



塑易新科技有限公司
PLASTRADE TECHNOLOGY BERHAD
(Company no .: 591077-X)



ANNUAL REPORT 2015

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Notice of 14th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 14th Annual General Meeting of Plastrade Technology Berhad will be held at the Tavern Room, Ponderosa Golf & Country Club, No. 3, Jalan Ponderosa 1, Taman Ponderosa, 81100 Johor Bahru, Johor Darul Takzim on Friday, the 20th day of May, 2016 at 9.30 am for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon. **(See Explanatory Note 1)**
2. To re-elect the following Director retiring by rotation pursuant to Article 101 of the Company's Articles of Association.
 - MS TENG CHEE KUAN **RESOLUTION 1**
3. To approve the payment of Directors' Fees for the financial year ended 31 December 2015. **RESOLUTION 2**
4. To re-appoint Messrs Crowe Horwath as Auditors of the Company for the year ending 31 December 2016 and to authorise the Directors to fix their remuneration. **RESOLUTION 3**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Resolutions :-

ORDINARY RESOLUTION

5. **RE-APPOINTMENT OF MR CHOW KWAI FONG**

"THAT pursuant to Section 129(6) of the Companies Act, 1965, MR CHOW KWAI FONG who is over the age of 70 years and retires pursuant to Section 129(2) of the Companies Act, 1965 be and is hereby re-appointed as a Director of the Company to hold office until the next annual general meeting of the Company."

RESOLUTION 4

ORDINARY RESOLUTION

6. **PROPOSED RETENTION OF INDEPENDENT DIRECTORS**

(i) **"THAT** MR CHOW KWAI FONG who has served as an Independent Non-Executive Director for a cumulative term of more than 9 years be retained and remain as an Independent Director of the Company."

RESOLUTION 5

(ii) **"THAT** MR WINSTON PAUL WONG CHI-HUANG who has served as an Independent Non-Executive Director for a cumulative term of more than 9 years be retained and remain as an Independent Director of the Company."

RESOLUTION 6

ORDINARY RESOLUTION

7. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965**

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the aggregate number of shares so issued pursuant to this resolution in any one financial year does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

RESOLUTION 7

ORDINARY RESOLUTION

8. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")**

“THAT, subject always to the Listing Requirements of the Bursa Malaysia Securities Berhad for the ACE Market, the Company shall be mandated to enter into the category of recurrent transactions of a revenue or trading nature as specified in Section 2.3 of the Circular to Shareholders dated 28 April 2016 which are necessary for the day-to-day operations of the Company and/or its subsidiary companies' and is within the ordinary course of business of the Company and/or its subsidiary companies (“Proposed Shareholders' Mandate”), subject further to the following:

RESOLUTION 8

- (a) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those available to the public and are made on an arm's length basis and on normal commercial terms and are not detrimental to the shareholders; and
- (b) disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the financial year including amongst others, the following information:-
 - (i) the type of Recurrent Transaction; and
 - (ii) the names of the Related Party involved in each Recurrent Transaction entered into and their relationship with the Company;

AND THAT, such approval shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company; or
- (b) the expiration of the period within which the next AGM of the Company subsequent to the date it is required to be held pursuant to Section 143 (1) of the Malaysian Companies Act, 1965 (the “Act”) (but shall not extend to such extension as may be allowed pursuant to Section 143 (2) of the Act); or
- (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier.

AND FURTHER THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or give effect to the Proposed Shareholders' Mandate.”

9. **ORDINARY RESOLUTION**

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE TO ENABLE PLASTRADE TECHNOLOGY BERHAD TO PURCHASE UP TO TEN PERCENT (10%) OF ITS ISSUED AND PAID-UP SHARE CAPITAL (“PROPOSED RENEWAL OF SHARE BUY-BACK”)

“THAT, subject to the Companies Act, 1965 (“Act”), provisions of the Company's Memorandum and Articles of Association and the requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) for ACE Market and any other relevant authorities, and other relevant approvals, the Directors of the Company be and are hereby authorised to purchase the Company's ordinary shares of RM0.10 each (“Shares”) through Bursa Securities, subject to the following:-

RESOLUTION 9

- (a) The maximum number of Shares which may be purchased by the Company shall not exceed ten per centum (10%) of the issued and paid-up ordinary share capital of the Company at any point in time;
- (b) The maximum fund to be allocated by the Company for the purpose of purchasing its shares shall not exceed the share premium account of the Company as at 31 December 2015;
- (c) The authority conferred by this resolution will be effective upon passing of this resolution and will continue in force until:-
 - (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company following the AGM, at which this resolution was passed, at which time the said authority will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or
 - (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

Notice of 14th Annual General Meeting (Cont'd)

whichever occurs first;

- (d) Upon completion of the purchase(s) of the Shares by the Company, the Shares shall be dealt with in the following manner:-
- (i) cancel the Shares so purchased;
 - (ii) retain the Shares so purchased as treasury shares;
 - (iii) distribute the treasury shares as dividends to shareholders;
 - (iv) resell the treasury shares on Bursa Securities in accordance with the relevant rules of Bursa Securities; and
 - (v) any combination of the above (i), (ii), (iii) and (iv).

AND THAT the Directors be and are hereby authorised to implement the Proposed Renewal of Share Buy-Back with full power to assent to any condition, modification, variation and/or amendment as may be required or imposed by the relevant authorities and to do all such acts as they may consider necessary or expedient to implement the Proposed Renewal of Share Buy-Back.”

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

BY ORDER OF THE BOARD

LEE WEE HEE (MAICSA 0773340)
POW JULIET (MAICSA 7020821)
Secretaries

Date : 28 April 2016

NOTE :

1. This Agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 and the Company's Articles of Association do not require a formal approval of the shareholders and hence, is not put forward for voting.

PROXY :

- i. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may, but need not be a member of the Company. A Member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of him at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- ii. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- iii. Where a member is an Authorised Nominee as defined under The Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account (“omnibus account”) there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- iv. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised.

