

**ANNUAL REPORT**

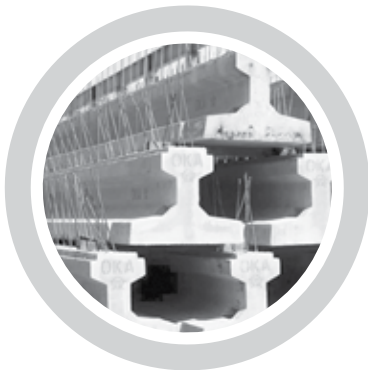
**OKA**  
CORPORATION BHD  
**2015**  
LAPORAN  
TAHUNAN

**OKA CORPORATION BHD** (579941-H)  
(Incorporated in Malaysia under the Companies Act, 1965)



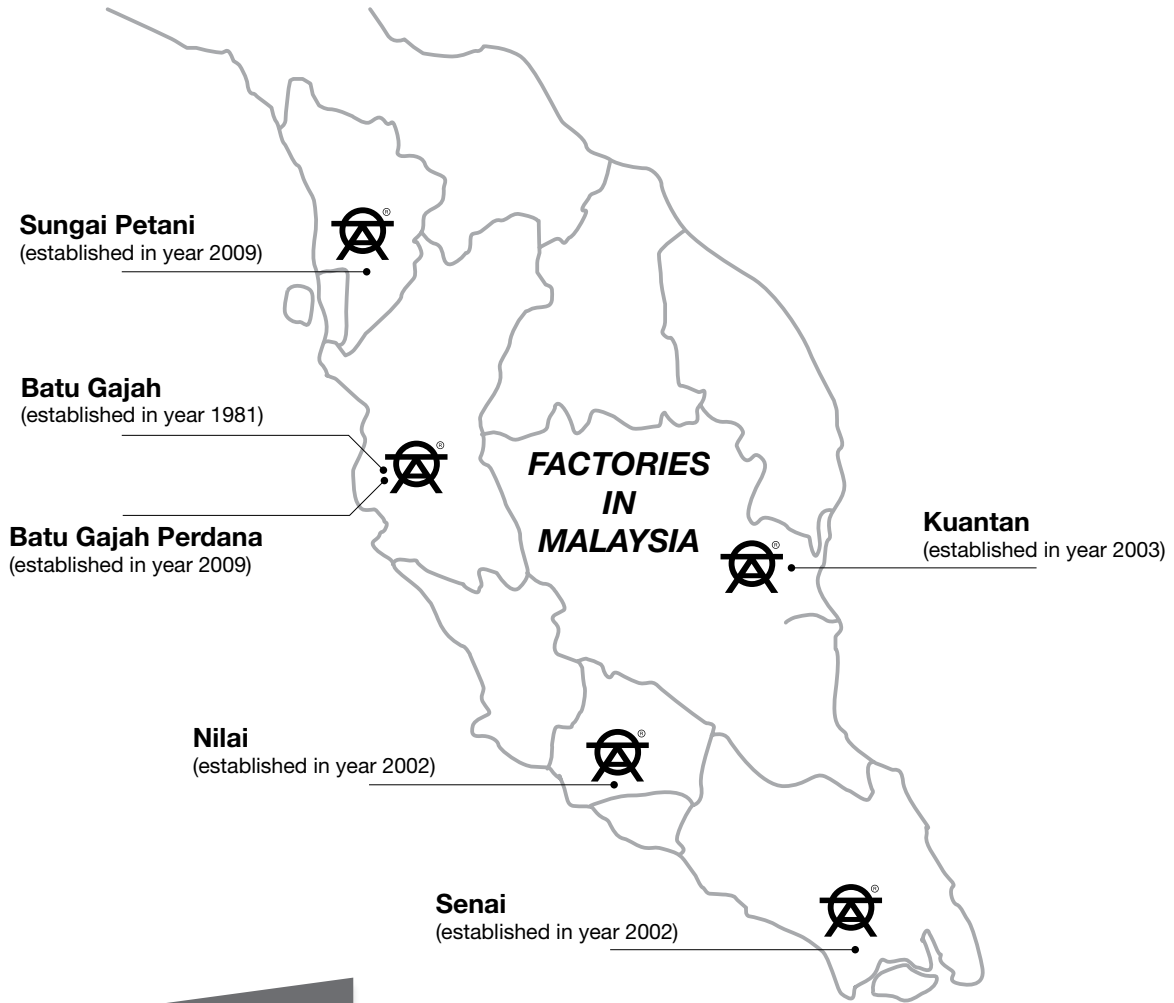
OKA CORPORATION BHD  
(519941-H)

(Incorporated in Malaysia under the Companies Act, 1965)



# CONTENTS

Corporate Profile	<b>2</b>
Summary Of Five-Year Group Growth	<b>3</b>
Notice Of Annual General Meeting	<b>4 - 5</b>
Statement Accompanying Notice Of Annual General Meeting	<b>6</b>
Corporate Information	<b>7</b>
Profile Of The Board Of Directors	<b>8 - 10</b>
Audit Committee Report	<b>11 - 13</b>
Statement On Corporate Governance	<b>14 - 21</b>
Additional Compliance Information	<b>22</b>
Statement On Risk Management And Internal Control	<b>23 - 24</b>
Chairman's Statement	<b>25</b>
Corporate Social Responsibility	<b>26</b>
Analysis Of Shareholdings	<b>27 - 29</b>
List Of Properties	<b>30 - 31</b>
Reports & Financial Statements	<b>33 - 95</b>
Proxy Form	<b>Enclosed</b>



## Corporate Vision

OKA Group's vision is to be the leading integrated manufacturer of precast concrete products in South East Asia through:

- Supply of high quality and value added products to meet highest customer satisfaction
- Organizational excellence and professional commitment
- Product innovation and solutions for customer needs.

## Corporate Mission

To achieve organizational goals through:

- On-going research and development
- Committed pool of professional and skilled personnel
- Serving esteemed customers through 5 branches positioned at strategic locations throughout the country.

## Corporate Culture / Core Value

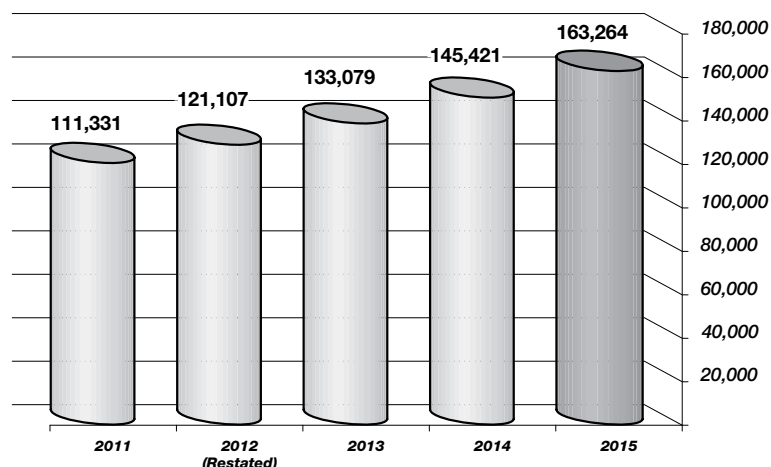
- Customer satisfaction
- Integrity and collaborative teamwork
- Innovation
- Quality product & service

# SUMMARY OF FIVE-YEAR GROUP GROWTH



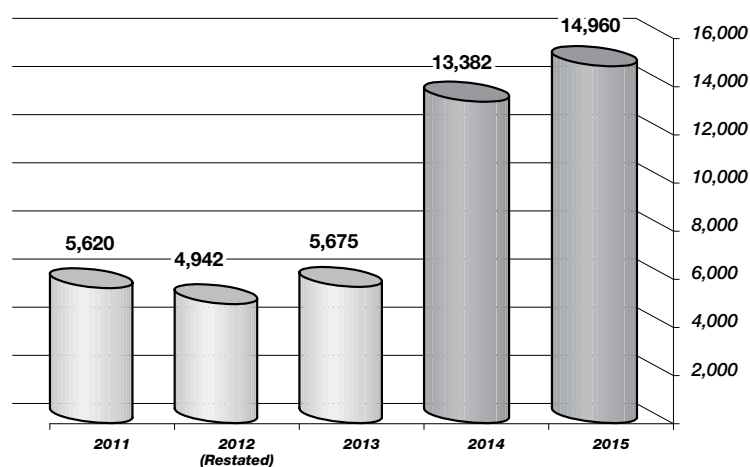
## REVENUE

RM ('000)



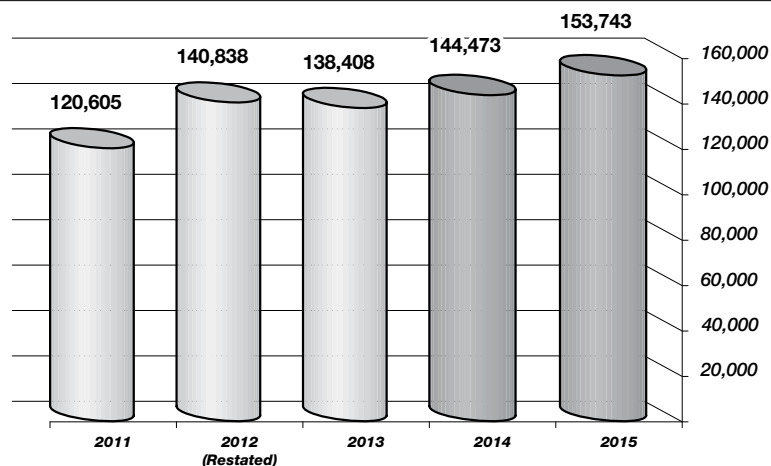
## PROFIT

RM ('000)



## TOTAL ASSETS

RM ('000)



YEARS	2011	2012 (Restated)	2013	2014	2015
	RM ('000)	RM ('000)	RM ('000)	RM ('000)	RM ('000)

Revenue	111,331	121,107	133,079	145,421	<b>163,264</b>
Profit After Tax	5,620	4,942	5,675	13,382	<b>14,960</b>
Total Assets	120,605	140,838	138,408	144,473	<b>153,743</b>



## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifteenth Annual General Meeting of OKA Corporation Bhd will be held at Room 5, First Floor, Impiana Hotel Ipoh, No. 18, Jalan Raja Dr. Nazrin Shah, 30250, Ipoh, Perak on Friday, 28 August 2015 at 11.00 a.m. for the following purposes:

1. To receive the Audited Financial Statements for the financial year ended 31 March 2015 together with the Reports of the Directors and Auditors thereon. Please refer to Explanatory Note A
2. To declare a first and final dividend of 3 sen single-tier in respect of financial year ended 31 March 2015 (Resolution 1)
3. To approve payment of Directors' fees for the financial year ended 31 March 2015. (Resolution 2)
4. To re-elect the following directors who retire pursuant to Article 82 of the Company's Articles of Association, and being eligible, have offered themselves for re-election:-
  - (i) Mdm. Quah Seok Keng (Resolution 3)
  - (ii) Mr. Ong Choo Ian (Resolution 4)
5. To re-appoint the following director who retires in accordance with Section 129(6) of the Companies Act, 1965 and, to hold office until the conclusion of the next AGM of the Company:-  
Ir. Ong Koon Ann (Resolution 5)
6. To re-appoint Messrs KPMG as auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. (Resolution 6)
7. As Special Business  
To consider and, if thought fit, to pass the following Ordinary Resolutions with or without modifications:-
  - 7.1 Authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965 (Resolution 7)  
"That subject always to the Companies Act, 1965, Articles of Association of the Company and approvals from the relevant Regulatory Authorities, where such approval is necessary, full authority be and is hereby given to the Directors pursuant to Section 132D of the Companies Act, 1965 to issue and allot not more than ten percent (10%) of the total issued and paid up share capital of the Company for the time being at any time upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit and that such authority shall continue in force until conclusion of the next Annual General Meeting of the Company."
  - 7.2 Authority to issue shares pursuant to the Executives Share Option Scheme (Resolution 8)  
"That pursuant to Section 132D of the Companies Act, 1965 and the Articles of Association of the Company, the Directors be and are hereby authorized to issue and allot shares in the Company, at any time pursuant to the exercise of options in accordance with the terms and conditions of the OKA Corporation Bhd Executives Share Option Scheme, which was approved by the Shareholders at the Extraordinary General Meeting held on 28 August 2014."
8. Continuing in Office as Independent Non-Executive Directors
  - 8.1 "That authority be and is hereby given to Mr. Chok Hooa @ Chok Yin Fatt, PMP who has served as the Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an independent Non-Executive Director of the Company" (Resolution 9)
  - 8.2 "That authority be and is hereby given to Mr. Gan Boon Koo @ Gan Boon Kiu who has served as the Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an independent Non-Executive Director of the Company" (Resolution 10)
9. To transact any other business of which due notice shall have been given.

# NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT



NOTICE IS ALSO HEREBY GIVEN that a first and final dividend of 3 sen single-tier in respect of the financial year ended 31 March 2015, if approved by the shareholders at the Fifteenth Annual General Meeting, will be paid on 26 November 2015 to shareholders whose names appear in the Record of Depositors at the close of business on 6 November 2015.

A depositor shall qualify for entitlement to the dividend only in respect of:-

- a. Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 6 November 2015 in respect of ordinary transfers; and
- b. Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board

Low Hor Foong (MAICSA 0763512)

Lau Wai Yeen (MIA 11467)

Company Secretaries

Ipoh

31 July 2015

## Notes:

1. Appointment of Proxy
  - (i) A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.
  - (ii) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing or if such appointor is a corporation, under its Seal or the hand of its attorney.
  - (iii) To be valid this form duly completed must be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting
  - (iv) A member may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy and such appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
  - (v) Where a member of the Company is an exempt authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
  - (vi) Only a depositor whose name appears on the Record of Depositors as at 20 August 2015 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his behalf.
2. Explanatory notes
  - A. This agenda item is intended for discussion only as under Section 169(1) of the Companies Act, 1965, the audited financial statements do not require formal approval of shareholders. As such, this agenda item will not be put forward for voting.

For Special Business

- B
  - (i) The proposed Ordinary Resolution No. 7, if passed, will empower the Directors to allot and issue shares in the Company up to an amount not exceeding in aggregate 10% of the issued share capital of the Company for the time being and for such purposes as the Directors consider would be in the best interests of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. As at the date of this notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 28 August 2014 which will lapse at the conclusion of the forthcoming AGM.
  - (ii) The proposed Ordinary Resolution No. 8, if passed, will empower the Directors to allot and issue shares pursuant to the exercise of options under the Executives Share option Scheme and in accordance with its terms and conditions.
  - (iii) The proposed Ordinary Resolution No. 9 and No. 10, if passed, will allow Mr. Chok Hooa @ Chok Yin Fatt, PMP and Mr. Gan Boon Koo @ Gan Boon Kiu to continue to act as Independent Non-Executive Directors of the Company.

Pursuant to the Malaysian Code of Corporate Governance 2012, the Board of Directors has via the Nomination Committee assessed the independence of Mr. Chok Hooa @ Chok Yin Fatt, PMP and Mr. Gan Boon Koo @ Gan Boon Kiu who each has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and recommends them to continue to act as Independent Non-Executive Directors of the Company.

The Board strongly believes that a director's independence cannot be determined arbitrarily with reference only to the tenure of service. To qualify as independence, a director must be independent in character and judgement, independent of management and free from any relationships or circumstances as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), which are likely to affect or appear to affect their independent judgement. The Board thus concluded that the two (2) Directors' length of service does not interfere with their exercise of independent judgement and ability to act in the best interests of the Company and shareholders. In addition, the Board believes that their detailed knowledge of the Group's business and their proven commitment, experience and competence will greatly benefit the Company. The two (2) Directors concerned had declared their independence and their desire to continue to act as Independent Non-Executive Directors of the Company.



## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

---

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

**Details of individuals who are standing for election as Directors:**

No individual is seeking new election as a Director at the forthcoming 15<sup>th</sup> AGM of the Company

The rest of this page has been intentionally left blank

**BOARD OF DIRECTORS****Independent Non-Executive Chairman**

Encik Sharifuddin Bin Shoib, *AMP*

**Group Managing Director**

Ir. Ong Koon Ann

**Executive Directors**

Mdm. Quah Seok Keng

Mr. Ong Choo Ian

**Independent Non-Executive Directors**

Mr. Chok Hooa @ Chok Yin Fatt, *PMP*

Mr. Gan Boon Koo @ Gan Boon Kiu

**COMPANY SECRETARIES**

Mr. Lau Wai Yeen (MIA 11467)

Ms Low Hor Foong (MAICSA 0763512)

**AUDIT COMMITTEE****Chairman**

Mr. Chok Hooa @ Chok Yin Fatt, *PMP*

**Members**

Mr. Gan Boon Koo @ Gan Boon Kiu

Encik Sharifuddin Bin Shoib, *AMP*

**NOMINATION COMMITTEE****Chairman**

Encik Sharifuddin Bin Shoib, *AMP*

**Members**

Mr. Chok Hooa @ Chok Yin Fatt, *PMP*

Mr. Gan Boon Koo @ Gan Boon Kiu

**REMUNERATION COMMITTEE****Chairman**

Mdm. Quah Seok Keng

**Members**

Mr. Chok Hooa @ Chok Yin Fatt, *PMP*

Encik Sharifuddin Bin Shoib, *AMP*

**EXECUTIVES SHARE OPTION SCHEME COMMITTEE****Chairman**

Ir. Ong Koon Ann

**Members**

Mdm. Quah Seok Keng

Mr. Lau Wai Yeen

**AUDITORS**

KPMG

Chartered Accountants

Level 18, Hunza Tower

163E, Jalan Kelawei

10250 Penang, Malaysia

Telephone : 604-238 2288

Fax No. : 604-238 2222

E-mail : info@kpmg.com.my

**SHARE REGISTRARS**

Tricor Investor Services Sdn Bhd

41, Jalan Medan Ipoh 6

Bandar Baru Medan Ipoh

31400 Ipoh

Perak Darul Ridzuan

Telephone : 05-5451222

Facsimile : 05-5459222

E-mail : info@my.tricorglobal.com

**REGISTERED OFFICE**

6, Lebuhraya Chateau

Off Persiaran Kampar

30250 Ipoh

Perak Darul Ridzuan

Telephone : 05-2542741, 05-2542745

Facsimile : 05-2532403, 05-2411851

E-mail : oka@oka.com.my

Website : www.oka.com.my

**SUBSIDIARIES**

OKA Concrete Industries Sdn Bhd

OKA Engineering & Trading Sdn Bhd

OKA Readymixed Concrete Sdn Bhd

Real Charisma Sdn Bhd

Pembinaan Cahaya Emas Sdn Bhd

**PRINCIPAL BANKERS**

Alliance Bank Malaysia Berhad

AmBank (M) Berhad

EON Bank Berhad

Malayan Banking Berhad

RHB Bank Berhad

**STOCK EXCHANGE LISTING**

Bursa Malaysia Securities Berhad

Main Market

Sector : Industrial Products

Stock Name: OKA

Stock Code : 7140





## PROFILE OF THE BOARD OF DIRECTORS

---

### **EN. SHARIFUDDIN BIN SHOIB, *AMP***

**Age 67, Malaysian**

**Independent Non-Executive Chairman**

---

Encik Sharifuddin bin Shoib was appointed to the Board on 30 August 2000 and appointed as Chairman on 21 November 2002. He holds a Bachelor of Engineering (Mechanical) from Australia which was obtained in 1974 and became a member of the Institution of Engineers, Malaysia in 1988. He held various positions in UAC Bhd from 1970 to 1983. In July 1983 he joined Dijaya Corporation Bhd (previously known as Jasa Megah Industries Bhd) as Factory Manager and was promoted to General Manager and subsequently to Executive Director from August 1991 to 30 June 1994. Prior to joining Dijaya Corporation Bhd He was the Deputy Manager in Heavy Industries Corporation of Malaysia Bhd from January 1983 to July 1983.

