-the-money" during the exercise period of the Warrants. In the event the Warrants are not exercised during the exercise period, the unexercised Warrants will lapse and cease thereafter to be valid for any purpose.

(ii) Delay in or failure of the Two-Call Rights Issue of Shares with Warrants

The Two-Call Rights Issue of Shares with Warrants is exposed to the risk that it may be aborted or delayed on the occurrence of any one or more of the following events:

(a) Force majeure events or circumstances that are beyond the control of our Company arising prior to the implementation of the Two-Call Rights Issue of Shares with Warrants. Such events or circumstances include *inter-alia*, natural disasters, adverse developments in political, economic and government policies in Malaysia, including changes in inflation and interest rates, global economic downturn, acts of war, acts of terrorism, riots, expropriations and changes in political leadership; or

(b) The Joint Underwriters as set out in Section 2.5 of this AP who have entered into the Underwriting Agreement are not able to fulfill their obligations for whatsoever reason.

In this respect, all proceeds arising from the Two-Call Rights Issue of Shares with Warrants will be refunded without interest to the Entitled Shareholders and/or their renouncees/transferees (if applicable) in the event the Two-Call Rights Issue of Shares with Warrants is aborted and if such monies are not repaid within fourteen (14) days after Asia Poly becomes liable, we will repay such monies with interest at the rate of ten percent (10%) per annum or such other rate as may be prescribed by the SC in accordance with Section 243(2) of the Capital Markets and Services Act, 2007. Notwithstanding the above, our Company will exercise our best endeavor to ensure the successful implementation of the Two-Call Rights issue of Shares with Warrants. However, there can be no assurance that the abovementioned factors/events will not cause a delay in or abortion of the Two-Call Rights Issue of Shares with Warrants.

(iii) Capital market risks

The performance of the local stock market is dependent on the economic and political conditions in Malaysia as well as external factors such as, amongst others, the performance of the world bourses, flows of foreign funds and prices of commodities. These factors invariably contribute to the volatility and the liquidity of Bursa Securities, thus adding risk to the market price of the Rights Shares and Warrants.

(iv) Forward-looking statements

Certain statements in this AP are based on historical information, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies.

All forward-looking statements contained in this AP are based on forecasts and assumptions made by our Company, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. Such factors include, among others, the risk factors as set out in this section. In view of the above, the inclusion of any forward-looking statements in this AP should not be regarded as a representation or warranty by our Company that the plans and objectives of our Group will be achieved.

7. INDUSTRY OUTLOOK AND FUTURE PROSPECTS OF OUR GROUP

7.1 Prospects and outlook of the Malaysian economy

The Malaysian economy remains resilient despite a more challenging external environment, including moderate global growth, declining commodity prices and volatility in financial markets. Real gross domestic product grew by 5.3% during the first (1^{st}) half of 2015 supported by steady domestic demand, particularly private sector expenditure. Exports and imports contracted by 1.4% and 2%, respectively, during the first eight (8) months of the year. However, exports of manufactured goods registered modest growth led by demand mainly for electrical and electronic products.

As a small and highly open economy, Malaysia is vulnerable to developments in the external environment. However, the structural reforms undertaken over the years to diversify the economy and strengthen the financial system, have placed the economy on a stronger footing as well as enhanced its resilience to weather the external challenges. Real gross domestic product is expected to register a growth of 4.5% - 5.5% in 2015 (2014: 6%) supported by resilient domestic economic activity. The national income, as measured by the gross national income, is estimated to increase by 5.5% to RM1.13 trillion with income per capita growing by 4.2% to RM36,397 (2014: 8.6%; RM1.07 trillion; 7.2%; RM34,945).

The projection for growth in 2016 takes into account concerns over the severity of growth slowdown in emerging markets, particularly China. Other downside risks include declining commodity prices, rising volatility in financial markets and depreciating currencies of emerging economies.

Against the backdrop of increased uncertainty in the global economy, growth in the Malaysian economy will be driven by domestic demand, with private expenditures as the main anchor, while public expenditure will increase moderately.

Strong economic fundamentals such as benign inflation and stable employment supported by an accommodative monetary policy are expected to support growth. Thus, the Malaysian economy is expected to remain on a steady growth path, expanding between 4% - 5% in 2016. On the supply side, growth though moderating, is expected to be broad-based supported by expansion in all sectors of the economy, led by the services and manufacturing sector. Thus, the nominal gross national income per capita is expected to increase by 5.6% to RM38,438 in 2016 (2015: 4.2%; RM36,397).

(Source: Economic Report 2015/2016, Ministry of Finance Malaysia)

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7.2 Overview of the cast acrylic sheet industry in Malaysia

PMMA also known as acrylics, are tough, highly transparent materials with good dimensional stability, and possess excellent resistance to ultra violet radiation and weathering. Acrylic sheet exhibits glass-like qualities such as clarity, brilliance and transparency, but at half the weight. Typical PMMA grades allow 92% of light to pass through it, which is more than glass or other plastic materials. This outstanding clarity enables the use of acrylic sheets in many different optical and related applications. As they are inherently stable to ultra violet light, acrylic sheets are used for many outdoor applications. Also, they are insoluble in water and are resistant to salty water.

PMMA is formed from the polymerisation of MMA, which in turn, is derived from petroleum products. Acrylic sheets manufacturing is a downstream activity of the petrochemical industry.

PMMA comes mainly in three (3) grades as follows:

- General purpose grade PMMA – is a material widely used in a large number of applications, such as visual merchandising point-of-sale displays and store fixtures, display cabinets and skylights;

- Sanitary grade PMMA - is a material used for long baths, shower trays and wash basins; and

- Optical grade PMMA - is a material used to make screens for large light emitting diode televisions and computer monitors. It is also found in screens for smaller electronics gadgets such as cellular phones and mp3 players.

Our Company is involved in the manufacturing of general purpose grade PMMA and sanitary grade PMMA.

The acrylic sheets industry can be segmented by production processes, as follows:

➢ Casting is the most common used processing technology for PMMA polymers and cast acrylic sheets are widely used in advertising and visual communications, as well as architectural and construction, owing to their impact strength and resistance to weathering.

Cast acrylic sheets can be produced by two (2) methods as follows:

- Cell casting: The MMA is cast between two (2) sheets of high quality glass and is polymerised in batches in specially developed ovens and water baths. It is easy to vacumn form, making it ideal for applications where complex shapes are required.
- Continuous casting: A continuous process where the MMA is polymerised between two (2) highly polished stainless steel bands. It offers excellent thickness tolerance.

Our Company is involved in the cell casting production process.

➢ The extrusion process is used in the manufacturing of optical grade PMMA. In this process, the resin pellets are melted and conveyed in a long horizontal chamber. This chamber is heated, which then melts the polymers and conveys it through a die at the end of the extruder. This die shapes the plastics, which is then cooled. Extruded acrylic sheets offer excellent thickness tolerance.

Depending on the end-user requirements and preferences of acrylic sheet manufacturers, acrylic sheets can be manufactured either through the casting or extrusion process. The key attributes of cast acrylic sheets and extruded acrylic sheets are summarised in the table below.

Table 1:Key attributes of cast acrylic sheets and extruded acrylic sheets

Attributes	Cast acrylic sheets	Extruded acrylic sheets
Batch production	√	
Continuous production		√
Excellent clarity	√	√
High gloss surface	√	√
Extensive range of colours	√	
Extensive range of textures	√	
Suitable for longer and more economical production runs		√
Easy maintenance	√	
Excellent chemical resistance	√	
Good rigidity	√	
Lightweight	√	√
Easily fabricated	√	√
Weather resistance	√	√

(Source: Infobusiness)

The market size in terms of ex-factory sales^ of cast acrylic sheets was about RM91 million in Malaysia in 2014. Ex-factory sales of cast acrylic sheets rose by 6.3% in Malaysia in 2014. This was due to a relatively robust construction industry, active retail sales and furniture manufacturing industries in Malaysia, as well as exports.

Note:

^ *Ex-factory sales refer to sales registered by manufacturers, and not distributors and/or fabricators.*

The retail industry relies on effective advertising and visual media such as visual merchandising point-of-sales displays and store fixtures, in view of the keen competition for customers. Visual merchandising point-of-sales displays are used to maximise the brand impact and to attract consumer attention so as to drive sales. Effective signage such as attractive and colourful store fixtures, are a very critical tool in service differentiation and is crucial to the total shopping experience. They also assist to spur repeat visits among customers.

In architectural and construction, the role of specifiers such as interior contractors is crucial, as they develop creative and innovative designs based on clients' needs and desires while taking into consideration the technical restrictions of the interior space. Interior designers usually play a lead role in renovation projects, monitoring and managing the construction and installation activities, as well as the selection of fixtures and furnishings used (including the usage of acrylics in fixtures and furnishings such as skylights, shower screens, shower trays, long baths and display cabinets). Property owners and managers usually decide on the final fixtures and furnishings to be used based on the recommendations of the interior designers.

The optical clarity and ultra violet resistance properties of acrylic sheets make them suitable for use as boat cabin windows, boat windscreens, recreational vehicle (also known as motor home, motor van and camper van) windows, and coach observation panels in the transportation market. Their performance can be further enhanced through applications of anti-fog and anti-scratch coatings.

(Source: IMR Report)

7.3 Outlook of the cast acrylic sheet industry in Malaysia

Infobusiness is forecasting growth of about 3% from approximately RM91.0 million in 2014 to approximately RM93.7 million in 2015 for ex-factory sales of cast acrylic sheets in Malaysia. The outlook of the cast acrylic sheet industry is dependent on the performances of its key end-user industries such as the advertising and visual communications, architectural and construction, transportation and furniture manufacturing industries. In addition, the recent relatively lower prices of petroleum have led to lower prices of feedstock for the manufacture of acrylic sheets.

Malaysia implemented GST on 1 April 2015, and the new tax regime is expected to create a one-off inflationary pressure that will affect consumers as well as businesses. As a result, a slowdown in the retail industry is anticipated, due to a moderation in consumer spending. More cautious spending by consumers, particularly among the low and middle income earners, may delay the recovery of consumer discretionary spending. In a more competitive market, retailers would resort to the use of advertising and visual media such as visual merchandising point-of-sales displays and store fixtures to catch the attention of customers.

It has become very common for property owners to undertake a certain degree of renovation prior to moving in to their newly purchased properties. It is also undertaken by the property owners on their properties on a periodic basis, so as to restore their properties to a pristine condition and to enhance the value of their properties, due to wear and tear, as well as changing property fashions. Property owners and property managers, especially in the commercial property segment such as hotels, shopping complexes and restaurants tend to renovate their properties more frequently in order to keep up with changing property fashions and to draw more customers by creating comfortable, relaxed and inviting spaces with the right ambiance. More and more highways are being built to cater for the increasing pace of motorisation and as a result, sound barriers are installed for the comfort of the residents who stayed nearby. All these applications also utilise acrylic sheets, among others.

Both recreational boating and recreational vehicles are widely used for leisure activities in many countries overseas, such as the United States, Australia and New Zealand. Acrylic sheets are utilised in boat cabin windows and windscreens, as well as in coach observation panels. As they are popular forms of leisure activities, the assembling of recreational boats and recreational vehicles are actively undertaken in those countries.

The global market size for cast acrylic sheets is projected to expand from RM5.1 billion in 2014 to RM6.5 billion in 2019, yielding a CAGR of 4.9%. Geographically, the Asia Pacific region, with its various dynamic economies and rapidly expanding industrial and commercial activities, is expected to continue to be the main market for acrylic sheets. A rising middle class in many countries in the region is anticipated to spur the demand for more consumer goods, in which visual merchandising point-of-sale displays and store fixtures are used to attract their attention by retailers.

(Source: IMR Report)

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7.4 Prospects of our Group

Our Group is principally involved in the manufacture and sale of cast acrylic products, and is focused on creating high quality cast acrylic sheets that meet international standards of compliance. Our Group's manufacturing facility in Klang, Selangor has two (2) production lines manufacturing on average 600 MT worth of acrylic sheets a month.

Our Group's strengths reside in the following areas:

(a) R&D

Our Group invests heavily in the R&D process. Capital expenditure incurred for R&D purposes includes the setting up of a pilot plant which serves our R&D initiatives into the polymerisation process with various types of additives which could be analysed under different process conditions, equipment to study the thermoforming performance of acrylic sheets and other sophisticated laboratory equipment. All these have benefited our Group in maintaining and improving the quality of our products. Thus, the strength of our company lies in our products bearing the A-Cast® brand and technology.

Our Group recently developed two (2) green products of PMMA (Arcylics) (i.e., A-Cast HM Standard and A-Cast HM Premium) for heat management applications into green buildings. These products are engineered to have infrared-blocking properties, thereby reducing the amount of infrared wavelength transmitted through it, thereby resulting in reduced solar heat gains for cooler interiors, and yet allows optimum amount of visible light into the building, thereby contributing to energy savings and lowers carbon footprint. A patent has been filled with the Intellectual Property Corporation of Malaysia (MyIPO) under the Perbadanan Harta Intelek, Malaysia for the manufacture of these products with Patent Application No: PI 2015702826 dated 27 August 2015. Both these products have been approved on 9 October 2015 by Malaysia Green Building Confederation (MGBC) for Green Building Index (GBI) listing. An application has also been made to Singapore Green Building Council (SGBC) for its certification under Primary Green Attributes (PGA) and we expect to obtain the outcome by the end of year 2015.

Our Group uses low temperature process at the pre-polymerisation stage which could control the consistency of molecule weight of the cast acrylic which gives our Group an advantage among our competitors that use a high temperature process. This technology has helped our Group to meet international standards as set out below.

Our Group expects to launch new A-Cast products with anti-abrasion, anti-static, anti-fingerprint, anti-reflection, easy cleaning property in stages from the third (3^{rd}) quarter of 2016.

(b) Certification of compliance

Our products are certified for compliance with the European Union's EN263 standard for sanitary grade PMMA and Japan's JIS, International Organization for Standardization (ISO) and ASTM International standards for general purpose grade PMMA which have helped our Group to penetrate the global market.

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(c) Production planning and control

Our Group employs proper production planning and control to ensure optimum utilisation of production capacity and resources. Our Group's production lines are semi-automated and are running at close to 100% capacity.

(d) Global presence

Our Group supplies our products domestically as well as to international markets such as Australia, New Zealand, Japan, South Korea, India, Middle East, Europe and South Africa. The breakdown of revenue between domestic and foreign markets for the FYE 31 March 2015 was approximately 30% and 70%, respectively.

Our Group intends to achieve further growth by getting more production lines up within the next two (2) to three (3) years and securing more high-net-worth customers in global markets through our R&D efforts by developing new and innovative products. Our Group also intends to intensify our promotional efforts both locally and overseas by collaborating with our distributors to hold promotional campaigns and road shows to improve market awareness and enhance the presence of our Group's products. Furthermore, as stated in Section 5 of this AP, our Group intends to set up a waste management plant to reduce waste and improve our Group's profitability.

Premised on the above and taking into account of the outlook of the acrylic sheet industry (as set out in Section 7.3 of this AP) moving forward, our Board is of the view that the future prospects of our Group are expected to be positive.

(Source: Our management)

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8. EFFECTS OF THE TWO-CALL RIGHTS ISSUE OF SHARES WITH WARRANTS

8.1 Issued and paid-up share capital

Until such time when the SIS Options are exercised into SIS Shares, the SIS will not have an immediate effect on the issued and paid-up share capital of our Company. The issued and paid-up share capital of our Company will increase progressively depending on the quantum of the SIS Options granted and exercised and the number of new Asia Poly Shares issued pursuant thereto.

The pro forma effects of the Two-Call Rights Issue of Shares with Warrants, Special Bumiputera Issue and SIS on the issued and paid-up share capital of our Company are as follows:

	Minimum Scenario		**Maximum Scenario**	
	No. of Asia Poly Shares	**RM**	**No. of Asia Poly Shares**	**RM**
Issued and paid-up share capital as at the LPD*	87,914,960	8,791,496	87,914,960	8,791,496
To be issued pursuant to the Two-Call Rights Issue of Shares with Warrants	141,250,000	14,125,000	175,829,920	17,582,992
	229,164,960	22,916,496	263,744,880	26,374,488
To be issued in full pursuant to the Special Bumiputera Issue	34,374,000	3,437,400	39,561,000	3,956,100
	263,538,960	26,353,896	303,305,880	30,330,588
To be issued pursuant to the full exercise of the Warrants	47,083,333	4,708,333	58,609,973	5,860,997
	310,622,293	31,062,229	361,915,853	36,191,585
To be issued in full pursuant to the full exercise of the SIS Options	93,186,600	9,318,660	108,574,700	10,857,470
Enlarged issued and paid-up share capital	**403,808,893**	**40,380,889**	**470,490,553**	**47,049,055**

Note:

* *As at the LPD, our Company does not have any treasury shares.*

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8.2 NA, NTA and gearing

The pro-forma effects of the Two-Call Rights Issue of Shares with Warrants, Special Bumiputera Issue and SIS on our NA, NTA and gearing based on our audited consolidated financial statements as at 31 March 2015 are as follows:

Minimum Scenario

	(Audited) As at 31 March 2015 (RM)	(I) After Two-Call Rights Issue of Shares with Warrants (RM)	(II) After (I) and the Special Bumiputera Issue (RM)	(III) After (II) and assuming full exercise of the Warrants[7] (RM)
Share capital	8,791,496	22,916,496	26,353,896	31,062,229
Share premium	4,222,960	-[1]	3,723,010[5]	3,723,010
Warrants reserve	-	6,893,000[2]	6,893,000	-
Other reserve	-	(6,893,000)	(6,893,000)	-
Retained earnings	9,656,160	6,186,620[3]	6,186,620	6,186,620
Shareholders' funds / NA	**22,670,616**	**29,103,116**	**36,263,526**	**40,971,859**
No. of Asia Poly Shares in issue	87,914,960	229,164,960	263,538,960	310,622,293
NA per Asia Poly Share (RM)	0.26	0.13	0.14	0.13
NTA per Asia Poly Share (RM)	0.26	0.13	0.14	0.13
Total borrowings (RM)	20,779,103	19,346,603[4]	12,186,193[6]	12,186,193
Gearing (times)	0.92	0.66	0.34	0.30

Notes:

(1) After capitalisation for the Second Call of approximately RM3.59 million and after deducting estimated expenses of approximately RM0.63 million for Corporate Exercises.

(2) Arises from the issuance of Warrants pursuant to the Two-Call Rights Issue of Shares with Warrants. For illustrative purposes, the Warrants are assumed to have a fair value of RM0.1464 based on the Black Scholes Model. Other reserve is created as correspondence entry to the warrants reserve. The warrants reserve will be transferred to the other reserve upon the exercise or expiry of the Warrants.

(3) After capitalisation for the Second Call of approximately RM3.47 million.

(4) Based on the utilisation of proceeds set out in Section 5 of this AP.

(5) Assuming an issue price of RM0.2150 per Bumiputera Share and after deducting estimated expenses of approximately RM0.23 million for the Special Bumiputera Issue.

(6) Based on the utilisation of proceeds from the Special Bumiputera Issue of approximately RM7.16 milion for the repayment of our Group's bank borrowings.

(7) Based on the exercise price of RM0.10 per Warrant.