- v. To be valid, the form of proxy must be deposited at the Registered Office of the Company situated at Suite 5.11 & 5.12, 5th Floor, Menara TJB, No. 9, Jalan Syed Mohd. Mufti, 80000 Johor Bahru, Johor not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
- vi. In respect of deposited securities, only members whose names appear on the Record of Depositors on 16 May 2016, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

Statement Regarding Effect Of Resolutions Under Special Business

- vii. **Re-appointment of Mr Chow Kwai Fong**
The proposed Ordinary Resolution 4 proposed in Agenda 5, if passed, will result in the re-appointment of Mr Chow Kwai Fong, a Director who is over the age of 70 years to hold office until the next annual general meeting of the Company. Pursuant to Section 129(6) of the Companies Act, 1965, the resolution to re-appoint Mr Chow Kwai Fong requires a majority of not less than three fourth of such members of the Company as being entitled so to do vote in person or by proxy.
- viii. **Proposed Retention of Independent Directors.**
The proposed Ordinary Resolution 5 and 6 proposed in Agenda 6, if passed, will allow Mr Chow Kwai Fong and Mr Winston Paul Wong Chi-Huang to be retained and continue acting as Independent Directors to fulfil the requirements of Rule 3.08 of Bursa Malaysia's Ace Market Listing Requirements and in line with the recommendation No 3.2 of the Malaysian Code of Corporate Governance 2012. The full details of the Board's justification and recommendations for the retention of Mr Chow Kwai Fong and Mr Winston Paul Wong Chi-Huang as Independent Directors are set out in Section 3 of the Statement of Corporate Governance in the 2015 Annual Report on Page 16.
- ix. **Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965.**
The Ordinary Resolution No. 7 proposed in Agenda 7, if passed, will renew the general mandate given at the 13th Annual General Meeting in 2015, and empower the Directors of the Company from the date of the above Meeting until the next Annual General Meeting unless, previously revoked or varied at a general meeting, to issue shares in the Company up to an aggregate number not exceeding ten per centum of the issued share capital of the Company for the time being for such purposes as they consider would be in the interest of the Company.

As at the date of this Notice, the Company has not issued any new shares in the Company pursuant to the mandate granted to the Directors at the 13th Annual General Meeting held on 29 May 2015.

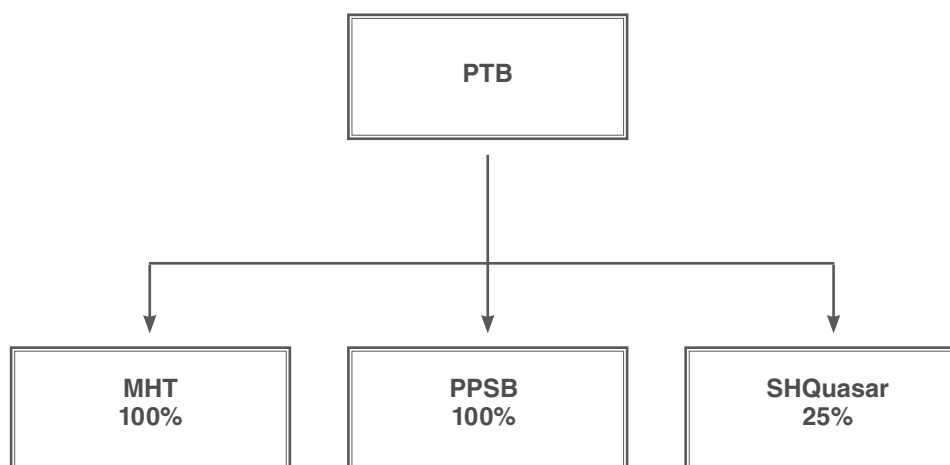
The renewal of the general mandate will provide flexibility to the Company for any possible fund raising activities including but not limited to further placing of shares, for purpose of funding future investment projects(s), working capital and/or acquisitions.
- x. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature ("Proposed Shareholders' Mandate").**
The Ordinary Resolution No. 8 proposed in Agenda 8, if passed, will allow the Company and its subsidiaries to enter into recurrent related party transactions of a revenue and trading nature which are likely to occur with some degree of frequency and could arise at any time and from time to time. (full details of which are set out in the Circular to Shareholders dated 28 April 2016 which is circulated together with the 2015 Annual Report)
- xi. **Proposed Renewal of Shareholders' Mandate to enable Plastrade Technology Berhad to purchase up to ten percent (10%) of its issued and paid-up share capital ("Proposed Renewal of Share Buy-Back").**
The Ordinary Resolution No. 9 proposed in Agenda 9, if passed, will allow the Board to exercise the power of the Company to purchase its own Shares at any time within the abovementioned time period using internal funds of the Company and/or borrowings as long as the purchase is backed by an equivalent amount of retained profits and/or share premium of the Company. The shareholders' approval for the Proposed Renewal of Share Buy-Back does not impose an obligation to the Company to purchase its own Shares.

Plastrade Technology Berhad (“the Company” or “PTB”) was incorporated in Malaysia under the Companies Act, 1965 on 29 August 2002 as a public limited company. PTB is principally an investment holding company and was listed on the ACE Market of Bursa Malaysia Securities Berhad on 15 January 2004.

Particulars of subsidiaries and associate company:-

Subsidiary Company	Place of Incorporation	Principal Activities
MHT Manufacturing Sdn Bhd (“MHT”)	Malaysia	Manufacturing of medium voltage peroxide crosslinkable polyethylene compounds for power cable up to 35KV, halogenfree flame retardant compounds, crosslinkable mineral-filled flame resistance compounds and polyethylene compounds
Plascable Polymer Sdn Bhd (“PPSB”)	Malaysia	Manufacturing of conductor shield (bonded) and insulation (strippable) semi-conductive compounds for power cable up to 35KV, coloured concentrated plastic master batches, polymer additives, stabilizers and composites compounds
Associate Company	Place of Incorporation	Principal Activities
Shanghai Quasar Polymer Technology Co. Ltd (“SHQuasar”)	China	Manufacturing of crosslinkable polyethylene compounds for power cable insulation and jacket

The group structure of PTB Group is set out below:



VISION

To establish a well known trade name with high performance products.

MISSION

To produce high performance products/compounds which are well accepted by industries worldwide.