He sits on the Boards of Rubberex Corporation (M) Bhd and another public company, MSHK Corporation Bhd. which is not listed on the Bursa Malaysia Securities Berhad. He is the Chairman of the Nomination Committee, member of the Audit Committee and Remuneration Committee of the Company.

He does not have any family relationship with the directors and/or major shareholder of the Company. He has no conflict of interest and has had no convictions for any offences within the past ten years.

### **IR. ONG KOON ANN**

**Age 71, Malaysian**

**Group Managing Director**

---

Ir. Ong Koon Ann was appointed to the Board on 21 February 2002. He is also the Managing Director of OKA Concrete Industries Sdn Bhd which was founded in 1981. Graduated from Bolton Institute of Technology in United Kingdom in 1970, he is a Registered Professional Engineer in Malaysia and Singapore and a Chartered Engineer by profession.

He is a member of the Institution of Civil Engineers and the Chartered Institution of Highways & Transportation, United Kingdom; Institution of Engineers Malaysia and Institution of Engineers Singapore.

Before he started OKA Concrete Industries Sdn Bhd, he had served as management consultant in a precast concrete company in 1974 to 1981. Prior to this, he had worked with consultant and construction companies in the United Kingdom dealing in highway and power station projects in Singapore and Malaysia.

He is Chairman of the Executives Share Option Committee of the Company. He does not have any other directorships of public companies.

Ir. Ong Koon Ann is the spouse of Mdm Quah Seok Keng and father of Mr. Ong Choo Ian. Both Mdm. Quah Seok Keng and Mr. Ong Choo Ian are Executive Directors of the Company.

He has no conflict of interest and has had no convictions for any offences within the past ten years.



---

**MDM. QUAH SEOK KENG**

**Age 68, Singaporean (Permanent Resident of Malaysia)**

**Executive Director**

---

Mdm. Quah Seok Keng was appointed to the Board on 21 February 2002. She is the Executive Director of OKA Concrete Industries Sdn Bhd since its incorporation in 1981. She is involved in financial management and managing the Group's sales department. She is also currently overseeing the marketing department of OKA Concrete Industries Sdn Bhd.

She is the Chairman of the Remuneration Committee and a member of the Executives Share Option Committee of the Company and does not have any other directorships of public companies.

Mdm. Quah Seok Keng is the spouse of Ir. Ong Koon Ann and mother of Mr. Ong Choo Ian. Ir. Ong Koon Ann is the Group Managing Director while Mr. Ong Choo Ian is the Executive Director of the Company.

She has no conflict of interest and has had no convictions for any offences within the past ten years.

---

**MR. ONG CHOO IAN**

**Age 38, Malaysian**

**Executive Director**

---

Mr. Ong Choo Ian was appointed to the Board on 26 August 2005. He graduated with a Bachelor Degree in Civil Engineering with Honours and Master of Science in Engineering Business Management from the University of Warwick, United Kingdom in 1997 and 1998 respectively. He is a graduate member of the Institution of Civil Engineers, United Kingdom, Institution of Structural Engineers, United Kingdom and the Institution of Engineers Malaysia.

He joined OKA Concrete Industries Sdn Bhd in 1999 as Purchasing Manager and was promoted to General Manager – Purchasing in 2003. Currently he sits on the board of all the subsidiary companies within the Group.

He is the son of Ir. Ong Koon Ann, Group Managing Director and Madam Quah Seok Keng, Executive Director of the Company.

He has no conflict of interest and has had no convictions for any offences within the past ten years.



## PROFILE OF THE BOARD OF DIRECTORS

(cont'd)

---

### **MR. CHOK HOOA @ CHOK YIN FATT, *PMP***

**Age 68, Malaysian**

**Independent Non-Executive Director**

---

Mr. Chok Hooa @ Chok Yin Fatt was appointed to the Board on 12 July 2000. He graduated with a Bachelor Degree in Business Studies from Curtin University of Technology, Australia and Master in Business Administration from University of Strathclyde, United Kingdom. He is a Chartered Accountant of the Malaysian Institute of Accountants, fellow members of CPA Australia and Malaysian Institute of Chartered Secretaries and Administrators and a member of the Malaysian Institute of Certified Public Accountants.

Mr. Chok Hooa @ Chok Yin Fatt has extensive experience in the field of financial management, accounting and corporate secretarial functions. He was attached to UAC Bhd from 1974 to 1982. In 1982 he joined Yee Lee Corporation Bhd as Chief Accountant and was promoted to the Board as an Executive Director in 1990.

Presently Mr. Chok Hooa @ Chok Yin Fatt also sits on the Boards of Spritzer Bhd and other public companies which are not listed on the Bursa Malaysia Securities Berhad including Yee Lee Organization Bhd. and MSHK Corporation Bhd. He is the Chairman of the Audit Committee; member of the Remuneration Committee and Nomination Committee of OKA Corporation Bhd.

Mr. Chok Hooa @ Chok Yin Fatt does not have any family relationship with any director and/or major shareholder of the Company. He has no conflict of interest and has had no convictions for any offences within the past ten years.

### **MR. GAN BOON KOO @ GAN BOON KIU**

**Age 54, Malaysian**

**Independent Non-Executive Director**

---

Mr. Gan Boon Koo was appointed to the Board on 21 February 2002. He obtained his Diploma in Business Studies (Financial) from the Tunku Abdul Rahman College and is a member of the Association of Chartered Certified Accountants (UK). He is a Chartered Accountant of the Malaysian Institute of Accountants.

He is presently the General Manager of Finance & IT of Mardec Berhad. He currently sits on the Board of several subsidiary companies of Mardec Berhad. Prior to this he was the Group Accountant of a public listed trading company. He has gained extensive experience in corporate finance and restructuring exercises through his attachment with several public listed companies involved in the property, trading and services and construction industries from 1989 to 2004.

He is also a member of the Audit Committee and Nomination Committee of the Company.

He does not have any family relationship with any director and/or major shareholder of the Company. He has no conflict of interest and has had no convictions for any offences within the past ten years.



---

**COMPOSITION**

In line with the Malaysian Code on Corporate Governance, the Audit Committee comprises three (3) members of the Board of which all are Independent Non-Executive Directors. They are as follows:-

**Chairman**

Mr. Chok Hooa @ Chok Yin Fatt, *PMP*

**Members**

Mr. Gan Boon Koo @ Gan Boon Kiu  
En. Sharifuddin Bin Shoib, *AMP*

**TERMS OF REFERENCE****Membership**

The Audit Committee shall be appointed by the Board of Directors from amongst their members and shall consist of no fewer than three (3) members. At least one (1) member of the Audit Committee:-

- (i) must be a member of the Malaysian Institute of Accountants; or
- (ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three years' working experience; and
  - (a) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or
  - (b) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act, 1967; or
- (iii) fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

Mr. Chok Hooa @ Chok Yin Fatt, PMP is a fellow member of CPA Australia and a member of the Malaysian Institute of Certified Public Accountants whilst Mr. Gan Boon Koo @ Gan Boon Kiu is a member of the Association of Chartered Certified Accountants (UK). Both Mr. Chok and Mr. Gan are also Chartered Accountants of the Malaysian Institute of Accountants. The Company is therefore in compliance with Paragraph 15.09(1)(c)(i) of the Listing Requirements of Bursa Securities.

No alternate director shall be appointed as a member of the Audit Committee.

All members of the Audit Committee including the Chairman will hold office only as long as they serve as Directors of the Company. Should any member of the Audit Committee cease to be a Director of the Company, his membership in the Audit Committee would cease forthwith.

The members of the Audit Committee shall elect a Chairman among themselves who is an independent director.

If a member of the Audit Committee ceases to be a member resulting in the number being reduced to less than three, the Board shall within three months of that event, appoint such new members to make up the minimum number.



## Duties and Responsibilities

All the Audit Committee members are able to effectively discharge their functions, duties and responsibilities in accordance with the terms of reference of the Audit Committee and to support the Board for ensuring Corporate Governance of the Group which include the following:-

### (i) Financial Reporting

Review and recommend the quarterly results and annual financial statements, prior to the approval by the Board focusing particularly on:-

- (a) changes in or implementation of major accounting policies and practices;
- (b) significant and unusual events;
- (c) compliance with accounting standards and other legal requirements; and
- (d) the going concern assumption.

### (ii) Internal Auditor

- (a) review the adequacy of the scope, functions, competency and resources of the outsourced internal auditors;
- (b) review with the internal auditors, their evaluation of the system of internal controls; and
- (c) review the internal audit plan, audit reports, follow-up on the recommendations contained in such reports.

### (iii) External Auditor

- (a) review the external auditors' audit plan, scope of audit, and audit reports;
- (b) review with the external auditors, their evaluation of the system of internal controls; and
- (c) review the performance of the external auditors and make recommendation to the Board on their appointment and remuneration.

### (iv) Related Party Transactions

review any related party transactions and conflict of interest situations that may arise including any transaction, procedure or course of conduct that raises a question of management integrity within the Group.

### (v) Executives Share Option Scheme

Review and verify the allocation of options pursuant to the Company's Executives Share Option Scheme complies with the criteria of allocation.

### (vi) Other Matters

- (a) assess processes and procedures for the purpose of compliance with all laws, regulations and rules, directives and guidelines established by the relevant regulatory bodies; and
- (b) perform any other functions as the Audit Committee considers appropriate or as authorized by the Board.

## Authority

The Audit Committee shall have the authority to:

- (i) obtain the necessary resources required to perform its duties;
- (ii) have full and unrestricted access to any information and documents relevant to its activities. All employees of the Group are required to comply and co-operate with any request made by the Audit Committee;
- (iii) convene meetings with the external auditors, the internal auditors or both without the presence of Executive Director, Management or other employees of the Group, unless specifically invited by the Audit Committee. Meetings with the external auditors are held as and when necessary, and at least twice a year; and
- (iv) seek independent professional advice as it considers necessary.



## Meetings

The Audit Committee shall meet at least four (4) times annually and additional meetings may be called at any time at the Chairman's discretion. An agenda shall be sent to all members of the Audit Committee and any persons that may be invited to attend. The external and internal auditors and other members of senior management will be invited to attend these meetings upon invitation by the Chairman of the Audit Committee. The Company Secretary shall record, prepare and circulate the minutes of meetings and ensure that the minutes are properly kept.

Four (4) meetings were held during the financial year ended 31 March 2015 and the attendance of the Audit Committee members is as follows:-

<b>Audit Committee Members</b>	<b>Attendance</b>
Mr. Chok Hooa @ Chok Yin Fatt, <i>PMP</i>	4/4
Mr. Gan Boon Koo @ Gan Boon Kiu	4/4
En. Sharifuddin Bin Shoib, <i>AMP</i>	3/4

## SUMMARY OF ACTIVITIES

During the financial year the Audit Committee carried out the following activities:-

- (i) reviewed and approved audit plan prepared by internal and external auditors;
- (ii) reviewed the internal and external auditors' reports and considered the major findings by the auditors and management's responses thereto;
- (iii) reviewed the Audit Planning Memorandum of the external auditors prior to the commencement of their audit engagement;
- (iv) reviewed the unaudited quarterly financial results and the audited financial statements of the Company and of the Group prior to submission to the Board for approval;
- (v) reviewed the related party transactions entered into by the Company and the Group;
- (vi) reviewed the adequacy and compliance of the principles of corporate governance as set out in Part 1 of the Malaysian Code on Corporate Governance;
- (vii) reviewed principal risks of the Group and design of risk-based internal audit plan;
- (viii) evaluated performance of the external auditors and made recommendation to the Board of Directors on their reappointment and audit fees;
- (ix) reviewed compliance to Bursa Malaysia Securities Berhad Main Market Listing Requirements, Malaysian Financial Reporting Standards, the Companies Act, 1965 and other legal and regulatory requirements;
- (x) reviewed the functions and role of the Risk Management Committee; and
- (xi) verified the allocation of options pursuant to the Executives Share Option Scheme.

## SUMMARY OF ACTIVITIES OF THE OUTSOURCED INTERNAL AUDITORS

The Internal Auditors adopted a risk-based approach whilst applying the principles of COSO (Committee of Sponsoring Organisations of the Treadway Commission) as a guideline for review and reporting. The Internal Auditors provided independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control system. The audit reviews encompassed the assessment of processes and controls covering credit control, inventory, supplier management, occupational health and safety, production and sales operations. Audit reports incorporating audit findings and recommendations for corrective action on the system and control weaknesses were presented to the Management and thereafter to the Audit Committee for appraisal and review before presenting to the Board for approval. The Management would ensure all remedial actions had been taken to resolve the audit issues highlighted in the audit reports within a reasonable time frame. Significant issues would be highlighted by the Audit Committee to the Board on quarterly basis. The cost incurred for the outsourced internal audit function in respect of the financial year ended 31 March 2015 was RM30,000.



# STATEMENT ON CORPORATE GOVERNANCE

---

The Board of Directors fully appreciates the importance of practicing good corporate governance and strives to adopt the principles and recommendations of corporate governance throughout the Group in the manner prescribed by the Malaysian Code on Corporate Governance 2012 (“MCCG 2012”) and Bursa Malaysia Securities Berhad’s Main Market Listing Requirements (“Listing Requirements”).

Set out below is a statement of how the Group has applied principles of good governance and the extent of the Group’s compliance with the recommendations of the MCCG 2012.

## 1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

### 1.1 Clear Functions of the Board and Management

The Board is responsible for formulating and reviewing the strategic plans and key policies of the Company and charting the course of the Group’s business operations whilst providing effective oversight of Management’s performance, risk management and controls over business operations. The Board is ultimately responsible for the stewardship of the Company and its Group. However, the Board does not actively manage but rather oversees the management of the Group which is delegated to the Group Managing Director, Executive Directors and other officers of the Group.

To ensure the effective discharge of its function and responsibilities, the Board delegates some of the Board’s authorities and discretion on the Managing Director and Executive Directors, representing the Management as well as to properly constituted Board Committees, namely the Audit Committee, Nomination Committee, Remuneration Committee and Executives Share Option Scheme Committee. The Board Committees have its own terms of reference and have the authority to act on behalf of the Board within the authority as laid out in the terms of reference. The ultimate responsibility for the final decision on all matters deliberated in these Committees, however, lies with the Board. Besides that, the Chairman of the relevant Board Committees also reports to the Board on key issues deliberated by the Board Committees at their respective meetings.

The Board may also delegate specific functions to ad hoc committees as and when required. The powers delegated to these committees are set out in the Terms of Reference of each of the Committees as approved by the Board.

In addition, the Board is guided by the documented and approved Board Charter which sets out the roles, functions, authority, responsibilities, membership and operation of the Board. Key matters reserved for the Board’s approval includes:

- Appointment of the Chairman;
- Appointment and removal of the Managing Director;
- Appointment of directors to fill a vacancy or as additional directors;
- Establishment of Board Committees, their membership, duties and delegated authorities;
- Approval of interim dividend and recommendation of final dividend for shareholders’ approval;
- Approval of capital expenditure, acquisitions and divestitures in excess of authority levels delegated to management;
- Calling of meetings of shareholders; and
- Any other specific matters nominated by the Board from time to time.

### 1.2 Clear Roles and Responsibilities

The Board provides stewardship to the Group’s strategic direction and operations, and ultimately the enhancement of long-term shareholders’ value. The Board is primarily responsible for:-

- Monitoring corporate performance;
- Approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- Monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting with the guidance of the Audit Committee;
- Reviewing, ratifying and monitoring systems of risk management and internal control under the guidance of the Audit Committee;
- Selecting, appointing and evaluating from time to time the performance of, and planning succession of the Managing Director under the guidance of the Nomination Committee;

**1.2 Clear Roles and Responsibilities (cont'd)**

- Reviewing and approving remuneration of the Managing Director, Executive Directors and the Non-Executive Directors under the guidance of the Remuneration Committee;
- Monitoring Board composition, processes and performance with the guidance of the Nomination Committee;
- Reviewing and approving the allocation of options with the guidance of the Executives Share Option Scheme Committee; and
- Performing such other functions as are prescribed by law or are assigned to the Board.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board Committee, a Director, employee or other person subject to ultimate responsibility of the Directors.

**1.3 Formalised Ethical Standards through Code of Ethics**

The Company's Codes of Ethics set out the standards and guidelines to be observed by all the employees.

Directors are required to disclose any conflict of interest situations or any material personal interest that they may have in the affairs of the Group as soon as they become aware of the interest and abstain themselves from any deliberations on the matter.

**1.4 Strategies Promoting Sustainability**

The Board views the commitment to sustainability and environmental, social and governance performance as part of its broader responsibility to clients, shareholders and the communities in which it operates. Report on such activities is set out in its Corporate Social Responsibility on page 26 of the Annual Report.

**1.5 Access to Information and Advice**

The Directors have the right to access all information pertaining to the Group for the purpose of discharging their duties. The Directors are provided with an agenda, reports and other relevant information prior to Board meetings, covering various aspects of the Group's operations so that they have a comprehensive understanding of the matters to be deliberated upon to enable them to arrive at an informed decision. All scheduled meetings held during the year were preceded with a formal agenda issued by the Company Secretary. Senior management and advisers are invited to attend Board meetings, where necessary, to provide additional information and insights on the relevant agenda items tabled at Board meetings. Every Director has individual and independent access to the advice and services of the Company Secretaries in ensuring the effective functioning of the Board.

In addition, the Board may seek independent professional advice at the Company's expense on specific issues to enable it to discharge its duties in relation to matters being deliberated.

**1.6 Qualified and Competent Company Secretary**

The Company Secretary plays an important advisory role and is a source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and Group.

The Board is regularly updated by the Company Secretary on new regulation issued by the regulatory authorities. The Company Secretary also serves notice to the Directors and Principal Officers to notify them of closed periods for trading in the Company's shares. The Company Secretary attends and ensures that all board meetings are properly convened and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory register of the Company. The Company Secretary works closely with Management to ensure that there are timely and appropriate information flows within and to the Board and Board Committees.

**1.7 Board Charter**

The Company's Board Charter sets out the role, functions, authority, responsibilities, membership and operation of the Board of Directors of the Company and is to ensure that all Board members acting on behalf of the Company are aware on their duties and responsibilities as Board members.

The Board will review the Board Charter as and when required and update its charter in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities to ensure its effectiveness.