Maximum Scenario

	(Audited) As at 31 March 2015 (RM)	(I) After Two-Call Rights Issue of Shares with Warrants (RM)	(II) After (I) and the Special Bumiputera Issue (RM)	(III) After (II) and assuming full exercise of the Warrants[(7)] (RM)
Share capital	8,791,496	26,374,488	30,330,588	36,191,585
Share premium	4,222,960	-[(1)]	4,319,515[(5)]	4,319,515
Warrants reserve	-	8,580,500[(2)]	8,580,500	-
Other reserve	-	(8,580,500)	(8,580,500)	-
Retained earnings	9,656,160	4,457,624[(3)]	4,457,624	4,457,624
Shareholders' funds / NA	**22,670,616**	**30,832,112**	**39,107,727**	**44,968,724**
No. of Asia Poly Shares in issue	87,914,960	263,744,880	303,305,880	361,915,853
NA per Asia Poly Share (RM)	0.26	0.12	0.13	0.12
NTA per Asia Poly Share (RM)	0.26	0.12	0.13	0.12
Total borrowings (RM)	20,779,103	17,617,607[(4)]	9,341,992[(6)]	9,341,992
Gearing (times)	0.92	0.57	0.24	0.21

Notes:

(1) *After capitalisation for the Second Call of approximately RM3.59 million and after deducting estimated expenses of approximately RM0.63 million for the Corporate Exercises.*

(2) *Arises from the issuance of Warrants pursuant to the Two-Call Rights Issue of Shares with Warrants. For illustrative purposes, the Warrants are assumed to have a fair value of RM0.1464 based on the Black Scholes Model. Other reserve is created as correspondence entry to the warrants reserve. The warrants reserve will be transferred to the other reserve upon the exercise or expiry of the Warrants.*

(3) *After capitalisation for the Second Call of approximately RM5.20 million.*

(4) *Based on the utilisation of proceeds set out in Section 5 of this AP.*

(5) *Assuming an issue price of RM0.2150 per Bumiputera Share and after deducting estimated expenses of approximately RM0.23 million for the Special Bumiputera Issue.*

(6) *Based on the utilisation of proceeds from the Special Bumiputera Issue of approximately RM8.28 milion for the repayment of our Group's bank borrowings.*

(7) *Based on the exercise price of RM0.10 per Warrant.*

The effect of the SIS on our Group's NA would depend on factors such as the number of SIS Options granted and the fair value of the SIS Options after taking into account, *inter-alia*, the Option Price as well as any vesting conditions. Whilst the granting of the SIS Options under the SIS is expected to result in recognition of a charge in the statement of comprehensive income of our Group pursuant to MFRS-2, the recognition of such MFRS-2 charge would not impact on the NA of our Group as the corresponding amount will be classified as an equity compensation reserve which forms part of the shareholders' equity.

In the event none of the granted SIS Options are exercised within the duration of the SIS, the amount outstanding in the said equity compensation reserve would be transferred into our Group's retained earnings. On the other hand, if the granted SIS Options are exercised, the amount outstanding in the said equity compensation reserve would be transferred into the share premium account of our Company.

The SIS will not have any immediate effect on the consolidated NA per Share until such time when the SIS Options are exercised. The consolidated NA per Share following the exercise of the SIS Options will increase if the Option Price exceeds the consolidated NA per Share at the point of exercise of the SIS Options and conversely will decrease if the Option Price is below the consolidated NA per Share at the point of the exercise of the SIS Options.

The SIS is not expected to have an immediate effect on the gearing level of our Group until such time when the SIS Options granted are exercised. The effect on the gearing will depend on the change in the NA, which inturn will depend on the actual number of the SIS Shares to be issued as well as the Option Price payable upon the exercise of the SIS Options.

8.3 Earnings and EPS

The Two-Call Rights Issue of Shares with Warrants and Special Bumiputera Issue are not expected to have an immediate material effect on the consolidated earnings and EPS of our Group for the nine (9)-month FPE 31 December 2015* as the Two-Call Rights Issue of Shares with Warrants and Special Bumiputera Issue is only expected to be completed in the fourth (4^{th}) quarter of 2015 whilst the proceeds to be raised are expected to be utilised within eighteen (18) months from the date of the listing of the Rights Shares and within twelve (12) months from the date of the listing of the Bumiputera Shares. However, the Two-Call Rights Issue of Shares with Warrants and Special Bumiputera Issue are expected to contribute positively to the future earnings of our Group when the benefits of the utilisation of proceeds are realised.

Note:

* *On 25 May 2015, our Company announced the change in our financial year end from 31 March to 31 December.*

The SIS is not expected to have any immediate material effect on the earnings of our Group for the nine (9)-month FPE 31 December 2015, save for the possible impact of MFRS-2. However, any potential effect on the EPS of our Group in the future would depend on the impact of MFRS-2, the number of SIS Options exercised as well as the utilisation of the proceeds raised from the exercise of the SIS Options.

Under the MFRS-2, the potential cost arising from the issuance of the SIS Options, which is measured by the fair value of the SIS Options after taking into account, *inter-alia*, the number of SIS Options granted and vested and the Option Price will need to be measured at the grant date and to be recognised as an expense over the vesting period, and therefore may affect the future earnings of our Group, the quantum of which can be determined only at the grant date. However, the estimated cost does not represent a cash outflow by our Company as it is merely an accounting treatment.

Our Company has taken note of the potential impact of MFRS-2 on our Group's future earnings and shall take into consideration such impact in the allocation and granting of the SIS Options.

The EPS shall be correspondingly diluted as a result of the increase in the number of Asia Poly Shares in issue pursuant to the issuance of the Rights Shares, Bumiputera Shares and the new Asia Poly Shares arising from the exercise of the Warrants and SIS Options in the future.

The effect of any exercise of Warrants and SIS Options on our Company's consolidated EPS would be dependent on the returns generated by our Company from the utilisation of proceeds arising from the exercise of the Warrants and SIS Options.

For illustration purposes, assuming the Two-Call Rights Issue of Shares with Warrants and Special Bumiputera Issue was completed on 1 April 2014, being the commencement for the FYE 31 March 2015, our EPS shall be as follows:

Minimum Scenario

	(Audited) As at 31 March 2015	**(I)** After Two-Call Rights Issue of Shares with Warrants	**(II)** After (I) and the Special Bumiputera Issue	**(III)** After (II) and assuming full exercise of the Warrants
Earnings attributable to our equity holders (RM)	686,352	686,352	686,352	686,352
No. of Asia Poly Shares in issue	87,914,960	229,164,960	263,538,960	310,622,293
No. of Warrants in issue	-	47,083,333	47,083,333	-
Basic EPS (sen)	0.78	0.30	0.26	0.22
Diluted EPS (sen)	N/A	0.25	0.22	N/A

Note:

N/A *Not applicable.*

Maximum Scenario

	(Audited) As at 31 March 2015	**(I)** After Two-Call Rights Issue of Shares with Warrants	**(II)** After (I) and the Special Bumiputera Issue	**(III)** After (II) and assuming full exercise of the Warrants
Earnings attributable to our equity holders (RM)	686,352	686,352	686,352	686,352
No. of Asia Poly Shares in issue	87,914,960	263,744,880	303,305,880	361,915,853
No. of Warrants in issue	-	58,609,973	58,609,973	-
Basic EPS (sen)	0.78	0.26	0.23	0.19
Diluted EPS (sen)	N/A	0.21	0.19	N/A

Note:

N/A *Not applicable.*

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9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL COMMITMENTS

9.1 Working capital

Our Board is of the opinion that after taking into consideration the proceeds from the Two-Call Rights Issue of Shares with Warrants, cash in hand, funds generated from our operation and banking facilities available, our Group will have adequate working capital for the next twelve (12) months from the date of this AP.

9.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM16.78 million, are interest-bearing and from local financial institutions, details of which are as follows:

	Interest-bearing borrowings RM'000
Long term borrowings:	
Hire-purchase payables	400
Short term borrowings:	
Bankers' acceptance	16,326
Hire-purchase payables	50
TOTAL	16,776

All outstanding borrowings are denominated in RM.

There is no non-interest bearing and/or foreign currency denominated borrowings as at the LPD.

There was no default on payment of either interest or principal sums in respect of any borrowing, throughout the past one (1) FYE 31 March 2015, and the subsequent financial period up to the LPD.

9.3 Contingent liabilities

Save as disclosed below, as at the LPD, there is no other contingent liability incurred or known to be incurred by our Company or our Group, which may have material impact on the financial position of our Group:

	Company level	
	As at the LPD RM'000	**As at 31 March 2015 RM'000**
Corporate guarantees extended:		
- to financial institutions for bank overdraft and other credit facilities granted to our subsidiary company	23,700	25,400

Accordingly, our Company is contingently liable to the said licensed banks to the extent of the amount of credit facilities utilised by the said subsidiary company.

9.4 Material commitments

Save as disclosed below, as at the LPD, there is no other material commitment incurred or known to be incurred by our Company or our Group, which upon being enforced, may materially affect the financial position of our Group.

	Group RM'000
Capital commitments in respect of acquisition of 30% equity interest in FDL^:	
Contracted but not provided for	1,920

Note:

^ *On 14 July 2015, our Company had entered into a sale and purchase agreement ("**SPA**") with Tan Tian Sin, Zakaria Bin Jusoh and Then Hui Chan (collectively the "**Vendors**") whereby our Company has agreed to purchase and the Vendors have agreed to sell 120,000 ordinary shares of RM1.00 only each representing thirty percent (30%) of the total issued and paid-up share capital of FDL for the purchase consideration of RM2,400,000. Our Company had paid RM480,000.00 to the Vendors upon the execution of the SPA and the balance of RM1,920,000 only will be paid by our Company to the Vendors within six (6) months from the completion date of the SPA. The SPA has been completed on 24 July 2015.*

Our Group intends to satisfy the abovementioned material commitment via internally generated funds.

10. TERMS AND CONDITIONS

The issuance of the Rights Shares with Warrants pursuant to the Two-Call Rights Issue of Shares with Warrants is governed by the terms and conditions as set out in this AP, the Deed Poll, the NPA and the RSF enclosed herewith.

11. FURTHER INFORMATION

You are requested to refer to the attached appendices for further information.

Yours faithfully
For and behalf of the Board of
ASIA POLY HOLDINGS BERHAD

DATO' YEO BOON LEONG
Executive Chairman

CERTIFIED TRUE EXTRACT OF THE RESOLUTION IN RELATION TO THE TWO-CALL RIGHTS ISSUE OF SHARES WITH WARRANTS PASSED AT OUR EGM HELD ON 28 OCTOBER 2015

ASIA POLY HOLDINGS BERHAD
(Company No. 619176-A)
(Incorporated In Malaysia)
Registered Office
No. 308, Block A (3rd Floor),
Kelana Business Centre,
97, Jalan SS7/2, Kelana Jaya,
47301 Petaling Jaya.

CERTIFIED EXTRACT FROM MINUTES OF EXTRAORDINARY GENERAL MEETING HELD ON 28TH DAY OF OCTOBER, 2015

The meeting resolved:-

ORDINARY RESOLUTION 1

PROPOSED RENOUNCEABLE TWO-CALL RIGHTS ISSUE OF UP TO 175,829,920 NEW ORDINARY SHARES OF RM0.10 EACH IN THE COMPANY ("ASIA POLY SHARE(S)") ("RIGHTS SHARES") ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) EXISTING ASIA POLY SHARE HELD ON AN ENTITLEMENT DATE TO BE DETERMINED LATER, TOGETHER WITH UP TO 58,609,973 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF ONE (1) WARRANT FOR EVERY THREE (3) RIGHTS SHARES SUBSCRIBED BY THE ENTITLED SHAREHOLDERS ("PROPOSED TWO-CALL RIGHTS ISSUE OF SHARES WITH WARRANTS")

"THAT, subject to the passing of Ordinary Resolution 9, Special Resolution 1 and the approvals of all relevant parties and/or authorities being obtained (where required), authority be and is hereby given to the Board of Directors of the Company ("Board") for the following:

(i) provisionally allot and issue by way of a renounceable rights issue of up to 175,829,920 Rights Shares at an issue price of RM0.10 on the basis of two (2) Rights Shares for every one (1) existing Asia Poly Share held, together with up to 58,609,973 Warrants on the basis of one (1) Warrant for every three (3) Rights Shares subscribed, of which the first call of RM0.05 will be payable in cash on application and the second call of RM0.05 is to be capitalised from the Company's share premium and retained earnings accounts upon allotment, to the shareholders of Asia Poly whose names appear in the Record of Depositors of the Company as at the close of business on an entitlement date to be determined later by the Board, or their renouncees, or underwriters, on such other terms and conditions as the Board may determine;

(ii) utilise and set off against share premium and retained earnings accounts of the Company in the manner as set out in Section 2.1.1 of the circular to shareholders dated 6 October 2015 ("Circular");

(iii) enter into and execute the deed poll in relation to the Proposed Two-Call Rights Issue of Shareswith Warrants ("Deed Poll") and to do all acts, deeds and things as they may deem fit or expedient in order to implement, finalise and give full effect to the aforesaid Deed Poll; and

(iv) utilise the proceeds to be derived from the Proposed Two-Call Rights Issue of Shares with Warrants in the manner as set out in Section 3 of the Circular and vary the manner and/or purpose of utilisation of such proceeds as they may deem fit and in the best interest of the Company.

THAT the Rights Shares and the new Asia Poly Shares to be issued arising from the exercise of the Warrants shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Asia Poly Shares, save and except that the Rights Shares and the new Asia Poly Shares shall not be entitled to any dividends, rights, allotments and/or other distributions that may be

...2/-

CERTIFIED TRUE EXTRACT OF THE RESOLUTION IN RELATION TO THE TWO-CALL RIGHTS ISSUE OF SHARES WITH WARRANTS PASSED AT OUR EGM HELD ON 28 OCTOBER 2015 (*CONT'D*)

declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the Rights Shares and the new Asia Poly Shares arising from the exercise of the Warrants, respectively.

THAT the Directors of the Company ("Directors") be and are hereby entitled to disregard and deal with all or any of the fractional entitlements of the Rights Shares with Warrants arising from the Proposed Two-Call Rights Issue of Shares with Warrants in such manner as the Directors may in their absolute discretion deem fit or expedient and in the best interest of the Company.

THAT any Rights Shares with Warrants which are not validly taken up or which are not allotted for any reason whatsoever shall be made available for excess applications in such manner as the Directors shall determine at its absolute discretion.

AND THAT the Board be and is hereby authorised to take all such necessary steps to give full effect to the Proposed Two-Call Rights Issue of Shares with Warrants with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Two-Call Rights Issue of Shares with Warrants."

ORDINARY RESOLUTION 2

PROPOSED SPECIAL ISSUE OF UP TO 39,561,000 NEW ORDINARY SHARES OF RM0.10 EACH IN THE COMPANY ("ASIA POLY SHARES") ("BUMIPUTERA SHARES"), REPRESENTING APPROXIMATELY FIFTEEN PERCENT (15%) OF THE ISSUED AND PAID-UP SHARE CAPITAL OF THE COMPANY, TO BUMIPUTERA INVESTORS TO BE RECOGNISED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY ("MITI") ("PROPOSED SPECIAL BUMIPUTERA ISSUE")

"THAT subject to the passing of Ordinary Resolution 9, Special Resolution 1 and the approvals of all relevant parties and/or authorities being obtained (where required), authority be and is hereby given to the Board of Directors of the Company ("Board") for the following:

(i) provisionally allot and issue up to 39,561,000 Bumiputera Shares at an issue price to be determined based on the five (5)-day volume weighted average market price of Asia Poly Shares immediately preceding the date on which the price of the Bumiputera Shares will be fixed with a discount of not more than ten percent (10%) or at par value, whichever is higher, to such persons and at such time as the Board deem fit, for such purpose and utilisation of proceeds as disclosed in the circular to shareholders dated 6 October 2015 ("Circular"); and

(ii) utilise the proceeds to be derived from the Proposed Special Bumiputera Issue in the manner as set out in Section 3 of the Circular and vary the manner and/or purpose of utilisation of such proceeds as they may deem fit and in the best interest of the Company.

THAT the Bumiputera Shares shall, upon allotment and issuance, rank *pari passu* in all respects with the then existing Asia Poly Shares, save and except that the Bumiputera Shares shall not be entitled to any rights, allotments, dividends and/or any other distributions that may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the Bumiputera Shares;

AND THAT the Board be and is hereby authorised to take all such necessary steps to give full effect to the Proposed Special Bumiputera Issue with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps and to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Special Bumiputera Issue."

...3/-

- 3 -

ASIA POLY HOLDINGS BERHAD
- Certified Extract from Minutes of Extraordinary General Meeting held on 28/10/2015

ORDINARY RESOLUTION 3

PROPOSED ESTABLISHMENT OF A SHARE ISSUANCE SCHEME ("SIS") OF UP TO THIRTY PERCENT (30%) OF THE COMPANY'S ISSUED AND PAID-UP SHARE CAPITAL ("ASIA POLY SHARES") (EXCLUDING TREASURY SHARES, IF ANY) AT ANY ONE TIME DURING THE DURATION OF THE SCHEME FOR THE ELIGIBLE PERSONS ("PROPOSED SIS")

"THAT subject to the passing of Ordinary Resolution 9, Special Resolution 1 and the approvals of all relevant parties and/or authorities being obtained (where required), authority be and is hereby given to the Board of Directors ("Board") for the following:

(i) establish, implement and administer the Proposed SIS which involves the granting of options to all eligible employees of the Company and its subsidiaries ("Asia Poly Group" or "the Group") including Directors of the Group (excluding the Company's subsidiaries which are dormant) who meet the criteria of eligibility for participation of the Proposed SIS ("Eligible Persons") as set out in the By-laws, a draft of which is set out in Appendix III of the Circular ("By-Laws");

(ii) allot and issue such number of new Asia Poly Shares to the Eligible Persons from time to time as may be required in connection with the implementation of the Proposed SIS while this approval is in force provided that the aggregate number of Asia Poly Shares to be allotted and issued shall not exceed thirty per centum (30%) of the issued and paid-up share capital of the Company (excluding any treasury shares) at any one time throughout the duration of the Proposed SIS;

(iii) make necessary applications, and to do all things necessary at the appropriate time or times, to Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the new Asia Poly Shares which may from time to time be allotted and issued pursuant to the Proposed SIS. Such new Asia Poly Shares will, upon allotment, issuance and full payment, rank *pari passu* in all respects with the then existing Asia Poly Shares, save and except that the new Asia Poly Shares will not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared, made or paid, the entitlement date of which is prior to the date of allotment and issuance of the new Asia Poly Shares pursuant to the Proposed SIS;

(iv) modify and/or amend the Proposed SIS from time to time provided that such modifications and/or amendments are effected in accordance with the By-Laws relating to modifications and/or amendments and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Proposed SIS; and

(v) extend the duration of the Proposed SIS for a maximum period of an additional five (5) years (the duration of the Proposed SIS would then be for a total period of ten (10) years from the effective date of the Proposed SIS), if the Board deems fit;

AND THAT the Directors of the Company be and are hereby authorised to give effect to the Proposed SIS with full power to modify and/or amend the By-Laws from time to time as may be required or deemed necessary in accordance with the provisions of the By-Laws relating to amendments and/or modifications and to assent to any condition, variation, modification and/or amendment as may be necessary or expedient and/or imposed by and/or agreed with the relevant authorities."

...4/-

ORDINARY RESOLUTION 4

PROPOSED GRANTING OF OPTIONS TO DATO' YEO BOON LEONG

"THAT, subject to the passing of Ordinary Resolution 3, Ordinary Resolution 9 and Special Resolution 1, the Board of Directors of the Company be and is hereby authorised, at any time and from time to time during the existence of the Share Issuance Scheme ("SIS"), to offer and grant to Dato' Yeo Boon Leong, being the Executive Chairman of the Company, options to subscribe for new ordinary shares of RM0.10 each in the Company ("Asia Poly Shares") and if such options are accepted and exercised, to allot and issue such number of new Asia Poly Shares as may be required to be issued to him under the SIS, in accordance with the provisions of the By-Laws, provided that:

(i) not more than ten percent (10%) of the total number of SIS Options shall be allocated to Dato' Yeo Boon Leong, as long as Dato' Yeo Boon Leong either singly or collectively through persons connected with him (as defined in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad), holds twenty percent (20%) or more of the issued and paid-up share capital (excluding any treasury shares) of the Company; and

(ii) the number of SIS Options allocated, in aggregate, to the Directors and senior management of the Group (excluding dormant subsidiaries) shall not exceed eighty percent (80%) of the total number of SIS Options to be issued at any one time during the duration of the SIS,

Subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws."