BOARD OF DIRECTORS**Pua Kong Hoi***Chairman and Managing Director***Teng Chee Kuan***Executive Director***Chow Kwai Fong***Senior Independent Non-Executive Director***Winston Paul Wong Chi-Huang***Independent Non-Executive Director***Vincent Wong Soon Choy***Independent Non-Executive Director***COMPANY SECRETARIES**

Lee Wee Hee (MAICSA 0773340)
 Pow Juliet (MAICSA 7020821)

REGISTERED OFFICE

Suite 5.11 & 5.12, 5th Floor, Menara TJB,
 No. 9, Jalan Syed Mohd. Mufti,
 80000 Johor Bahru, Johor Darul Takzim.
 Tel : (607) 224 2823
 Fax : (607) 223 0229

AUDITORS

Crowe Horwath
 E-2-3 Pusat Komersial Bayu Tasek,
 Persiaran Southkey,
 80150 Johor Bahru, Johor Darul Takzim.
 Tel : (607) 288 6627
 Fax : (6) 1700 81 3460

SHARE REGISTRAR

Bina Management (M) Sdn Bhd
 Lot 10, The Highway Centre,
 Jalan 51/205,
 46050 Petaling Jaya,
 Selangor.
 Tel : (603) 7784 3922
 Fax : (603) 7784 1988

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
 Hong Leong Bank Berhad
 Malayan Banking Berhad

AUDIT COMMITTEE

Chow Kwai Fong (Chairman)
 Winston Paul Wong Chi-Huang (Member)
 Vincent Wong Soon Choy (Member)

NOMINATION COMMITTEE

Winston Paul Wong Chi-Huang (Chairman)
 Chow Kwai Fong (Member)
 Vincent Wong Soon Choy (Member)

REMUNERATION COMMITTEE

Vincent Wong Soon Choy (Chairman)
 Chow Kwai Fong (Member)
 Winston Paul Wong Chi-Huang (Member)
 Pua Kong Hoi (Member)
 Teng Chee Kuan (Member)

PRINCIPAL PLACE OF BUSINESS

PLO 264, Jalan Firma 3,
 Tebrau Industrial Estate IV,
 81100 Johor Bahru,
 Johor Darul Takzim.

WEB-SITE

www.plastrade-technology.com

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
 Stock Name : PTB
 Stock Code : 0038

Pua Kong Hoi*Chairman/Managing Director*

Pua Kong Hoi, aged 68, a Malaysian, was appointed to the Board on 29 October 2003 as the Chairman and Managing Director. He is also a member of the Remuneration Committee. He holds a Bachelor of Science (Chemistry) degree from the Nanyang University, Singapore. He is also the Director of Plastrade Enterprise Sdn Bhd (PESB) and its subsidiaries, which he founded in 1992 as well as several other companies.

Mr. Pua has very vast experience in the plastic industry spanning well over forty years in a variety of supervisory and management position in several plastic industry related companies and PESB, a company involved in trading and distribution of plastic resins and other chemical products. Presently, Mr. Pua is a member of the Malaysian Plastics Manufacturers Association, Johor Branch (MPMA) and a Licentiate of the Malaysian Institute of Chemistry (LMIC).

He does not have any family relationship with any Director and/or substantial shareholder of the Company, nor any personal interest in any business arrangement involving the Company other than as disclosed under:

- Additional Compliance Information (Recurrent Related Party Transactions) in page 19 of this Report;
- Note 29(a) - Related Party Disclosures in page 67 of this Report; and
- Sections 2.2, 2.3 and 5 of the Circular in relation to Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction Of A Revenue Or Trading Nature.

He does not hold any directorship in any other public companies and has had no convictions for any offences within the past 10 years.

He attended all five (5) Board meetings held during the financial year ended 31 December 2015.

Teng Chee Kuan*Executive Director*

Teng Chee Kuan, aged 52, a Malaysian, was appointed to the Board on 29 October 2003 as an Executive Director. She is also a member of the Remuneration Committee. She holds a Bachelor of Economics (Hons) degree from University Utara Malaysia. She began her career in the field of sales and marketing and joined PESB as the Marketing Manager in year 1992. She was promoted to General Manager in year 1999. Currently, she is engaged with MHT and PPSB as the Group General Manager and has more than twenty (20) years of experience in the plastic industry.

She does not have any family relationship with any Director and/or substantial shareholder of the Company, nor any personal interest in any business arrangement involving the Company. She does not hold any directorship in any other public companies and has had no convictions for any offences within the past 10 years.

She attended all five (5) Board meetings held during the financial year ended 31 December 2015.

Chow Kwai Fong*Senior Independent Non-Executive Director*

Chow Kwai Fong, aged 78, a Malaysian, was appointed to the Board on 12 May 2004 as an Independent Non-Executive Director. He is also Chairman of the Audit Committee, a member of the Remuneration Committee and the Nomination Committee. Mr. Chow has also been identified by the Board as the Senior Independent Non-Executive Director. Presently, he is the Managing Director of Advance Management Pte Ltd, a company incorporated in the Republic of Singapore whose main activities are the provision of secretarial and management consultancy services.

He graduated from Foon Yew High School, Johor Bahru in 1955 with Senior Middle level. He is a Member of The English Association of Secretaries, UK since 1976. Mr. Chow has more than fifty (50) years of experience in the accountancy, secretarial and management consultancy field dating back to 1956 where he first started his career with Lee, Song & Co, Public Accountant, Singapore. In 1974, he took over a firm known as Advance Management Pte Ltd and has held the position of Managing Director up to the present date. He presently acts as Corporate Secretary for about 250 Singapore private limited companies and as management consultant and advisor to 30 companies and 10 non-profit making organizations.

He does not have any family relationship with any Director and/or substantial shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He does not hold any directorship in any other public companies and has had no convictions for any offences within the past 10 years.

He attended all five (5) Board meetings held during the financial year ended 31 December 2015.

Winston Paul Wong Chi-Huang*Independent Non-Executive Director*

Winston Paul Wong Chi-Huang, aged 47, a Singaporean (former Malaysian), was appointed to the Board as an Independent Non-Executive Director on 28 April 2006. He is also the Chairman of the Nomination Committee, a member of the Audit Committee and the Remuneration Committee. He graduated from the University of Keele, UK in 1993 with a Bachelor of Arts Degree Second Class Upper (Hons) in Law and Management. In 1997 he obtained his Masters of Laws degree from the National University of Singapore.

He was called to English Bar in 1994 and admitted to practice to the Malaysian Bar in 1995 and to the Singapore Bar in 2008. He started his career as a lawyer in the firm of Messrs Abdul Raman Saad & Associates in 1995 and was with the firm until February 2006. While he was at Messrs Abdul Raman Saad & Associates, he was a Partner and Head of Department of the Corporate Finance and Capital Markets Department.