## 2. STRENGTHEN COMPOSITION

### 2.1 Nomination Committee

The Nomination Committee has three (3) members comprising exclusively Independent Non-Executive Directors. This committee is responsible for assessing the performance of existing Directors and identifying, nominating, recruiting, appointing and orientating new Directors. It assists the Board in reviewing the required mix of skills and experience of the Directors.

### 2.2 Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors

#### (a) Recruitment or New Appointment of Directors

The Nomination Committee is responsible for identifying and recommending suitable candidates for Board membership and also for assessing the performance of the Directors on an on-going basis. This process shall ensure that the Board membership accurately reflects the long term strategic direction and needs of the Company while it determines the skills matrix needed to support the strategic direction and needs of the Company.

As an integral element of the process of appointing new Directors, the Nomination Committee shall ensure that Directors undergo an orientation programme to familiarize themselves with the Group's business, which include visits to the Group's various offices and factory premises and meetings with senior management. This is to facilitate their understanding of the Group's activities and to assist them in effectively discharging their duties.

The final decision as to who shall be appointed as Director remains the responsibility of the full Board after considering the recommendation of the Nomination Committee.

#### (b) Gender Diversity Policy

The Board has no immediate plan to implement a gender diversity policy. In its selection for Board appointment, the Board believes in, and provides equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender. Presently, there is one female director in the Board.

#### (c) Re-election and Re-appointment of Directors

In accordance with the Company's Articles of Association ("Articles"), all newly appointed Directors are subject to re-election by shareholders at the first annual general meeting ("AGM") after their appointments. The Articles also provide that one third (1/3) of the remaining Directors be subject to re-election by rotation at each AGM provided always that all Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election.

Directors who are of or over the age of seventy (70) years shall retire at the conclusion of the next AGM unless they are re-appointed as Directors in accordance with Section 129 (6) of the Companies Act, 1965 ("Act").

The Nomination Committee is responsible for recommending to the Board those Directors who are eligible to stand for re-election/re-appointment.

#### (d) Annual Assessment

Meetings of the Nomination Committee are held as and when required, and at least once a year. The members met once in the financial year ended 31 March 2015 and full attendance by the members was recorded.

Nomination Committee conducted its annual appraisal on the effectiveness of the Board and the contribution of each director. The Nomination Committee, upon the review carried out, is satisfied that the size of the Board is optimum and that there is an appropriate mix of experience and expertise in the composition of the Board and its Committees.



## 2.3 Directors' Remuneration

The Remuneration Committee has three (3) members comprising two Independent Non-Executive Directors and one Executive Director.

The Remuneration Committee is responsible for setting the policy framework and makes recommendation to the Board on all elements of remuneration and terms of employment of Executive Directors and senior management. Non-Executive Directors' remuneration will be a matter to be decided by the Board as a whole with the Director concerned abstaining from deliberations and voting decisions in respect of his individual remuneration.

The Remuneration Committee is entrusted to assist the Board, amongst others, to recommend to the Board the remuneration of Executive Directors by linking rewards to the corporate and individual performance. The Remuneration Committee shall ensure that the level of remuneration is sufficient to attract and retain Directors of the quality required to manage the business of the Group.

The current remuneration policy for the Non-Executive Directors comprises of Directors' fees which require shareholders' approval and meeting allowance, based on the number of meetings they attend for a year.

Meetings of the Remuneration Committee are held as and when necessary, and at least once a year. The members met twice in the financial year ended 31 March 2015.

The details of the remuneration for Directors of the Company paid or payable by the Company for the financial year under review are as follows:

	Salaries RM'000	Fees RM'000	Bonus RM'000	Others RM'000	Total RM'000
Executive Directors	995	68	404	167	1,634
Non-Executive Directors	-	68	-	70	138

Directors' remuneration are broadly categorized into the following bands:

Range of remuneration	Number Of Directors	
	Executive Directors	Non-Executive Directors
RM0 to RM50,000	-	3
RM300,001 to RM400,000	1	-
RM400,001 to RM500,000	1	-
RM600,001 to RM700,000	1	-

Directors' fees are subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company.

## 2.4 Executives Share Option Scheme ("ESOS") Committee

The ESOS Committee has three (3) members comprising two (2) Executive Directors and one Senior Management Staff. The committee is responsible for administering the scheme in accordance with the objectives and regulations thereof and to determine participation eligibility, option offers and share allocations and to attend to such other matters as may be required.

Meetings of the ESOS Committee are held as and when necessary. The members met five (5) times in the financial year ended 31 March 2015.



## 3. REINFORCE INDEPENDENCE

### 3.1 Annual Assessment of Independence

The Board recognizes the importance of independence and objectivity in its decision making process. The presence of the Independent Non-Executive Directors is essential in providing unbiased and impartial opinion, advice and judgment to ensure the interests of the Group, shareholders, employees, customers and other communities in which the Group conducts its businesses are well represented and taken into account.

The Board, through the Nomination Committee, assesses the independence of Independent Directors annually, taking into account the individual Director's ability to exercise independent judgement at all times and to contribute to the effective functioning of the Board.

The Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their ability to act in the best interests of the Company.

### 3.2 Tenure of Independent Directors

One of the recommendations of the MCCG 2012 states that the tenure of an independent director should not exceed a cumulative term of nine (9) years. However, the Nomination Committee and the Board have determined at the annual assessment carried out that Mr. Chok Hooa @ Chok Yin Fatt, PMP and Mr. Gan Boon Koo @ Gan Boon Kiu who have served on the Board for a cumulative term of more than nine (9) years, remain objective and independent in expressing their views and in participating in deliberations and decision making of the Board and Board Committees. The length of their services on the Board does not in any way interfere with their exercise of independent judgement and ability to act in the best interests of the Company.

### 3.3 Shareholders' Approval for the Continuance in Office as Independent Non-Executive Directors

The Board on the review and recommendation made by the Nomination Committee, is unanimous in its opinion that the two (2) Independent Directors, namely Mr. Chok Hooa @ Chok Yin Fatt, PMP and Mr. Gan Boon Koo @ Gan Boon Kiu who each has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, have fulfilled the criteria under the definition of an Independent Director as set out under Paragraph 1.01 of the Listing Requirements.

The Board strongly believes that a director's independence cannot be determined arbitrarily with reference only to the tenure of service. Thus, the Board would recommend to the shareholders for approval at the forthcoming AGM for Mr. Chok Hooa @ Chok Yin Fatt, PMP and Mr. Gan Boon Koo @ Gan Boon Kiu to continue acting as Independent Directors of the Company.

### 3.4 Separation of Positions of the Chairman and Group Managing Director

The roles and responsibilities of the Chairman and Managing Director are separated to ensure a balance of power and authority. The Chairman is responsible for ensuring Board effectiveness and conduct whilst the Managing Director has the overall responsibilities over organizational effectiveness and the implementation of Board policies and decisions.

### 3.5 Composition

The Group is led by an effective Board with varied technical, financial and commercial experience. The Board currently has six (6) members, comprising three (3) Executive Directors and three (3) Independent Non-Executive Directors. The role of Chairman is held by an Independent Non-Executive Director. This Board composition complies with the Listing Requirements to have at least one third (1/3) of the Board consisting of Independent Directors.

The Board meetings are presided by the Chairman. The Executive Directors are generally responsible for making and implementing policies and decisions of the Board, overseeing operations as well as managing development and implementation of business and corporate strategies. The Independent Non-Executive Directors are independent of management and free from any business relationship which could materially interfere with their independent judgement. Their presence ensure that issues of strategies, performance and resources proposed by the management are objectively evaluated with their judgement.



### 3. REINFORCE INDEPENDENCE (cont'd)

The Board is satisfied with the existing number and composition of the Directors which fairly reflects the investment of minority shareholders in the Company.

The profile of each Director is presented on pages 8 to 10 of the Annual Report.

### 4. FOSTER COMMITMENT

#### 4.1 Time Commitment

The Board has committed to meet at least four (4) times a year, usually before the announcement of quarterly results to Bursa Malaysia Securities Berhad ("Bursa Securities"), with additional meetings convened when necessary.

During the financial year ended 31 March 2015 five (5) Board meetings were held and the record of attendance was as follows:-

Directors	Attendance
Encik Sharifuddin Bin Shoib, <i>AMP</i>	4/5
Ir. Ong Koon Ann	5/5
Mdm. Quah Seok Keng	5/5
Mr. Ong Choo Ian	5/5
Mr. Chok Hooa @ Chok Yin Fatt, <i>PMP</i>	5/5
Mr. Gan Boon Koo @ Gan Boon Kiu	5/5

#### 4.2 Directors' Training

The Board acknowledges that continuous education is vital in keeping them abreast with developments in the market place and with new statutory and regulatory requirements, besides enhancing professionalism and knowledge in enabling them to discharge their roles in an effective manner.

Relevant training programmes were arranged to facilitate knowledge building for Directors. The Directors may also attend additional training courses according to their individual needs, to equip themselves for the discharge of their responsibilities as directors of a public listed company and in the Board Committees on which they serve.

All the Directors have attended training programmes during the year. The conferences, seminars and training programmes attended by the Directors, collectively or individually were as follows:-

- Personal Data Protection Act 2010: Practical steps to compliance
- National Rubber Economic Conference 2014
- Talk on deductibility of financing costs
- 2nd Quarter 2014 – Treasury solution TM seminar
- YTL Cement annual seminar - 2014
- The basics of goods and services tax and accounting
- 2015 budget outlook seminar "Malaysia GST, opportunity or threat?"
- GST seminar
- Ernst & Young 2015 budget seminar
- AG Legal Tax Services Sdn Bhd budget 2015 tax seminar
- Deloitte TaxMax-The 40th series
- Discovering winning stocks picks
- Investsmart's stock market seminar
- Investsmart's unit trust seminar
- Audit Committee Conference 2015 – rising to new challenges



## 5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

### 5.1 Compliance with Applicable Financial Reporting Standards

The Board is committed to provide a balanced, clear and meaningful assessment of the financial performance and prospects of the Company via all disclosures and announcements made. The Board is assisted by the Audit Committee to oversee and scrutinize the process and quality of the financial reporting includes reviewing and monitoring of the integrity of the financial statements and the appropriateness of the Company's accounting policies to ensure accuracy, adequacy and completeness of the report, as well as in compliance with the relevant accounting standards.

The Directors' Responsibility Statement for the Annual Audited Financial Statements of the Company and the Group is set out on page 21 of the Annual Report.

### 5.2 Assessment of Suitability and Independence of External Auditors

The Company maintains a professional and transparent relationship with the internal auditors in seeking their professional advice on the Group's system of internal controls and with the external auditors in ensuring compliance with the accounting standards. The Audit Committee has explicit authority to communicate directly with internal and external auditors.

Further details on the Audit Committee in relation to the external auditors are set out in the Audit Committee Report on page 12 of the Annual Report.

## 6. RECOGNIZE AND MANAGE RISKS

### 6.1 Sound Framework to Manage Risks

The Board with the assistance of the Group Risk Management Department has established processes for identifying, assessing, evaluating and managing the significant risks faced by the core business of the Group. The outcome of the process is reviewed by the Board and is guided by the Statement on Risk Management and Internal Control as set out on pages 23 to 24 of the Annual Report.

### 6.2 Internal Control Function

The Group's internal audit function has been outsourced to a firm of consultants ("Internal Auditors"). The Audit Committee reviews and approves the internal audit plan, which is developed based on the major operating units and key risk areas of the Group. Audit reviews were carried out thrice annually and audit findings were reported to the Audit Committee. Further details of the activities of the internal audit function are set out in the Audit Committee Report on pages 11 to 13 of the Annual Report.

## 7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

### 7.1 Corporate Disclosure Policy

The Board acknowledges that timely, complete and accurate disclosure is important to an orderly and fair market for the trading of securities. In that respect, the Company is guided by the Corporate Disclosure Guide issued by Bursa Securities and the Board adheres strictly to the Bursa Securities' disclosure framework to provide investors and the public with accurate and complete information on a timely basis. The Board ensures that confidential information is handled properly by authorized personnel to avoid leakage and improper use of such information. The Board is also mindful that information which is expected to be material must be announced immediately.

### 7.2 Leverage on Information Technology for Effective Dissemination of Information

The Board endeavours to provide timely and accurate disclosure of all material information of the Group to the shareholders and investors. Information is disseminated through various disclosures and announcements made to the Bursa Securities which includes the quarterly financial results, audited financial statements and Annual Reports. This information is also electronically published at the Bursa Securities' and the Company's websites at <http://www.bursamalaysia.com> and <http://www.oka.com.my> respectively and it is accessible by public.

**8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS****8.1 Encourage Shareholder Participation at General Meetings**

The Board regards the AGM and other general meetings as an opportunity to communicate directly with shareholders and encourages attendance and participation in dialogue. The Board takes cognizance in serving longer than the required minimum notice period for AGMs, when possible. The Chairman together with the Group Managing Director ensure that the Board is accessible to shareholders and an open channel of communication is cultivated. The Board has ensured that an explanatory statement will accompany each item of special business included in the notice of meeting on the effects of the proposed resolutions. Each shareholder can vote in person or by appointing a proxy/proxies to attend and vote on his behalf. Separate issues are tabled in separate resolutions at general meetings, voting is carried out systematically and resolutions are properly recorded.

**8.2 Encourage Poll Voting**

The Chairman would ensure that shareholders were informed of their rights to demand a poll vote at the commencement of the AGM. Going forward, the Board will give due consideration on the mode of voting on any resolutions at the AGM and/or Extraordinary General Meeting, including voting by way of a poll, particularly if the proposals are of a substantive nature.

The Board will evaluate the feasibility of carrying out electronic polling at its general meetings in future.

**8.3 Effective Communication and Proactive Engagement**

At the 14th AGM, all Directors were present in person to engage directly with, and be accountable to the shareholders for their stewardship of the Company. The Directors, Management and external auditors were in attendance to respond to the shareholders' queries.

The Board welcomes question and feedback from shareholders during and at the end of shareholders' meeting and ensures their queries are responded in a proper and systematic manner.

**COMPLIANCE STATEMENT**

The Board is satisfied that the Company has in the financial year ended 31 March 2015 complied with the principles and recommendations of the MCCG 2012 except where it was specifically stated otherwise.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors are required by the Act to prepare the financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company and the financial performance and cash flows for the year ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act in Malaysia which are consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Group and of the Company to enable them to ensure that the financial statements are drawn up in accordance with the provisions of the Act. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company to prevent and detect fraud and other irregularities.

The statement was made in accordance with a resolution of the Board dated 14 July 2015.



## ADDITIONAL COMPLIANCE INFORMATION

---

The following information is provided in accordance with Paragraph 9.25 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad as set out in Appendix 9C thereto.

### 1. SHARE BUY-BACK

The Company has not purchased any of its own shares during the financial year.

### 2. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The details of options exercised during the financial year are disclosed in the Directors' Report and Note 21 to the financial statements.

The Company did not issue any convertible securities or warrants during the financial year.

### 3. AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR) PROGRAMME

The Company did not sponsor any Depository Receipt Programme during the financial year.

### 4. SANCTIONS AND/OR PENALTIES

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

### 5. NON-AUDIT FEES

The amount of non-audit fees paid to external auditors by the Company and its subsidiaries for the financial year ended 31 March 2015 amounts to RM15,000.

### 6. VARIATION IN RESULTS

There was no variance of 10% or more between the financial results in the Audited Financial Statements for the financial year ended 31 March 2015 and the unaudited financial results previously announced.

### 7. PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial year.

### 8. MATERIAL CONTRACTS

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

### 9. CONTRACTS RELATING TO LOANS

There were no contracts relating to loans made by the Company during the financial year.

### 10. UTILIZATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

The Company did not raise any funds from any corporate proposals during the financial year.



## 1. Introduction

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of risk management and internal control to safeguard shareholders' investments and the Group's assets. Pursuant to Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, the Board of Directors of OKA Corporation Bhd ("the Board") is pleased to make the following statement which outlines the nature and scope of the risk management and internal control of the Group for the financial year ended 31 March 2015.

## 2. Board's Responsibilities

The Board recognises that internal control is an integral part of managing risks in an effort to achieve corporate objectives. As such, the Board acknowledges its responsibilities in maintaining as well as reviewing the adequacy and integrity of the Group's system of risk management and internal control which provides reasonable assurance of effective and efficient operations, financial controls and compliance with laws and regulations together with internally set procedures and guidelines safeguarding shareholders' investments and the Group's assets. The Group's system of risk management and internal control is designed to provide reasonable but not absolute assurance against risks of material errors, fraud or losses from occurring. In view of the limitations that are inherent in any system of risk management and internal control, the Group's system of risk management and internal control is applied to manage rather than to eliminate the risk of failure in achieving the business objectives.

## 3. Internal Audit Function

The Group's Internal Audit function has been outsourced to a firm of consultants ("Internal Auditors").

The internal audit function provides assurance of the effectiveness of the system of risk management and internal control within the Group. The Internal Auditors conduct independent reviews of the key activities within the Group's operating units based on a 2-year Audit Plan which was approved by the Board. The Internal Auditors would report to the Audit Committee on risk and control matters of significance; including suspected fraud, illegal or irregular acts and material misstatements, if any. Any areas identified for improvements during the course of audit are also brought up to the attention of the Audit Committee.

The Audit Committee considers the findings from internal audit and management, before reporting and making recommendations to the Board. The Audit Committee presents its findings to the Board during the quarterly Board meetings.

## 4. Risk Management Framework

The process of determining risks forms part of the Group's internal control environment. As a result, the following initiatives have been undertaken by the management and Board:

- (a) The Group's risk management areas had been identified and the Company's compliance with the principle and best practice was based on the Malaysian Code on Corporate Governance conducted by the external consultants in year 2002. A compliance review of the Malaysian Code on Corporate Governance 2012 was conducted by the Internal Auditors in year 2014. The Board will review the existing risk management practises to ensure that they are appropriate and continues to remain relevant to the Group's requirement;
- (b) A Risk Management Committee ("RMC") comprising the Managing and Executive Directors and senior management was established on 1 October 2003;
- (c) Risk management meetings were held twice a year to update the risks and mitigating controls to produce a detailed risk register. Key risks identified are scored for likelihood of the risks occurring and the magnitude of its impact;





## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

---

### 4. Risk Management Framework (cont'd)

- (d) Recommendations from the RMC were forwarded to related departments;
- (e) Audit Committee reviews the findings of the RMC and risk register of the Group.

The Board has in place a process of identifying, evaluating and managing significant risks encountered by the Group in its achievement of objectives and strategies for the year under review and up to the date of approval of this Statement.

### 5. Other Risk And Control Processes

Apart from risk management and internal audit, the Board has put in place an organisational structure with the appropriate lines of responsibility, delegation of authority and accountability. The procedures include the establishment of limits of authority coupled with the publication of Safety & Health Manual and Quality Manual which highlight policies on safety and health as well as quality.

From an accounting perspective, monthly consolidated management accounts and financial analysis are prepared to allow top management to focus on areas of concern. All access to the assets and records of the Group are safeguarded and controlled to reduce the risk of unauthorised use.