ORDINARY RESOLUTION 5

PROPOSED GRANTING OF OPTIONS TO TEOH CHENG CHUAN

"THAT, subject to the passing of Ordinary Resolution 3, Ordinary Resolution 9 and Special Resolution 1, the Board of Directors of the Company be and is hereby authorised, at any time and from time to time during the existence of the Share Issuance Scheme ("SIS"), to offer and grant to Teoh Cheng Chuan, being the Chief Executive Officer of the Company, options to subscribe for new ordinary shares of RM0.10 each in the Company ("Asia Poly Shares") and if such options are accepted and exercised, to allot and issue such number of new Asia Poly Shares as may be required to be issued to him under the SIS, in accordance with the provisions of the By-Laws, provided that:

(i) not more than ten percent (10%) of the total number of SIS Options shall be allocated to Teoh Cheng Chuan, as long as Teoh Cheng Chuan either singly or collectively through persons connected with him (as defined in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad), holds twenty percent (20%) or more of the issued and paid-up share capital (excluding any treasury shares) of the Company; and

(ii) the number of SIS Options allocated, in aggregate, to the Directors and senior management of the Group (excluding dormant subsidiaries) shall not exceed eighty percent (80%) of the total number of SIS Options to be issued at any one time during the duration of the SIS,

Subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws."

...5/-

CERTIFIED TRUE EXTRACT OF THE RESOLUTION IN RELATION TO THE TWO-CALL RIGHTS ISSUE OF SHARES WITH WARRANTS PASSED AT OUR EGM HELD ON 28 OCTOBER 2015 (*CONT'D*)

ORDINARY RESOLUTION 6

PROPOSED GRANTING OF OPTIONS TO LIM TECK SENG

"THAT, subject to the passing of Ordinary Resolution 3, Ordinary Resolution 9 and Special Resolution 1, the Board of Directors of the Company be and is hereby authorised, at any time and from time to time during the existence of the Share Issuance Scheme ("SIS"), to offer and grant to Lim Teck Seng, being the Independent Non-Executive Director of the Company, options to subscribe for new ordinary shares of RM0.10 each in the Company ("Asia Poly Shares") and if such options are accepted and exercised, to allot and issue such number of new Asia Poly Shares as may be required to be issued to him under the Proposed SIS, in accordance with the provisions of the By-Laws, provided that:

(i) not more than ten percent (10%) of the total number of SIS Options shall be allocated to Lim Teck Seng, as long as Lim Teck Seng either singly or collectively through persons connected with him (as defined in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad), holds twenty percent (20%) or more of the issued and paid-up share capital (excluding any treasury shares) of the Company; and

(ii) the number of SIS Options allocated, in aggregate, to the Directors and senior management of the Group (excluding dormant subsidiaries) shall not exceed eighty percent (80%) of the total number of SIS Options to be issued at any one time during the duration of the SIS,

Subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws."

ORDINARY RESOLUTION 7

PROPOSED GRANTING OF OPTIONS TO THOO SOON HUAT

"THAT, subject to the passing of Ordinary Resolution 3, Ordinary Resolution 9 and Special Resolution 1, the Board of Directors of the Company be and is hereby authorised, at any time and from time to time during the existence of the Share Issuance Scheme ("SIS"), to offer and grant to Thoo Soon Huat, being the Independent Non-Executive Director of the Company, options to subscribe for new ordinary shares of RM0.10 each in the Company ("Asia Poly Shares") and if such options are accepted and exercised, to allot and issue such number of new Asia Poly Shares as may be required to be issued to him under the Proposed SIS, in accordance with the provisions of the By-Laws, provided that:

(i) not more than ten percent (10%) of the total number of SIS Options shall be allocated to Thoo Soon Huat, as long as Thoo Soon Huat either singly or collectively through persons connected with him (as defined in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad), holds twenty percent (20%) or more of the issued and paid-up share capital (excluding any treasury shares) of the Company; and

(ii) the number of SIS Options allocated, in aggregate, to the Directors and senior management of the Group (excluding dormant subsidiaries) shall not exceed eighty percent (80%) of the total number of SIS Options to be issued at any one time during the duration of the SIS,

...6/-

Subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws."

ORDINARY RESOLUTION 8

PROPOSED GRANTING OF OPTIONS TO YAP SING KHON

"THAT, subject to the passing of Ordinary Resolution 3, Ordinary Resolution 9 and Special Resolution 1, the Board of Directors of the Company be and is hereby authorised, at any time and from time to time during the existence of the Share Issuance Scheme ("SIS"), to offer and grant to Yap Sing Khon, being the Independent Non-Executive Director of the Company, options to subscribe for new ordinary shares of RM0.10 each in the Company ("Asia Poly Shares") and if such options are accepted and exercised, to allot and issue such number of new Asia Poly Shares as may be required to be issued to him under the Proposed SIS, in accordance with the provisions of the By-Laws, provided that:

(i) not more than ten percent (10%) of the total number of SIS Options shall be allocated to Yap Sing Khon, as long as Yap Sing Khon either singly or collectively through persons connected with him (as defined in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad), holds twenty percent (20%) or more of the issued and paid-up share capital (excluding any treasury shares) of the Company; and

(ii) the number of SIS Options allocated, in aggregate, to the Directors and senior management of the Group (excluding dormant subsidiaries) shall not exceed eighty percent (80%) of the total number of SIS Options to be issued at any one time during the duration of the SIS,

Subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws."

ORDINARY RESOLUTION 9

PROPOSED INCREASE IN THE AUTHORISED SHARE CAPITAL OF THE COMPANY FROM RM10,000,000 COMPRISING 100,000,000 ASIA POLY SHARES TO RM50,000,000 COMPRISING 500,000,000 ASIA POLY SHARES ("PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL")

"THAT subject to the passing of Special Resolution 1, the authorised share capital of the Company be and is hereby increased from RM10,000,000.00 divided into 100,000,000 ordinary shares of RM0.10 each to RM50,000,000.00 divided into 500,000,000 ordinary shares of RM0.10 each by the creation of 400,000,000 new ordinary shares of RM0.10 each AND THAT in consequence thereof the Memorandum and Articles of Association of the Company and any other relevant documents be and is hereby altered accordingly."

SPECIAL RESOLUTION 1

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION ("M&A") OF THE COMPANY ("PROPOSED AMENDMENTS").

"THAT subject to the passing of the Ordinary Resolution 9, the M&A of the Company shall be amended as follows:"

...7/-

CERTIFIED TRUE EXTRACT OF THE RESOLUTION IN RELATION TO THE TWO-CALL RIGHTS ISSUE OF SHARES WITH WARRANTS PASSED AT OUR EGM HELD ON 28 OCTOBER 2015 (*CONT'D*)

Existing	**Proposed amendments**
Memorandum of Association **Clause 6** The capital of the Company is Ringgit Malaysia Ten Million (RM10,000,000) divided into 100,000,000 shares of RM0.10 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.	**Memorandum of Association** **Clause 6** The capital of the Company is Ringgit Malaysia Fifty Million (RM50,000,000) divided into 500,000,000 shares of RM0.10 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise.
Articles of Association **Article 3** The share capital of the Company at the date of the adoption of these Articles is RM10,000,000 divided into 100,000,000 ordinary shares of RM0.10 each.	**Articles of Association** **Article 3** The share capital of the Company is RM50,000,000 divided into 500,000,000 ordinary shares of RM0.10 each.
Articles of Association (New article)	**Articles of Association** **Article 128A** Notwithstanding Article 128, the Company in General Meeting may, upon the recommendation of the Directors, resolve to capitalise (A) any part of the undivided profits in the hand of the Company or (B) any part of the amount for the time being standing to the credit of any reserve fund or reserve account of the Company, including premiums received on the issue of any shares or debentures of the Company, and distribute such sum among the ordinary shareholders, renouncees (whether ordinary shareholders or otherwise) and underwriters who, pursuant to or in respect of a renounceable rights issue by the Company, have subscribed or agreed to subscribe for, and have been allotted shares in the Company in the proportions of such shares as subscribed or allotted to them pursuant to the renounceable rights issue on the condition that the abovementioned reserve accounts or any other accounts available for distribution be applied to pay up any amounts for the time being unpaid on any shares held by such ordinary shareholders, renouncees and/or underwriters respectively and the Directors shall give effect to such resolution.

...8/-

CERTIFIED TRUE EXTRACT OF THE RESOLUTION IN RELATION TO THE TWO-CALL RIGHTS ISSUE OF SHARES WITH WARRANTS PASSED AT OUR EGM HELD ON 28 OCTOBER 2015 (*CONT'D*)

ASIA POLY HOLDINGS BERHAD
- Certified Extract from Minutes of Extraordinary General Meeting held on 28/10/2015

Certified Correct

....
Executive Chairman Secretary
DATO' YEO BOON LEONG HO MENG CHAN
(MACS 00574)

INFORMATION ON OUR COMPANY

1. HISTORY AND BUSINESS

Our Company was incorporated in Malaysia as a public limited company under the Companies Act, 1965 on 20 June 2003.

Our Company was listed on the ACE Market on 26 October 2005.

Our Company's principal activity is that of investment holding. The principal activity of our subsidiary company, Asia Poly Industrial Sdn Bhd is the manufacture and sale of cast acrylic products.

Further details of the principal activities of our subsidiary and associated companies are set out in Section 6 of this Appendix.

2. SHARE CAPITAL

Our authorised and issued and paid-up share capital as at the LPD are as follows:

Type	No. of Shares	Par value RM	Total RM
Authorised share capital	500,000,000	0.10	50,000,000
Issued and paid-up share capital	87,914,960	0.10	8,791,496

There has been no change in our issued and paid-up share capital for the past three (3) years up to the LPD.

3. BOARD DIRECTORS

Please refer to the Corporate Directory on page 1 of this AP for details of the age, professions, nationalities, designations and addresses of our Board.

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4. DIRECTORS' SHAREHOLDINGS

Until such time when the SIS Options are exercised into SIS Shares, the SIS is not expected to have any immediate effect on the shareholdings of our Directors. Dilution of the shareholdings of our Directors arising from the SIS will depend on the number of SIS Options granted and exercised by eligible Directors at any point in time throughout the duration of the SIS.

The pro forma effects of the Two-Call Rights Issue of Shares with Warrants Special Bumiputera Issue and SIS on the shareholdings of our Directors based on our Record of Depositors as at the LPD are as follows:

Minimum Scenario

	As at the LPD				(I) After the Two-Call Rights Issue of Shares with Warrants				(II) After (I) and the Special Bumiputera Issue			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%
YBL	25,351,500	28.84	-	-	75,265,500	32.84	-	-	75,265,500	28.56	-	-
TCC	10,002,000	11.38	-	-	30,002,000	13.09	-	-	30,002,000	11.38	-	-
TSH	2,668,000	3.03	-	-	8,004,000	3.49	-	-	8,004,000	3.04	-	-
Lim Teck Seng	201,000	0.23	-	-	201,000	0.09	-	-	201,000	0.08	-	-
Yap Sing Khon	-	-	-	-	-	-	-	-	-	-	-	-

INFORMATION ON OUR COMPANY (*CONT'D*)

Name	(III) After (II) and assuming full exercise of the Warrants				(IV) After (III) and the SIS and assuming full grant and exercise of the SIS Options*			
	Direct		Indirect		Direct		Indirect	
	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%
YBL	91,903,500	29.59	-	-	91,903,500	22.76	-	-
TCC	36,668,666	11.80	-	-	36,668,666	9.08	-	-
TSH	9,782,666	3.15	-	-	9,782,666	2.42	-	-
Lim Teck Seng	201,000	0.06	-	-	201,000	0.05	-	-
Yap Sing Khon	-	-	-	-	-	-	-	-

Note:

* *Assuming no provision has been made for the allotment of SIS Options to our Directors as our Board has yet to decide on the quantum of the SIS Option to be allocated to our Directors.*

Maximum Scenario

Name	As at the LPD				(I) After the Two-Call Rights Issue of Shares with Warrants				(II) After (I) and the Special Bumiputera Issue			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%
YBL	25,351,500	28.84	-	-	76,054,500	28.84	-	-	76,054,500	25.08	-	-
TCC	10,002,000	11.38	-	-	30,006,000	11.38	-	-	30,006,000	9.89	-	-
TSH	2,668,000	3.03	-	-	8,004,000	3.03	-	-	8,004,000	2.64	-	-
Lim Teck Seng	201,000	0.23	-	-	603,000	0.23	-	-	603,000	0.20	-	-
Yap Sing Khon	-	-	-	-	-	-	-	-	-	-	-	-

Name	(III) After (II) and assuming full exercise of the Warrants				(IV) After (III) and the SIS and assuming full grant and exercise of the SIS Options*			
	Direct		Indirect		Direct		Indirect	
	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%
YBL	92,955,500	25.68	-	-	92,955,500	19.76	-	-
TCC	36,674,000	10.13	-	-	36,674,000	7.79	-	-
TSH	9,782,666	2.70	-	-	9,782,666	2.08	-	-
Lim Teck Seng	737,000	0.20	-	-	737,000	0.16	-	-
Yap Sing Khon	-	-	-	-	-	-	-	-

Note:

* *Assuming no provision has been made for the allotment of SIS Options to our Directors as our Board has yet to decide on the quantum of the SIS Option to be allocated to our Directors.*

5. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Until such time when the SIS Options are exercised into SIS Shares, the SIS is not expected to have any immediate effect on the shareholdings of the substantial shareholders of our Company. Dilution of the shareholdings of the substantial shareholders of our Company arising from the SIS will depend on the number of SIS Options granted and exercised by eligible Directors whom are also substantial shareholders of our Company at any point in time throughout the duration of the SIS.

INFORMATION ON OUR COMPANY (*CONT'D*)

The pro forma effects of the Two-Call Rights Issue of Shares with Warrants Special Bumiputera Issue and SIS on the shareholdings of our substantial shareholders based on our Record of Depositors as at the LPD are as follows:

Minimum Scenario

Name	As at the LPD				(I) After Two-Call Rights Issue of Shares with Warrants(4)				(II) After (I) and the Special Bumiputera Issue (assuming full issuance of Bumiputera Shares)			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%
YBL	25,351,500	28.84	-	-	75,265,500	32.84	-	-	75,265,500	28.56	-	-
TCC	10,002,000	11.38	-	-	30,002,000	13.09	-	-	30,002,000	11.38	-	-
Tan Soon Hui	6,128,000	6.97	-	-	6,128,000	2.67	-	-	6,128,000	2.33	-	-
Serena Goh Fhen Fhen	4,438,770	5.05	-	-	4,438,770	1.94	-	-	4,438,770	1.68	-	-
Liaw Kong Wah	4,390,000	4.99	1,443,000(1)	1.64	4,390,000	1.92	1,443,000(1)	0.63	4,390,000	1.67	1,443,000(1)	0.55
Total MITI-recognised Bumiputera investors	556,300(2)	0.63	-	-	556,300	0.24	-	-	34,930,300	13.25	-	-
JF Apex(3)	-	-	-	-	61,000,000	26.62	-	-	61,000,000	23.15	-	-

Name	(III) After (II) and assuming full exercise of the Warrants				(IV) After (III) and SIS and assuming full grant and exercise of the SIS Options*			
	Direct		Indirect		Direct		Indirect	
	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%
YBL	91,903,500	29.59	-	-	91,903,500	22.76	-	-
TCC	36,668,666	11.80	-	-	36,668,666	9.08	-	-
Tan Soon Hui	6,128,000	1.97	-	-	6,128,000	1.52	-	-
Serena Goh Fhen Fhen	4,438,770	1.43	-	-	4,438,770	1.10	-	-
Liaw Kong Wah	4,390,000	1.41	1,443,000(1)	0.46	4,390,000	1.09	1,443,000(1)	0.36
Total MITI-recognised Bumiputera investors	34,930,300	11.25	-	-	34,930,300	8.65	-	-
JF Apex(3)	81,333,333	26.18	-	-	81,333,333	20.14	-	-

INFORMATION ON OUR COMPANY (*CONT'D*)

Notes:

* *Assuming no provision has been made for the allotment of SIS Options to YBL (a major shareholder and the Executive Chairman of our Company) and TCC (a major shareholder and the Chief Executive Officer of our Company) as our Board has yet to decide on the quantum of the SIS Option to be allocated to the Directors whom are also major shareholders of our Company.*

(1) Deemed interest (1,443,000 Shares held via Affin Hwang Nominees (Tempatan) Sdn Bhd):

(i) Liaw Jing Quan - 956,000 Shares (son);
(ii) Liaw Jing Xian - 387,000 Shares (son); and
(iii) Liaw Jei Mie - 100,000 Shares (daughter).

(2) Based on the Record of Depositors of our Company as at 12 December 2014.

(3) Being a Joint Underwriter for the remaining portion of the Rights Shares under the Minimum Subscription Level pursuant to the Underwriting Agreement entered into between our Company and the Joint Underwriters whereby JF Apex will become a substantial shareholder of our Company after the Two-Call Rights Issue of Shares with Warrants.

(4) Based on the Minimum Scenario, the public shareholding spread of our Company could potentially reduce to below 25% of the total issued and paid-up share capital of our Company upon the completion of the Two-Call Rights Issue of Shares with Warrants, thus resulting in non-compliance with Rule 8.02 of the Listing Requirements, whereby a listed issuer must ensure that at least 25% of its total listing shares (excluding treasury shares) are in the hands of public shareholders. In such event, the Undertaking Shareholders shall undertake measures to rectify the non-compliance with public shareholding spread after completion of the Two-Call Rights Issue of Shares with Warrants.

Maximum Scenario

	As at the LPD				(I) After Two-Call Rights Issue of Shares with Warrants				(II) After (I) and the Special Bumiputera Issue (assuming full issuance of Bumiputera Shares)			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
Name	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%
YBL	25,351,500	28.84	-	-	76,054,500	28.84	-	-	76,054,500	25.08	-	-
TCC	10,002,000	11.38	-	-	30,006,000	11.38	-	-	30,006,000	9.89	-	-
Tan Soon Hui	6,128,000	6.97	-	-	18,384,000	6.97	-	-	18,384,000	6.06	-	-
Serena Goh Fhen Fhen	4,438,770	5.05	-	-	13,316,310	5.05	-	-	13,316,310	4.39	-	-
Liaw Kong Wah	4,390,000	4.99	1,443,000(1)	1.64	13,170,000	4.99	4,329,000(1)	1.64	13,170,000	4.34	4,329,000(1)	1.43
Total MITI-recognised Bumiputera investors	556,300(2)	0.63	-	-	1,668,900	0.63	-	-	41,229,900	13.59	-	-

INFORMATION ON OUR COMPANY (*CONT'D*)

Name	(III) After (II) and assuming full exercise of the Warrants				(IV) After (III) and SIS and assuming full grant and exercise of the SIS Options*			
	Direct		Indirect		Direct		Indirect	
	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%	No. of Asia Poly Shares	%
YBL	92,955,500	25.68	-	-	92,955,500	19.76	-	-
TCC	36,674,000	10.13	-	-	36,674,000	7.79	-	-
Tan Soon Hui	22,469,333	6.21	-	-	22,469,333	4.78	-	-
Serena Goh Fhen Fhen	16,275,490	4.50	-	-	16,275,490	3.46	-	-
Liaw Kong Wah	16,096,666	4.45	5,291,000(1)	1.46	16,096,666	3.42	5,291,000(1)	1.12
Total MITI-recognised Bumiputera investors	41,229,900	11.39	-	-	41,229,900	8.76	-	-

Notes:

* *Assuming no provision has been made for the allotment of SIS Options to YBL (a major shareholder and the Executive Chairman of our Company) and TCC (a major shareholder and the Chief Executive Officer of our Company) as our Board has yet to decide on the quantum of the SIS Option to be allocated to the Directors whom are also major shareholders of our Company.*

(1) Deemed interest (1,443,000 Shares held via Affin Hwang Nominees (Tempatan) Sdn Bhd):

(i) Liaw Jing Quan - 956,000 Shares (son);
(ii) Liaw Jing Xian - 387,000 Shares (son); and
(iii) Liaw Jei Mie - 100,000 Shares (daughter).

(2) Based on the Record of Depositors of our Company as at 12 December 2014.