In March 2006, Mr. Winston Wong joined Messrs Adi Radlan & Co as a Partner and he was also the Head of the Corporate and Commercial Department of Messrs Adi Radlan & Co until March 2007. In April 2007, he and Ms Pamela Wong set up a new law firm under the name of Winston Wong Law Chambers. In May 2009, the law firm of Winston Wong Law Chambers was merged with Messrs Tea, Kelvin Kang & Company and since then, he has been a partner of Messrs Tea, Kelvin Kang & Company. From June 2007 he joined Wong Partnership LLP, one of Singapore's leading law firms and in April 2009, he was appointed as partner of Wong Partnership LLP. While in Wong Partnership LLP, he was a partner in the debt capital markets practice group.

He retired from legal practice in both Malaysia and Singapore in February 2011 after 16 years in practice. In February 2011, he joined Avnet Asia Pacific Pte Ltd, a subsidiary of Avnet Inc as associate general counsel for Asia-Pacific for its information technology solutions business. In November 2011 he left Avnet Asia Pte Ltd and joined Unilever Asia Pte Ltd as legal counsel supporting the supply chain and enterprise support. Unilever is one of the world's largest fast moving consumer goods company. In March 2012, he left Unilever Asia Pte Ltd and joined SMRT Corporation Ltd, Singapore's multi-modal transport operator, as Director, Legal and Corporate Secretarial, heading the legal and corporate secretarial team at SMRT Corporation Ltd. In January 2013, he left SMRT Corporation Ltd and joined Singapore Post Ltd, an integrated provider of mail, logistics, e-Commerce and retail solutions in Singapore and the Asia Pacific Region, as AVP, Senior Legal Counsel and in November 2013, he was promoted to Acting General Counsel and Joint Company Secretary of Singapore Post Ltd. In May 2014, he was promoted to Chief Legal Officer and Group Company Secretary of Singapore Post Ltd. In January 2015, he left Singapore Post Ltd to join OUE Limited as Vice President, Legal & Compliance. OUE Limited is a diversified real estate owner, developer and operator with a real estate portfolio located in prime locations in Asia and United States across the commercial, hospitality, retail and residential sectors primarily in Singapore and the sponsor of OUE Hospitality Trust and OUE Commercial Real Estate Investment Trust.

He does not have any family relationship with any Director and/or substantial shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He does not hold any directorship in any other public companies and has had no convictions for any offences within the past 10 years.

He attended all five (5) Board meetings held during the financial year ended 31 December 2015.

Vincent Wong Soon Choy*Independent Non-Executive Director*

Vincent Wong Soon Choy, aged 47, a Malaysian, was appointed to the Board as an Independent Non-Executive Director on 05 August 2011. He is also a member of the Audit Committee and a member of the Nomination Committee. He is the Chairman of the Remuneration Committee.

He graduated from Flinders University of South Australia, Adelaide, Australia with a Bachelor of Commerce Degree majoring in Accountancy and minor in Internal Audit. He is also a member of Malaysian Institute of Accountants (MIA) and a member of CPA Australia. His experiences include being the Head of Operations in Hwang-DBS Securities Bhd, Group Accountant for Kia Lim Berhad, a public listed company, Accountant for Peninsula Securities Sdn Bhd and auditing experience during his previous employment with Ernst & Young. He has more than twenty (20) years of working experience with exposure to corporate finance, auditing, compliance, tax planning, group accounts, corporate governance, corporate planning and restructuring.

He is currently also an Independent Non-Executive Director and Chairman of the Audit Committee of Pelangi Publishing Group Berhad a company listed on the Main Market of Bursa Securities.

He does not have any family relationship with any Director and/or substantial shareholder of the Company, nor any personal interest in any business arrangement involving the Company. He has had no convictions for any offences within the past 10 years.

He attended all five (5) Board meetings held during the financial year ended 31 December 2015.

On behalf of the management of PTB, it is our pleasure to present the Annual Report and Financial Statements of the Group for the financial year ended 31 December 2015.

FINANCIAL AND OPERATIONS REVIEW

For the financial year ended 31 December 2015, the Group recorded a turnover of RM56.226 million as compared to the previous year's RM51.575 million. The Group recorded a profit after taxation of RM1.546 million compared with a loss after taxation of RM0.147 million registered in the previous year. The increase in profit was mainly due to higher demand of the Group's products, lower cost of sales and foreign exchange gain for the financial year under review.

Net tangible asset per share of the Group as at 31 December 2015 was 22.48 sen or 8.4% higher compared to 20.74 sen in 2014.

The global market volatility has affected the Group's total export sales for the financial year ended 31 December 2015 that has dropped approximately 18% compared to the financial year ended 31 December 2014. Local demand however for the financial year ended 31 December 2015 has increased approximately 21% compared to the financial year ended 31 December 2014 due to a higher domestic consumption in Malaysia.

DIVIDENDS

No dividend is recommended for the financial year ended 31 December 2015.

PROSPECTS

The Board of Directors of PTB is of the view that its financial performance for the forthcoming financial year ending 2016 will be challenging due to the volatile global economy. The Group will continue its best effort to ensure the Group remains competitive by our ongoing costs saving measures and to market our products to new territories.

APPRECIATION

On behalf of PTB, we would like to take this opportunity to express our sincere appreciation to all valued shareholders, customers, vendors, bankers, business associates and regulatory authorities for their continued support and confidence in us. We also wish to express our gratitude to the management team and staff for their continued dedication and commitment.

We would also like to record our utmost appreciation to Mr Chang Hing Ling @ Cheun Poh Kern who resigned as a Director on 1st September 2015 for his valued counsel and service to the Company.

The Board recognizes the importance of adopting good corporate governance in order to protect and enhance the shareholders' value and the financial performance of the Group, whilst taking into account the interests of the shareholders. Premised on this, the Board endeavours to ensure the principles and best practices as set out under the Listing Requirements of the ACE Market of Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance 2012 ("the Code") are observed and practiced.

The Board is pleased to set out below, the manner in which the Group has applied the Corporate Governance Principles and Recommendations set out in the Code and the extent to which the Company has complied during the financial year under review.