The Group's individual operating units are managed by managers who are responsible for the conduct and performance of their businesses in accordance with the organisation's goals. The Group's performance is monitored by the Group Managing Director, Executive Directors and senior management team. Senior management meetings were conducted on quarterly basis to share information, monitor the progress of various operating units and to make decision pertaining to certain operational matters. The Group Managing Director also reports to the Board on significant changes in the business and the external environment. In addition, the Board and Audit Committee also review the quarterly results to monitor the Group's progress towards achieving its objectives. The Chief Financial Officer provides the Board with quarterly financial information. Where areas of improvement in the system of risk management and internal control are identified, the Board considers the recommendation made by the Audit Committee and the Management.

### 6. Weaknesses In Internal Control That Result In Material Losses

There were no material losses incurred during the financial year under review as a result of weaknesses in internal control. Management continues to take measures to strengthen the control environment which includes credit control management, debts recovery and inventory management.

### 7. Review Of Effectiveness

The Board has received assurance from the Managing Director and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, during the financial year under review and up to the date of this Statement. On-going reviews are carried out by the Board to ensure the effectiveness and adequacy of the Group's risk management and internal control system in safeguarding the shareholders' investments, customers' interest and Group's assets. The Board remains committed and will continue to take measures to strengthen the internal control and risk management environment towards enhancing the system of internal control to support all types of businesses and operations within the OKA Corporation Bhd group of companies.

This statement is made in accordance with the resolution of the Board dated 14 July 2015.

**Dear Valued Shareholders,**

On behalf of the Board of Directors, I am pleased to present the Annual Report of OKA Corporation Bhd for the financial year ended 31 March 2015.

**Financial Overview**

Despite the challenging and uncertainties in the global economic climate in 2014, the Group managed to achieve revenue of RM163.26 million in this year (2014 : RM145.42 million), representing a sales growth of 12.27% over the previous year.

The growth in revenue and stringent cost control measures translated into favourable operating results. Profit attributable to shareholders was RM14.96 million (2014 : RM13.38 million). The favourable results were mainly contributed by higher volume and production output during the current financial year as compared to previous financial year.

Correspondingly, the basic earnings per ordinary share for the current financial year is 9.80 sen as compared to adjusted 8.83 sen per ordinary share in the previous financial year. The Group's statement of financial position remains strong with a low gearing ratio of 0.01 times with an increase in shareholder's funds by 10.90% over the previous financial year to RM121.69 million as at 31 March 2015.

**Dividends**

In line with the Group's policy to continuously pay dividends, total single-tier dividend of 4.0 sen per ordinary share for the financial year ended 31 March 2015 of which a special single-tier dividend of 1.0 sen per ordinary share amounting to RM1,554,915 was paid on 31 March 2015 and the Board has proposed a first and final single-tier dividend of 3.0 sen per share (2014: 3.0 sen single-tier) amounting to RM4,664,745 to be paid in respect of financial year ended 31 March 2015 subject to shareholders' approval at the forthcoming Annual General Meeting. The proposed dividend, if approved, will be paid on 26 November 2015.

**Prospects**

The Board expects year 2016 to be another challenging year due to the uncertainties in raw material pricing and the effect of the implementation of GST in 2015. In view of these, the Group will continue to focus on its core business with further emphasis on productivity, efficiency and cost saving measures to enhance its profitability. In view of stiff competition in the market, the Group is increasing its production capacity to diversify its products, introduce products differentiation, improve on the existing products and reduce the delivery lead time in order to better service our customers. In addition, further efforts have been made to maximise value from our current operation through the continuous development of new and innovative products.

Furthermore, the Group will plan for improving the use of factory floor space to increase production volume and improve delivery, which will increase in revenue. Therefore, the Group is expecting sales will continuously improve and contribute better results to the Group in future. As a result, the Board is fairly optimistic that the Group will continue to grow for the financial year ending 31 March 2016.

**Acknowledgements**

On behalf of the Board, I would like to express my sincere appreciation and gratitude towards the Management and all our employees at all levels for their continuous commitments, dedication, high degree of professionalism, support and invaluable contributions to the growth and long-term success of the Group. My gratitude also goes to all our valued customers, shareholders, suppliers, financiers, regulatory bodies and business associates for their continued co-operation, confidence as well as support rendered to the Group.

I look forward to your continuous co-operation, confidence and support for the coming year. Thank you.

**Sharifuddin Bin Shoib, AMP**

**Chairman**

Date: 14 July 2015



Acknowledging the importance of Corporate Social Responsibility, the Group is aware of its obligation to uphold ethical business conduct in its business activities and commit to practice them in an open and transparent manner by focusing on the environment, workplace, community and market place at large.

### **The Environment**

The Group ensures the business activities are conducted in compliance with the applicable environment regulations and laws at all times. The Group also undertook several initiatives as part of its commitment to preserve the environment. Examples of these initiatives are as follows:

- recycling of scrap and waste materials
- practicing a paperless environment and reduce usage of paper via electronic communication and ERP system
- encouraging employees to switch off non-essential electrical machinery, equipment and appliance when not in use

### **Workplace**

The Group recognizes the importance of employees as the most valuable asset. Towards this end, the Group constantly enhances employees' job-related skills, knowledge and experience via in-house and external training programmes, this is also complemented by a clear and transparent approach that ensures all employees are fully aware of the Group's business objectives and goals.

The Group is progressively upgrading its factory facilities and infrastructures to provide a conducive working environment and also to uphold its corporate image. The Group is also committed to ensure that safety and health of employees are paramount at all times. This is reflected in the establishment of Safety and Health Committee, tasked to conduct safety preventive measures and training programmes in order to create safety awareness among the employees.

Fostering better ties with employees and improving their quality of life in work areas, has continuously been given importance in OKA's corporate responsibility initiatives.

The Group has constantly carried out various activities to improve the workforce comradeship and strengthen the relationships among the employees:

- organized trips to Korea and Genting Highland during the year
- festival celebrations, social dinners, gatherings and yoga classes through the In-House Social Club

### **The Community**

The Group aims to add value to the community by playing their role as a socially responsible corporate citizen and creates business sustainability. The Group carried out various CSR activities during the year :

- supporting local communities through opportunities for local employment via interaction with colleges and universities
- participated in Opportunity Recruitment Program Plan to create awareness among potential employees about available opportunities suitable to them
- donation and frequent visits to "Asrama Bintang Rumah Wanita Cacat" (Infant Jesus Convent) interacting with the residents to show care and concern for their well being
- providing medical treatment and rehoming street puppies in the local communities
- donation to the Ipoh Society for the Prevention of Cruelty to Animals

### **The Market Place**

The Group is always looking to increase shareholder value and always looking to maximize returns of their investments in the Group. In line with good corporate governance practice, the Group maintains a high level of transparency in dealings with various stakeholders via various communication channels such as face-to-face briefing, regular meeting, timely disclosure to Bursa Securities, annual general meeting and annual report.

The Group is committed to maintain high ethical standards in the areas of marketing and procurement. Customers' feedback and complaints are reviewed on an ongoing basis and used to improve customer service.

The Group also encourages the use of local products or services as opposed to imported ones wherever possible. The Group is building a long term relationship with the suppliers based on the compatibility of their values, product quality and price. This is key to servicing customers' requirement and developing the highest products' quality standards.

# ANALYSIS OF SHAREHOLDINGS

(AS AT 30 JUNE 2015)



## SHARE CAPITAL

Authorised Share Capital	:	RM100,000,000.00
Issued and fully paid-up share capital	:	RM77,860,750.00
Class of Shares	:	Ordinary shares of RM0.50 each
Voting Rights	:	1 vote per ordinary share
Number of shareholders	:	3,108

## ANALYSIS OF SHAREHOLDINGS

Size of shareholdings	Number of shareholders	Number of shares	Percentage (%)
Less than 100	69	3,185	0.00
100 to 1,000	177	115,227	0.07
1,001 to 10,000	1,701	9,394,965	6.03
10,001 to 100,000	1,058	30,953,650	19.88
100,001 to 7,786,074(*)	102	40,416,939	25.95
7,786,075 and above (**)	1	74,837,534	48.06
<b>Total</b>	<b>3,108</b>	<b>155,721,500</b>	<b>100.00</b>

\* - less than 5% of issued shares

\*\* - 5% and above of issued shares

## SUBSTANTIAL SHAREHOLDERS

Name of substantial Shareholder	Direct interest	Percentage (%)	Deemed interest	Percentage (%)
Ong Koon Ann	78,647,534	50.51	#10,504,280	6.74
Quah Seok Keng	7,133,280	4.58	#82,018,534	52.67

# Deemed interest through their spouses and children's interests in the Company pursuant to Section 6A of the Companies Act, 1965.



# ANALYSIS OF SHAREHOLDINGS (cont'd)

(AS AT 30 JUNE 2015)

## LIST OF THIRTY LARGEST SHAREHOLDERS

	Name of shareholder	Number of shares	Percentage (%)
01	Ong Koon Ann	74,837,534	48.06
02	Quah Seok Keng	5,749,530	3.69
03	Ong Koon Ann	3,810,000	2.45
04	Ong Choo Ian	1,871,000	1.20
05	Nik Mohamad Pena Bin Nik Mustapha	1,780,000	1.14
06	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Fong Siling (CEB)	1,600,000	1.03
07	Ong Choo Ian	1,500,000	0.96
08	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Sharifuddin Bin Shoib (041004)	1,455,232	0.93
09	Quah Seok Keng	1,383,750	0.89
10	Lin Hai Moh @ Lin See Yan	1,000,000	0.64
11	Tan Kheng Min	958,000	0.62
12	Jailani Bin Abdullah	843,750	0.54
13	Lai Ka Chee	738,125	0.47
14	Maybank Nominees (Asing) Sdn Bhd Exempt An for DBS Bank Limited (Client A/C)	712,500	0.46
15	Quah Say Hooi	520,000	0.33
16	Lim Kooi Fui	489,800	0.31
17	Wan Remlah Binti Abdul Ghani	462,250	0.30
18	Ooi Kok Ming	436,800	0.28
19	Lim Soon Huat	375,000	0.24
20	Tee Ah Ta @ Tee Sin Yong	365,500	0.23
21	Choo Weng Wah	350,000	0.22
22	Chuah Seong Boon	342,500	0.22
23	Tok Chye Tiam	337,750	0.22
24	Chang, Shin-Fang	330,000	0.21
25	Chok Hooa @ Chok Yin Fatt	327,602	0.21
26	Tan Boon Ann	320,200	0.21
27	CIMSEC Nominees (Asing) Sdn Bhd Exempt An for CIMB Securities (Singapore) Pte Ltd (Retail Clients)	303,750	0.20
28	Inter-Pacific Equity Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lee See Kwan (AL0089)	300,000	0.19
29	Kenanga Nominees (Tempatan) Sdn Bhd	280,000	0.18
30	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Leong Chee Sun (E-ECG/ KPR)	270,000	0.17
	<b>Total</b>	<b>104,050,573</b>	<b>66.80</b>



**DIRECTORS' INTERESTS IN SHARES**

Other than as disclosed below, there is no other Director of the Company who has interest, direct or deemed, in the Company and its related corporations.

	<b>Name of Director</b>	<b>Direct interest</b>	<b>Percentage (%)</b>	<b>Deemed interest</b>	<b>Percentage (%)</b>
	<b>Shares in OKA Corporation Bhd</b>				
01	Ong Koon Ann	78,647,534	50.51	#10,504,280	6.74
02	Quah Seok Keng	7,133,280	4.58	#82,018,534	52.67
03	Ong Choo Ian	3,371,000	2.16	-	-
04	Sharifuddin Bin Shoib, <i>AMP</i>	1,555,232	1.00	-	-
05	Chok Hooa @ Chok Yin Fatt, <i>PMP</i>	327,602	0.21	-	-
06	Gan Boon Koo @ Gan Boon Kiu	130,000	0.08	-	-

# Deemed interest through their spouses and children's interests in the Company pursuant to Section 6A of the Companies Act, 1965.



# LIST OF PROPERTIES

(AS AT 31 MARCH 2015)

Location	Description	Existing Use	Date of Purchase	Date of Valuation	Approximate land/built up area	Tenure	Carrying Amount @ 31 March '15 (RM)	
Lot 65305, Title No. H.S. (D)KA 442/73 Mukim of Sungai Terap, District of Kinta, Perak D.R.	Land and factory building	Industrial	26-Jun-97		4.8205 acres	Freehold		
Lot 65306, H.S. (D)KA 443/73 Mukim of Sungai Terap, District of Kinta, Perak D.R.	Land and factory building	Industrial	26-Jun-97		4.9786 acres	Freehold		
Lot 65315, Title No. H.S. (D)KA 452/73 Mukim of Sungai Terap, District of Kinta, Perak D.R.	Land and factory building	Industrial	26-Jun-97		4.9916 acres	Freehold		
Lot 65316, Title No. H.S. (D)KA 453/73 Mukim of Sungai Terap, District of Kinta, Perak D.R.	Land and factory building	Industrial	26-Jun-97		5.2471 acres	Freehold		
Lot 65317, Title No. H.S. (D)KA 454/73 Mukim of Sungai Terap, District of Kinta, Perak D.R.	Land and factory building	Industrial	26-Jun-97	29-May-12	4.6377 acres	Freehold	13,667,990	
Lot 65318, Title No. H.S. (D)KA 455/73 Mukim of Sungai Terap, District of Kinta, Perak D.R.	Land and factory building	Industrial	26-Jun-97		5.0496 acres	Freehold		
Lot 65319, Title No. H.S. (D)KA 456/73 Mukim of Sungai Terap, District of Kinta, Perak D.R.	Land and factory building	Industrial	26-Jun-97		5.0670 acres	Freehold		
Lot 65320, Title No. H.S. (D)KA 457/73 Mukim of Sungai Terap, District of Kinta, Perak D.R.	Land and factory building	Industrial	26-Jun-97		5.3567 acres	Freehold		
Lot 13699, Title No. Geran 45871 Mukim Sungai Raya, District of Kinta, Perak Darul Ridzuan	Land	Industrial	07-Apr-03	1-Jun-12	10.925 acres	Freehold	765,000	
Geran 245335, Lot 305844 Mukim Sg. Terap, Daerah Kinta, Perak Darul Ridzuan	Land and factory building	Industrial	22-Oct-02	29-May-12	9,388.6 m <sup>2</sup>	Leasehold	2,799,041	
Lot 6937N, Geran 38231 Town of Ipoh, District of Kinta bearing address No. 585 & 585A, Jalan Kuala Kangsar, Ipoh, Perak Darul Ridzuan	2 1/2 storey shoplot (aged 32 years)	Commercial	05-Mar-83	29-May-12	2,220 ft. <sup>2</sup>	Freehold	253,800	
0007683, No. HM00126601 Lot 2500, Title No. H.S.(M) 76992 Mukim Setul Daerah Seremban, Negeri Sembilan D.K.	Land	Power Sub-station	14-May-02					
0007682, No. HM00126600 Lot 2501, Title No. H.S.(M) 76993 Mukim Setul Daerah Seremban, Negeri Sembilan D.K.	Land	Industrial	14-May-02		29-May-12	25,661.9 m <sup>2</sup>	Freehold	4,880,670
0007685, No. HM00126603 Lot 2502, Title No. H.S.(M) 76994 Mukim Setul Daerah Seremban, Negeri Sembilan D.K.	Land and factory building	Industrial	14-May-02					
0007684, No. HM00126602 Lot 2503, Title No. H.S.(M) 76995 Mukim Setul Daerah Seremban, Negeri Sembilan D.K.	Land	Industrial	14-May-02					

**LIST OF PROPERTIES (cont'd)**  
(AS AT 31 MARCH 2015)



Location	Description	Existing Use	Date of Purchase	Date of Valuation	Approximate land/built up area	Tenure	Carrying Amount @ 31 March '15 (RM)
Lot 4065, Title No. G.M. 880 Mukim Setul Daerah Seremban, Negeri Sembilan Darul Khusus	Land	Industrial	02-Oct-02	29-May-12	8.018 acres	Freehold	2,400,000
Lot 3731 Geran No. 68647 Mukim Setul, Daerah Seremban, Negeri Sembilan Darul Khusus	Land	Industrial	29-Mar-05				
Lot 548, Title No. EMR 2613 Mukim Senai, Kulai, Johor Darul Takzim	Land and factory building	Industrial	25-Sep-02				
HS(M) 2473 PTD 37446 & EMR 1075 Lot 547, Mukim Senai-Kulai, Johor Darul Takzim	Land	Industrial	03-Dec-04	30-May-12	22.3162 acres	Freehold	13,227,046
Lot No. PTD 37445, Title No. HS(M) 2474, Mukim Senai Kulai, Daerah Johor Bahru, Johor D.T.	Land	Industrial	26-Apr-06				
EMR 2612, Lot 515, Mukim Senai-Kulai, Johor Bahru, Johor Darul Takzim	Land	Industrial	06-Aug-09	30-May-12	8.312 acres	Freehold	4,450,000
Lot 2917 Geran No.5781 Mukim Kuala Kuantan, Daerah Kuantan, Pahang Darul Makmur	Land and factory building	Industrial	19-Jun-06	31-May-12	16.496 acres	Freehold	2,822,210
Lot 986 & Lot 2354 GM 1524 & GM 1525 Mukim Kuala Kuantan, Daerah Kuantan, Pahang D.M.	Land	Industrial	20-Nov-03	31-May-12	7.934 acres	Freehold	1,350,000
H.S.(D) 72875 No. PT583 Pekan Bukit Selambau, Daerah Kuala Muda, Kedah Darul Aman	Land and factory building	Industrial	17-Oct-08	04-Jun-12	39,355 m <sup>2</sup>	Freehold	3,408,728
H.S.(D) 72876 No. PT584 Pekan Bukit Selambau, Daerah Kuala Muda, Kedah Darul Aman	Land	Industrial	12-May-09	04-Jun-12	8,845 m <sup>2</sup>	Freehold	385,000
Parcel No. CHCC/C29-3, 2 <sup>nd</sup> Floor, Block C29, Cheong Hin Commercial City, Master title HP.N. 12108, Lot No.202, Pekan Serdang (formerly HS(D) 114427 PT No.39750, Pekan Serdang Tambahan), Selangor D.E.	Shoplot	Commercial	01-Aug-11	31-May-12	143 m <sup>2</sup>	Leasehold (ending 28-Sep- 2096)	216,200
Parcel No NW-02-30, Cova Square Jalan Teknologi, Kota Damansara, PIU5, 47810 Petaling Jaya. Selangor, Master title PN. 80337, Lot 54636, Pekan Baru Sungai Buloh, Daerah Petaling, Selangor Darul Ehsan.	Shoplot	Commercial	18-Feb-14	NIL	68,841 m <sup>2</sup> (741 ft. <sup>2</sup> )	Leasehold	265,602
<b>TOTAL</b>							<b>50,891,287</b>





OKA CORPORATION BHD  
(519941-H)

(Incorporated in Malaysia under the Companies Act, 1965)

# REPORTS & FINANCIAL STATEMENTS

Directors' Report	<b>33 - 37</b>
Consolidated Statement of Financial Position	<b>38</b>
Consolidated Statement of Profit or Loss and Other Comprehensive Income	<b>39</b>
Consolidated Statement of Changes in Equity	<b>40</b>
Consolidated Statement of Cash Flows	<b>41 - 42</b>
Statement of Financial Position	<b>43</b>
Statement of Profit or Loss and Other Comprehensive Income	<b>44</b>
Statement of Changes in Equity	<b>45</b>
Statement of Cash Flows	<b>46</b>
Notes to the Financial Statements	<b>47 - 91</b>
Statement by Directors	<b>92</b>
Statutory Declaration	<b>93</b>
Independent Auditors' Report	<b>94 - 95</b>



The Directors 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 whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

### RESULTS

	<b>GROUP</b>	<b>COMPANY</b>
	<b>RM</b>	<b>RM</b>
Profit for the year attributable to owners of the Company	14,959,586	5,955,083

### RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

### DIVIDENDS

Since the end of the previous financial year, the Company paid :

- i) a first and final single-tier dividend of 3 sen per ordinary share of RM0.50 each totalling RM3,654,780 in respect of the financial year ended 31 March 2014 on 21 November 2014; and
- ii) a special single-tier dividend of 1 sen per ordinary share of RM0.50 each totalling RM1,554,915 in respect of the financial year ended 31 March 2015 on 31 March 2015.