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6. SUBSIDIARY AND ASSOCIATED COMPANIES

The details of our subsidiary company as at the LPD are as follows:

Company	Date and place of incorporation	Principal activities	Issued and paid-up share capital	Effective equity interest (%)
Asia Poly Industrial Sdn Bhd	28 December 1984, Malaysia	Manufacture and sale of cast acrylic products.	RM4,700,000	100.0

The details of our associated company as at the LPD are as follows:

Company	Date and place of incorporation	Principal activities	Issued and paid-up share capital	Effective equity interest (%)
FDL	2 October, 2013, Malaysia	Provisions of end to end electronic commerce supply chain solutions on an online to offline platform	RM400,000	30.0[(1)]

Note:

(1) The remaining 70% equity interest in FDL are owned by the following individuals as follows:

Name	*Effective equity interest (%)*
Tan Tian Sin	*20.0*
Zakaria bin Jusoh	*20.0*
Then Hui Chan	*30.0*
Total	***70.0***

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7. PROFIT AND DIVIDEND RECORDS

The profit and dividend records based on our Group's audited consolidated financial statements for the past three (3) FYE 31 March 2013 to FYE 31 March 2015, as well as the financial results for the three (3)-month FPE 30 June 2015 and three (3)-month FPE 30 June 2014 are as follows:

	<------------------ Audited	---------------------->		<------------Unaudited-------->	
				Three (3)-month	
	FYE 31 March			FPE 30 June	
	2013	**2014**	**2015**	**2014**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	77,705	68,633	78,458	19,407	18,503
GP	8,450	7,460	7,029	2,023	2,065
Other income	83	300	405	6	6
Finance costs	(946)	(818)	(930)	(208)	(218)
Share of profit and losses of associated company*	-	-	-	-	-
PBT	**1,666**	**765**	**1,005**	**365**	**523**
Tax expense	(306)	(105)	(319)	(73)	(94)
PAT	**1,360**	**660**	**686**	**292**	**429**
EBITDA	4,399	3,381	3,705	1,014	1,178
GP margin (%)	10.87	10.87	8.96	10.42	11.16
PBT margin (%)	2.14	1.11	1.28	1.88	2.83
PAT margin (%)	1.75	0.96	0.87	1.50	2.32
Number of Asia Poly Shares in issue ('000)	87,915	87,915	87,915	87,915	87,915
Basic EPS (sen)	1.55	0.75	0.78	0.33	0.49
Diluted EPS (sen)	N/A	N/A	N/A	N/A	N/A
Dividend (sen)	0.5	0.75	0.75	-	-

Notes:

N/A *Not applicable*

* *FDL only became an associate company on 24 July 2015.*

(a) FYE 31 March 2014 vs. FYE 31 March 2013

Our revenue decreased from RM77.71 million in the FYE 31 March 2013 to RM68.63 million in the FYE 31 March 2014, representing a decrease of RM9.07 million or 11.67%. The decreased revenue was mainly due to lower sales registered from overseas customers as a result of slowdown in demand in export sales which was affected by the slowdown in global economy during the FYE 31 March 2014.

In line with the decreased revenue, our GP decreased by approximately RM0.99 million or 11.72% from RM8.45 million in the FYE 31 March 2013 to RM7.46 million in the FYE 31 March 2014. Nevertheless, our GP margin remained the same at 10.87% in the FYE 31 March 2013 and FYE 31 March 2014.

Our other income increased from RM83,000 in the FYE 31 March 2013 to RM0.30 million in the FYE 31 March 2014, representing an increase of RM0.22 million. The increase in other income was mainly due to foreign exchange gain. Our finance cost decreased by RM0.13 million from RM0.95 million in the FYE 31 March 2013 to RM0.82 million in the FYE 31 March 2014 mainly due to a lower level of bank borrowings in the FYE 31 March 2014.

Our Group recorded a decrease in PAT of RM0.70 million or 51.47% from RM1.36 million in the FYE 31 March 2013 to RM0.66 million for the FYE 31 March 2014 mainly due to the decrease in revenue.

(b) FYE 31 March 2015 vs. FYE 31 March 2014

Our revenue increased from RM68.63 million in the FYE 31 March 2014 to RM78.46 million in the FYE 31 March 2015, representing an increase of approximately RM9.83 million or 14.32%. The increased revenue was mainly due to increased sales registered from overseas customers as a result of increase in demand in export sales.

However, our GP decreased by approximately RM0.43 million or 5.78% from RM7.46 million in the FYE 31 March 2014 to RM7.03 million in the FYE 31 March 2015. Our GP margin decreased from 10.87% in the FYE 31 March 2014 to 8.96% in the FYE 31 March 2015 mainly due to lower margin for our export sales as a result of competitive pricing given to our overseas customers in order to drive more sales.

Our other income increased from RM0.30 million in the FYE 31 March 2014 to RM0.41 million in the FYE 31 March 2015, representing an increase of RM0.11 million. The increase in other income was mainly due to foreign exchange gain. Our finance cost increased by RM0.11 million from RM0.82 million in the FYE 31 March 2014 to RM0.93 million in the FYE 31 March 2015 mainly due to increased drawdown of bankers' acceptance in the FYE 31 March 2015.

Although our Group recorded an increase in revenue, our Group only recorded a slight increase in PAT of approximately RM26,000 from RM0.66 million in the FYE 31 March 2014 to RM0.69 million in the FYE 31 March 2015 mainly due to the decrease in GP and GP margin.

(c) Three (3)-month FPE 30 June 2015 vs. Three (3)-month FPE 30 June 2014

Our revenue decreased from RM19.41 million in the three (3)-month FPE 30 June 2014 to RM18.50 million in the three (3)-month FPE 30 June 2015, representing a decrease of RM0.90 million or 4.66%. The decreased revenue was mainly due to lower sales registered from overseas customers as a result of slowdown in demand in export sales which was affected by the slowdown in global economy during the three (3)-month FPE 30 June 2015.

Our GP increased by approximately RM42,000 or 2.08% from RM2.02 million in the three (3)-month FPE 30 June 2014 to RM2.07 million in the three (3)-month FPE 30 June 2015. Our GP margin improved to 11.16% in the three (3)-month FPE 30 June 2015 from 10.42% in the three (3)-month FPE 30 June 2014 as a result of better margin from export sales due to the strengthening of the United States Dollar (USD) against RM.

Our other income remained the same at RM6,000 for both the three (3)-month FPE 30 June 2014 and three (3)-month FPE 30 June 2015. Our finance cost increased by RM10,000 from RM0.21 million in the three (3)-month FPE 30 June 2014 to RM0.22 million in the three (3)-month FPE 30 June 2015 mainly due to the increase in interest rates.

Our Group recorded an increase in PAT by RM0.14 million or 46.92% from RM0.29 million in the three (3)-month FPE 30 June 2014 to RM0.43 million in the three (3)-month FPE 30 June 2015 mainly due to improvement in operations cost control which resulted in reduced wastage and improved operational efficiency.

8. HISTORICAL PRICES OF ASIA POLY SHARES

The monthly high and low transacted market prices of Asia Poly Shares for the past twelve (12) months are as follows:

	High RM	Low RM
2014		
November	0.278	0.208
December	0.233	0.208
2015		
January	0.283	0.218
February	0.248	0.238
March	0.293	0.233
April	0.541	0.238
May	0.561	0.496
June	0.595	0.511
July	0.774	0.581
August	0.784	0.526
September	0.675	0.571
October	0.715	0.675

Last transacted market price on 29 July 2015 (being the last trading date prior to the Announcement) was RM0.75 per Asia Poly Share.

Last transacted market price on 2 November 2015 (being the LPD prior to printing of this AP) was RM0.70 per Asia Poly Share.

Last transacted market price on 17 November 2015 (being the last day on which Asia Poly Shares were traded prior to the ex-date of the Two-Call Rights Issue of Shares with Warrants) was RM0.80 each.

(Source: Bloomberg Finance L.P.)

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INDEPENDENT ASSURANCE REPORT
ON THE COMPILATION OF PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION TO THE BOARD OF DIRECTORS OF ASIA POLY HOLDINGS BERHAD ("APHB" OR "THE COMPANY")

Report on the Compilation of Pro Forma Consolidated Statements of Financial Position

We have completed our assurance engagement to report on the compilation of pro forma consolidated statements of financial position as of 31 March 2015 of APHB and its subsidiary (collectively defined as "the Group") prepared by the Board of Directors. The pro forma consolidated statements of financial position as of 31 March 2015, together with the accompanying notes, is set out in the Appendix, for which we have stamped for the purposes of identification.

The pro forma consolidated statements of financial position have been compiled by the Board of Directors to illustrate the financial impact of the following corporate exercises:

(a) renounceable two-call rights issue of up to 175,829,920 new ordinary shares of RM0.10 each ("Shares") ("Rights Shares") in the Company on the basis of 2 Rights Shares for every 1 Share, together with up to 58,609,973 free detachable warrants ("Warrants") on the basis of 1 Warrant for every 3 Rights Shares subscribed for ("Two-call Rights Issue of Shares with Warrants"); and

(b) special issue of up to 39,561,000 new Shares ("Bumiputera Shares"), representing approximately fifteen percent (15%) of the enlarged issued and paid-up share capital of the Company after the completion of the Two-call Rights Issue of Shares with Warrants, to Bumiputera investors to be recognised by the Ministry of International Trade and Industry ("MITI") ("Special Bumiputera Issue").

Collectively referred to as the "Corporate Exercises".

Deloitte.

The applicable criteria on the basis of which the Board of Directors of the Company has compiled the pro forma consolidated statements of financial position are as described in Note 1 of the Appendix.

The pro forma consolidated statements of financial position have been compiled by the Board of Directors to illustrate the financial impact of events as set out in Note 3 of the pro forma consolidated statements of financial position as if the events had taken place as of 31 March 2015.

As part of this process, information about the Company's financial position has been extracted by the Board of Directors from the Group's financial statements for the financial year ended 31 March 2015, on which an audit has been published.

The Directors' Responsibility for the Pro Forma Consolidated Statements of Financial Position

The directors are responsible for compiling the pro forma consolidated statements of financial position on the basis set out in the notes, using financial statements prepared in accordance with Malaysian Financial Reporting Standards in Malaysia and in a manner consistent with both the format of the consolidated financial statements and accounting policies of the Group for the financial year ended 31 March 2015.

Our Responsibilities

Our responsibility is to express an opinion about whether the pro forma consolidated statements of financial position have been compiled, in all material respects, by the Board of Directors on the basis set out in the notes, using financial statements prepared in accordance with Malaysian Financial Reporting Standards in Malaysia and in a manner consistent with both the format of the consolidated financial statements and accounting policies of the Group for the financial year ended 31 March 2015.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board and adopted by the Malaysian Institute of Accountants. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Board of Directors of the Company has compiled, in all material respects, the pro forma consolidated statements of financial position on the basis set out in the notes thereon.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma consolidated statements of financial position, nor have we, in the course of this engagement, performed an audit or review of the financial position used in compiling the pro forma consolidated statements of financial position.

The purpose of the pro forma consolidated statements of financial position is solely to illustrate the impact of a significant event or transaction on unadjusted financial position of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transactions would have been as presented.

Deloitte.

A reasonable assurance engagement to report on whether the pro forma consolidated statements of financial position has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors of the Company in the compilation of the pro forma consolidated statements of financial position provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma consolidated statements of financial position reflect the proper application of those adjustments to the unadjusted financial position.

The procedures selected depend on our judgment, having regard to our understanding of the nature of the Company, the event or transaction in respect of which the pro forma consolidated statements of financial position have been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma consolidated statements of financial position.

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

Opinion

In our opinion, the pro forma consolidated statements of financial position have been compiled, in all material respects, on the basis set out in the notes, using financial statements prepared in accordance with Malaysian Financial Reporting Standards in Malaysia and in a manner consistent with both the format of the consolidated financial statements and accounting policies of the Group.

Other Matter

This report is issued for the sole purpose for inclusion in the Abridged Prospectus in connection with the Corporate Exercises. As such, this report should not be used or referred to, in whole or in part, for any other purposes without our prior written consent.

DELOITTE
AF 0080
Chartered Accountants

TEO SWEE CHUA
Partner - 2846/01/16(J)
Chartered Accountant

11 November 2015

APPENDIX

ASIA POLY HOLDINGS BERHAD
PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Minimum Scenario

	As at 31.3.2015	Proforma I	Proforma II	Proforma III
		Two-call Rights Issue of Shares with Warrants	Special Bumiputera issue	Full exercise of Warrants
	RM	RM	RM	RM
ASSETS				
NON-CURRENT ASSETS				
Property, plant & equipment	24,019,098	27,019,098	27,019,098	27,019,098
Total Non-Current Assets	24,019,098	27,019,098	27,019,098	27,019,098
CURRENT ASSETS				
Inventories	12,629,350	12,629,350	12,629,350	12,629,350
Trade and other receivables	15,215,053	15,215,053	15,215,053	15,215,053
Current tax assets	225,775	225,775	225,775	225,775
Deposits, cash and bank balances	10,497,814	12,497,814	12,497,814	17,206,147
Total Current Assets	38,567,992	40,567,992	40,567,992	45,276,325
TOTAL ASSETS	**62,587,090**	**67,587,090**	**67,587,090**	**72,295,423**
EQUITY AND LIABILITIES				
CAPITAL AND RESERVES				
Share capital	8,791,496	22,916,496	26,353,896	31,062,229
Share premium	4,222,960	-	3,723,010	3,723,010
Warrant reserve	-	6,893,000	6,893,000	-
Other reserve	-	(6,893,000)	(6,893,000)	-
Retained earnings	9,656,160	6,186,620	6,186,620	6,186,620
TOTAL EQUITY	22,670,616	29,103,116	36,263,526	40,971,859
NON-CURRENT LIABILITIES				
Term loans	126,384	126,384	126,384	126,384
Deferred tax liabilities	2,431,000	2,431,000	2,431,000	2,431,000
Total Non-Current Liabilities	2,557,384	2,557,384	2,557,384	2,557,384
CURRENT LIABILITIES				
Trade and other payables	16,706,371	16,706,371	16,706,371	16,706,371
Term loans	71,262	-	-	-
Short-term borrowings	20,581,457	19,220,219	12,059,809	12,059,809
Total Current Liabilities	37,359,090	35,926,590	28,766,180	28,766,180
TOTAL LIABILITIES	**39,916,474**	**38,483,974**	**31,323,564**	**31,323,564**
TOTAL EQUITY AND LIABILITIES	**62,587,090**	**67,587,090**	**67,587,090**	**72,295,423**
Number of APHB Shares in issue	87,914,960	229,164,960	263,538,960	310,622,293
Total deposits, cash and bank balances (RM)	10,497,814	12,497,814	12,497,814	17,206,147
Borrowings (RM)	20,779,103	19,346,603	12,186,193	12,186,193
Net assets/Net tangible assets per share (RM)	0.26	0.13	0.14	0.13
Gross gearing (times)	0.92	0.66	0.34	0.30

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PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 MARCH 2015 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (*CONT'D*)

APPENDIX

Maximum Scenario

		Proforma I	Proforma II	Proforma III
	As at 31.3.2015	Two-call Rights Issue of Shares with Warrants	Special Bumiputera issue	Full exercise of Warrants
	RM	RM	RM	RM
ASSETS				
NON-CURRENT ASSETS				
Property, plant & equipment	24,019,098	27,019,098	27,019,098	27,019,098
Total Non-Current Assets	24,019,098	27,019,098	27,019,098	27,019,098
CURRENT ASSETS				
Inventories	12,629,350	12,629,350	12,629,350	12,629,350
Trade and other receivables	15,215,053	15,215,053	15,215,053	15,215,053
Current tax assets	225,775	225,775	225,775	225,775
Deposits, cash and bank balances	10,497,814	12,497,814	12,497,814	18,358,811
Total Current Assets	38,567,992	40,567,992	40,567,992	46,428,989
TOTAL ASSETS	**62,587,090**	**67,587,090**	**67,587,090**	**73,448,087**
EQUITY AND LIABILITIES				
CAPITAL AND RESERVES				
Share capital	8,791,496	26,374,488	30,330,588	36,191,585
Share premium	4,222,960	-	4,319,515	4,319,515
Warrant reserve	-	8,580,500	8,580,500	-
Other reserve	-	(8,580,500)	(8,580,500)	-
Retained earnings	9,656,160	4,457,624	4,457,624	4,457,624
TOTAL EQUITY	22,670,616	30,832,112	39,107,727	44,968,724
NON-CURRENT LIABILITIES				
Term loans	126,384	126,384	126,384	126,384
Deferred tax liabilities	2,431,000	2,431,000	2,431,000	2,431,000
Total Non-Current Liabilities	2,557,384	2,557,384	2,557,384	2,557,384
CURRENT LIABILITIES				
Trade and other payables	16,706,371	16,706,371	16,706,371	16,706,371
Term loans	71,262	-	-	-
Short-term borrowings	20,581,457	17,491,223	9,215,608	9,215,608
Total Current Liabilities	37,359,090	34,197,594	25,921,979	25,921,979
TOTAL LIABILITIES	**39,916,474**	**36,754,978**	**28,479,363**	**28,479,363**
TOTAL EQUITY AND LIABILITIES	**62,587,090**	**67,587,090**	**67,587,090**	**73,448,087**
Number of APHB Shares in issue	87,914,960	263,744,880	303,305,880	361,915,853
Total deposits, cash and bank balances (RM)	10,497,814	12,497,814	12,497,814	18,358,811
Borrowings (RM)	20,779,103	17,617,607	9,341,992	9,341,992
Net assets/Net tangible assets per share (RM)	0.26	0.12	0.13	0.12
Gross gearing (times)	0.92	0.57	0.24	0.21

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APPENDIX

ASIA POLY HOLDINGS BERHAD

NOTES TO THE PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

1. BASIS OF PREPARATION

The pro forma consolidated statements of financial position have been prepared based on the audited financial statements of Asia Poly Holdings Berhad ("APHB" or "the Company") and its subsidiary ("the Group") for the financial year ended 31 March 2015 in accordance with Malaysian Financial Reporting Standards in Malaysia, and in a manner consistent with both the format of the financial statements and the accounting policies of the Group.

The pro forma consolidated statements of financial position of the Group have been prepared for illustrative purpose only, to show the effects on the audited consolidated statement of financial position of the Group as of 31 March 2015, had the adjustments described in Note 3 been effected on that date, and should be read in conjunction with the notes thereto.

2. THE CORPORATE EXERCISES

The Board of Directors of the Company will undertake the following corporate exercises:

(a) renounceable two-call rights issue of up to 175,829,920 new ordinary shares of RM0.10 each ("Shares") ("Rights Shares") in the Company on the basis of 2 Rights Shares for every 1 Share, together with up to 58,609,973 free detachable warrants ("Warrants") on the basis of 1 Warrant for every 3 Rights Shares subscribed for ("Two-call Rights Issue of Shares with Warrants");

(b) special issue of up to 39,561,000 new Shares ("Bumiputera Shares"), representing approximately fifteen percent (15%) of the enlarged issued and paid-up share capital of the Company after the completion of the Two-call Rights Issue of Shares with Warrants, to Bumiputera investors to be recognised by the Ministry of International Trade and Industry ("MITI") ("Special Bumiputera Issue");

(c) establishment of a share issuance scheme of up to thirty percent (30%) of the issued and paid-up share capital of the Company (excluding treasury shares, if any) at any one time during the duration of the scheme for the eligible persons ("SIS");

Collectively referred to as the "Corporate Exercises".

APPENDIX

3. **PRO FORMA ADJUSTMENTS**

The pro forma consolidated statements of financial position has been prepared to show the effects of the following:

(a) Two-call Rights Issue of Shares with Warrants;

(b) Special Bumiputera Issue; and

(c) full exercise of the Warrants arising from the Two-call Rights Issue of Shares with Warrants.

The effect of the SIS on the Group's net assets will depend on factors such as the number of options granted and the fair value of the options after taking into account, inter-alia, the option exercise price as well as the vesting conditions. Whilst the granting of the options under the SIS is expected to result in recognition of a charge in the statement of profit or loss and other comprehensive income of the Group pursuant to the Malaysian Financial Reporting Standard 2 - *Share-based Payment* ("MFRS-2"), the recognition of such MFRS-2 charge will have no impact on the net assets of the Group as the corresponding amount will be taken up to the equity compensation reserve which forms part of shareholders' equity.