1. Establishment of Clear Roles and Responsibilities

The Board is responsible for the overall performance and management of the Group, focusing mainly on the following six specific responsibilities:

- the setting of the Group's strategic direction
- control and oversight of the Group's business
- risk management
- succession planning
- development and implementation of plans to enhance and sustain long term shareholders value
- ensuring the integrity of the Group's processes and control systems

The Board maintains specific Board committees with clear responsibilities and terms of reference to assist the Board in carrying out its stewardship role and function, and fulfilling its fiduciary responsibilities.

• Oversight of Group's Business

Currently, the day-to-day management of the business operations of the Group is headed by the Managing Director, supported by the Executive Director and a team of Senior Management Executives. Their performance under the leadership of the Managing Director and Executive Director is assessed by the Board based on the financial and management reports tabled during its quarterly reporting periods. The Board is also kept informed of the Group's strategic direction initiatives, significant operational and regulatory challenges faced by the Group during its meetings.

The Board has adopted a Board Charter which sets out clear roles and responsibilities for the Board and Management, adoption of a code of conduct and ethics and reviewed its governance practices in line with the recommendations of the Code.

• Access to Information and Advice

The Board members have full and unrestricted access to the information on the Group's business and affairs to enable them to discharge their duties and responsibilities effectively. All Directors have access to the Management and may interact directly with the management or request further explanations, request for information in relation to any areas of the Group's operations or business.

All Directors also have full and unrestricted access to the advice and services of the Company Secretaries and may obtain independent professional advice at the Company's expense in order to discharge their duties effectively. The Board is regularly updated on new guidelines, directions and new regulatory issues affecting the Group by the Company Secretaries as well as External Auditors and Internal Auditors. The Board is satisfied with the support and performance provided by the Company Secretaries in assisting the Board to discharge its duties.

• Risk Management System

The Board maintains an effective risk management system with the assistance of the management. Senior management and Heads of Department reviews and updates the risks faced by the Group to ensure that existing mitigation actions against such risks are adequately addressed and reported to the Audit Committee and ultimately the Board.

1. Establishment of Clear Roles and Responsibilities (cont'd)

Shareholder Communication Policy

The Board recognizes the importance of communications to its shareholders and investors ensuring that they are well informed of the Group's performances and latest developments. As such, the Group disseminates information to its shareholders and investors through its Annual Report, circulars, quarterly financial results and various announcements from time to time. The shareholders and investors may obtain the Company's latest announcements via the website of Bursa Malaysia at www.bursamalaysia.com. The Company also maintains its website at www.plastrade-technology.com containing business, investor and product information for the access of the general public.

The Group's Annual General Meeting serves as a principal forum for dialogue with shareholders. Shareholders are encouraged to raise questions pertaining to the operations and financials of the Group.

Integrity of Management Information and Internal Control

The Board is overall responsible for maintaining and ensuring the integrity of a sound system of Internal Control which supports effective and efficient operations to safeguard shareholders interests and the Group's business and assets. The Board's statement on Risk Management and Internal Control of the Group is set out on page 21 of the Annual Report.

2. Strengthen Composition

The Board currently consists of five (5) members, comprising two (2) Executive Directors and three (3) Independent Non-Executive Directors. The current composition of 3 Independent Non-Executive Directors exceeds the current 1/3 requirement for Independent Non-Executive Directors under Bursa Malaysia Securities Berhad's ACE Market Listing Requirements.

PTB is led and managed by a diverse and experienced Board of Directors with a wide and varied spectrum of expertise that ensures accountability and competence. The Executive Directors are overall responsible for implementing the strategies and decisions of the Board, overseeing the Group's day-to-day operations and businesses, whilst the Independent Non-Executive Directors providing their independent view, unbiased judgment and knowledge to the management as well as safeguarding the interests of the shareholders.

Gender diversity in the Boardroom has also been met with the presence of a female member on the Board who is an Executive Director.

Nomination Committee

The Board has established a Nomination Committee comprised exclusively of Non-Executive Directors a majority of whom are independent as follows:

Chairman

Winston Paul Wong Chi-Huang - Independent Non-Executive Director

Members

Chow Kwai Fong – Senior Independent Non-Executive Director

Vincent Wong Soon Choy – Independent Non-Executive Director (Appointed on 20 August 2015)

Chang Hing Ling @ Cheun Poh Kern – Non-Independent Non-Executive Director
(Ceased as member on 20 August 2015)

Currently the Chairman of the Nomination Committee is not the Senior Independent Non-Executive Director which is a deviation from the recommendation of the Code. The Board is of the view that this is not critical and that the current Chairman, Mr. Winston Paul Wong Chi-Huang, an Independent Non-Executive Director has been carrying out the roles and function as Chairman of the Nomination Committee to the Board's satisfaction.

It is also in line with the Board intentions for the Board Committees to be chaired by different Non-Executive Directors as Mr. Chow Kwai Fong is already the Chairman of the Board's Audit Committee.

2. Strengthen Composition (Cont'd)

Nomination Committee (Cont'd)

The primary responsibilities of the Nomination Committee are as follows:

- To oversee the selection criteria and recruitment process and recommend to the Board, candidates for all directorship to be filled by the shareholders or the Board taking into consideration the candidates':
 - competencies, commitment, contribution and performance;
 - professionalism;
 - integrity; and
 - in the case of candidates for the position of Independent Non-Executive Directors, the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.
- including formalising its stand and approach to boardroom diversity.
- Consider, in making its recommendations, candidates for directorships proposed by the Managing Director and, within the bounds of practicability, by any other senior executive or any director or shareholder.
 - Recommend to the Board, directors to fill the seats on Board Committee.
 - Reviewing on an annual basis, that the Board's size, composition and balance is appropriate and in particular that the required mix of skills and experience and other qualities, including core competencies which non-executive directors should bring to the Board are present.
 - To oversee the development, maintenance and review of the criteria to be used in the recruitment process and the annual review and assessment of the effectiveness of the Board as a whole, the committees of the Board, and the contributions of each individual director, including an assessment of the independence of the Independent Non-Executive Directors and their length of tenure in office in line with the recommendations of the Code.
 - To make assessment, consider justifications and make recommendations on the element of independence of an Independent Director should the Board wish to retain as an Independent Director, a person who has served in that capacity for more than nine years.
 - Review of Board's succession plans and facilitate induction and training programmes.