The Board of Directors recommended a first and final single-tier dividend of 3 sen per ordinary share of RM0.50 each totalling RM4,664,745 for the financial year ended 31 March 2015, subject to the approval of the shareholders at the forthcoming Annual General Meeting.

### DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are:

Sharifuddin Bin Shoib, <i>AMP</i>	Ong Koon Ann	Quah Seok Keng
Chok Hooa @ Chok Yin Fatt, <i>PMP</i>	Gan Boon Koo @ Gan Boon Kiu	Ong Choo Ian

### DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the ordinary shares and options over ordinary shares of the Company of those who were Directors at financial year end (including the interests of the children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	<b>Number of ordinary shares of RM0.50 each</b>						
	<b>Balance at 1.4.2014<sup>^</sup></b>	<b>Subdivision of shares</b>	<b>Bonus issue</b>	<b>Exercise of options</b>	<b>Bought</b>	<b>(Sold)</b>	
<b>Interest in the Company:</b>							
Sharifuddin Bin Shoib, <i>AMP</i>							
- own	582,093	582,093	291,046	-	-	-	1,455,232
Ong Koon Ann							
- own	31,230,613	31,230,613	15,615,308	571,000	-	-	78,647,534
- others*	234,000	234,000	117,000	125,000	-	(85,000)	625,000
Quah Seok Keng							
- own	2,624,912	2,624,912	1,312,456	571,000	-	-	7,133,280
- others*	234,000	234,000	117,000	125,000	-	(85,000)	625,000
Chok Hooa @ Chok Yin Fatt, <i>PMP</i>							
- own	186,541	186,541	54,520	100,000	55,000	(170,000)	412,602
Ong Choo Ian							
- own	1,540,000	1,540,000	770,000	571,000	80,000	(1,130,000)	3,371,000
Gan Boon Koo @ Gan Boon Kiu							
- own	-	-	12,500	100,000	50,000	-	162,500



**DIRECTORS' REPORT** (cont'd)  
FOR THE YEAR ENDED 31 MARCH 2015

**DIRECTORS' INTERESTS IN SHARES (cont'd)**

	Number of ordinary shares of RM0.50 each						Balance at 31.3.2015
	Balance at 1.4.2014 <sup>^</sup>	Subdivision of shares	Bonus issue	Exercise of options	Bought	(Sold)	
<b>Deemed Interest in the Company:</b>							
Ong Koon Ann	4,398,912	4,398,912	2,199,456	1,267,000	80,000	(1,215,000)	11,129,280
Quah Seok Keng	33,004,613	33,004,613	16,502,308	1,267,000	80,000	(1,215,000)	82,643,534

<sup>^</sup> As at 1.4.2014, the par value of ordinary share was RM1.00 each.

	Number of options over ordinary shares of RM0.50 each					
	Option price	Balance at 1.4.2014	Granted/ Allocated	Exercised	Forfeited	Balance at 31.3.2015
Ong Koon Ann	0.63	-	571,000	(571,000)	-	-
Chok Hooa @ Chok Yin Fatt	0.63	-	100,000	(100,000)	-	-
Sharifuddin Bin Shoib, <i>AMP</i>	0.63	-	100,000	-	-	100,000
Gan Boon Koo @ Gan Boon Kiu	0.63	-	100,000	(100,000)	-	-
Quah Seok Keng	0.63	-	571,000	(571,000)	-	-
Ong Choo Ian	0.63	-	571,000	(571,000)	-	-

\* *Miss Ong Ee Dith is the daughter of Mr. Ong Koon Ann and Madam Quah Seok Keng. In accordance with Section 134(12)(c) of the Companies Act, 1965, the interest and deemed interests of Miss Ong Ee Dith in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) shall be treated as the interests of Mr. Ong Koon Ann and Madam Quah Seok Keng also.*

By virtue of their interests in the shares of the Company, Mr. Ong Koon Ann and Madam Quah Seok Keng are also deemed interested in the shares of all subsidiaries during the financial year to the extent that the Company has an interest.

Other than as disclosed above, none of the other Directors holding office at 31 March 2015 had any interest in the ordinary shares and options over ordinary shares of the Company and its related corporations during the financial year.

**DIRECTORS' BENEFITS**

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related companies) 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, except as disclosed in Notes 16 and 24 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the issue of the Executives' Share Option Scheme ("ESOS").

**ISSUE OF SHARES AND DEBENTURES**

During the financial year, the authorised and issued and paid up share capital of the Company of 100,000,000 and 60,913,000 ordinary shares of RM1.00 each, respectively were subdivided into 200,000,000 and 121,826,000 ordinary shares of RM0.50 each, respectively.



### ISSUE OF SHARES AND DEBENTURES (cont'd)

Subsequent to the subdivision of shares, the issued and paid up share capital of the Company was increased from RM60,913,000 comprising 121,826,000 ordinary shares of RM0.50 each to RM77,745,750 comprising 155,491,500 ordinary shares of RM0.50 each by :

- (i) a bonus issue of 30,456,500 ordinary shares of RM0.50 each on the basis of one (1) new ordinary share for every four (4) existing ordinary shares of RM0.50 each held in the Company. The bonus issue was capitalised from retained profits; and
- (ii) allotment of 3,209,000 new ordinary shares of RM0.50 each at an exercise price of RM0.63 per share for cash pursuant to the ESOS.

No debentures were issued by the Company during the financial year.

### OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the ESOS.

At an extraordinary general meeting held on 28 August 2014, the Company's share capital shareholders approved the establishment of the new ESOS involving up to 15% of the issued and paid up share capital of the Company to eligible Directors and employees of the Group.

The options offered to take up unissued shares of RM0.50 each and the option prices are as follows:

Date of offer	Option price	←—— Number of options over ordinary shares of RM0.50 each ——→					Balance at 31.3.2015
		Balance at 1.4.2014	Granted/ Allocated	Exercised	Rejected/ Forfeited	Balance at 31.3.2015	
5.1.2015	RM0.63	-	3, 985,500	(3,209,000)	(95,000)	681,500	

The salient features of the scheme are, *inter alia*, as follows:

- (a) The maximum number of new shares which may be available under the scheme shall not in aggregate exceed more than 15% of the issued and paid-up share capital of the Company at any one time.
- (b) Eligible executives are executive employees (including Executive Directors and Non-Executive Directors) of any company (which is not dormant) within the Group who are citizens or resident of Malaysia, at least 18 years of age on 5 January 2015 and must have been employed for a continuous period of at least two (2) years in the Group prior to and up to the date of offer, excluding service during the probation period.
- (c) No eligible executives are allowed to participate in more than one ESOS implemented by any company within the Group.
- (d) The maximum number of new shares that may be offered and allotted to an eligible executive shall be determined at the discretion of the ESOS Committee after taking into consideration the performance, seniority and years of service and such other offer factors that the ESOS Committee may deem relevant.
- (e) The option price shall be the higher of the price to be determined by the ESOS Committee based on the five (5)-day weighted average market price of the Company's share as shown in the daily official list of Bursa Malaysia Securities Berhad immediately preceding the offer date of the option, with a discount of not more than 10% or the par value of the Company's shares.
- (f) All remaining unexercised options shall lapse and/or be deemed to be cancelled and cease to be exercisable upon the cessation of employment with a company of the Group, upon winding up or liquidation of the Company or upon bankruptcy of the employee.
- (g) The ESOS shall continue to be in force for a period of five (5) years from 5 January 2015 and the Board of Directors shall have the discretion to extend the duration for a maximum of five (5) years.



### OPTIONS GRANTED OVER UNISSUED SHARES (cont'd)

The Company has applied to the Companies Commission of Malaysia ("CCM") for the exemption of Section 169(11) of the Companies Act, 1965 and approval has been granted from CCM to exclude the disclosure of details of the executives to whom the options have been granted other than the details of the 20 executives whom have been granted highest number of options during the financial year.

The details of the 20 executives to whom the highest number of options have been granted during the year are as follows :

**Number of options over ordinary  
shares of RM0.50 each**

Ong Koon Ann	571,000
Quah Seok Keng	571,000
Ong Choo Ian	571,000
Ong Ee Dith	125,000
Ong Koon Eng	125,000
Lau Wai Yeen	125,000
Teh Hock Lim	125,000
Chok Hooa @ Chok Yin Fatt	100,000
Gan Boon Koo @ Gan Boon Kiu	100,000
Sharifuddin Bin Shoib	100,000
Ng Wai Kum	75,000
Wong Kee Seong	75,000
Low Hor Foong	75,000
Ong Cheng Hong	75,000
Richard Tay Seng Heng	75,000
Ho Yew Fatt	75,000
Ching Sin Yee	75,000
Yap Chin Hooi	75,000
Chaw Kean Yee	75,000
Ho Lai Mooi	37,500

### OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- (i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- (ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

- (i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- (ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- (iii) 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
- (iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.



**OTHER STATUTORY INFORMATION (cont'd)**

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

- (i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group 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, the financial performance of the Group and of the Company for the financial year ended 31 March 2015 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

**AUDITORS**

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

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

.....  
SHARIFUDDIN BIN SHOIB, *AMP*

.....  
ONG KOON ANN

IPOH  
Date: 14 July 2015



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2015

	Note	2015 RM	2014 RM
<b>Assets</b>			
Property, plant and equipment	3	63,832,280	64,839,080
Investment property	4	470,000	480,000
Other investments	6	10,380	10,380
<b>Total non-current assets</b>		<b>64,312,660</b>	65,329,460
Inventories	7	36,273,979	33,988,215
Receivables, deposits and prepayments	8	46,610,554	41,481,505
Current tax assets		25,270	26,445
Cash and cash equivalents	9	6,520,478	3,647,049
<b>Total current assets</b>		<b>89,430,281</b>	79,143,214
<b>Total assets</b>		<b>153,742,941</b>	144,472,674
<b>Equity</b>			
Share capital	10	77,745,750	60,913,000
Share premium	10	530,140	15,540
Retained profits		43,317,117	48,795,476
Share option reserve	10	90,020	-
Fair value reserve	10	3,380	3,380
<b>Total equity attributable to owners of the Company</b>		<b>121,686,407</b>	109,727,396
<b>Liabilities</b>			
Deferred tax liabilities	12	390,060	375,005
<b>Total non-current liabilities</b>		<b>390,060</b>	375,005
Payables and accruals	13	29,751,162	22,857,188
Borrowings	11	700,000	8,700,000
Current tax liabilities		1,215,312	2,813,085
<b>Total current liabilities</b>		<b>31,666,474</b>	34,370,273
<b>Total liabilities</b>		<b>32,056,534</b>	34,745,278
<b>Total equity and liabilities</b>		<b>153,742,941</b>	144,472,674

The notes on pages 47 to 91 are an integral part of these financial statements.

**CONSOLIDATED STATEMENT OF  
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
FOR THE YEAR ENDED 31 MARCH 2015



	Note	2015 RM	2014 RM
<b>Continuing operations</b>			
<b>Revenue</b>	14	<b>163,264,169</b>	145,421,144
Cost of sales		<b>(133,944,522)</b>	(118,860,425)
<b>Gross profit</b>		<b>29,319,647</b>	26,560,719
Administrative expenses		<b>(10,005,092)</b>	(8,655,488)
Other operating income		<b>1,277,586</b>	992,728
Other operating expenses		-	(124,636)
<b>Results from operating activities</b>		<b>20,592,141</b>	18,773,323
Finance costs	15	<b>(115,550)</b>	(537,672)
Interest income		<b>142,090</b>	83,030
<b>Profit before tax</b>	16	<b>20,618,681</b>	18,318,681
Income tax expense	18	<b>(5,659,095)</b>	(4,936,946)
<b>Profit for the year</b>		<b>14,959,586</b>	13,381,735
<b>Other comprehensive income, net of tax</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
- Fair value of available-for-sale financial asset		-	4,380
<b>Total comprehensive income for the year attributable to owners of the Company</b>		<b>14,959,586</b>	13,386,115
Earnings per ordinary share :			
Basic (sen)	19	<b>9.80</b>	8.83
Diluted (sen)	19	<b>9.74</b>	8.83

The notes on pages 47 to 91 are an integral part of these financial statements.





**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
FOR THE YEAR ENDED 31 MARCH 2015

	←————— <i>Attributable to owners of the Company</i> —————→					
	←————— <i>Non-distributable</i> —————→			<i>Distributable</i>		
Note	Share capital RM	Share premium RM	Share option reserve RM	Fair value reserve RM	Retained profits RM	Total equity RM
<b>At 1 April 2013</b>	60,021,000	15,540	-	(1,000)	37,514,476	97,550,016
Other comprehensive income for the year						
- Fair value of available-for-sale financial assets	-	-	-	4,380	-	4,380
Profit for the year	-	-	-	-	13,381,735	13,381,735
Total comprehensive income for the year	-	-	-	4,380	13,381,735	13,386,115
Dividends to owners of the Company	20	-	-	-	(2,100,735)	(2,100,735)
Issue of new ordinary shares of RM1 each pursuant to ESOS		892,000	-	-	-	892,000
Total transactions with owners of the Company		892,000	-	-	(2,100,735)	(1,208,735)
<b>At 31 March 2014/ 1 April 2014</b>	60,913,000	15,540	-	3,380	48,795,476	109,727,396
Profit and total comprehensive income for the year	-	-	-	-	14,959,586	14,959,586
Dividends to owners of the Company	20	-	-	-	(5,209,695)	(5,209,695)
Bonus issue		15,228,250	-	-	(15,228,250)	-
Issue expenses for bonus issue		-	(127,200)	-	-	(127,200)
Share-based payments		-	314,650	-	-	314,650
Issue of new ordinary shares of RM0.50 each pursuant to ESOS		1,604,500	417,170	-	-	2,021,670
Total transactions with owners of the Company		16,832,750	289,970	314,650	(20,437,945)	(3,000,575)
Transfer to share premium for share options exercised		-	224,630	(224,630)	-	-
<b>At 31 March 2015</b>	77,745,750	530,140	90,020	3,380	43,317,117	121,686,407
	Note 10	Note 10	Note 10	Note 10		

The notes on pages 47 to 91 are an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2015



	Note	2015 RM	2014 RM
<b>Cash flows from operating activities</b>			
Profit before tax		20,618,681	18,318,681
<i>Adjustments for:</i>			
Depreciation of investment property	4	10,000	10,000
Depreciation of property, plant and equipment	3	6,134,284	5,964,231
Finance costs	15	115,550	537,672
Gain on disposal of plant and equipment		-	(27,999)
Equity settled share-based payment transactions		314,650	-
Interest income		(71,469)	(60,330)
Overdue interest income		(70,621)	(22,700)
Dividend income		(630)	(735)
<b>Operating profit before changes in working capital</b>		<b>27,050,445</b>	<b>24,718,820</b>
Changes in working capital:			
Receivables, deposits and prepayments		(5,129,049)	(4,792,036)
Inventories		(2,285,764)	424,310
Payables and accruals		6,893,974	145,175
<b>Cash generated from operations</b>		<b>26,529,606</b>	<b>20,496,269</b>
Income tax paid		(7,240,638)	(1,290,797)
Overdue interest received		70,621	22,700
<b>Net cash from operating activities</b>		<b>19,359,589</b>	<b>19,228,172</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	3	(5,127,484)	(6,676,797)
Dividend income received		630	735
Proceeds from disposal of plant and equipment		-	28,003
Short-term deposits interest received		71,469	60,330
<b>Net cash used in investing activities</b>		<b>(5,055,385)</b>	<b>(6,587,729)</b>



**CONSOLIDATED STATEMENT OF CASH FLOWS** (cont'd)  
FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 RM	2014 RM
<b>Cash flows from financing activities</b>			
Dividend paid		(5,209,695)	(2,100,735)
Interest paid		(115,550)	(537,672)
Proceeds from issue of shares		2,021,670	892,000
Repayment of bankers' acceptances and revolving credit		(8,000,000)	(9,050,000)
Bonus issue expenses		(127,200)	-
<b>Net cash used in financing activities</b>		<b>(11,430,775)</b>	<b>(10,796,407)</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,873,429</b>	<b>1,844,036</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>3,628,299</b>	<b>1,784,263</b>
<b>Cash and cash equivalents at end of year</b>	<b>A</b>	<b>6,501,728</b>	<b>3,628,299</b>

**A Cash and cash equivalents**

Cash and cash equivalents included in the consolidated statement of cash flows is net of fixed deposits pledged with a licensed bank and comprise the following statement of financial position amounts:

	Note	2015 RM	2014 RM
Fixed deposits placed with a licensed bank		18,750	18,750
Less: Pledged deposits	9	(18,750)	(18,750)
		-	-
Cash and bank balances	9	6,501,728	3,628,299
		<b>6,501,728</b>	<b>3,628,299</b>

The notes on pages 47 to 91 are an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2015



	Note	2015 RM	2014 RM
<b>Assets</b>			
Property, plant and equipment	3	1,592,011	1,592,011
Investment property	4	7,635,000	7,635,000
Investments in subsidiaries	5	28,307,050	28,171,985
<b>Total non-current assets</b>		<b>37,534,061</b>	37,398,996
Receivables, deposits and prepayments	8	47,418,603	44,810,709
Current tax assets		12,650	12,000
Cash and cash equivalents	9	238,929	10,882
<b>Total current assets</b>		<b>47,670,182</b>	44,833,591
<b>Total assets</b>		<b>85,204,243</b>	82,232,587
<b>Equity</b>			
Share capital	10	77,745,750	60,913,000
Share premium	10	530,140	15,540
Share option reserve	10	90,020	-
Retained profits		6,448,761	20,931,623
<b>Total equity attributable to owners of the Company</b>		<b>84,814,671</b>	81,860,163
<b>Current liabilities</b>			
Payables and accruals	13	389,572	372,424
<b>Total liabilities</b>		<b>389,572</b>	372,424
<b>Total equity and liabilities</b>		<b>85,204,243</b>	82,232,587

The notes on pages 47 to 91 are an integral part of these financial statements.