In the event none of the granted options are exercised within the duration of the SIS, the amount outstanding in the said equity compensation reserve will be transferred to retained earnings. However, if the granted options are exercised, the amount outstanding in the said equity compensation reserve will be transferred to the share premium account.

4. **UTILISATION OF PROCEEDS**

Based on the First Call of RM0.05 per Rights Share and an assumed issue price of RM0.215 per Bumiputera Share, the Two-Call Rights Issue of Shares with Warrants and Special Bumiputera Issue will raise gross proceeds of up to RM14.45 million and RM17.30 million under the following scenarios:

	Minimum Scenario (RM'000)	**Maximum Scenario (RM'000)**
Issuance of Rights Shares	7,063	8,792
Issuance of Bumiputera Shares	7,390	8,505
Total estimated proceeds	14,453	17,297

The gross proceeds will be utilised in the manner as set out below:

(i) **Two-Call Rights Issue of Shares with Warrants**

	Minimum Scenario (RM'000)	**Maximum Scenario (RM'000)**
Repayment of bank borrowings	1,433	3,162
Setting up of a waste management plant	3,000	3,000
Working capital	2,000	2,000
Estimated expenses in relation to the Corporate Exercises	630	630
Total estimated proceeds	7,063	8,792

(ii) **Special Bumiputera Issue**

	Minimum Scenario (RM'000)	**Maximum Scenario (RM'000)**
Repayment of bank borrowings	7,160	8,275
Estimated expenses in relation to the Special Bumiputera Issue	230	230
Total estimated proceeds	7,390	8,505

5. **PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

PRO FORMA I

Pro forma I incorporates the effects of the Two-call Rights Issue of Shares with Warrants, and the utilisation of proceeds as disclosed in Note 4.

The pro forma consolidated statements of financial position of the Group are presented into two (2) scenarios as follows:-

Minimum Scenario : Based on the minimum subscription of 141,250,000 Rights Shares together with 47,083,333 Warrants on the basis of two (2) Rights Shares for every one (1) existing share held and one (1) Warrant for every three (3) Rights Shares subscribed at an issue price of RM0.10 per Rights Share of which the first call of RM0.05 is payable in cash on application and the second call of RM0.05 is to be capitalised from APHB's share premium and retained earnings; and

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Maximum Scenario : Based on the maximum subscription of 175,829,920 Rights Shares together with 58,609,973 Warrants on the basis of two (2) Rights Shares for every one (1) existing share held and one (1) Warrant for every three (3) Rights Shares subscribed at an issue price of RM0.10 per Rights Share of which the first call of RM0.05 is payable in cash on application and the second call of RM0.05 is to be capitalised from APHB's share premium and retained earnings.

The fair value of each Warrant is assumed to be RM0.1464 under the Minimum Scenario and Maximum Scenario determined based on the Black-Scholes option pricing model.

The assumptions used to arrive at this fair value are as follows:-

Theoretical ex-all price	:	RM0.2385 per Share
Tenure	:	5 years
Exercise price	:	RM0.10 per Warrant
Volatility rate	:	45.74%
Risk free interest rate	:	3.98%
Dividend yield	:	3.62%

The actual fair value of the Warrants will only be determined upon issuance of the Warrants. As such, the actual fair value may differ from the amount computed above.

The Two-call Rights Issue of Shares with Warrants will have the following impact on the pro forma consolidated statements of financial position:

	Increase/(Decrease)			
	Minimum Scenario		**Maximum Scenario**	
	Effect on Total Assets (RM'000)	**Effects on Total Equity and Liabilities (RM'000)**	**Effect on Total Assets (RM'000)**	**Effects on Total Equity and Liabilities (RM'000)**
Deposits, cash and bank balances	2,000	-	2,000	-
Property, plant and equipment	3,000	-	3,000	-
Term loans - current	-	(71)	-	(71)
Short-term borrowings	-	(1,362)	-	(3,091)
Share capital	-	14,125	-	17,583
Share premium	-	(4,223)	-	(4,223)
Warrant reserve	-	6,893	-	8,581
Other reserve	-	(6,893)	-	(8,581)
Retained earnings	-	(3,469)	-	(5,198)

The pro forma has taken into consideration expenses of RM0.63 million expected to be incurred in relation to the Corporate Exercises, which is deducted against the share premium.

For illustrative purposes, the proceeds for working capital is included in deposits, cash and bank balances.

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PRO FORMA II

Pro forma II incorporates Pro forma I and the effects of Special Bumiputera Issue, and the utilisation of proceeds as disclosed in Note 4. A total of 34,374,000 Shares will be issued under the Minimum Scenario and 39,561,000 Shares will be issued under the Maximum Scenario to identified Bumiputera investors to be recognised by the Ministry of International Trade and Industry.

The Special Bumiputera Issue will have the following impact on the pro forma consolidated statements of financial position:

	Increase/(Decrease)			
	Minimum Scenario		Maximum Scenario	
	Effect on Total Assets (RM'000)	Effects on Total Equity and Liabilities (RM'000)	Effect on Total Assets (RM'000)	Effects on Total Equity and Liabilities (RM'000)
Short-term borrowings	-	(7,160)	-	(8,275)
Share capital	-	3,437	-	3,956
Share premium	-	3,723	-	4,319

The pro forma has taken into consideration expenses of RM0.23 million expected to be incurred in relation to the Special Bumiputera Issue, which is deducted against share premium.

PRO FORMA III

Pro forma III incorporates Pro forma II and assuming the full exercise of 47,083,333 Warrants into 47,083,333 Shares under the Minimum Scenario and 58,609,973 Warrants into 58,609,973 Shares under the Maximum Scenario at an exercise price of RM0.10 per Warrant.

The full exercise of Warrants will have the following impact on the pro forma consolidated statements of financial position:

	Increase/(Decrease)			
	Minimum Scenario		Maximum Scenario	
	Effect on Total Assets (RM'000)	Effects on Total Equity and Liabilities (RM'000)	Effect on Total Assets (RM'000)	Effects on Total Equity and Liabilities (RM'000)
Deposits, cash and bank balances	4,708	-	5,861	-
Share capital	-	4,708	-	5,861
Warrant reserve	-	(6,893)	-	(8,581)
Other reserve	-	6,893	-	8,581

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6. DEPOSITS, CASH AND BANK BALANCES

The movement in the deposits, cash and bank balances of the Group are as follows:

	Minimum Scenario (RM'000)	Maximum Scenario (RM'000)
As at 31 March 2015	10,498	10,498
Arising from Rights Issue of Shares with Warrants	2,000	2,000
As per Pro Forma I	12,498	12,498
Arising from Special Bumiputera Issue	-	-
As per Pro Forma II	12,498	12,498
Arising from full exercise of Warrants	4,708	5,861
As per Pro Forma III	17,206	18,359

7. BORROWINGS

	Minimum Scenario		Maximum Scenario	
	Term Loans - Current Portion (RM'000)	Short-term Borrowings (RM'000)	Term Loans - Current Portion (RM'000)	Short-term Borrowings (RM'000)
As at 31 March 2015	71	20,581	71	20,581
Arising from Rights Issue of Shares with Warrants	(71)	(1,362)	(71)	(3,091)
As per Pro Forma I	-	19,219	-	17,490
Arising from Special Bumiputera Issue	-	(7,160)	-	(8,275)
As per Pro Forma II	-	12,059	-	9,215
Arising from full exercise of Warrants	-	-	-	-
As per Pro Forma III	-	12,059	-	9,215

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8. **SHARE CAPITAL AND RESERVES**

The movement in the share capital and reserves of the Group are as follows:

	Minimum Scenario						
	Share capital (Unit '000)	Share capital (RM'000)	Share premium (RM'000)	Warrant reserve (RM'000)	Other reserve (RM'000)	Retained earnings (RM'000)	Total (RM'000)
As at 31 March 2015	87,915	8,792	4,223	-	-	9,656	22,671
Arising from Rights Issue of Shares with Warrants	141,250	14,125	(4,223)	6,893	(6,893)	(3,469)	6,433
As per Pro Forma I	229,165	22,917	-	6,893	(6,893)	6,187	29,104
Arising from Special Bumiputera Issue	34,374	3,437	3,723	-	-	-	7,160
As per Pro Forma II	263,539	26,354	3,723	6,893	(6,893)	6,187	36,264
Arising from full exercise of Warrants	47,083	4,708	-	(6,893)	6,893	-	4,708
As per Pro Forma III	310,622	31,062	3,723	-	-	6,187	40,972

PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION OF OUR GROUP AS AT 31 MARCH 2015 TOGETHER WITH THE NOTES AND REPORTING ACCOUNTANTS' LETTER THEREON (*CONT'D*)

APPENDIX

	Maximum Scenario						
	Share capital		Share premium	Warrant reserve	Other reserve	Retained earnings	Total
	(Unit '000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
As at 31 March 2015	87,915	8,792	4,223	-	-	9,656	22,671
Arising from Rights Issue of Shares with Warrants	175,830	17,583	(4,223)	8,581	(8,581)	(5,198)	8,162
As per Pro Forma I	263,745	26,375	-	8,581	(8,581)	4,458	30,833
Arising from Special Bumiputera Issue	39,561	3,956	4,319	-	-	-	8,275
As per Pro Forma II	303,306	30,331	4,319	8,581	(8,581)	4,458	39,108
Arising from full exercise of Warrants	58,610	5,861	-	(8,581)	8,581	-	5,861
As per Pro Forma III	361,916	36,192	4,319	-	-	4,458	44,969

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Teo Swee Chua
Partner

ASIA POLY HOLDINGS BERHAD
(Company No. 619176 - A)
AND ITS SUBSIDIARY COMPANY
(Incorporated in Malaysia)

REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015
(In Ringgit Malaysia)

These Audited Financial Statements of the Company with *Qualified/Unqualified Auditors' Report for the year ended 31 March 2015 were tabled at the Annual General Meeting/Adjourned Annual General Meeting held on ....

Director

ASIA POLY HOLDINGS BERHAD
AND ITS SUBSIDIARY COMPANY
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

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ASIA POLY HOLDINGS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors of **ASIA POLY HOLDINGS BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiary company are disclosed in Note 12 to the financial statements.

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

RESULTS OF OPERATIONS

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

	The Group RM	The Company RM
Profit before tax	1,005,352	1,807,745
Income tax expense	(319,000)	-
Profit for the year	686,352	1,807,745

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

DIVIDENDS

A final single tier dividend of 5.00% per ordinary share on 87,914,960 ordinary shares of RM0.10 each, amounting to RM439,575 proposed in the previous financial year was paid during the current financial year.

An interim single tier dividend of 2.50% per ordinary share on 87,914,960 ordinary shares of RM0.10 each, amounting to RM219,787 in respect of the current financial year was declared and paid during the current financial year.

The directors proposed a final single tier dividend of 5.00% per ordinary share on 87,914,960 ordinary shares of RM0.10 each, amounting to RM439,575 in respect of the current financial year. The proposed final dividend is subject to approval by the shareholders at the forthcomnig Annual General Meeting of the Company and has not been included as a liability in the financial statements.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS

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

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

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

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

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

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

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial 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.

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, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

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

DIRECTORS

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

Teoh Cheng Chuan
Tan Yee Khun
Lim Teck Seng (appointed on 30 April 2015)
Dato' Yeo Boon Leong (appointed on 30 April 2015)
Yap Sing Khon (appointed on 30 April 2015)
Thoo Soon Huat (appointed on 20 May 2015)
Noel Chua (resigned on 30 April 2015)
Pang Hee Kin (resigned on 30 April 2015)
Tan Wee Leong (resigned on 30 April 2015)
Kong Kok Chee (resigned on 20 May 2015)
Lim Dan Qi (resigned on 1 July 2015)

In accordance with Article 103(a) of the Company's Articles of Association, Mr Teoh Cheng Chuan retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

Lim Teck Seng, Dato' Yeo Boon Leong, Yap Sing Khon and Thoo Soon Huat, who were appointed to the Board since the last Annual General Meeting, retire under Article 84 of the Company's Articles of Association and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

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

	Number of ordinary shares of RM0.10 each			
	As of 1.4.2014	**Bought**	**Sold**	**As of 31.3.2015**
Shares in the Company				
Direct interest				
Teoh Cheng Chuan	20,000,000	-	-	20,000,000
Tan Yee Khun	500,014	-	-	500,014
Pang Hee Kin	3,763,000	-	-	3,763,000

(Forward)

	Number of ordinary shares of RM0.10 each			
	As of 1.4.2014	**Bought**	**Sold**	**As of 31.3.2015**
Indirect interest				
Pang Hee Kin*	250,000	-	-	250,000
Lim Dan Qi**	28,203,700	-	-	28,203,700

* Pursuant to Section 134(12)(c) of the Companies (Amendment) Act, 2007, these shares were treated as interest of Mr. Pang Hee Kin by virtue of direct shareholding of his spouse, Ms Wee Leu Kee who was not herself a director of the Company.

** Pursuant to Section 134(12)(c) of the Companies (Amendment) Act, 2007, these shares were treated as interest of Ms Lim Dan Qi by virtue of direct shareholding of her immediately family members, Tan Sri Dato' Lim Tong Yong and Ms Lim Chang Ching who are not themselves directors of the Company.

By virtue of their interest in shares of the Company, the above directors are deemed to have an interest in the shares of the subsidiary company to the extent the Company has an interest.

None of the other directors in office at the end of the financial year held shares or had beneficial interest in the shares of the Company or its related companies during and at the end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive any benefit (other than those disclosed as directors' remuneration in the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

AUDITORS

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

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

TEOH CHENG CHUAN

TAN YEE KHUN

Petaling Jaya
2 July 2015

Deloitte.

Deloitte (AF 0080)
Chartered Accountants
Level 16, Menara LGB
1 Jalan Wan Kadir
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASIA POLY HOLDINGS BERHAD
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **ASIA POLY HOLDINGS BERHAD**, which comprise the statements of financial position of the Group and of the Company as of 31 March 2015 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 64.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of these financial statements so as to give a true and fair view in accordance with 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 whether the financial statements are free from material misstatement.

(Forward)

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2015 and of their financial performance and cash flows for the 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 that:

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

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

(c) the auditors' report on the accounts of the subsidiary company, Asia Poly Industrial Sdn Bhd, did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

(Forward)

Other Matter

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

Other Reporting Responsibilities

The supplementary information set out in Note 27 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

DELOITTE
AF 0080
Chartered Accountants

TEO SWEE CHUA
Partner - 2846/01/16 (J)
Chartered Accountant

2 July 2015

ASIA POLY HOLDINGS BERHAD
AND ITS SUBSIDIARY COMPANY
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2015

		The Group		The Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Revenue	5	78,457,564	68,632,939	2,000,000	-
Other operating income	7	404,649	300,364	-	-
Changes in inventories of finished goods and work-in-progress		1,576,324	294,794	-	-
Raw materials and consumables used		(62,806,735)	(52,087,713)	-	-
Staff costs	7	(4,914,101)	(4,707,774)	-	-
Depreciation of property, plant and equipment	11	(1,769,534)	(1,798,056)	-	-
Other operating expenses	7	(9,012,682)	(9,051,692)	(192,255)	(156,788)
Finance costs	8	(930,133)	(817,564)	-	-
Profit/(Loss) before tax		1,005,352	765,298	1,807,745	(156,788)
Income tax expense	9	(319,000)	(105,000)	-	-
Profit/(Loss) for the year		686,352	660,298	1,807,745	(156,788)
Other comprehensive income for the year		-	-	-	-
Total comprehensive income/(loss) for the year		686,352	660,298	1,807,745	(156,788)
Earnings per ordinary share (sen)					
Basic	10	0.78	0.75		

The accompanying Notes form an integral part of the Financial Statements.

ASIA POLY HOLDINGS BERHAD
AND ITS SUBSIDIARY COMPANY
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS OF 31 MARCH 2015

		The Group		The Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
ASSETS					
Non-Current Assets					
Property, plant and equipment	11	24,019,098	24,870,166	-	-
Investment in subsidiary company	12	-	-	6,573,576	6,573,576
Total Non-Current Assets		24,019,098	24,870,166	6,573,576	6,573,576
Current Assets					
Inventories	13	12,629,350	10,449,977	-	-
Trade receivables	14	14,777,290	14,712,085	-	-
Other receivables and prepaid expenses	14	437,763	205,271	-	-
Amount owing by subsidiary company	12	-	-	7,705,871	6,476,060
Tax recoverable		225,775	124,415	-	-
Cash and bank balances	15	10,497,814	6,297,010	1,926	1,976
Total Current Assets		38,567,992	31,788,758	7,707,797	6,478,036
Total Assets		62,587,090	56,658,924	14,281,373	13,051,612
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	16	8,791,496	8,791,496	8,791,496	8,791,496
Share premium	17	4,222,960	4,222,960	4,222,960	4,222,960
Retained earnings	18	9,656,160	9,629,170	1,166,917	18,534
Total Equity		22,670,616	22,643,626	14,181,373	13,032,990

(Forward)

		The Group		The Company	
	Note	**2015**	**2014**	**2015**	**2014**
		RM	**RM**	**RM**	**RM**
Non-Current Liabilities					
Hire-purchase payables - non-current portion	19	126,384	-	-	-
Deferred tax liabilities	20	2,431,000	2,112,000	-	-
Total Non-Current Liabilities		2,557,384	2,112,000	-	-
Current Liabilities					
Trade payables	21	15,154,170	12,237,644	-	-
Other payables and accrued expenses	21	1,552,201	1,522,484	100,000	18,622
Hire-purchase payables - current portion	19	71,262	3,286	-	-
Short-term borrowings	22	20,581,457	18,139,884	-	-
Total Current Liabilities		37,359,090	31,903,298	100,000	18,622
Total Liabilities		39,916,474	34,015,298	100,000	18,622
Total Equity and Liabilities		62,587,090	56,658,924	14,281,373	13,051,612

The accompanying Notes form an integral part of the Financial Statements.

ASIA POLY HOLDINGS BERHAD
AND ITS SUBSIDIARY COMPANY
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2015

The Group	Share capital RM	Non-distributable reserve - Share premium RM	Distributable reserve - Retained earnings RM	Total equity RM
As of 1 April 2013	8,791,496	4,222,960	9,408,446	22,422,902
Total comprehensive income for the year	-	-	660,298	660,298
Dividends paid (Note 23)	-	-	(439,574)	(439,574)
As of 31 March 2014	8,791,496	4,222,960	9,629,170	22,643,626
As of 1 April 2014	8,791,496	4,222,960	9,629,170	22,643,626
Total comprehensive income for the year	-	-	686,352	686,352
Dividends paid (Note 23)	-	-	(659,362)	(659,362)
As of 31 March 2015	8,791,496	4,222,960	9,656,160	22,670,616
The Company				
As of 1 April 2013	8,791,496	4,222,960	614,896	13,629,352
Total comprehensive loss for the year	-	-	(156,788)	(156,788)
Dividends paid (Note 23)	-	-	(439,574)	(439,574)
As of 31 March 2014	8,791,496	4,222,960	18,534	13,032,990
As of 1 April 2014	8,791,496	4,222,960	18,534	13,032,990
Total comprehensive income for the year	-	-	1,807,745	1,807,745
Dividends paid (Note 23)	-	-	(659,362)	(659,362)
As of 31 March 2015	8,791,496	4,222,960	1,166,917	14,181,373

The accompanying Notes form an integral part of the Financial Statements.