The Nomination Committee has adopted a formal assessment mechanism to assess the effectiveness of the Board as a whole, the Board Committees and the contribution of each individual Director, including the Independent Non-Executive Directors. In accordance with the mechanism adopted the Nomination Committee conducted the review of the Board's effectiveness as a whole, the performance of the Board Committees and the performance of each individual Director.

Based on the assessment made by the Nomination Committee during the year, the Board is satisfied with its existing size, structure and composition. The Board is also of the view that the current mix of skills, experience and qualities of the existing Board members are appropriate to enable the Board to carry out its responsibilities effectively.

Both the Nomination Committee and Board views diversity in the Boardroom as an essential factor in ensuring an effective and well functioning Board and that its composition:-

- is currently comprised of Directors from a diversified background;
- age ranges from 47 years to 78 years;
- one board member is of the female gender, and
- drawn from different cultural and socio-economic background and is sufficiently diverse that different viewpoints are considered in the decision making process.

In accordance with the Company's Articles of Association, at least one-third (1/3) of the Directors shall be subjected to retirement by rotation at each Annual General Meeting ("AGM") and all the Directors shall retire at least once in every three (3) years. All Directors who retire from office shall be eligible for re-election. Directors who are appointed by the Board during the financial year are subject to re-election by the shareholders at the next AGM held following their appointments.

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

2. Strengthen Composition (Cont'd)

Remuneration Committee

The Board has also established a Remuneration Committee comprised of a majority of Non-Executive Directors as follows:

- **Chairman**
Vincent Wong Soon Choy – Independent Non-Executive Director (Appointed on 20 August 2015)
Chang Hing Ling @ Cheun Poh Kern – Non-Independent Non-Executive Director
(Ceased as member on 20 August 2015)
- **Members**
Pua Kong Hoi - Chairman and Managing Director
Teng Chee Kuan - Executive Director
Chow Kwai Fong - Senior Independent Non-Executive Director
Winston Paul Wong Chi-Huang - Independent Non-Executive Director

The Remuneration Committee is empowered by its terms of reference and its primary responsibility is to review and recommend to the Board from time to time, the remuneration package of the Executive Directors in all forms to commensurate with the respective contributions of the Executive Directors. The Executive Directors are to abstain from deliberations and voting on the decisions in respect of their own remuneration.

The Board as a whole decides on the remuneration and entitlements of the Non-Executive with the Director concerned abstaining from deliberations and voting on the decisions in respect of his/her remuneration.

Director's fees and any changes are approved by the shareholders at the AGM based on the recommendation of the Board.

The aggregate Directors' remuneration paid or payable to all Directors of the Group categorized into appropriate components for the financial year ended 31 December 2015 are as follows: -

	Fees RM	Salaries and other emoluments RM	Total RM
Executive	-	432,430.00	432,430.00
Non-Executive	63,250.00	5,400.00	68,650.00
	63,250.00	437,830.00	501,080.00

Breakdown of aggregate remuneration for the year of Directors who had served during the financial year ended 31 December 2015 in bands of RM50,000 are as follows: -

Remuneration Band RM	Number of Directors	
	Executive Directors	Non-Executive Directors
1 – 50,000	-	4
50,001 – 100,000	-	-
100,001 – 150,000	-	-
150,001 – 200,000	-	-
200,001 – 250,000	2	-

3. Reinforce Independence

The Board has adopted a policy and procedures for the assessment of its Independent Directors annually.

The assessment carried out by the Nomination Committee apart from looking at the criteria and definition of an Independent Director set out under the Listing Requirements of the ACE Market of Bursa Malaysia Securities Berhad, also considers:

- whether the Independent Directors have developed, established or maintained any significant relationship with the Executive Directors and Major Shareholders;
- whether the Independent Directors have engaged in any transactions with the Group; and
- whether the Independent Directors have devoted sufficient time commitment and desire to serve.

The Board notes that Mr. Chow Kwai Fong and Mr. Winston Paul Wong Chi-Huang who were appointed as Independent Non-Executive Director on 12 May 2004 and 28 April 2006 will have served for a period of more than a cumulative period of twelve years and ten years respectively by 20 May 2016 (the proposed date for the 2016 Annual General Meeting).

Pursuant to Recommendation 3.3 of the Code and notwithstanding their long tenure in office, the Board based on the review and recommendations made by the Nomination Committee, is unanimous in its opinion that Mr. Chow's and Mr. Wong's independence have not been compromised or impaired in any way after having noted the following considerations during the review and assessment of Mr. Chow's and Mr. Wong's independence:

- Both Mr. Chow and Mr. Wong continue to fulfill the criteria and definition of Independent Directors as set out under Rule 1.01 of Bursa Malaysia's ACE Market Listing Requirements.
- During their tenure in office, both Mr. Chow and Mr. Wong have not developed, established or maintained any significant relationship with the Executive Directors or Major Shareholders which would impair his independence.
- During their tenure in office, both Mr. Chow and Mr. Wong have not transacted or entered into any transactions with the Group, the Executive Directors or Major Shareholders within the scope and meaning as set forth under Paragraph 4 of Guidance Note 9 of Bursa Malaysia ACE Market Listing Requirements.
- During their tenure in office, both Mr. Chow and Mr. Wong have not been offered or granted any options by the Group. Other than Directors' fees and allowances paid which had been the norm and been duly disclosed in the Annual Reports, no other incentives or benefits of whatsoever nature had been paid to them by the Group.

Accordingly the Board strongly recommends to retain Mr. Chow and Mr. Wong as Independent Non-Executive Directors and will be tabling an Ordinary Resolution to shareholders at the forthcoming 2016 Annual General Meeting for the purpose.

· **Separation of positions of the Chairman and Managing Director**

Mr. Pua Kong Hoi holds the roles of Chairman and Managing Director due to his entrepreneurship, business expertise and in-depth experience in the resin and compound industries. While the roles are combined, and is a deviation from the recommendations of the Code, the Board is also of the view that there are sufficient Independent Non-Executive Directors on the Board who are capable of exercising independent judgment to ensure fair and objective deliberations at the Board Meetings. The current Board is now comprised of more than 50% Independent Non-Executive Directors.

The Board is of the view taking into consideration the size and nature of the industry in which it is involved in, that the strong leadership, focus, commitment and integrity of Mr. Pua is more vital and important in moving the Group forward.