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

	Note	2015 RM	2014 RM
<b>Continuing operations</b>			
<b>Revenue</b>	14	<b>7,000,000</b>	15,000,000
Administrative expenses		<b>(3,132,878)</b>	(2,621,917)
Other operating income		<b>1,980,541</b>	1,980,000
<b>Profit before tax</b>	16	<b>5,847,663</b>	14,358,083
Income tax expense	18	<b>107,420</b>	60,345
<b>Profit and total comprehensive income for the year</b>		<b>5,955,083</b>	14,418,428

The notes on pages 47 to 91 are an integral part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY**  
FOR THE YEAR ENDED 31 MARCH 2015



←——— <i>Attributable to owners of the Company</i> ———→					
←——— <i>Non-distributable</i> ———→			<i>Distributable</i>		
Note	Share capital RM	Share premium RM	Share option reserve RM	Retained profits RM	Total equity RM
<b>At 1 April 2013</b>	60,021,000	15,540	-	8,613,930	68,650,470
Profit and total comprehensive income for the year	-	-	-	14,418,428	14,418,428
Dividends to owners of the Company	-	-	-	(2,100,735)	(2,100,735)
Issue of new ordinary shares of RM1.00 each pursuant to ESOS	892,000	-	-	-	892,000
Total transactions with owners of the Company	892,000	-	-	(2,100,735)	(1,208,735)
<b>At 31 March 2014/1 April 2014</b>	60,913,000	15,540	-	20,931,623	81,860,163
Profit and total comprehensive income for the year	-	-	-	5,955,083	5,955,083
Dividends to owners of the Company	-	-	-	(5,209,695)	(5,209,695)
Bonus issue	15,228,250	-	-	(15,228,250)	-
Issue expenses for bonus issue	-	(127,200)	-	-	(127,200)
Share-based payments	-	-	314,650	-	314,650
Issue of new ordinary shares of RM0.50 each pursuant to ESOS	1,604,500	417,170	-	-	2,021,670
Total transactions with owners of the Company	16,832,750	289,970	314,650	(20,437,945)	(3,000,575)
Transfer to share premium for share options exercised	-	224,630	(224,630)	-	-
<b>At 31 March 2015</b>	77,745,750	530,140	90,020	6,448,761	84,814,671
	Note 10	Note 10	Note 10		

The notes on pages 47 to 91 are an integral part of these financial statements.



# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2015

	Note	2015 RM	2014 RM
<b>Cash flows from operating activities</b>			
Profit before tax		5,847,663	14,358,083
<i>Adjustments for:</i>			
Dividend income		(7,000,000)	(15,000,000)
Impairment loss on amount due from subsidiaries		36,000	36,000
Equity settled share-based payment transactions		179,585	-
<b>Operating loss before changes in working capital</b>		<b>(936,752)</b>	<b>(605,917)</b>
Changes in working capital:			
Payables and accruals		17,148	20,590
Amount due from subsidiaries		(204,000)	(204,000)
<b>Cash used in operations</b>		<b>(1,123,604)</b>	<b>(789,327)</b>
Income tax refund		106,770	294,650
Dividend received		15,000,000	3,000,000
<b>Net cash from operating activities</b>		<b>13,983,166</b>	<b>2,505,323</b>
<b>Cash flows from investing activity</b>			
Advances to a subsidiary		(10,439,894)	(1,317,867)
<b>Net cash used in investing activity</b>		<b>(10,439,894)</b>	<b>(1,317,867)</b>
<b>Cash flows from financing activities</b>			
Dividend paid		(5,209,695)	(2,100,735)
Proceeds from issue of shares		2,021,670	892,000
Bonus issue expenses		(127,200)	-
<b>Net cash used in financing activities</b>		<b>(3,315,225)</b>	<b>(1,208,735)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>228,047</b>	<b>(21,279)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>10,882</b>	<b>32,161</b>
<b>Cash and cash equivalents at end of year</b>	<b>A</b>	<b>238,929</b>	<b>10,882</b>

## A Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

	Note	2015 RM	2014 RM
Cash and bank balances	9	238,929	10,882

The notes on pages 47 to 91 are an integral part of these financial statements.



OKA Corporation Bhd is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of its registered office and principal place of business is as follows :

## Registered office and principal place of business

6, Lebuhraya Chateau  
Off Persiaran Kampar  
30250 Ipoh  
Perak Darul Ridzuan

The consolidated financial statements of the Company as at and for the financial year ended 31 March 2015 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial year ended 31 March 2015 do not include other entities.

The principal activity of the Company is that of investment holding and the principal activities of the subsidiaries are stated in Note 5 to the financial statements.

The financial statements were authorised for issue by the Board of Directors on 14 July 2015.

## 1. BASIS OF PREPARATION

### 1.1 Statement of compliance

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

The following are accounting standards, interpretations and amendments that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014***

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*





## 1. BASIS OF PREPARATION (cont'd)

### 1.1 Statement of compliance (cont'd)

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014 (cont'd)***

- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits – Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016***

- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Amendments to MFRS 10, *Consolidated Financial Statements, MFRS 12, Disclosure of Interests in Other Entities and MFRS 128, Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017***

- MFRS 15, *Revenue from Contracts with Customers*

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018***

- MFRS 9, *Financial Instruments (2014)*

**1. BASIS OF PREPARATION (cont'd)****1.1 Statement of compliance (cont'd)**

The Group and the Company plan to apply the above mentioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 April 2015 for those accounting standards, interpretations or amendments that are effective for annual periods beginning on or after 1 July 2014 as applicable.
- from the annual period beginning 1 April 2016 for those accounting standards, interpretations or amendments that are effective for annual periods beginning on or after 1 January 2016 as applicable.
- from the annual period beginning 1 April 2017 for those accounting standards, interpretations or amendments that are effective for annual periods beginning on or after 1 January 2017 as applicable.
- from the annual period beginning 1 April 2018 for those accounting standards, interpretations or amendments that are effective for annual periods beginning on or after 1 January 2018 as applicable.

The initial application of the above mentioned accounting standards, interpretations or amendments are not expected to have any material financial impacts to the current and prior periods financial statements of the Group and the Company, except as mentioned below :

**(i) MFRS 15, Revenue from Contracts with Customers**

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 15.

**(ii) MFRS 9, Financial Instruments**

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

**1.2 Basis of measurement**

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2 to the financial statements.

**1.3 Functional and presentation currency**

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

**1.4 Use of estimates and judgements**

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in Note 4 – Investment property.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

**2.1 Basis of consolidation****(i) Subsidiaries**

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

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

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

**(ii) Business combinations**

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

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

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

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

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

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

**(iii) Loss of control**

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

**(iv) Transactions eliminated on consolidation**

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

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****2.2 Financial instruments****(i) Initial recognition and measurement**

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

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

**(ii) Financial instrument categories and subsequent measurement**

The Group and the Company categorise financial instruments as follows:

**Financial assets****(a) Loans and receivables**

Loans and receivables category comprises debt instruments that are not quoted in an active market, trade and other receivables, cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

**(b) Available-for-sale financial assets**

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 2.8 (i)).

**Financial liabilities**

All financial liabilities are subsequently measured at amortised cost.

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****2.2 Financial instruments (cont'd)*****(iii) Financial guarantee contracts***

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

Fair value arising from financial guarantee contracts are classified as deferred income and are amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

***(iv) Regular way purchase or sale of financial assets***

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

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

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

***(v) Derecognition***

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

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



**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**2.3 Property, plant and equipment**

**(i) Recognition and measurement**

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other operating income" or "other operating expenses" respectively in profit or loss.

**(ii) Subsequent costs**

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

**(iii) Depreciation**

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Long term leasehold land	99 years
Factory buildings	50 years
Plant and machinery	5 years
Factory equipment	5 years
Motor vehicles	5 years
Electrical installation	10 years
Office equipment	5 - 10 years
Furniture and fittings	20 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period and adjusted as appropriate.

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****2.4 Investment property****(i) Investment property carried at cost**

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purpose. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

**(ii) Reclassification to/from investment property**

When an item of property, plant and equipment is transferred to investment property following a change in its use, the carrying amount of the item immediately prior to transfer becomes its deemed cost for subsequent accounting.

When the use of a property changes such that it is reclassified as property, plant and equipment, its carrying amount at the date of reclassification becomes its deemed cost for subsequent accounting.

**(iii) Determination of fair value**

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

**2.5 Leased assets****(i) Finance lease**

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment, or as investment property if held to earn rental income or for capital appreciation or for both.

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****2.5 Leased assets (cont'd)****(ii) Operating lease**

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised in the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property and measured using fair value model.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

**2.6 Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the first-in, first-out method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

**2.7 Cash and cash equivalents**

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

**2.8 Impairment****(i) Financial assets**

All financial assets (except for financial assets categorised as fair value through profit or loss and investments in subsidiaries) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial assets is estimated.

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

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



**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****2.8 Impairment (cont'd)****(i) Financial assets (cont'd)**

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

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available for sale is not reversed through profit or loss.

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

**(ii) Other assets**

The carrying amounts of other assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a group of cash-generating units that are expected to benefit from the synergies of the combination.

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

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (groups of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****2.9 Equity instruments**

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

**(i) Issue expenses**

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

**(ii) Ordinary shares**

Ordinary shares are classified as equity.

**2.10 Revenue and other income****(i) Goods sold**

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and discounts. Revenue is recognised when persuasive evidence exists that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

**(ii) Dividend income**

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

**(iii) Management fee**

Management fee is recognised in profit or loss for services rendered, including professional and management advice, marketing, management information system and accounting services and administrative matters to the subsidiaries.

**(iv) Rental income**

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease.

**(v) Interest income**

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.



## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.11 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

### 2.12 Income tax

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

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

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

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

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

### 2.13 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)****2.14 Employee benefits****(i) Short-term employee benefits**

Short-term employee benefit obligations in respect of salaries and wages, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the financial Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contributions to the statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**(ii) Share-based payment transactions**

The grant date fair value of share-based payment granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of employee share options is measured using a trinomial model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

**2.15 Provisions**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.



## 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.16 Earnings per ordinary share

The Group presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

### 2.17 Operating segments

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

### 2.18 Fair value measurements

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

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

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

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

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

Level 3 : unobservable inputs for the asset or liability.

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



**3. PROPERTY, PLANT AND EQUIPMENT**

<b>GROUP</b>	<b>Land and buildings (Note 3.1) RM</b>	<b>Plant and machinery, factory equipment and office equipment RM</b>	<b>Furniture, fittings, motor vehicles and electrical installation RM</b>	<b>Capital work-in-progress RM</b>	<b>Total RM</b>
<b>At cost</b>					
At 1 April 2013	50,117,141	59,987,583	7,023,946	783,607	117,912,277
Additions	580,745	2,809,187	23,661	3,263,204	6,676,797
Disposals	-	(109,634)	-	-	(109,634)
Reclassification	69,213	2,878,949	-	(2,948,162)	-
At 31 March 2014/ 1 April 2014	50,767,099	65,566,085	7,047,607	1,098,649	124,479,440
Additions	391,124	2,286,970	732,599	1,716,791	5,127,484
Reclassification	490,647	1,580,828	-	(2,071,475)	-
At 31 March 2015	51,648,870	69,433,883	7,780,206	743,965	129,606,924
<b>Accumulated depreciation</b>					
At 1 April 2013	572,959	46,989,254	6,223,546	-	53,785,759
Depreciation for the year	315,595	5,410,216	238,420	-	5,964,231
Disposals	-	(109,630)	-	-	(109,630)
At 31 March 2014/ 1 April 2014	888,554	52,289,840	6,461,966	-	59,640,360
Depreciation for the year	339,029	5,594,151	201,104	-	6,134,284
At 31 March 2015	1,227,583	57,883,991	6,663,070	-	65,774,644
<b>Carrying amounts</b>					
At 1 April 2013	49,544,182	12,998,329	800,400	783,607	64,126,518
At 31 March 2014/ 1 April 2014	49,878,545	13,276,245	585,641	1,098,649	64,839,080
At 31 March 2015	50,421,287	11,549,892	1,117,136	743,965	63,832,280



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 MARCH 2015

### 3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

#### 3.1 Land and buildings

GROUP	Long term leasehold land RM	Freehold factory land RM	Factory buildings RM	Total RM
<b>At cost</b>				
At 1 April 2013	1,100,000	36,015,321	13,001,820	50,117,141
Additions	-	-	580,745	580,745
Reclassification	-	-	69,213	69,213
At 31 March 2014/ 1 April 2014	1,100,000	36,015,321	13,651,778	50,767,099
Additions	-	-	391,124	391,124
Reclassification	-	-	490,647	490,647
At 31 March 2015	1,100,000	36,015,321	14,533,549	51,648,870
<b>Accumulated depreciation</b>				
At 1 April 2013	12,560	-	560,399	572,959
Depreciation for the year	12,560	-	303,035	315,595
At 31 March 2014/ 1 April 2014	25,120	-	863,434	888,554
Depreciation for the year	12,705	-	326,324	339,029
At 31 March 2015	37,825	-	1,189,758	1,227,583
<b>Carrying amounts</b>				
At 1 April 2013	1,087,440	36,015,321	12,441,421	49,544,182
At 31 March 2014/ 1 April 2014	1,074,880	36,015,321	12,788,344	49,878,545
At 31 March 2015	1,062,175	36,015,321	13,343,791	50,421,287

Leasehold land of the Group is with unexpired lease period of more than 50 years.



**3. PROPERTY, PLANT AND EQUIPMENT (cont'd)**

<b>COMPANY</b>	<b>Freehold land RM</b>	<b>Office equipment RM</b>	<b>Total RM</b>
<b>At cost</b>			
At 1 April 2013, 31 March 2014/1 April 2014 and 31 March 2015	1,592,000	387,224	1,979,224
<b>Accumulated depreciation</b>			
At 1 April 2013, 31 March 2014/1 April 2014 and 31 March 2015	-	387,213	387,213
<b>Carrying amounts</b>			
At 1 April 2013	1,592,000	11	1,592,011
At 31 March 2014/1 April 2014	1,592,000	11	1,592,011
At 31 March 2015	1,592,000	11	1,592,011

The title deeds for certain freehold land of the Group and the Company are still in the process of being transferred to the Company's and the subsidiary's name. The carrying amounts of these land of the Group and of the Company are RM9,607,000 (2014: RM9,607,000) and RM1,592,000 (2014: RM1,592,000) respectively.

**4. INVESTMENT PROPERTY**

	<b>GROUP RM</b>	<b>COMPANY RM</b>
<b>At cost</b>		
At 1 April 2013, 31 March 2014/1 April 2014 and 31 March 2015	570,000	7,635,000
<b>Accumulated depreciation and impairment loss</b>		
At 1 April 2013	80,000	-
Depreciation for the year (Note 16)	10,000	-
At 31 March 2014/1 April 2014	90,000	-
Depreciation for the year (Note 16)	10,000	-
At 31 March 2015	100,000	-
<b>Carrying amounts</b>		
At 1 April 2013	490,000	7,635,000
At 31 March 2014/1 April 2014	480,000	7,635,000
At 31 March 2015	470,000	7,635,000





## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 MARCH 2015

### 4. INVESTMENT PROPERTY (cont'd)

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Included in the above are:				
Freehold land	-	-	7,635,000	7,635,000
Buildings	470,000	480,000	-	-

The title deeds for certain investment properties of the Group and the Company are still being processed by the relevant authorities. The carrying amounts of these investment properties of the Group and the Company are RM216,200 (2014: RM220,800) and RM4,450,000 (2014: RM4,450,000) respectively.

The fair value of the investment property as at 31 March 2015 is classified as level 3 of the fair value hierarchy. Based on the Directors' estimation using the latest available market information and recent experience and knowledge in the location and category property being valued, the fair values of the investment properties of the Group and of the Company are RM550,000 (2014 : RM490,000) and RM11,480,000 (2014 : RM7,635,000) respectively.

#### *Estimation uncertainty and key assumptions*

The Directors estimate the fair value of the Group's investment property based on the following key assumptions :

- Comparison of the Group's investment property with similar properties that were listed for sale within the same locality or other comparable localities;
- Enquiries from relevant property valuers and real estate agents on market conditions and changing market trends.

The following are recognised in profit or loss in respect of investment property:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Rental income	22,100	22,100	540,000	540,000
Direct operating expenses:				
- income generating investment property	1,017	1,008	12,216	11,932
- non-income generating investment property	90	1,794	90	-



**5. INVESTMENT IN SUBSIDIARIES**

	<b>COMPANY</b>	
	<b>2015 RM</b>	<b>2014 RM</b>
At cost :		
Unquoted shares at cost	<b>28,307,050</b>	28,171,985

Details of the subsidiaries are as follows:

<b>Name of Subsidiary</b>	<b>Country of Incorporation</b>	<b>Effective ownership interest and voting interest</b>		<b>Principal activities</b>
		<b>2015</b>	<b>2014</b>	
<b><i>Direct subsidiary</i></b>				
OKA Concrete Industries Sdn. Bhd.	Malaysia	<b>100%</b>	100%	Manufacture and sale of pre-cast concrete products
<b><i>Held by OKA Concrete Industries Sdn. Bhd.</i></b>				
OKA Readymixed Concrete Sdn. Bhd.	Malaysia	<b>100%</b>	100%	Trading of readymixed concrete
OKA Engineering and Trading Sdn. Bhd.	Malaysia	<b>100%</b>	100%	Manufacture of hard drawn wires, fabrication of mould and trading of pre-stressed concrete piles
Real Charisma Sdn. Bhd.*	Malaysia	<b>100%</b>	100%	Provision of transportation and other related services
Pembinaan Cahaya Emas Sdn. Bhd.*	Malaysia	<b>100%</b>	100%	Supplier of manual labour to perform contracted jobs and other related services

\* Not audited by KPMG.

**6. OTHER INVESTMENTS**

	<b>GROUP</b>	
	<b>2015 RM</b>	<b>2014 RM</b>
<b>Non-current</b>		
<b><i>Available-for-sale financial assets</i></b>		
Quoted shares in Malaysia - at fair value	<b>10,380</b>	10,380
Market value:		
Quoted shares in Malaysia	<b>10,380</b>	10,380



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 MARCH 2015

## 7. INVENTORIES

	GROUP	
	2015 RM	2014 RM
Raw materials	7,669,917	7,373,275
Finished goods	28,604,062	26,614,940
	<b>36,273,979</b>	<b>33,988,215</b>

Included in finished goods are inventories of RM1,557,160 (2014: RM1,557,160) carried at net realisable value. During the year, the write-down and reversal of write-down of inventories to net realisable value recognised in profit or loss amounted to RM Nil (2014 : RM408,712) and RM Nil (2014 : RM95,266) respectively

## 8. RECEIVABLES, DEPOSITS AND PREPAYMENTS

Current	Note	GROUP		COMPANY	
		2015 RM	2014 RM	2015 RM	2014 RM
<b>Trade</b>					
Trade receivables		45,829,448	40,742,710	-	-
<b>Non-trade</b>					
Other receivables	a	5,520	11,773	-	-
Deposits		473,633	632,868	1,000	1,000
Prepayments		301,953	94,154	-	-
		<b>781,106</b>	<b>738,795</b>	<b>1,000</b>	<b>1,000</b>
Amount due from subsidiaries	b	-	-	40,417,603	29,809,709
Dividend receivable		-	-	7,000,000	15,000,000
<b>Total</b>		<b>46,610,554</b>	<b>41,481,505</b>	<b>47,418,603</b>	<b>44,810,709</b>

### Note a

Other receivables of the Group and of the Company is shown net of impairment loss of RM344,333 (2014: RM344,333).