ASIA POLY HOLDINGS BERHAD
AND ITS SUBSIDIARY COMPANY
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2015

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit/(Loss) before tax	1,005,352	765,298	1,807,745	(156,788)
Adjustments for:				
Depreciation of property, plant and equipment	1,769,534	1,798,056	-	-
Finance costs	930,133	817,564	-	-
Unrealised loss/(gain) on foreign exchange	126,228	(44,870)	-	-
Property, plant and equipment written off	8,240	96,084	-	-
Dividend income	-	-	(2,000,000)	-
Operating Profit/(Loss) Before Working Capital Changes	3,839,487	3,432,132	(192,255)	(156,788)
(Increase)/Decrease in:				
Inventories	(2,179,373)	(275,322)	-	-
Trade receivables	118,905	3,931,717	-	-
Other receivables and prepaid expenses	(232,492)	142,967	-	-
Increase/(Decrease) in:				
Trade payables	2,606,188	231,390	-	-
Other payables and accrued expenses	29,717	87,773	81,378	(14,312)
Cash Generated From/(Used In) Operations	4,182,432	7,550,657	(110,877)	(171,100)

(Forward)

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Income tax refunded	1,246	272,914	-	-
Income tax paid	(102,606)	(119,788)	-	-
Net Cash From/(Used In) Operating Activities	4,081,072	7,703,783	(110,877)	(171,100)
CASH FLOWS (USED IN)/ FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment*	(666,706)	(810,370)	-	-
(Increase)/Decrease in amount owing by subsidiary company	-	-	(1,229,811)	610,620
Dividend received from subsidiary	-	-	2,000,000	-
Net Cash (Used In)/From Investing Activities	(666,706)	(810,370)	770,189	610,620
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES				
Increase/(Decrease) in short-term borrowings	2,441,573	(2,059,004)	-	-
Finance costs paid	(930,133)	(817,564)	-	-
Dividends paid	(659,362)	(439,574)	(659,362)	(439,574)
Payment of hire-purchase payables	(65,640)	(19,596)	-	-
Net Cash From/(Used In) Financing Activities	786,438	(3,335,738)	(659,362)	(439,574)

(Forward)

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,200,804	3,557,675	(50)	(54)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,297,010	2,739,335	1,976	2,030
CASH AND CASH EQUIVALENTS AT END OF YEAR (REPRESENTING CASH AND BANK BALANCES)	10,497,814	6,297,010	1,926	1,976

* Purchase of property, plant and equipment consists of the following:

	The Group	
	2015	**2014**
	RM	**RM**
Payment by cash	666,706	810,370
Hire-purchase	260,000	-
Total (Note 11)	926,706	810,370

The accompanying Notes form an integral part of the Financial Statements.

ASIA POLY HOLDINGS BERHAD
AND ITS SUBSIDIARY COMPANY
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015

1. GENERAL INFORMATION

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

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiary company are disclosed in Note 12.

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

The registered office of the Company is located at 308, Block A (3rd floor), Kelana Business Centre, No. 97, Jalan SS7/2, Kelana Jaya, 47301, Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at Lot 758, Jalan Haji Sirat, Mukim Kapar, 42100 Klang, Selangor Darul Ehsan, Malaysia.

The financial statements of the Group and of the Company have been authorised by the Board of Directors for issuance on 2 July 2015.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

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

Adoption of new and revised Financial Reporting Standards

In the current financial year, the Group and the Company adopted all the new and revised MFRSs and Issues Committee Interpretations ("IC Interpretations") and amendments to MFRSs and IC Interpretations issued by MASB that are relevant to their operations and effective for annual financial periods beginning on or after 1 January 2014.

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

The adoption of these new and revised MFRSs and IC Interpretations did not result in significant changes in the accounting policies of the Group and of the Company and has no significant effect on the financial performance or position of the Group and of the Company.

Standards and IC Interpretations in Issue But Not Yet Effective

At the date of authorisation for issue of these financial statements, the new and revised Standards and IC Interpretations which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below.

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)[5]
MFRS 15	Revenue from Contracts with Customers[4]
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception[3]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations[3]
Amendments to MFRS 101	Disclosure Initiative[3]
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
Amendments to MFRS 116 and 141	Agriculture: Bearer Plants[3]
Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions[1]

(Forward)

Amendments to MFRS 127	Equity Method in Separate Financial Statements[3]
Annual Improvements to MFRSs 2010 - 2012 cycle[2]	
Annual Improvements to MFRSs 2011 - 2013 cycle[1]	
Annual Improvements to MFRSs 2012 - 2014 cycle[3]	

1 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

2 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

3 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

4 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

5 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

The directors anticipate that abovementioned Standards and IC Interpretations will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these Standards and IC Interpretations will have no material impact on the financial statements of the Group and of the Company in the period of initial application except as disclosed below:

MFRS 9 Financial Instruments

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

Key requirements of MFRS 9:

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

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

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

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

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

MFRS 15 Revenue from Contracts with Customers

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

The core principle of MFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

(a) Step 1: Identify the contract(s) with a customer.
(b) Step 2: Identify the performance obligations in the contract.
(c) Step 3: Determine the transaction price.
(d) Step 4: Allocate the transaction price to the performance obligations in the contract.
(e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in MFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by MFRS 15.

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

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiary company. Control is achieved when the Company:

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

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary company begins when the Company obtains control over the subsidiary company and ceases when the Company loses control of the subsidiary company. Specifically, income and expenses of a subsidiary company acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary company is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

All intra-group assets and liabilities, equity, income and expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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

When the Group loses control of a subsidiary company, a gain or loss is recognised and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary company and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to the subsidiary company are accounted for as if the Group had directly disposed of the relevant assets or liabilities of the subsidiary company (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable MFRSs). The fair value of any investment retained in the former subsidiary company at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 *Financial Instruments: Recognition and Measurement* or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's separate financial statements, investments in subsidiary company are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

Business Combinations

Acquisitions of subsidiary companies and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair value of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;

- liabilities or equity instruments related to the share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed. If after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with MFRS 139 or MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items of which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.

Investments in Subsidiary Company

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

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of sales tax, trade discounts and allowances, and returns.

The Group recognises revenue when the amount of the revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group, upon satisfying the conditions of the Group activities as set out below.

Revenue from sales of goods is recognised upon delivery of products and when the risks and rewards of ownership have passed to customers.

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

Employee Benefits

(i) Short-Term Benefits

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

(ii) Defined Contribution Plan

The Group and its eligible employees are required by law to make monthly contributions to Employees Provident Fund ("EPF"), a statutory defined contribution plan, at certain prescribed rates based on the employees' salaries. The Group's contributions to EPF are disclosed separately while the employees' contributions to EPF are included in staff costs. Once these contributions have been made, the Group has no further payment obligations.

Foreign Currency Conversion

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

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair values were determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

Income Tax

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

The tax currently payable is based on taxable profit for the year, calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or recoverable).

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

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

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill.

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

Impairment of Assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

Property, Plant and Equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Group and the cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to profit or loss in the period in which they are incurred.

Freehold land is not depreciated. All other assets are depreciated on a straight-line basis to their residual values at rates based on the estimated useful lives. The principal annual rates used are as follows:

Factory building	2%
Plant and machinery	4% - 40%
Fire protection system	10%
Office equipment, furniture and fittings	10%
Laboratory and factory equipment	10%
Motor vehicles	20%

Where significant parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately.

At the end of each reporting period, the residual values, useful lives and depreciation methods of property, plant and equipment are reviewed, and the effect of any changes are recognised prospectively.

Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in profit or loss. On disposal of revalued assets, the amounts in revaluation reserve account relating to the assets disposed of are transferred to retained earnings.

Property, Plant and Equipment under Hire-Purchase Arrangements

Property, plant and equipment acquired under hire-purchase arrangements are capitalised in the financial statements and the corresponding obligations treated as liabilities. Finance charges are allocated to profit or loss to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

Assets held under hire-purchase arrangement are depreciated over their expected useful lives on the same basis as owned assets.

Inventories

Inventories are stated at the lower of cost (determined on the first-in, first-out basis) and net realisable value. The cost of raw materials comprises the original cost of purchase plus the cost of bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods include the cost of raw materials, direct labour and a proportion of production overheads. Net realisable value represents the estimated selling price in the ordinary course of business less selling and distribution costs and all other estimated costs to completion.

Provisions

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

Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

At the end of each reporting period, the provisions are reviewed by the directors and adjusted to reflect the current best estimate. The provisions are reversed if it is no longer probable that the Group or the Company will be required to settle the obligation.

Segment Reporting

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

Contingent Liabilities

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or a sufficiently reliable estimate of the amount of the obligation cannot be made.

Financial Instruments

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

(i) **Financial Assets**

Where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, such financial assets are recognised and derecognised on trade date.

Financial instruments are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' ("FVTPL"), 'held-to-maturity' investments, 'available-for-sale' ("AFS") financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective Interest Rate Method

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

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

(a) **Financial Assets At FVTPL**

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

A financial asset is classified as held for trading if:

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

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

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

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

(b) **Held-to-Maturity Investments**

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest rate method less any impairment, with revenue recognised on an effective yield basis.

(c) **AFS Financial Assets**

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investment or financial assets at FVTPL. All AFS assets are measured at fair value at the end of the reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest rate method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of the reporting period.

Dividends on AFS equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established.

The fair value of AFS monetary assets denominated in foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

(d) **Loans and Receivables**

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

(e) **Impairment of Financial Assets**

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

For equity investments classified as AFS, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, including redeemable bonds classified as AFS and finance lease receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

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

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

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

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

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

In respect of AFS equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

(f) **Derecognition of Financial Assets**

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

(ii) **Financial Liabilities and Equity Instruments issued by the Group**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(a) **Equity Instruments**

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

(b) **Financial Liabilities**

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

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

(c) **Financial Liabilities at FVTPL**

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

A financial liability is classified as held for trading if:

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

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

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

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

(d) **Other Financial Liabilities**

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

(e) **Derecognition of Financial Liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Statements of Cash Flows

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

Cash and cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risk of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(i) Critical judgement in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, which are described in Note 3 above, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except as disclosed below:

(a) Allowance for doubtful debts

The policy for allowance for doubtful debts of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's estimate. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of the customers with which the Group deals were to deteriorate, resulting in an impairment of their ability to make payments, an additional allowance may be required.

(b) Allowance for inventories

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

5. REVENUE

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Sales of finished goods	77,037,644	66,980,628	-	-
Sales of trading merchandise	1,419,920	1,652,311	-	-
Dividend income	-	-	2,000,000	-
	78,457,564	68,632,939	2,000,000	-

6. SEGMENT REPORTING

(a) Business segments

For management purposes, the Group is organised into the following divisions:

(i) Investment holding
(ii) Manufacturing
(iii) Trading

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OUR GROUP FOR THE FYE 31 MARCH 2015 TOGETHER WITH THE AUDITORS' REPORT THEREON (*CONT'D*)

The Group 2015	**Investment holding division RM**	**Manufacturing division RM**	**Trading division RM**	**Eliminations RM**	**Consolidated RM**
Revenue	-	77,037,644	1,419,920	-	78,457,564
Results					
Segment results	1,807,745	2,093,740	34,000	(2,000,000)	1,935,485
Finance costs					(930,133)
Profit before tax					1,005,352
Income tax expense					(319,000)
Profit for the year					686,352
Other Information					
Capital additions	-	926,706	-	-	926,706
Depreciation of property, plant and equipment	-	1,769,534	-	-	1,769,534
Statement of Financial Position					
Assets					
Tax recoverable	-	225,775	-	-	225,775
Segment assets	14,281,373	62,359,389	-	(14,279,447)	62,361,315
Liabilities					
Deferred tax liabilities	-	2,431,000	-	-	2,431,000
Segment liabilities	100,000	45,091,345	-	(7,705,871)	37,485,474

The Group 2014	**Investment holding division RM**	**Manufacturing division RM**	**Trading division RM**	**Eliminations RM**	**Consolidated RM**
Revenue	-	66,980,628	1,652,311	-	68,632,939
Results					
Segment results	(156,788)	1,705,650	34,000	-	1,582,862
Finance costs					(817,564)
Profit before tax					765,298
Income tax expense					(105,000)
Profit for the year					660,298
Other Information					
Capital additions	-	810,370	-	-	810,370
Depreciation of property, plant and equipment	-	1,798,056	-	-	1,798,056
Statement of Financial Position					
Assets					
Tax recoverable	-	124,415	-	-	124,415
Segment assets	13,051,612	56,532,533	-	(13,049,636)	56,534,509
Liabilities					
Deferred tax liabilities	-	2,112,000	-	-	2,112,000
Segment liabilities	18,622	38,360,736	-	(6,476,060)	31,903,298

(b) **Geographical Segment**

The Group's operations are mainly located in Malaysia.

7. OTHER OPERATING INCOME/(EXPENSES) AND STAFF COSTS

Included in other operating income/(expenses) are the following credits/(charges):

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Cost of inventories recognised as expense	(61,230,411)	(51,792,919)	-	-
Directors' remuneration:				
Salaries and other emoluments	(1,159,967)	(1,528,188)	(2,000)	(47,665)
Fees	(62,000)	(57,000)	(62,000)	-
Gain/(Loss) on foreign exchange:				
Realised	339,936	231,938	-	-
Unrealised	(126,228)	44,870	-	-
Auditors' remuneration:				
Statutory audit	(57,000)	(57,000)	(25,000)	(25,000)
Non-audit services	(3,000)	(3,000)	(3,000)	(3,000)
Property, plant and equipment written off	(8,240)	(96,084)	-	-

(a) **Staff costs**

Staff costs include salaries, contributions to Employees Provident Fund ("EPF") and all other staff related expenses. Contributions to EPF, included in staff costs, made by the Group during the current financial year amounted to RM297,947 (2014: RM290,785).

(b) **Key management personnel compensation**

The remuneration of members of key management personnel, who are also directors, during the year are as follows:

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Short-term employee benefits:				
Salaries, bonuses, allowances and contributions to EPF	1,159,967	1,528,188	2,000	47,665

(c) **Directors' remuneration**

Contributions to EPF, included in directors' remuneration, made by the Group during the current financial year amounted to RM128,589 (2014: RM129,857).

The estimated monetary value of benefits-in-kind received and receivable by the directors of the Company otherwise than in cash from the Group amounted to RM27,408 (2014: RM26,615).

8. FINANCE COSTS

	The Group	
	2015	2014
	RM	RM
Interest expense on:		
Bankers' acceptance	917,797	804,719
Bank overdraft	7,292	10,505
Hire-purchase	5,044	2,340
	930,133	817,564

9. INCOME TAX EXPENSE

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Estimated tax payable	-	-	-	-
Deferred tax (Note 20):				
Current year	333,000	272,000	-	-
Overprovision in prior years	(14,000)	(167,000)	-	-
	319,000	105,000	-	-
Income tax expense	319,000	105,000	-	-

A reconciliation of income tax expense at the applicable statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Profit/(Loss) before tax	1,005,352	765,298	1,807,745	(156,788)
Tax at statutory tax rate of 25% (2014: 25%)	251,338	191,325	451,936	(39,197)
Tax effects of:				
Non-deductible expenses	81,662	80,675	48,064	39,197
Non-taxable income	-	-	(500,000)	-
Overprovision of deferred tax in prior years	(14,000)	(167,000)	-	-
	319,000	105,000	-	-

The Finance (No. 2) Act 2014 had amended the Income Tax Act 1967 to reduce the Malaysian corporate income tax rate from 25% to 24% with effect from year of assessment 2016. Accordingly, the applicable tax rates to be used for the measurement of any applicable deferred tax for entities in Malaysia will be the expected rates.

10. EARNINGS PER ORDINARY SHARE

Basic

Basic earnings per ordinary share is calculated by dividing profit for the year by the number of ordinary shares in issue during the financial year.

	The Group	
	2015	**2014**
Profit for the year (RM)	686,352	660,298
Number of ordinary shares of RM0.10 each	87,914,960	87,914,960
Basic earnings per ordinary share (sen)	0.78	0.75

Diluted

The basic and diluted earnings per share are equal as the Company has no dilutive potential ordinary shares as of the end of the reporting period.

11. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold Land RM	Factory Building RM	Plant and Machinery RM	Fire Protection System RM	Office Equipment, Furniture and Fittings RM	Laboratory and Factory Equipment RM	Motor Vehicles RM	Motor Vehicles Under Hire-Purchase RM	Total RM
Cost									
As of 1 April 2013	4,520,000	7,496,456	16,234,549	355,931	2,775,644	2,903,938	866,784	103,494	35,256,796
Additions	-	277,953	457,921	-	37,024	37,472	-	-	810,370
Write-offs	-	-	-	-	(176,242)	-	-	-	(176,242)
As of 31 March 2014/1 April 2014	4,520,000	7,774,409	16,692,470	355,931	2,636,426	2,941,410	866,784	103,494	35,890,924
Additions	-	-	548,150	-	84,510	1,650	-	292,396	926,706
Write-offs	-	-	-	-	(14,809)	(3,664)	-	-	(18,473)
As of 31 March 2015	4,520,000	7,774,409	17,240,620	355,931	2,706,127	2,939,396	866,784	395,890	36,799,157

(Forward)

	Freehold Land RM	Factory Building RM	Plant and Machinery RM	Fire Protection System RM	Office Equipment, Furniture and Fittings RM	Laboratory and Factory Equipment RM	Motor Vehicles RM	Motor Vehicles Under Hire-Purchase RM	Total RM
Accumulated Depreciation									
As of 1 April 2013	-	1,109,352	4,860,429	150,618	1,237,071	1,067,764	817,254	60,372	9,302,860
Charge for the year	-	155,038	1,013,505	35,390	261,217	291,077	21,130	20,699	1,798,056
Write-offs	-	-	-	-	(80,158)	-	-	-	(80,158)
Reclassification	-	-	-	-	-	-	(20,699)	20,699	-
As of 31 March 2014/1 April 2014	-	1,264,390	5,873,934	186,008	1,418,130	1,358,841	817,685	101,770	11,020,758
Charge for the year	-	155,488	954,165	35,294	254,249	291,439	-	78,899	1,769,534
Write-offs	-	-	-	-	(8,279)	(1,954)	-	-	(10,233)
As of 31 March 2015	-	1,419,878	6,828,099	221,302	1,664,100	1,648,326	817,685	180,669	12,780,059
Net Book Value									
As of 31 March 2015	4,520,000	6,354,531	10,412,521	134,629	1,042,027	1,291,070	49,099	215,221	24,019,098
As of 31 March 2014	4,520,000	6,510,019	10,818,536	169,923	1,218,296	1,582,569	49,099	1,724	24,870,166

Included in property, plant and equipment of the Group are fully depreciated plant and equipment at cost totalling approximately RM3,896,000 (2014: RM3,067,000) which are still in use.

12. INVESTMENT IN SUBSIDIARY COMPANY

	The Company	
	2015	2014
	RM	RM
Unquoted shares - at cost	6,573,576	6,573,576

The details of the subsidiary company, which is incorporated in Malaysia, are as follows:

Name of Company	Effective Equity Interest		Principal Activity
	2015	2014	
Direct subsidiary company			
Asia Poly Industrial Sdn Bhd	100%	100%	Manufacture and sale of cast acrylic products

Amount owing by subsidiary company, which arose mainly from payments on behalf, is interest-free and repayable on demand.

13. INVENTORIES

	The Group	
	2015	2014
	RM	RM
Raw materials	3,575,819	2,972,770
Work in progress	596,347	636,431
Finished goods	8,457,184	6,840,776
	12,629,350	10,449,977

14. TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAID EXPENSES

	The Group	
	2015	2014
	RM	RM
Trade receivables	15,032,160	14,966,955
Less: Allowance for doubtful debts	(254,870)	(254,870)
Net	14,777,290	14,712,085

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with customers are mainly on credit. The credit period generally ranges from 30 to 120 days (2014: 30 to 150 days). Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

The Group has significant concentration of credit risk as certain major customers account for approximately 68% (2014: 67%) of the total amount outstanding. There are no other customers who represent more than 5% of the total balance of trade receivables at the end of the reporting period.