4. Foster Commitment

• Time Commitment

The Board based on its annual assessment carried out by the Nomination Committee is satisfied with the time commitments given by its Directors as evidenced by the attendance record of the Directors at Board and Committee meeting as set out below:

Name of Director	Position	Attendance			
		Board	AC	NC	RC
Pua Kong Hoi	Chairman/Managing Director	5/5	-	-	1/1
Teng Chee Kuan (F)	Executive Director	5/5	-	-	1/1
Chang Hing Ling @ Cheun Poh Kern	Non-Independent Non-Executive Director (Resigned on 01 September 2015)	3/4	3/4	1/1	0/1
Chow Kwai Fong	Senior Independent Non-Executive Director	5/5	5/5	1/1	1/1
Winston Paul Wong Chi-Huang	Independent Non-Executive Director	5/5	5/5	1/1	1/1
Vincent Wong Soon Choy	Independent Non-Executive Director	5/5	5/5	-	1/1

Note: AC – Audit Committee; NC – Nomination Committee; RC – Remuneration Committee.

• Directors' Training

The Directors of the Company have attended the Mandatory Accreditation Programme (“MAP”) conducted by Bursatra Sdn Bhd in compliance with the Listing Requirements. The Directors were encouraged to attend relevant training programmes/seminars/briefings to further enhance their skills and knowledge in the latest statutory and regulatory requirements as well as to keep abreast with the business development to assist them in discharging their duties as Directors.

During the financial year 2015, the training programmes/seminars/briefings attended by the Directors individually are as follow:

Directors	Training Programmes/Seminars/Briefings
Pua Kong Hoi	<ul style="list-style-type: none"> o OCBC 2015 Economic & Commodity Update o Noise Exposure Monitoring Training
Teng Chee Kuan	<ul style="list-style-type: none"> o Pocket-Talk with Company on Benefits of Malaysia's Free Trade Agreement (FTA) and Method for Applying Certificate of Origin o Noise Exposure Monitoring Training
Chow Kwai Fong	<ul style="list-style-type: none"> o Key Legislative Reforms to the Companies Act and Business Registration Act
Winston Paul Wong Chi-Huang	<ul style="list-style-type: none"> o Global Technology Law Conference 2015 – The Future of Money & Data o Prevention of Money Laundering & Countering the Financing of Terrorism o Data Protection in Singapore o Delay, Disruption, Disputes & Construction Contracts o Employment Law Insights o Changes to the Law on Penalties
Vincent Wong Soon Choy	<ul style="list-style-type: none"> o 2016 Tax and Budget Outlook

5. Uphold Integrity In Financial Reporting

The Board is responsible for ensuring the proper maintenance of the accounting records of the Group. The Group's financial reporting in the form of quarterly and annual financial statements present a balanced and understandable assessment of the Group's position and prospects. The Audit Committee assists the Board in ensuring the information disclosed is accurate, adequate and complies with all applicable Malaysian Financial Reporting Standards.

The Board's Audit Committee has adopted a policy and procedure to assess the suitability and independence of its external auditors. As part of these procedures, the external auditors will be required to make a declaration to the Audit Committee and Board to confirm that they are and have been independent throughout the conduct of the audit engagement.

Subsequent to the financial year ended 31 December 2015, the Audit Committee had carried out an assessment. The Audit Committee and Board following this assessment are satisfied with the independence of the External Auditors and will be recommending the External Auditors to shareholders for re-appointment at the forthcoming Annual General Meeting.

Statement of Directors' Responsibility in Relation to the Financial Statements

The Directors are responsible for the preparation of the Annual Audited Financial Statements which give a true and fair view of the state of affairs of the Group and will ensure that they are presented in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards in Malaysia.

In the preparation of the financial statements for the year ended 31 December 2015, the Directors are satisfied that the Group had used appropriate accounting policies that consistently applied and supported by reasonable and prudent judgment and estimates.

6. Recognise and Manage Risks

The Board is assisted by the management to maintain its risk management system, which is reviewed and updated constantly to safeguard shareholders investments and the Group's assets.

The Group's Internal Audit function has been outsourced to an external consultant which reports directly to the Audit Committee.

The Internal Audit function currently reviews and appraises the risk management and internal control processes of the Group. The Statement on Risk Management and Internal Control set out on page 21 of this Annual Report provides an overview of the Group's approach to ensuring the effectiveness of the risk management and internal processes within the Group.

7. Ensure Timely and High Quality Disclosure

The Board acknowledges the importance of ensuring that it has in place, appropriate corporate disclosure policies and procedures which leverages on information technology as recommended by the Code.

The Board has adopted a corporate disclosure policy forming part of the Board Charter which aims at providing timely and accurate disclosure of all material information on the Group to shareholders and investors, guided by Bursa's Corporate Disclosure Guide (Issued on 22nd September 2011).

This policy together with the Board Charter is available on the Company's website at www.plastrade-technology.com together with other principle information of the Group.

8. Strengthen Relationship between Company and Shareholders

The Board recognizes the importance of communications with its shareholders and will take additional measures to encourage shareholders participation at general meetings as recommended by the Code.

This includes the Chairman highlighting to shareholders and proxy holders, their right to speak up at general meetings, conducting of poll voting in respect of resolutions involving related party transactions and a review of the performance of the Company during Annual General Meetings.

Other than the Board Chairman and Managing Director, shareholders may convey any concerns that they may have to the Senior Independent Non-Executive Director, Mr. Chow Kwai Fong.

Compliance Statement

The Board recognizes and views that Corporate Governance is an ongoing process and is of the view that the Company has substantially complied with the recommendations of the Code and will take appropriate steps towards embracing the Principles and Recommendations under the Code at a pace and time frame consistent with the size, priority and dynamics of the Group.

ADDITIONAL COMPLIANCE INFORMATION

To comply with the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad, the following information is provided: -

Utilisation of Proceeds

There were no proceeds raised by the Company during the financial year.