### Note b

The amount due from subsidiaries is non-trade in nature, unsecured, interest-free and repayable on demand.



**9. CASH AND CASH EQUIVALENTS**

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Fixed deposit placed with a licensed bank	18,750	18,750	-	-
Cash and bank balances	6,501,728	3,628,299	238,929	10,882
	<b>6,520,478</b>	<b>3,647,049</b>	<b>238,929</b>	<b>10,882</b>

The fixed deposit of the Group amounting to RM18,750 (2014: RM18,750) placed with a licensed bank is pledged for bank facilities granted to one of the subsidiaries of the Company.

**10. SHARE CAPITAL AND RESERVES**

	GROUP/COMPANY			
	2015		2014	
	Amount RM	Number of shares	Amount RM	Number of shares
<b>Share capital</b>				
Authorised:				
Ordinary share of RM0.50 (2014 : RM1.00) each				
At 1 April	100,000,000	100,000,000	100,000,000	100,000,000
Subdivision of ordinary shares	-	100,000,000	-	-
At 31 March	100,000,000	200,000,000	100,000,000	100,000,000
Issued and fully paid shares classified as equity instruments :				
Ordinary share of RM0.50 (2014 : RM1.00) each				
At 1 April	60,913,000	60,913,000	60,021,000	60,021,000
Subdivision of ordinary shares	-	60,913,000	-	-
	60,913,000	121,826,000	60,021,000	60,021,000
Bonus issue	15,228,250	30,456,500	-	-
Issue for cash under ESOS	1,604,500	3,209,000	892,000	892,000
	16,832,750	33,665,500	892,000	892,000
At 31 March	77,745,750	155,491,500	60,913,000	60,913,000

**10. SHARE CAPITAL AND RESERVES (cont'd)**

During the financial year, the Company :

- i) subdivided each of its authorised and issued and fully paid up ordinary share of RM1.00 each into two (2) ordinary shares of RM0.50 each. The subdivided ordinary shares of RM0.50 each shall, upon allotment and issue, rank pari passu in all respects with each other;
- ii) carried out a bonus issue of 30,456,500 ordinary shares of RM0.50 each on the basis of one (1) new ordinary share for every four (4) existing ordinary shares of RM0.50 each. The bonus issue was capitalised from retained profits; and
- iii) issued 3,209,000 (2014 : 892,000) new ordinary shares of RM0.50 (2014 : RM1.00) each for cash arising from the exercise of ESOS at an exercise price of RM0.63 (2014 : RM1.00) per ordinary share.

**Share premium**

The share premium arose from the issue of shares at premium, net of share issue expenses.

**Fair value reserve**

The fair value reserve relates to the cumulative net change in the fair value of financial assets categorised as available-for-sale.

**Share option reserve**

The share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share premium. When the share options expire, the amount from the share option reserve is transferred to retained profits. The details of share options are disclosed in Note 21.

**Retained profits**

The Company has elected for the single-tier system and hence is able to distribute dividends out of its entire distributable reserves under the single-tier system.

**11. BORROWINGS (UNSECURED)**

	<b>GROUP</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
<b>Current</b>		
Bankers' acceptances	700,000	8,700,000

**Security**

The bank borrowings granted to a subsidiary of RM50,050,000 (2014: RM50,050,000) are guaranteed by the Company.



**12. DEFERRED TAX LIABILITIES**

**Recognised deferred tax liabilities**

Deferred tax assets and liabilities are attributable to the following :

GROUP	Assets		Liabilities		Net	
	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM
Property, plant and equipment	-	-	(1,979,060)	(2,085,316)	(1,979,060)	(2,085,316)
Provisions	1,589,000	1,589,000	-	-	1,589,000	1,589,000
Other items	-	121,311	-	-	-	121,311
Tax assets/(liabilities)	1,589,000	1,710,311	(1,979,060)	(2,085,316)	(390,060)	(375,005)
Set-off of tax	(1,589,000)	(1,710,311)	1,589,000	1,710,311	-	-
Net tax liabilities	-	-	(390,060)	(375,005)	(390,060)	(375,005)

**Unrecognised deferred tax assets**

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Other deductible temporary differences	867,000	825,000	-	-
Tax losses carry forward	2,277,900	1,747,000	-	-
	3,144,900	2,572,000	-	-

The deductible temporary differences and tax losses carry forward do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 MARCH 2015

## 12. DEFERRED TAX LIABILITIES (cont'd)

Movement in temporary differences during the year:

GROUP	At	Recognised	At	Recognised	At
	1.4.2013	in profit or loss (Note 18)	31.3.2014/ 1.4.2014	in profit or loss (Note 18)	31.3.2014
	RM	RM	RM	RM	RM
Property, plant and equipment	(2,085,316)	-	(2,085,316)	-	(2,085,316)
Provisions	1,589,000	-	1,589,000	-	1,589,000
Other items	100,733	20,578	121,311	(15,055)	106,256
	(395,583)	20,578	(375,005)	(15,055)	(390,060)

## 13. PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
<b>Current</b>				
<b>Trade</b>				
Trade payables	<b>27,968,867</b>	20,613,124	-	-
<b>Non-trade</b>				
Other payables	<b>310,924</b>	317,670	<b>45,000</b>	45,000
Accrued expenses	<b>1,471,371</b>	1,926,394	<b>344,572</b>	327,424
	<b>1,782,295</b>	2,244,064	<b>389,572</b>	372,424
<b>Total</b>	<b>29,751,162</b>	22,857,188	<b>389,572</b>	372,424

## 14. REVENUE

Revenue of the Group consists of net invoiced values of pre-stressed and reinforced concrete piles, readymixed concrete and pre-cast concrete products including transportation charges.

Revenue of the Company consists of gross dividend income receivable from its subsidiary.



**15. FINANCE COSTS**

	GROUP	
	2015 RM	2014 RM
Interest on:		
- bankers' acceptances	115,550	420,266
- bank overdraft	-	29
- revolving credit	-	117,377
	<b>115,550</b>	<b>537,672</b>

**16. PROFIT BEFORE TAX**

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit before tax is arrived at after charging:				
Audit Committee fees	50,400	42,000	50,400	42,000
Auditors' remuneration:				
- Statutory audit fees				
- Company auditors	90,000	90,000	25,000	25,000
- Other auditors	5,600	5,600	-	-
- Non-audit fees				
- Company auditors	15,000	12,000	15,000	12,000
- Other auditors	30,000	32,000	30,000	32,000
Chairman's fee	14,400	14,400	14,400	14,400
Depreciation of investment property (Note 4)	10,000	10,000	-	-
Depreciation of property, plant and equipment (Note 3)	6,134,284	5,964,231	-	-
Impairment loss on trade receivables (Note 22.4)	1,858,931	814,457	-	-
Impairment loss on amount due from subsidiaries	-	-	36,000	36,000
Personnel expenses (including Directors):				
- Contributions to Employees' Provident Fund	961,064	855,757	263,660	230,307
- Share-based payments	314,650	-	179,585	-
- Wages, salaries and others	25,234,799	22,932,992	2,340,583	2,018,041
Rental of factory equipment	2,591,361	2,217,007	-	-
Rental of office building paid/payable to a Director	60,000	60,000	-	-
Rental of factory land paid to a Director	36,000	36,000	-	-
Rental of workers quarters paid/payable to third parties	4,800	27,600	-	-
Inventories written down	-	408,712	-	-
Realised loss on foreign exchange (trade)	5,457	-	-	-





## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 MARCH 2015

### 16. PROFIT BEFORE TAX (cont'd)

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
and after crediting:				
Gross dividend income from a subsidiary (unquoted)	-	-	7,000,000	15,000,000
Gross dividend income from other investment	630	735	-	-
Gain on disposal of plant and equipment	-	27,999	-	-
Interest income	71,469	60,330	-	-
Management fees receivable from subsidiaries	-	-	1,440,000	1,440,000
Overdue interest income	70,621	22,700	-	-
Realised gain on foreign exchange (trade)	-	154,116	-	-
Unrealised gain on foreign exchange (non-trade)	-	25,937	-	-
Rental income	47,500	46,050	540,000	540,000
Reversal of impairment loss on trade receivables (Note 22.4)	974,885	267,178	-	-
Inventories written back	-	95,266	-	-

### 17. KEY MANAGEMENT PERSONNEL COMPENSATION

The compensation for key management personnel which comprise only Directors are as follows:

	GROUP/COMPANY	
	2015 RM	2014 RM
Fees - current year	136,000	124,000
Remuneration	1,463,600	1,265,600
Other short-term employees benefits	171,936	148,404
Total short-term employee benefits	1,771,536	1,538,004
Share-based payments	140,910	-
	1,912,446	1,538,004



**18. INCOME TAX EXPENSE**

(i) **Recognised in profit or loss**

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
<b>Current tax expense</b>				
Malaysian				
- current year	5,921,500	5,306,400	-	-
- over provision in previous year	(277,460)	(348,876)	(107,420)	(60,345)
Total current tax recognised in profit or loss	5,644,040	4,957,524	(107,420)	(60,345)
<b>Deferred tax expense</b>				
- current year	(205,000)	(20,578)	-	-
- under provision in previous year	220,055	-	-	-
	15,055	(20,578)	-	-
Total income tax expense	5,659,095	4,936,946	(107,420)	(60,345)

(ii) **Reconciliation of income tax expense:**

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit before tax	20,618,681	18,318,681	5,847,663	14,358,083
Income tax using Malaysia statutory tax rate of 25%	5,155,000	4,579,670	1,461,000	3,589,000
Non-deductible expenses	132,800	195,030	89,518	50,000
Non-taxable income	(16,500)	(23,800)	(1,750,000)	(3,750,000)
Tax losses not available for future set-off	198,566	-	198,566	-
Effects of unrecognised temporary differences	143,225	320,600	-	9,000
Others	103,409	234,900	916	102,000
	5,716,500	5,306,400	-	-
(Over)/Under provision in previous year				
- Current tax	(277,460)	(348,876)	(107,420)	(60,345)
- Deferred tax	220,055	(20,578)	-	-
	5,659,095	4,936,946	(107,420)	(60,345)

**19. EARNINGS PER ORDINARY SHARE*****Basic earnings per ordinary share***

The calculation of basic earnings per ordinary share at 31 March 2015 was based on the profit attributable to ordinary shareholders of RM14,959,586 (2014 : RM13,381,735) and a weighted average number of ordinary shares of 152,612,289 (2014 : 151,613,500) calculated as follows :

	<b>2015</b>	<b>2014</b>
Issued ordinary shares at beginning of year	<b>60,913,000</b>	60,021,000
Effect of shares issued	<b>329,789</b>	223,000
Effect of bonus share issue	<b>30,456,500</b>	30,456,500
Effect of subdivision of shares	<b>60,913,000</b>	60,913,000
	<hr/>	<hr/>
Weighted average number of ordinary shares	<b>152,612,289</b>	151,613,500

***Diluted earnings per ordinary share***

The average market value of the Company's shares for purpose of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

The calculation of diluted earnings per ordinary share at 31 March 2015 was based on the profit attributable to ordinary shareholders of RM14,959,586 (2014 : RM13,381,735) and a weighted average number of ordinary shares of 153,611,453 (2014 : 151,613,500) calculated as follows :

	<b>2015</b>	<b>2014</b>
Weighted average number of ordinary share as above	<b>152,612,289</b>	151,613,500
Effect of ESOS	<b>999,164</b>	-
	<hr/>	<hr/>
	<b>153,611,453</b>	151,613,500

**20. DIVIDENDS**

Dividends recognised by the Company are:

	<b>Sen per share</b>	<b>Total amount RM</b>	<b>Date of payment</b>
<b>2015</b>			
Final 2014 ordinary - single-tier	3.00	3,654,780	21 November 2014
Special 2015 ordinary - single tier	1.00	1,554,915	31 March 2015
		<hr/>	
		<b>5,209,695</b>	



**20. DIVIDENDS (cont'd)**

	Sen per share	Total amount RM	Date of payment
<b>2014</b>			
Final 2013 ordinary - single-tier	3.50	<u>2,100,735</u>	22 November 2013

After the end of the reporting period, the following dividend was proposed by the Directors. The dividend will be recognised in subsequent financial period upon approval by the owners of the Company at the forthcoming Annual General Meeting.

	Sen per share	Total amount RM
First and final single-tier ordinary	3.00	<u>4,664,745</u>

**21. EMPLOYEE BENEFITS**

**Share-based payments**

The Group offers vested share options over ordinary shares to executive employees (including Executive Directors and Non-Executive Directors) with at least two years of continuous service in the Group. Movements in the number of share options held by employees are as follows:

	<b>Number of options</b>	
	<b>2015</b>	<b>2014</b>
Outstanding at beginning of year	-	3,224,000
Granted during the year	<b>3,985,500</b>	-
Rejected during the year	<b>(95,000)</b>	-
Exercised during the year	<b>(3,209,000)</b>	(892,000)
Forfeited during the year*	-	(2,332,000)
Outstanding at end of year	<u><b>681,500</b></u>	<u>-</u>

\* ESOS expired on 11 January 2014.

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using a trinomial model, with the following inputs :

	<b>2015</b>
<b>Fair value of share options and assumptions</b>	
Fair value at grant date	<u>RM 0.07</u>
Weighted average share price	RM 0.75
Share price at grant date	RM 0.75
Expected volatility (weighted average volatility)	30.00%
Option life	4.8 years
Expected dividends	0%
Risk-free interest rate (based on Malaysian government bonds)	<u>3.84%</u>



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 MARCH 2015

## 21. EMPLOYEE BENEFITS (cont'd)

### Value of employee services received for issue of share options

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Share options granted in 2015	314,650	-	179,585	-
Total expense recognised as share-based payments	<b>314,650</b>	-	<b>179,585</b>	-

The share options expense is not fully recognised in the profit or loss of the Company as a portion of it as been re-charged to the subsidiaries benefiting from the services of the employees.

## 22. FINANCIAL INSTRUMENTS

### 22.1 Categories of financial instruments

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

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

GROUP	Carrying amount RM	L&R/(FL) RM	AFS RM
<b>2015</b>			
<b>Financial assets</b>			
Other investments	10,380	-	10,380
Receivables and deposits (excluding prepayments)	46,308,601	46,308,601	-
Cash and cash equivalents	6,520,478	6,520,478	-
	<b>52,839,459</b>	<b>52,829,079</b>	<b>10,380</b>
<b>Financial liabilities</b>			
Payables and accruals	(29,751,162)	(29,751,162)	-
Borrowings	(700,000)	(700,000)	-
	<b>(30,451,162)</b>	<b>(30,451,162)</b>	<b>-</b>
<b>COMPANY</b>			
<b>2015</b>			
<b>Financial assets</b>			
Receivables and deposits (excluding prepayments)	47,418,603	47,418,603	-
Cash and cash equivalents	238,929	238,929	-
	<b>47,657,532</b>	<b>47,657,532</b>	<b>-</b>
<b>Financial liabilities</b>			
Payables and accruals	(389,572)	(389,572)	-



## 22. FINANCIAL INSTRUMENTS (cont'd)

## 22.1 Categories of financial instruments (cont'd)

GROUP	Carrying amount RM	L&R/(FL) RM	AFS RM
<b>2014</b>			
<b>Financial assets</b>			
Other investments	10,380	-	10,380
Receivables and deposits (excluding prepayments)	41,387,351	41,387,351	-
Cash and cash equivalents	3,647,049	3,647,049	-
	<u>45,044,780</u>	<u>45,034,400</u>	<u>10,380</u>
<b>Financial liabilities</b>			
Payables and accruals	(22,857,188)	(22,857,188)	-
Borrowings	(8,700,000)	(8,700,000)	-
	<u>(31,557,188)</u>	<u>(31,557,188)</u>	<u>-</u>
<b>COMPANY</b>			
<b>2014</b>			
<b>Financial assets</b>			
Receivables and deposits (excluding prepayments)	44,810,709	44,810,709	-
Cash and cash equivalents	10,882	10,882	-
	<u>44,821,591</u>	<u>44,821,591</u>	<u>-</u>
<b>Financial liabilities</b>			
Payables and accruals	(372,424)	(372,424)	-

**22. FINANCIAL INSTRUMENTS (cont'd)****22.2 Net gains/(losses) arising from financial instruments**

	<b>GROUP</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
Net gains/(losses) on:		
Loans and receivables		
- impairment loss on trade receivables	<b>(1,858,931)</b>	(814,457)
- reversal of impairment loss on trade receivables	<b>974,885</b>	267,178
- short-term deposits interest received	<b>71,469</b>	60,330
- overdue interest income	<b>70,621</b>	22,700
- realised (loss)/gain on foreign exchange (trade)	<b>(5,457)</b>	154,116
- unrealised gain on foreign exchange (non-trade)	<b>-</b>	25,937
	<b>(747,413)</b>	(284,196)
Financial liabilities measured at amortised cost		
- finance cost	<b>(115,550)</b>	(537,672)
	<b>(862,963)</b>	(821,868)

**22.3 Financial risk management**

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

**22.4 Credit risk**

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

**Receivables*****Risk management objectives, policies and processes for managing the risk***

Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Normally financial guarantees of shareholders or directors of customers are obtained and credit evaluations are performed on customers requiring credit over a certain amount. The Group and the Company does not require collateral in respect of financial assets.



**22. FINANCIAL INSTRUMENTS (cont'd)**

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

***Exposure to credit risk, credit quality and collateral***

As at the end of the reporting period, there was no significant concentration of credit risk. The maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 120 to 180 days, which are deemed to have higher credit risk, are monitored individually.

Receivables amounting to RM37,788,489 (2014 : RM32,269,720) are secured by financial guarantees given by banks, shareholders or directors of the receivables.

***Impairment losses***

The ageing of trade receivables as at the end of the reporting period was:

<b>GROUP</b>	<b>Note</b>	<b>Gross RM</b>	<b>Individual impairment RM</b>	<b>Net RM</b>
<b>2015</b>				
Not past due		22,775,178	-	22,775,178
Past due 1-30 days		10,530,919	-	10,530,919
Past due 31-120 days		10,965,588	-	10,965,588
Past due more than 120 days		5,695,939	(4,138,176)	1,557,763
	8	49,967,624	(4,138,176)	45,829,448
<b>2014</b>				
Not past due		20,966,319	-	20,966,319
Past due 1-30 days		9,319,284	-	9,319,284
Past due 31-120 days		8,627,341	-	8,627,341
Past due more than 120 days		5,083,896	(3,254,130)	1,829,766
	8	43,996,840	(3,254,130)	40,742,710



**22. FINANCIAL INSTRUMENTS (cont'd)****22.4 Credit risk (cont'd)*****Impairment losses (cont'd)***

The movements in the allowance for impairment losses of trade receivables during the year were:

	<b>GROUP</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
At beginning of year	<b>3,254,130</b>	3,356,693
Impairment loss recognised	<b>1,858,931</b>	814,457
Impairment loss reversed	<b>(974,885)</b>	(267,178)
Impairment loss written off	-	(649,842)
At end of year	<b>4,138,176</b>	3,254,130

Although some of the trade receivables are secured by third party financial guarantees, it is impracticable to estimate the fair values of the guarantees obtained.