Trade receivables include amounts (see below for aged analysis) that are past due at the end of the reporting period but against which the Group has not recognised an allowance for doubtful debts since there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

The table below is an analysis of trade receivables at the end of the reporting period:

	The Group	
	2015	2014
	RM	RM
Neither past due nor impaired	13,131,361	13,852,183
Past due but not impaired	1,645,929	859,902
Past due and impaired	254,870	254,870
	15,032,160	14,966,955

	The Group	
	2015	**2014**
	RM	**RM**
Ageing of past due but not impaired		
Less than 30 days	1,645,929	701,099
30 to 60 days	-	158,803
	1,645,929	859,902
Ageing of impaired trade receivables		
More than 120 days	254,870	254,870
Movement in the allowance for doubtful debts		
At beginning and end of year	254,870	254,870

The currency profile of trade receivables of the Group is as follows:

	The Group	
	2015	**2014**
	RM	**RM**
United States Dollar	11,480,060	9,792,837
Ringgit Malaysia	3,552,100	5,174,118
	15,032,160	14,966,955

Other receivables and prepaid expenses consist of:

	The Group	
	2015	**2014**
	RM	**RM**
Other receivables	120,143	78,818
Refundable deposits	255,172	65,594
Prepayments	62,448	60,859
	437,763	205,271

15. CASH AND BANK BALANCES

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

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
United States Dollar	8,264,418	4,239,506	-	-
Ringgit Malaysia	2,231,957	2,047,877	1,926	1,976
Euro	1,439	9,627	-	-
	10,497,814	6,297,010	1,926	1,976

16. SHARE CAPITAL

	The Group and The Company	
	2015	2014
	RM	RM
Authorised:		
100,000,000 ordinary shares of RM0.10 each	10,000,000	10,000,000
Issued and fully paid:		
87,914,960 ordinary shares of RM0.10 each	8,791,496	8,791,496

17. SHARE PREMIUM

Share premium arose from the public issue of 22,179,000 ordinary shares of RM0.10 each at premium of RM0.24 per ordinary share less share issue expenses of RM1,100,000.

18. RETAINED EARNINGS

At the end of the reporting period, the entire balance of the retained earnings of the Company is available for distribution as dividends under the single tier income tax system.

19. HIRE-PURCHASE PAYABLES

	The Group	
	2015	2014
	RM	RM
Total outstanding	220,490	3,658
Less: Interest in suspense	(22,844)	(372)
Principal outstanding	197,646	3,286
Less: Amount due within 12 months (shown under current liabilities)	(71,262)	(3,286)
Non-current portion	126,384	-

The non-current portion is payable as follows:

	The Group	
	2015	2014
	RM	RM
Financial year ending:		
2017	43,962	-
2018	40,062	-
2019	40,062	-
2020	2,298	-
	126,384	-

It is the Group's policy to acquire certain of its property, plant and equipment under hire-purchase arrangements. The average term of hire-purchase is 5 years. The interest rate implicits in the hire-purchase obligations is 2.13% (2014: 2.38%) per annum.

The Group's hire-purchase payables are secured by the financial institutions' charge over the assets under hire-purchase as disclosed in Note 11.

20. DEFERRED TAX LIABILITIES

	The Group	
	2015	**2014**
	RM	**RM**
At beginning of year	2,112,000	2,007,000
Transfer from profit or loss (Note 9):		
Property, plant and equipment	35,000	190,000
Trade receivables	46,000	(7,000)
Trade payables	(78,000)	19,000
Other payables and accrued expenses	(24,000)	(89,000)
Unused tax losses	-	1,000
Unabsorbed capital allowances	340,000	(9,000)
	319,000	105,000
At end of year	2,431,000	2,112,000

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is an analysis of the deferred tax balances (after offset) for statement of financial position purposes:

	The Group	
	2015	**2014**
	RM	**RM**
Deferred tax assets	(463,000)	(770,000)
Deferred tax liabilities	2,894,000	2,882,000
	2,431,000	2,112,000

Deferred tax assets/(liabilities) provided in the financial statements are in respect of the tax effects of the following:

	The Group	
	2015	2014
	RM	RM
Deferred tax assets		
Temporary differences arising from:		
Trade receivables	23,000	69,000
Trade payables	55,000	-
Other payables and accrued expenses	160,000	136,000
Unabsorbed capital allowances	158,000	498,000
Unused tax losses	67,000	67,000
	463,000	770,000
Offsetting	(463,000)	(770,000)
Deferred tax assets (after offsetting)	-	-
Deferred tax liabilities		
Temporary differences arising from:		
Property, plant and equipment	(2,894,000)	(2,859,000)
Trade payables	-	(23,000)
	(2,894,000)	(2,882,000)
Offsetting	463,000	770,000
Deferred tax liabilities (after offsetting)	(2,431,000)	(2,112,000)

21. TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

Trade payables of the Group comprise amounts outstanding for trade purchases. The credit period granted to the Group for trade purchases ranges from 30 to 90 days (2014: 30 to 90 days).

The currency profile of trade payables of the Group is as follows:

	The Group	
	2015	**2014**
	RM	**RM**
United States Dollar	13,817,920	10,867,305
Ringgit Malaysia	1,336,250	1,370,339
	15,154,170	12,237,644

Other payables and accrued expenses consist of:

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Other payables	65,808	167,838	-	8,622
Accrued expenses	1,486,393	1,354,646	100,000	10,000
	1,552,201	1,522,484	100,000	18,622

The currency profile of other payables and accrued expenses of the Group and of the Company is as follows:

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
United States Dollar	65,808	159,216	-	-
Ringgit Malaysia	1,486,393	1,363,268	100,000	18,622
	1,552,201	1,522,484	100,000	18,622

22. SHORT-TERM BORROWINGS

	The Group 2015 RM	The Group 2014 RM
Bankers' acceptance	20,581,457	18,139,884

The Group has bank overdraft and other credit facilities totalling RM25,400,000 (2014: RM25,750,000) obtained from local banks. The amount utilised bears interest at rates ranging from 3.96% to 5.43% (2014: 3.63% to 4.88%) per annum. These facilities are secured by a corporate guarantee from the Company.

23. DIVIDENDS

	The Group and The Company 2015 RM	The Group and The Company 2014 RM
Interim single tier dividend of 2.50% per ordinary share in respect of the financial year ended 31 March 2015	219,787	-
Final single tier dividend of 5.00% per ordinary share in respect of the financial year ended 31 March 2014	439,575	-
Interim single tier dividend of 2.50% per ordinary share in respect of the financial year ended 31 March 2014	-	219,787
Final tax exempt dividend of 2.50% per ordinary share in respect of the financial year ended 31 March 2013	-	219,787
	659,362	439,574

The directors proposed a final single tier dividend of 5.00% per ordinary share on 87,914,960 ordinary shares of RM0.10 each, amounting to RM439,575 in respect of the current financial year. The proposed final dividend is subject to approval by the shareholders at the forthcomnig Annual General Meeting of the Company and has not been included as a liability in the financial statements.

24. CAPITAL COMMITMENTS

At the end of the reporting period, the Group has the following capital commitments in respect of acquisition of property, plant and equipment:

	The Group	
	2015	**2014**
	RM	**RM**
Contracted but not provided for	348,283	22,100

25. CONTINGENT LIABILITY

The Company has given unsecured corporate guarantees totalling RM25,400,000 (2014: RM25,750,000) to certain licensed banks for bank overdraft and other credit facilities granted to a subsidiary company as disclosed in Note 22. Accordingly, the Company is contingently liable to the said licensed banks to the extent of the amount of credit facilities utilised by the said subsidiary company.

26. FINANCIAL INSTRUMENTS

Capital risk management

The objective of the Group's capital risk management is to safeguard the Group's ability to continue as a going-concern while maximising the return to shareholders through the optimisation of debt and equity balance. The Group's overall strategy remains unchanged since 2014.

The capital structure of the Group consists of net debt (borrowings offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves and retained earnings).

The Board of Directors reviews the capital structure of the Group on a regular basis. As part of the review, the Board of Directors considers the cost of capital and risk associated with each class of capital.

The gearing ratio at the end of the reporting period is as follows:

	The Group	
	2015	**2014**
	RM	**RM**
Borrowings (i)	20,779,103	18,143,170
Cash and bank balances (Note 15)	(10,497,814)	(6,297,010)
Net debt	10,281,289	11,846,160
Equity (ii)	22,670,616	22,643,626
Net debt to equity ratio	45%	52%

(i) Borrowings are defined as hire-purchase payables and short-term borrowings as disclosed in Notes 19 and 22, respectively.

(ii) Equity includes share capital, share premium and retained earnings.

Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement, and the bases for recognition of income and expenses), for each class of financial assets, financial liabilities and equity instruments are disclosed in Note 3.

	The Group		The Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Financial Assets				
Loans and receivables:				
Trade receivables	14,777,290	14,712,085	-	-
Other receivables and refundable deposits	375,315	144,412	-	-
Amount owing by subsidiary company	-	-	7,705,871	6,476,060
Cash and bank balances	10,497,814	6,297,010	1,926	1,976

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Financial Liabilities				
Other financial liabilities:				
Trade payables	15,154,170	12,237,644	-	-
Other payables and accrued expenses	1,552,201	1,522,484	100,000	18,622
Hire-purchase payables	197,646	3,286	-	-
Short-term borrowings	20,581,457	18,139,884	-	-

Financial risk management objectives and policies

The operations of the Group are subject to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk, cash flow risk and liquidity risk. The Group has taken measures to minimise its exposure to risks and/or costs associated with the financing, investing and operating activities of the Group.

Foreign currency risk management

The Group undertakes certain transactions in United States Dollar and Euro where the amounts outstanding are exposed to foreign currency risk. Exposures to foreign currency risk are monitored on an ongoing basis.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are disclosed in the respective notes.

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% increase or decrease in Ringgit Malaysia against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates a gain in profit or loss and other equity where the Ringgit Malaysia weakens 10% against the relevant currency. For a 10% strengthening of the Ringgit Malaysia against the relevant currency, there would be a comparable impact on the profit or loss and other equity and the balances would be negative.

	The Group	
	2015	2014
	RM	RM
United States Dollar	586,075	300,582
Euro	144	963
	586,219	301,545

The Group's sensitivity to foreign currency during the current year is mainly due to exposure of cash and bank balances and outstanding receivables and payables denominated in foreign currencies at the end of the reporting period.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the period end exposure does not reflect the exposure during the year.

Interest rate risk management

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing short-term borrowings. The interest rates of short-term borrowings of the Group are disclosed in Note 22. Interest rate for hire-purchase payables, which is disclosed in Note 19, is fixed at the inception of the financing arrangement.

The Group's exposure to interest rates on financial liabilities are detailed below. The sensitivity analyses below have been determined based on the exposure to interest rates for financial liabilities at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liabilities at the end of the reporting period will remain unchanged for the whole year. A 50 basis point increase or decrease in the interest rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit would be decrease/increase as a result of the following:

	The Group	
	2015	2014
	RM	RM
Interest expense on bankers' acceptance	102,907	90,699

Credit risk management

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group is exposed to credit risk mainly from trade and other receivables. The Group extends credit to its customers based upon careful evaluation of the customers' financial condition and credit history. An allowance for doubtful debts is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the receivables. Apart from the customers as disclosed in Note 14, the Group does not have any significant credit risk exposure to any single counterparty having similar characteristics.

The Group's exposure to credit risk in relation to its receivables, should all its customers fail to perform their obligations as of 31 March 2015, is the carrying amount of these receivables as disclosed in the statements of financial position.

Cash flow risk management

The Group reviews its cash flow position regularly to manage its exposure to fluctuations in future cash flows associated with its monetary financial instruments.

Liquidity risk management

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities and to maintain sufficient credit facilities for contingent funding requirement of working capital.

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short-term funding so as to achieve overall cost effectiveness.

The table below summarises the maturity profile of the Group's and the Company's liabilities at the end of the reporting period based on contractual undiscounted repayment obligations. The tables include both interest and principal cash flows.

2015	**Less than 1 year RM**	**1 to 2 years RM**	**2 to 5 years RM**	**More than 5 years RM**	**Total RM**	**Contractual interest rate %**
The Group						
Financial liabilities						
Non-interest bearing:						
Trade payables	15,154,170	-	-	-	15,154,170	
Other payables and accrued expenses	1,552,201	-	-	-	1,552,201	
	16,706,371	-	-	-	16,706,371	
Interest bearing:						
Hire-purchase payables	76,800	49,500	94,190	-	220,490	2.13
Short-term borrowings	20,581,457	-	-	-	20,581,457	3.96 to 5.43
	20,658,257	49,500	94,190	-	20,801,947	
	37,364,628	49,500	94,190	-	37,508,318	
The Company						
Non-interest bearing:						
Other payables and accrued expenses	100,000	-	-	-	100,000	

2014	Less than 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM	Total RM	Contractual interest rate %
The Group						
Financial liabilities						
Non-interest bearing:						
Trade payables	12,237,644	-	-	-	12,237,644	-
Other payables and accrued expenses	1,522,484	-	-	-	1,522,484	-
	13,760,128	-	-	-	13,760,128	
Interest bearing:						
Hire-purchase payables	3,658	-	-	-	3,658	2.38
Short-term borrowings	18,139,884	-	-	-	18,139,884	3.63 to 4.88
	18,143,542	-	-	-	18,143,542	
	31,903,670	-	-	-	31,903,670	
The Company						
Non-interest bearing:						
Other payables and accrued expenses	18,622	-	-	-	18,622	

Fair values of financial instruments

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities carried at amortised cost in the financial statements approximate their fair values.

	The Group	
	Carrying amount RM	**Fair value RM**
2015		
Financial liabilities		
Hire-purchase payables	197,646	192,435 ^
2014		
Financial liabilities		
Hire-purchase payables	3,286	3,286 ^

^ The fair values of hire-purchase payables is estimated using discounted cash flow analysis based on current financing rates for similar type of financing arrangements.

Fair value hierarchy

The table below analyses fair value measurement of financial instruments which are categorised into Levels 1 to 3 as disclosed in Note 3.

There is no transfer between Level 1 and 2 fair values during the financial years ended 31 March 2015 and 2014.

Fair value of financial instruments that are not measured at fair value in the statement of financial position at the end of the reporting period (but fair value disclosures are required)

	Level 1 RM	**Level 2 RM**	**Level 3 RM**	**Total RM**
The Group				
2015				
Financial liabilities				
Hire-purchase payables	-	-	192,435	192,435
2014				
Financial liabilities				
Hire-purchase payables	-	-	3,286	3,286

27. SUPPLEMENTARY INFORMATION

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Securities") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements which requires all listed issuers to disclose the breakdown of the retained earnings or accumulated losses as of the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Securities further issued guidance on the disclosure and the prescribed format of disclosure.

The breakdown of the retained earnings of the Group and of the Company as of 31 March 2015 into realised and unrealised profits or losses, pursuant to the directive, is as follows:

	The Group		The Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Total retained earnings of the Company and its subsidiary company:				
Realised	8,841,757	8,688,539	1,166,917	18,534
Unrealised	(58,045)	68,183	-	-
	8,783,712	8,756,722	1,166,917	18,534
Less: Consolidation adjustments	872,448	872,448	-	-
Total retained earnings as per statements of financial position	9,656,160	9,629,170	1,166,917	18,534

The determination of realised and unrealised profits or losses is based on 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 on 20 December 2010. A charge or credit to the profit or loss of a legal entity is deemed realised when it resulted from the consumption of resource of all types and form, regardless of whether it is consumed in the ordinary course of business or otherwise. A resource may be consumed through sale or use. Where a credit or a charge to profit or loss upon initial recognition or subsequent measurement of an asset or a liability is not attributed to consumption of resource, such credit or charge should not be deemed as realised until the consumption of resource could be demonstrated.

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

ASIA POLY HOLDINGS BERHAD
AND ITS SUBSIDIARY COMPANY
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

The directors of **ASIA POLY HOLDINGS BERHAD.** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2015 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

The supplementary information set out in Note 27 to the financial statements, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with
a resolution of the Directors,

TEOH CHENG CHUAN

TAN YEE KHUN

2 July 2015

ASIA POLY HOLDINGS BERHAD
AND ITS SUBSIDIARY COMPANY
(Incorporated in Malaysia)

DECLARATION BY THE DIRECTOR PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **TEOH CHENG CHUAN**, being the director primarily responsible for the financial management of **ASIA POLY HOLDINGS BERHAD**, do solemnly and sincerely declare that the accompanying financial statements of the Group and of the Company are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

TEOH CHENG CHUAN

Subscribed and solemnly declared by the abovenamed **TEOH CHENG CHUAN** at ~~**PETALING JAYA**~~ on 2nd day of July, 2015.
KUALA LUMPUR

Before me,

COMMISSIONER FOR OATHS

PESURUHJAYA SUMPAH
No. W 350
SHAFIE B. DAUD
MALAYSIA

38A, JALAN TUN MOHD FUAD 1
TAMAN TUN DR. ISMAIL
60000 KUALA LUMPUR

Company No. 619176-A

APPENDIX V

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE THREE (3)-MONTH PERIOD ENDED 30 JUNE 2015

ASIA POLY

CERTIFIED TRUE COPY
27 OCT 2015
HO HENG CHAN (MACS 00574)
WU SIEW HONG (MAICSA 7039647)
COMPANY SECRETARY

ASIA POLY HOLDINGS BERHAD (Company No. 619176-A)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2015
CONDENSED CONSOLIDATED STATEMENT PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter Ended 30/06/2015 RM' 000	Preceding Year Corresponding Quarter Ended 30/06/2014 RM' 000	Current Year-To-Date 30/06/2015 RM' 000	Preceding Year Corresponding Period 30/06/2014 RM' 000
Revenue	18,503	19,407	18,503	19,407
Cost of sales	(16,438)	(17,384)	(16,438)	(17,384)
Gross profit	2,065	2,023	2,065	2,023
Other Income	6	6	6	6
Finance Costs	(218)	(208)	(218)	(208)
Operating expenses	(1,330)	(1,456)	(1,330)	(1,456)
Profit before tax	523	365	523	365
Income tax expense / deferred tax	(94)	(73)	(94)	(73)
Profit for the period	429	292	429	292
Other comprehensive Income	-	-	-	-
Total comprehensive income for the period	429	292	429	292
Attributable to :				
Equity holders of the Company	429	292	429	292
Minority Interest	-	-	-	-
	429	292	429	292
Earnings per share attributable to the equity holders of the Company :				
Basic (sen)	0.49	0.33	0.49	0.33
Diluted (sen)	0.49	0.33	0.49	0.33

The unaudited interim condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompany explanatory notes attached to the interim financial statements.

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE THREE (3)-MONTH PERIOD ENDED 30 JUNE 2015 (*CONT'D*)

ASIA POLY

ASIA POLY HOLDINGS BERHAD (Company No. 619176-A)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2015
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As At 30/06/2015 RM ' 000	(Audited) As At 31/03/2015 RM ' 000
ASSETS		
NON-CURRENT ASSETS		
Property, plant & equipment	23,979	24,019
	23,979	24,019
CURRENT ASSETS		
Inventories	11,590	12,629
Trade receivables	14,988	14,777
Other receivables and prepaid expenses	958	437
Tax recoverable	101	226
Cash and bank balances	8,311	10,498
	35,948	38,567
TOTAL ASSETS	59,927	62,586
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	8,791	8,791
Share premium	4,223	4,223
Retained earnings	10,086	9,657
	23,100	22,671
NON-CURRENT LIABILITIES		
Hire-purchase payables - non-current portion	63	126
Deferred tax liabilities	2,431	2,431
	2,494	2,557
CURRENT LIABILITIES		
Trade payables	16,032	15,154
Other payables and accrued expenses	1,316	1,552
Short-term borrowings	16,959	20,581
Hire-purchase payables - current portion	26	71
	34,333	37,358
TOTAL LIABILITIES	36,827	39,915
TOTAL EQUITY AND LIABILITIES	59,927	62,586
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.26	0.26

The unaudited interim condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompany explanatory notes attached to the interim financial statements.

ASIA POLY

ASIA POLY HOLDINGS BERHAD (Company No. 619176-A)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2015
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company			
	Non- Distributable		Distributable	Total
	Share Capital	Share Premium	Retained Earnings	Equity
	RM' 000	RM' 000	RM' 000	RM' 000
Balance as at 1 April 2014	8,791	4,223	9,629	22,644
Dividend paid, tax exempt	-	-	(659)	(659)
Total comprehensive income for the year	-	-	686	686
Balance as of 31 March 2015	8,791	4,223	9,657	22,671
Balance as at 1 April 2015	8,791	4,223	9,657	22,672
Dividend paid, tax exempt	-	-	-	-
Total comprehensive income for the year	-	-	429	429
Balance as of 30 June 2015	8,791	4,223	10,086	23,101

The unaudited interim condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompany explanatory notes attached to the interim financial statements.