The allowance account in respect of receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

**Inter-company balances*****Risk management objectives, policies and processes for managing the risk***

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

***Exposure to credit risk, credit quality and collateral***

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

***Impairment losses***

At 31 March 2015, an impairment loss of RM36,000 (2014: RM36,000) is recognised in profit or loss for amounts owed by certain subsidiaries. The Company does not specifically monitor the ageing of the advances to the subsidiaries.

**Financial guarantees*****Risk management objectives, policies and processes for managing the risk***

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to a subsidiary.

The Company monitors on an on-going basis the results of the subsidiary and repayments made by the subsidiary.

***Exposure to credit risk, credit quality and collateral***

The maximum exposure to credit risk amounts to RM700,000 (2014: RM8,700,000) representing the outstanding banking facilities of the subsidiary as at end of the reporting period.

As at the end of the reporting period, there was no indication that the subsidiary would default on repayment.

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



**22. FINANCIAL INSTRUMENTS (cont'd)**

**22.5 Liquidity risk**

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

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

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

***Maturity analysis***

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	<b>Carrying amounts RM</b>	<b>Contractual interest rate %</b>	<b>Contractual cash flows RM</b>	<b>Under 1 year RM</b>
<b>GROUP</b>				
<b>2015</b>				
<b><i>Non-derivative financial liabilities</i></b>				
Bankers' acceptances	700,000	3.83 to 4.19	700,000	700,000
Payables and accruals	29,751,162	-	29,751,162	29,751,162
	<u>30,451,162</u>		<u>30,451,162</u>	<u>30,451,162</u>
<b>2014</b>				
<b><i>Non-derivative financial liabilities</i></b>				
Bankers' acceptances	8,700,000	3.79 to 3.98	8,700,000	8,700,000
Payables and accruals	22,857,188	-	22,857,188	22,857,188
	<u>31,557,188</u>		<u>31,557,188</u>	<u>31,557,188</u>
<b>COMPANY</b>				
<b>2015</b>				
<b><i>Non-derivative financial liabilities</i></b>				
Payables and accruals	389,572	-	389,572	389,572
	<u>389,572</u>		<u>389,572</u>	<u>389,572</u>
<b>2014</b>				
<b><i>Non-derivative financial liabilities</i></b>				
Payables and accruals	372,424	-	372,424	372,424
	<u>372,424</u>		<u>372,424</u>	<u>372,424</u>

**22. FINANCIAL INSTRUMENTS (cont'd)****22.6 Market risk**

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

**(a) Currency risk**

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than Ringgit Malaysia. The currency giving rise to this risk is primarily Singapore Dollar ("SGD").

**Exposure to foreign currency risk**

The Group's exposure to foreign currency (a currency other than Ringgit Malaysia) risk, based on carrying amounts as at the end of the reporting period was:

<b>GROUP</b>	<b>Denominated in</b>	
	<b>SGD</b>	<b>RM</b>
<b>2015</b>		
Cash and cash equivalents	12,981	
Receivables	1,525,207	
<b>Exposure in the statement of financial position</b>	<b>1,538,188</b>	
<b>2014</b>		
Cash and cash equivalents	35,946	
Receivables	718,805	
Payables	(1,174)	
<b>Exposure in the statement of financial position</b>	<b>753,577</b>	

**Currency sensitivity analysis**

Foreign currency risk arises from the Group's monetary financial assets and financial liabilities primarily denominated in SGD. There is no other material exposure to foreign currency risk, and hence, sensitivity analysis will only be presented for the abovementioned exposures.

A 10% strengthening of SGD against RM at the end of the reporting period would have increased post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases.

	<b>Profit or loss</b>	
	<b>2015 RM</b>	<b>2014 RM</b>
SGD	<b>115,364</b>	56,518

A 10% weakening of SGD against RM at the end of the reporting period would have had equal but opposite effect as shown above, on the basis that all other variables remain constant.



## 22. FINANCIAL INSTRUMENTS (cont'd)

### 22.6 Market risk (cont'd)

#### (b) Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to change in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

#### ***Risk management objectives, policies and processes for managing the risk***

The Group manages its interest rate risk by placing such balances with reputable banks, on varying maturities and interest rate terms.

#### ***Exposure to interest rate risk***

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

GROUP	2015 RM	2014 RM
<b>Fixed rate instruments</b>		
Financial assets	18,750	18,750
Financial liabilities	(700,000)	(8,700,000)
	(681,250)	(8,681,250)

#### ***Interest rate risk sensitivity analysis***

#### ***Fair value sensitivity analysis for fixed rate instruments***

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.



**22. FINANCIAL INSTRUMENTS (cont'd)**

**22.7 Fair value information**

The carrying amounts of cash and cash equivalents, short-term receivables, inter-company balances, payables, short-term borrowings approximate their fair values due to the relatively short-term nature of these financial instruments.

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

	Fair value of financial instruments carried at fair value				Fair value of financial instruments carried at fair value				Total fair value RM	Carrying amount RM
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM	RM	RM	RM	RM	RM	RM	RM		
<b>2015</b>										
<b>GROUP</b>										
<b>Financial assets</b>										
Investment in quoted shares	10,380	-	-	10,380	-	-	-	-	10,380	10,380

	Fair value of financial instruments carried at fair value				Fair value of financial instruments carried at fair value				Total fair value RM	Carrying amount RM
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM	RM	RM	RM	RM	RM	RM	RM		
<b>2014</b>										
<b>GROUP</b>										
<b>Financial assets</b>										
Investment in quoted shares	10,380	-	-	10,380	-	-	-	-	10,380	10,380



**22. FINANCIAL INSTRUMENTS (cont'd)**

**Policy on transfer between levels**

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused that transfer.

**Level 1 fair value**

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

**Level 2 fair value**

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

**Transfers between Level 1 and Level 2 fair values**

There has been no transfer between Level 1 and 2 fair values during the financial year. (2014: no transfer in either directions).

**Level 3 fair value**

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

**23. OPERATING LEASES**

**Leases as lessor**

The Company leases out its investment property under operating leases (see Note 4). The future minimum lease payments under non-cancellable leases are as follows:

	<b>COMPANY</b>	
	<b>2015</b>	2014
	<b>RM</b>	RM
Less than one year	<b>120,000</b>	120,000
Between one and five years	<b>90,000</b>	210,000
	<b>210,000</b>	330,000

**24. RELATED PARTIES**

**Identity of related parties**

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

**24. RELATED PARTIES (cont'd)****Identity of related parties (cont'd)**

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group and certain members of senior management of the Group.

The Group has related party relationship with its significant investors, subsidiaries and key management personnel.

**Significant related party transactions**

<b>GROUP</b>	<b>2015 RM</b>	<b>2014 RM</b>
<b>Transactions with a Director</b>		
Rental of office building paid	<b>60,000</b>	60,000
Rental of factory land paid	<b>36,000</b>	36,000
<b>COMPANY</b>		
<b>Transactions with subsidiaries:</b>		
<b>OKA Concrete Industries Sdn. Bhd.</b>		
Allocation of share-based payments	<b>35,350</b>	-
Management fee received/receivable	<b>1,200,000</b>	1,200,000
Gross dividend receivable	<b>7,000,000</b>	15,000,000
Rental received	<b>540,000</b>	540,000
<b>OKA Engineering and Trading Sdn. Bhd.</b>		
Allocation of share-based payments	<b>75,215</b>	-
Management fee received/receivable	<b>156,000</b>	156,000
<b>OKA Readymixed Concrete Sdn. Bhd.</b>		
Allocation of share-based payments	<b>1,400</b>	-
Management fee received/receivable	<b>48,000</b>	48,000
<b>Real Charisma Sdn. Bhd.</b>		
Management fee receivable	<b>24,000</b>	24,000
<b>Pembinaan Cahaya Emas Sdn. Bhd.</b>		
Allocation of share-based payments	<b>23,100</b>	-
Management fee receivable	<b>12,000</b>	12,000



**24. RELATED PARTIES (cont'd)**

The transactions with the Director and subsidiaries have been entered into in the normal course of business and have been established under negotiated terms.

	<b>COMPANY</b>	
	<b>2015</b>	<b>2014</b>
	<b>RM</b>	<b>RM</b>
<b>Balance outstanding at year end</b>		
Amount due from subsidiaries:		
- OKA Concrete Industries Sdn. Bhd.	<b>38,989,603</b>	28,585,709
- OKA Engineering and Trading Sdn. Bhd.	<b>1,092,000</b>	936,000
- OKA Readymixed Concrete Sdn. Bhd.	<b>336,000</b>	288,000
	<hr/>	<hr/>
Dividend receivable from:		
- OKA Concrete Industries Sdn. Bhd.	<b>7,000,000</b>	15,000,000
	<hr/>	<hr/>

**25. OPERATING SEGMENTS**

The Group has two reportable segments, as described below, which are the Group's strategic business units. For each of the strategic business units, the Group's Managing Director (the chief operating decision maker) reviews internal management reports. The following summary describes the operations in each of the Group's reportable segments:

Manufacturing – Manufacturing and sales of pre-cast concrete products.

Others – Trading of readymixed concrete and pre-stressed concrete piles, provision of transportation and other related services and construction and related services.

Performance is measured based on segment profit before tax, interest and depreciation. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

**Segment assets**

The total of segment asset is measured based on all assets of a segment and segment total asset is used to measure the return of assets of each segment.

**Segment liabilities**

Segment liabilities information is not provided regularly to the Managing Director. Hence, no disclosure is made on segment liability.





# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

31 MARCH 2015

## 25. OPERATING SEGMENTS (cont'd)

	Manufacturing		Others		Total	
	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM
<b>Segment profit/(loss)</b>	<b>26,814,092</b>	24,582,234	<b>(399,492)</b>	130,377	<b>26,414,600</b>	24,712,611
<b><i>Included in the measure of segment profit/(loss) are:</i></b>						
Revenue from external customers	<b>161,359,379</b>	143,153,927	<b>1,904,790</b>	2,267,217	<b>163,264,169</b>	145,421,144
Inter-segment revenue	<b>1,748,188</b>	1,927,140	<b>3,864,680</b>	3,871,922	<b>5,612,868</b>	5,799,062
Inventories written down	-	(408,712)	-	-	-	(408,712)
Depreciation of investment property	<b>(10,000)</b>	(10,000)	-	-	<b>(10,000)</b>	(10,000)
Impairment loss on trade receivables	<b>(1,850,350)</b>	(814,457)	<b>(8,581)</b>	-	<b>(1,858,931)</b>	(814,457)
Reversal of impairment loss on trade receivables	<b>908,885</b>	265,919	<b>66,000</b>	1,259	<b>974,885</b>	267,178
Inventories written back	-	-	-	95,266	-	95,266
<b><i>Not included in the measure of segment profit/(loss) but provided to Managing Director:</i></b>						
Depreciation of property, plant and equipment	<b>(6,110,428)</b>	(5,921,270)	<b>(187,688)</b>	(183,029)	<b>(6,298,116)</b>	(6,104,299)
Finance costs	<b>(115,550)</b>	(537,672)	-	-	<b>(115,550)</b>	(537,672)
Interest income	<b>142,090</b>	83,030	-	-	<b>142,090</b>	83,030
<b>Segment assets</b>	<b>151,924,937</b>	143,068,738	<b>3,866,665</b>	3,674,001	<b>155,791,602</b>	146,742,739
<b><i>Included in the measure of segment assets are:</i></b>						
Additions to non-current assets other than financial instruments and deferred tax assets	<b>4,940,555</b>	6,936,975	<b>351,455</b>	13,965	<b>5,292,010</b>	6,950,940



**25. OPERATING SEGMENTS (cont'd)**

Reconciliations of reportable segment revenues, profit or loss, assets and other material items:

***Profit or loss***

	<b>2015 RM</b>	<b>2014 RM</b>
Total profit or loss for reportable segments	<b>26,414,600</b>	24,712,611
Elimination of inter-segment profits	<b>475,657</b>	165,011
Depreciation	<b>(6,298,116)</b>	(6,104,299)
Finance costs	<b>(115,550)</b>	(537,672)
Interest income	<b>142,090</b>	83,030
Consolidated profit before tax	<b>20,618,681</b>	18,318,681

	<b>External revenue RM</b>	<b>Depreciation RM</b>	<b>Finance costs RM</b>	<b>Interest income RM</b>	<b>Segment assets RM</b>	<b>Additions to non-current assets RM</b>
<b>2015</b>						
Total reportable segments	163,264,169	6,298,116	115,550	142,090	155,791,602	5,292,010
Elimination of inter-segment transactions or balances	-	(163,832)	-	-	(2,048,661)	(164,526)
Consolidated total	163,264,169	6,134,284	115,550	142,090	153,742,941	5,127,484
<b>2014</b>						
Total reportable segments	145,421,144	6,104,299	537,672	83,030	146,742,739	6,838,047
Elimination of inter-segment transactions or balances	-	(140,068)	-	-	(2,270,065)	(161,250)
Consolidated total	145,421,144	5,964,231	537,672	83,030	144,472,674	6,676,797



## 25. OPERATING SEGMENTS (cont'd)

### Geographical segments

The Group operates solely in Malaysia and, accordingly, the Directors are of the opinion that the financial information by geographical segments of the Group's operations is not necessary to be presented.

### Major customers

There are no major customers with revenue equal to or more than 10% of the Group's total revenue.

## 26. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and determine to maintain an optimal debt-to-equity ratio that complies with regulatory requirements.

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



**27. SUPPLEMENTARY INFORMATION ON THE BREAKDOWN OF REALISED AND UNREALISED PROFITS OR LOSSES**

The breakdown of the retained profits of the Group and of the Company as at 31 March 2015 into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements is as follows :

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Total retained profits of the Company and its subsidiaries:				
- Realised	<b>57,185,815</b>	63,227,743	<b>5,181,671</b>	19,664,533
- Unrealised	<b>10,783,662</b>	10,751,599	<b>1,267,090</b>	1,267,090
	<b>67,969,477</b>	73,979,342	<b>6,448,761</b>	20,931,623
Less: Consolidation adjustments	<b>(24,652,360)</b>	(25,183,866)	-	-
Total retained profits as per statements of financial position	<b>43,317,117</b>	48,795,476	<b>6,448,761</b>	20,931,623

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



## STATEMENT BY DIRECTORS PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

---

In the opinion of the Directors, the financial statements set out on pages 47 to 90, are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2015 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 27 on page 91 to the financial statements has been compiled in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

.....  
SHARIFUDDIN BIN SHOIB, *AMP*

.....  
ONG KOON ANN

IPOH  
Date: 14 July 2015

**STATUTORY DECLARATION PURSUANT TO  
SECTION 169(16) OF THE COMPANIES ACT, 1965**

---



I, LAU WAI YEEN, the officer primarily responsible for the financial management of OKA CORPORATION BHD, do solemnly and sincerely declare that the financial statements set out on pages 47 to 90 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named at Ipoh in the State of Perak Darul Ridzuan on 14 July 2015.

.....  
LAU WAI YEEN

Before me:  
**CHONG TAT CHEONG**  
COMMISSIONER FOR OATHS  
IPOH



# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OKA CORPORATION BHD

---

## Report on the Financial Statements

We have audited the financial statements of OKA Corporation Bhd, which comprise the statements of financial position as at 31 March 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and 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 47 to 90.

### *Directors' Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 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 the following:

- a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- b) We have considered the accounts and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.
- c) We are satisfied that the accounts of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.



**Other Reporting Responsibilities**

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 27 on page 91 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Malaysian Financial Reporting Standards or International Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

**Other Matters**

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

**KPMG**

Firm Number: AF 0758  
Chartered Accountants

**LEE YEE KENG**

Partner  
Approval Number: 2880/04/17/(J)  
Chartered Accountant

Date: 14 July 2015  
PENANG





This page has been intentionally left blank.



This page has been intentionally left blank.



This page has been intentionally left blank.

# PROXY FORM



**FIFTEENTH ANNUAL GENERAL MEETING**

Number of  
ordinary shares held

I/We \_\_\_\_\_  
of \_\_\_\_\_

being a member/members of **OKA CORPORATION BHD.**, hereby appoint \_\_\_\_\_

of \_\_\_\_\_

or failing him/her, the Chairman of the Meeting as my/our proxy, to attend and vote for me/us on my/our behalf at the Fifteenth Annual General Meeting of OKA Corporation Bhd., to be held at Room 5, First Floor, Impianan Hotel Ipoh, No. 18, Jalan Raja Dr. Nazrin Shah, 30250, Ipoh, Perak on Friday, 28 August 2015 at 11.00 a.m. and at any adjournment thereof.

Please indicate with an "X" in the spaces provided below how you wish your vote to be cast. If no specific direction as to the voting is given, the proxy will vote or abstain from voting at his/her discretion.

	<b>Resolutions</b>	<b>For</b>	<b>Against</b>
Resolution 1	Declaration of first and final dividend		
Resolution 2	Approval of payment of Directors' fees		
Resolution 3	Re-election of Mdm. Quah Seok Keng		
Resolution 4	Re-election of Mr. Ong Choo Ian		
Resolution 5	Re-appointment of Ir. Ong Koon Ann		
Resolution 6	Re-appointment of Messrs. KPMG as Auditors and authorizing the Directors to fix their remuneration		
Resolution 7	Authority to the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965		
Resolution 8	Authority to the Directors to issue shares pursuant to the Executives Share Option Scheme		
Resolution 9	Continuing in Office for Mr. Chok Hooa @ Chok Yin Fatt, PMP as an Independent Non-Executive Director		
Resolution 10	Continuing in Office for Mr. Gan Boon Koo @ Gan Boon Kiu as an Independent Non-Executive Director		

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2015

\_\_\_\_\_  
Signature(s) / Common Seal

**Notes:**

1. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Act shall not apply to the Company.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing or if such appointor is a corporation, under its Seal or the hand of its attorney.
3. To be valid this form duly completed must be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting
4. A member may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints more than one (1) proxy and such appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
5. Where a member of the Company is an exempt authorized nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
6. Only a depositor whose name appears on the Record of Depositors as at 20 August 2015 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his behalf.

Please fold along this line

---

**Stamp**

The Company Secretary  
**OKA CORPORATION BHD.**  
6, Lebuhraya Chateau, Off Persiaran Kampar,  
30250 Ipoh, Perak Darul Ridzuan.

---

Please fold along this line




6, Lebuhraya Chateau,  
Off Persiaran Kampar,  
30250 Ipoh,  
Perak Darul Ridzuan.  
[www.oka.com.my](http://www.oka.com.my)