ASIA POLY HOLDINGS BERHAD (Company No. 619176-A)
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2015
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 Months Ended 30/06/2015 RM' 000	3 Months Ended 30/06/2014 RM' 000
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES		
Profit before tax	523	365
Adjustments for :		
Depreciation of property, plant and equipment	437	441
Property, plant and equipment written off	2	-
Unrealised loss/(gain) on foreign exchange	-	-
Finance costs	218	208
Operating Profit Before Working Capital Changes	1,180	1,014
(Increase) / Decrease in :		
Inventories	1,039	(704)
Trade receivables	(211)	(177)
Other receivables and prepaid expenses	(397)	(436)
Increase / (Decrease) in :		
Trade payables	878	2,661
Other payables and accrued expenses	(236)	297
Cash Generated From Operations	2,253	2,655
Income tax refunded	-	1
Income tax paid	(94)	(73)
Net Cash From Operating Activities	2,159	2,583
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(397)	(605)
Net Cash Used In Investing Activities	(397)	(605)

Continue...

ASIA POLY HOLDINGS BERHAD (Company No. 619176-A)
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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2015
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 Months Ended 30/06/2015 RM' 000	3 Months Ended 30/06/2014 RM' 000
CASH FLOWS USED IN FINANCING ACTIVITIES		
(Decrease)/Increase in short-term borrowings	(3,622)	1,965
Finance costs paid	(218)	(208)
Dividend paid	-	-
Payment for hire purchase payables	(109)	(3)
Net Cash From Financing Activities	(3,949)	1,754
NET INCREASE IN CASH AND CASH EQUIVALENTS	(2,187)	3,732
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF PERIOD	10,498	6,297
CASH AND CASH EQUIVALENTS AS AT END OF PERIOD	8,311	10,029

Cash & cash equivalents at the end of the financial period comprise the following:

Cash and bank balances	8,311	10,029
	8,311	10,029

The unaudited interim condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompany explanatory notes attached to the interim financial statements.

ASIA POLY

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Unaudited Interim Financial Report for the first quarter ended 30 June 2015

NOTES TO THE INTERIM FINANCIAL REPORT

A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING

1 Basis of preparation

The interim financial reports is unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS") 134: "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2015. These explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2015.

2 Malaysian Financial Reporting Standards ("MFRSs")

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

In the current financial year, the Company adopted all the new and revised MFRSs and Issues Committee Interpretations ("IC Interpretations") and amendments to MFRSs and IC Interpretations issued by MASB that are effective for annual financial periods beginning on or after 1 April 2014.

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

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The adoption of these new and revised MFRSs and IC Interpretation did not result in significant changes in the accounting policies of the Group and has no significant effect on the financial performance or position of the Group.

Standards and IC interpretations in issue but not yet effective

At the date of authorisation for issue of these financial statements, the new and revised Standards and IC Interpretations which were in issue but not yet effective and not early adopted by the Company are as listed below.

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)[5]
MFRS 15	Revenue from Contracts with Customers[4]
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception[3]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations[3]
Amendments to MFRS 101	Disclosure Initiative[3]
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation[3]
Amendments to MFRS 116 and 141	Agriculture: Bearer Plants[3]
Amendments to MFRS 119	Defined Benefit Plans: Employee Contributions[1]
Amendments to MFRS 127	Equity Method in Separate Financial Statements[3]

Annual Improvements to MFRSs 2010 - 2012 cycle[2]
Annual Improvements to MFRSs 2011 - 2013 cycle[1]
Annual Improvements to MFRSs 2012 - 2014 cycle[3]

[1] Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

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[2] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.
[3] Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
[4] Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
[5] Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

The Directors anticipate that the abovementioned Standards will be adopted in the annual financial statements of the Company when they become effective and that the adoption of these Standards will have no material impact on the financial statements of the Company in the period of initial application.

3 Auditors' report on preceding annual financial statements

There were no audit qualifications on the annual financial statements for the year ended 31 March 2015.

4 Seasonal or cyclical factors

The Group's operations were not materially affected by seasonal or cyclical factors during the financial quarter under review.

5 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group during the financial quarter under review.

6 Material changes in estimates

There were no changes in estimates of amounts which give a material effect for the current financial quarter under review.

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Unaudited Interim Financial Report for the first quarter ended 30 June 2015

7 Debt and equity securities

There were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

8 Dividends paid

There was no dividend paid during the financial quarter under review.

The Board declare a final single tier dividend of 5.0% (RM0.005) per ordinary shares of RM0.10 each in respect of the financial year ended 31 March 2015 which will be subject to the approval of the shareholders' to be obtained at the forthcoming Annual General Meeting. The interim report for the current quarter does not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

9 Segment information

Business segments

The Group is primarily engaged in manufacturing of cast acrylic sheets and trading in chemical products.

	Individual Quarter		Cumulative Quarter	
	Current Quarter ended 30 June 2015 RM'000	Comparative Quarter ended 30 June 2014 RM'000	3 Months Cumulative ended 30 June 2015 RM'000	3 Months Cumulative ended 31 June 2014 RM'000
Segment revenue				
Investment holdings and others	-	-	-	-

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Manufacturing	18,292	19,042	18,292	19,042
Trading	211	365	211	365
	18,503	19,407	18,503	19,407
Segment results				
Investment holdings and others	-	-	-	-
Manufacturing	417	283	417	283
Trading	12	9	12	9
	429	292	429	292

10 Valuation of property, plant and equipment

There were no changes in the valuation of the property, plant and equipment in the current financial quarter under review.

11 Material events subsequent to the end of the quarter

There were no material events subsequent to the current financial quarter under review.

12 Changes in the composition of Company

There are no changes in the composition of Company during the current financial quarter under review.

13 Contingent liabilities

There were no contingent liabilities for the Group as at the date of this announcement.

14 Capital commitment

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Unaudited Interim Financial Report for the first quarter ended 30 June 2015

There were no capital commitments for the purchase of any property, plant and equipment or any other expenses that were not accounted for in the interim financial report of the quarter under review.

15 Significant related party transactions

There were no significant related party transactions during the current financial quarter under review.

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR THE ACE MARKET

16 Review of performance

	Individual Quarter		Cumulative Quarter	
	Current Quarter ended 30 June 2015 RM'000	Comparative Quarter ended 30 June 2014 RM'000	3 Months Cumulative ended 30 June 2015 RM'000	3 Months Cumulative ended 30 June 2014 RM'000
Revenue	18,503	19,407	18,503	19,407
Profit before tax	523	365	523	365

For the financial quarter ended 30 June 2015, the Group recorded a revenue of RM18.503 million and a profit before taxation of RM0.523 million compared with a revenue of RM19.407 million and a profit before tax of RM0.365 million for the previous corresponding quarter.

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17 Variation of result against preceding quarter

	Individual Quarter	
	1st Quarter ended 30 June 2015 RM'000	4th Quarter ended 31 March 2015 RM'000
Revenue	18,503	18,744
Profit for the period	429	374

18 Realised and Unrealised Profits / (Losses)

	As at 30 June 2015 RM'000	As at 30 June 2014 RM'000
Total retained earnings		
Realised	9,212	9,047
Unrealised	2	2
	9,214	9,049
Consolidation adjustments	872	872
Total retained earnings as per statements of financial position	10,086	9,921

19 Business prospects

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Unaudited Interim Financial Report for the first quarter ended 30 June 2015

We expect the next financial year ending 31 December 2015 to be challenging in view of the volatile environment of the current global economy.

20 Profit forecast, profit guarantee and internal targets

The Group did not provide any profit forecast, profit guarantee and internal targets in any public document or any announcement made.

21 Taxation

Income tax on the profit for the period comprise of deferred tax.

22 Status of corporate proposals

There were no corporate proposals undertaken or announced by the Group as at the date of this report.

23 Unsecured borrowings and debt securities

There were no unsecured borrowings and debt securities for the quarter under review.

24 Material litigation

There was no material litigation pending at the date of this report.

25 Dividends

The Directors declare a final single tier dividend of 5.0% (RM0.005) per ordinary shares of RM0.10 each in respect of the financial year ended 31 March 2015 which will be subject to the approval of the shareholders' to be obtained at the forthcoming Annual General Meeting. The interim report for the current quarter does not reflect this proposed dividend. Such dividend, if approved by the

ASIA POLY HOLDINGS BERHAD
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Unaudited Interim Financial Report for the first quarter ended 30 June 2015

shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

26 Earnings per share

(a) Basic

Basic earnings per share figures are computed by dividing profits for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Individual Quarter		Cumulative Quarter	
	Current Quarter ended 30 June 2015 RM'000	Comparative Quarter ended 30 June 2014 RM'000	3 Months Cumulative ended 30 June 2015 RM'000	3 Months Cumulative ended 30 June 2014 RM'000
Profit attributable to equity holders of the Company (RM'000)	429	292	429	292
Weighted average number of ordinary shares in issue ('000)	87,915	87,915	87,915	87,915
Basic earnings per share (sen)	0.49	0.33	0.49	0.33

(b) Diluted

There is no dilution effect on the earning per share during the quarter and cumulative year to date because the Company has no dilutive potential ordinary shares as of 30 June 2015.

27 Authorisation for issue

The interim financial report were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 14 August 2015.

UNAUDITED CONSOLIDATED FINANCIAL RESULTS OF OUR GROUP FOR THE THREE (3)-MONTH PERIOD ENDED 30 JUNE 2015 *(CONT'D)*

ASIA POLY

ASIA POLY HOLDINGS BERHAD
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Unaudited Interim Financial Report for the first quarter ended 30 June 2015

By order of the Board of Directors

Teoh Cheng Chuan
CEO
14 August 2015

DIRECTORS' REPORT

ASIA POLY HOLDINGS BERHAD (619176-A)
Lot 758, Jalan Haji Sirat, Mukim Kapar, 42100 Klang, Selangor Darul Ehsan, Malaysia.
Tel > 60-3-3342 2567, 3341 8604 Fax > 60-3-3342 8320 E-mail > apoly@po.jaring.my
http://www.asiapoly.com.my

Registered Office:

308, Block A (3rd Floor)
Kelana Business Centre
97, Jalan SS 7/2
Kelana Jaya
47301 Petaling Jaya
Selangor Darul Ehsan

11 NOV 2015

To: Shareholders of Asia Poly Holdings Berhad ("**Asia Poly**" or "**Company**")

Dear Sir/Madam,

On behalf of the Board of Directors of Asia Poly ("**Board**"), I wish to report that after making due enquiries in relation to our Company and subsidiary company ("**Group**") during the period between 31 March 2015 (being the date on which the latest audited consolidated financial statements have been made up) to the date thereof, being a date not earlier than fourteen (14) days before the date of this Abridged Prospectus that:

(i) in the opinion of the Board, the business of our Group has been satisfactorily maintained;

(ii) in the opinion of the Board, no circumstances have arisen since the last audited consolidated financial statements of our Group which have adversely affected the trading or the value of the assets of our Group;

(iii) the current assets of our Group appear in the books at values which are believed to be realisable in the ordinary course of business;

(iv) save as disclosed in this Abridged Prospectus, there are no contingent liabilities which have arisen by reason of any guarantees or indemnities given by our Group;

(v) since the last audited consolidated financial statements of our Group, there has been no default or any known event that could give rise to a default situation, in respect of payment of either interest and/or principal sums in relation to any borrowings; and

(vi) save as disclosed in this Abridged Prospectus, there have been no material changes in the published reserves or any unusual factors affecting the results of our Group since the last audited consolidated financial statements of our Group.

Yours faithfully
For and behalf of the Board of
ASIA POLY HOLDINGS BERHAD

Dato' Yeo Boon Leong
Executive Chairman

ADDITIONAL INFORMATION

1. SHARE CAPITAL

1.1 Save for the Rights Shares, Warrants and new Shares to be issued pursuant to the exercise of the Warrants, no securities in our Company will be allotted or issued on the basis of this AP later than twelve (12) months after the date of the issuance of this AP.

1.2 As at the date of this AP, there is no founder, management, deferred shares or preference shares in the share capital of our Company. There is only one (1) class of shares in our Company, namely ordinary shares of RM0.10 each, all of which rank *pari passu* with one another.

1.3 As at the LPD, save as disclosed below, no person has been or is entitled to be granted an option to subscribe for any of our securities:

(a) the Entitled Shareholders who will be allotted the Provisional Rights Shares with Warrants under the Two-Call Rights Issue of Shares with Warrants;

(b) up to 39,561,000 Bumiputera Shares to be issued pursuant to the Special Bumiputera Issue after the completion of the Two-Call Rights Issue of Shares with Warrants; and

(c) up to thirty percent (30%) of the issued and paid-up share capital of our Company (excluding treasury shares, if any) can be issued at any one time during the duration of the scheme for the eligible persons after the completion of the Two-Call Rights Issue of Shares with Warrants. As at the LPD, the SIS has not been implemented.

2. REMUNERATION OF DIRECTORS

The provisions in our Articles of Association in respect of the arrangements for the remuneration of Directors are as follows:

Article 81

(a) the fees of the Directors, who hold non-executive office with the Company, for their services as Directors shall be determined by the Company by ordinary resolution at a general meeting. If the fees of each such non-executive Director is not specifically fixed by the Company in general meeting, then the quantum of fees to be paid to each non-executive Director within the overall limits fixed by the Company in general meeting, shall be decided by resolution of the Board of Directors. In default of any decision being made in this respect by the Board of Directors, the fees payable to the non-executive Directors shall be divided equally amongst them and such a Director holding office for only part of a year shall be entitled to a proportionate part of a full year's fees. The non-executive Directors shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover.

(b) fees payable to Directors shall not be increased except pursuant to a resolution passed at a general meeting, where notice of the proposed increase has been given in the notice convening the meeting.

(c) the salary of any Executive Director for his services shall be determined by the Directors and may be of any description but such salary shall not include a commission on or percentage of turnover.

(d) the Directors shall be paid all their travelling and other expenses properly and necessarily expended by them in and about the business of the Company including their travelling and other expenses incurred in attending Board Meetings of the Company.

Article 82

If any Executive Director being willing, shall be called upon to perform extra services, or to make any special exertions in going or residing abroad or otherwise for any of the purposes of the Company, the Company may remunerate the Director so being either by a fixed sum or by a percentage of profits, (but shall not be by commission on or percentage of turnover), as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his or their share in the remuneration above provided.

3. MATERIAL CONTRACTS

Save as disclosed below, neither we nor our subsidiary companies have entered into any material contracts, (not being contracts entered into in the ordinary course of business) within two (2) years immediately preceding the date of this AP:

(i) the Deed Poll dated 5 November 2015 executed by our Company constituting the Warrants;

(ii) Underwriting Agreement dated 5 November 2015 entered into between our Company and the Joint Underwriters to underwrite severally but not jointly 66,000,000 Right Shares with 22,000,000 Warrants, representing approximately 46.72% of the Minimum Subscription Level for an underwriting commission of RM66,000 representing two percent (2.0%) of the total value of the Rights Shares underwritten; and

(iii) sale and purchase agreement dated 14 July 2015 entered into between our Company, Tan Tian Sin, Zakaria Bin Jusoh and Then Hui Chan for the acquisition of 120,000 ordinary shares of RM1.00 each in FDL by our Company for the consideration of RM2,400,000. The said acquisition was completed on 24 July 2015.

4. MATERIAL LITIGATION

As at the LPD, neither we nor our subsidiary company are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and our Board do not have any knowledge of any proceeding, pending or threatened, against us or our subsidiary company or of any facts likely to give rise to any proceeding which may materially and adversely affect the financial position or business of our Company or our subsidiary company.

5. GENERAL

5.1 There is no existing or proposed service contract entered or to be entered into by our Company with any Director or proposed Director, other than those which are expiring or determinable by the employing company without payment of compensation (other than statutory compensation) within one (1) year from the date of this AP.

5.2 Save as disclosed in this AP, the financial conditions and operations of our Group are not affected by any of the following:

(i) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;

(ii) material commitments for capital expenditure of our Group;

(iii) unusual or infrequent events or transactions or significant economic changes that will materially affect the amount of reported income from operations;

(iv) known trends or uncertainties that have had or that our Group reasonably expects will have, a material favourable or unfavourable impact on our Group's revenue or operating income;

(v) substantial increase in revenues; and

(vi) material information, including trading factors or risks, which are unlikely to be known or anticipated by the general public and which could materially affect our profits.

6. CONSENTS

The Adviser, Company Secretaries, Principal Bankers, Share Registrar, Joint Underwriters, Solicitors for the Two-Call Rights Issue of Shares with Warrants, Infobusiness and Bloomberg Finance LP have given and have not subsequently withdrawn their written consents to the inclusion in this AP of their names and all references thereto in the form and context in which they appear in this AP.

The written consent of our Reporting Accountants and Auditors for the Two-Call Rights Issue of Shares with Warrants to the inclusion in this AP of their names and letter relating to the pro forma consolidated statements of financial position of our Group as at 31 March 2015 and the audited consolidated financial statements of our Group for the FYE 31 March 2015 respectively, and all references thereto in the form and context in which they appear have been given before the issuance of this AP and have not subsequently been withdrawn.

7. CONFLICT OF INTEREST

7.1 Joint Underwriter

Save for the directorship and shareholding as disclosed below, JF Apex is not aware of any conflict of interest which exists or is likely to exist in its capacity as a Joint Underwriter for the Two-Call Rights Issue of Shares with Warrants:

(i) Lim Teck Seng is an Independent Non-Executive Director of our Company and the Deputy Managing Director of JF Apex. Lim Teck Seng also holds 201,000 Asia Poly Shares (representing 0.23% of the issued and paid-up share capital of our Company) as at the LPD.

Nevertheless, JF Apex is of the view that the relationship as described above would not give rise to a situation of conflict of interest in JF Apex's role as the Joint Underwriter for the Two-Call Rights Issue of Shares with Warrants based on the following reasons:

(i) JF Apex, as a licensed stockbroking firm, believes in the maintenance of the highest standard of professional responsibility and will ensure that it discharges its professional duty accordingly;

(ii) the said directorship in our Company of Lim Teck Seng is not executive in nature; and

(iii) the said shareholding of Lim Teck Seng (being approximately 0.23% in our Company) is not substantial.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our Registered Office at 308, Block A (3rd Floor), Kelana Business Centre, 97, Jalan SS 7/2, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for the period of twelve (12) months from the date of this AP:

(i) our Memorandum and Articles of Association;

(ii) the audited financial statements of our Group for the FYE 31 March 2014 and FYE 31 March 2015 as well as the latest unaudited consolidated quarterly results for three (3)-month period ended 30 June 2015;

(iii) pro forma consolidated statements of financial position as at 31 March 2015 together with the notes and Reporting Accountants' letter thereon as set out in **Appendix III** of this AP;

(iv) the irrevocable and unconditional written undertaking letters by the Undertaking Shareholders as referred to in Section 2.5 of this AP;

(v) Directors' Report referred to **Appendix VI** of this AP;

(vi) the Deed Poll;

(vii) the IMR Report;

(viii) reporting accountants' letter on the adequacy of reserves for capitalisation in relation to the Second Call of the Two-Call Rights Issue of Shares with Warrants;

(ix) the letters of consent and conflict of interest referred to in Sections 6 and 7 of this **Appendix VII;**

(x) the Underwriting Agreement referred to in Section 2.5 of this AP and Section 3 of this **Appendix VII**; and

(xi) the material contracts referred to in Section 3 of this **Appendix VII**.

9. RESPONSIBILITY STATEMENT

This AP together with its accompanying documents have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.

TA Securities, being the Adviser for the Two-Call Rights Issue of Shares with Warrants, acknowledges that, based on all available information and to the best of its knowledge and belief, this AP constitutes a full and true disclosure of all material facts concerning this Two-Call Rights Issue of Shares with Warrants.