Recurrent Related Party Transactions

During the year, the Shareholders of the Company have approved a mandate for Recurrent Related Party Transactions of a revenue or trading nature during its Annual General Meeting held on 29 May 2015. Details of the Recurrent Transactions made during the financial year ended 31 December 2015 are as follow:-

Name of Related Party	Relationship with the Group	Nature of Transactions	Total Value (RM)
Plastrade Enterprise Sdn Bhd	Company in which certain directors have interest	Sales of goods	2,166,711
		Purchase of goods	2,483,241
Plextech (Malaysia) Sdn Bhd		Sales of goods	429,960
Plascolour Compound Sdn Bhd		Purchase of goods and services	65,208
Shanghai Quasar Polymer Technology Co. Ltd	Associate	Sales of goods	2,369,913

The Company will seek for the Shareholders' approval for renewal of the Shareholders' mandate at the forthcoming Annual General Meeting of the Company to be held on 20 May 2016. The details of the proposed renewal of the Shareholders' mandate to be sought are furnished in the Circular to Shareholders.

Non-Audit Fee

The amount of non-audit fees for services provided by the external auditors to the Group for the financial year was amounted to RM4,293.00

Share Buybacks

There were no share buybacks during the financial year ended 31 December 2015.

Options, Warrants or Convertible Securities Exercised

The Company has not issued any options, warrants or convertible securities in respect of the financial year ended 31 December 2015.

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

The Company has not sponsored any ADR or GDR programme for the financial year ended 31 December 2015.

Sanctions and/or Penalties

The Company and its subsidiaries, Directors and management have not been imposed with any sanctions and/or penalties by any regulatory bodies.

Profit Estimate, Forecast or Projection

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

Profit Guarantee

There were no profit guarantee given by the Company in respect of the financial year ended 31 December 2015.

ADDITIONAL COMPLIANCE INFORMATION (Cont'd)**Material Contracts**

Other than those contracts entered into and disclosed as Related Party transactions as disclosed in Note 29 to the Financial Statements on page 67, there were no material contracts by PTB and its subsidiaries involving Directors' and major shareholders' interests.

Contracts Relating to Loan by the Company

There were no contracts relating to loan by the Company and its subsidiaries in respect of the preceding item.

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

Corporate Social Responsibility is defined as open and transparent business practices that are based on ethical values and respect for the community, employees, the environment, shareholders and other stakeholders.

PTB acknowledges the importance of embracing this philosophy and is committed to instilling a corporate culture within PTB that emphasises on good Corporate Social Responsibility and being an exemplary corporate citizen.

In line with this PTB continues to conduct and enhance its business practices based on good ethical and moral values with due consideration and respect to the community, employees, the environment, shareholders and other stakeholders in an open and transparent manner.

PTB's human resources policy includes ensuring its human capital is sufficiently diverse in various aspects such as age, gender, ethnicity, cultural and socio-economic background.

In particular PTB continuously advocates a corporate culture of caring for its employees by investing in training, provision of career growth opportunities, employee safety and welfare at all levels to ensure continuous growth in its human capital development.

The Malaysian Code on Corporate Governance requires that the Board of Directors maintain a sound system of internal control to safeguard shareholders' interests and the Group's business and assets. The Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") requires directors of public listed companies to include a statement in the annual report on its state of risk management and internal control as a Group. In compliance with the above requirements and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guideline"), the Board of Directors ("the Board") of Plastrade Technology Berhad ("PTB") is pleased to present below its Statement on Risk Management and Internal Control as a Group for the financial year under review.

BOARD RESPONSIBILITIES

The Board recognises the importance of maintaining a sound internal control and effective risk management practices in the Group. The Board has overall responsibility on the system of risk management and internal control including regular reviews on the adequacy, effectiveness and integrity of the system. Nonetheless, the Board recognises that the system of internal control can only provide reasonable but not absolute assurance against material misstatement or loss, as it is designed to manage rather than eliminate the risk of failure to achieve business objectives.

RISK MANAGEMENT

The Board's primary objective and direction in managing the Group's risks is focused on the achievement of the Group's business objectives. The Group has established the internal control procedures with clear lines of accountability and delegated authority to identify, evaluate and manage significant risks.

The Group has an ongoing process for identifying, evaluating and managing key risks in the context of its business objectives. A structured Risk Management Framework was adopted in order to manage key risks effectively. Senior management and Heads of Department are delegated with the responsibility to monitor and manage risks covering their respective areas of responsibilities. During the bi-yearly management meetings, key risks and mitigating controls are assessed, reviewed and deliberated. Significant risks, if any, affecting the Group's strategic and business plans are then escalated to the Audit Committee and onwards to the Board at their scheduled meetings. The Board shall continue to evaluate the Group's Risk Management Framework to ensure it remains relevant to the Group's requirements.

The Board is of the view that the Company's overall risk management and internal control system is operating adequately and effectively, in all material aspects and have received the same assurance from the Managing Director and Accounts cum Finance Manager (Chief Financial Officer designate pursuant to the Ace Market Listing Requirements) of the Company.

INTERNAL CONTROL SYSTEM

The key components of the Group's internal control systems are summarised as follows:-

- Appoint independent professional firm to perform the Group's internal audit function;
- An organisation structure with clearly defined lines of responsibility, authority and accountability;
- Well documented internal policies and procedures, work instructions, employee manuals and handbooks, which are periodically updated and when needs arise to meet the changing requirements;
- Regular operational and informal meetings are held to review and monitor operational and financial performances as well as formulate action plans to address any areas of concern;
- Reports are prepared to facilitate the Group's management to perform review on a range of operating units. The review comprises financial and non-financial areas which includes compliance matters.

INTERNAL AUDIT FUNCTIONS

The Group's internal audit function was out-sourced to an independent professional firm during the financial year. The total costs incurred for the internal audit function for the financial year ended 31 December 2015 is RM29,998.00.

During the financial year, the outsourced internal audit function carried out internal audits to review the adequacy and integrity of the internal control system of the Group based on the audit plan that has been approved by the Audit Committee. The internal auditors reported their audit findings and recommendations to the Audit Committee members during Audit Committee meeting.

During the year under review, the internal auditors had reviewed the Group's Quality Assurance and Control Process.

The findings arising from the above review were reported to management for their response and subsequently for the Audit Committee deliberation. Where weaknesses were identified, recommended procedures have been or are being put in place to strengthen controls.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report of the Group for the year ended 31 December 2015 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of internal controls within the Group.

CONCLUSION

The Board is not aware of any material losses which occurred during the financial year ended 31 December 2015 that resulted from the weaknesses in the internal control system.

APPLICABILITY TO ASSOCIATED COMPANY

Even though the Board does not have direct control over the associated company's operations, the Group's interests are served through the following:

- Representative from our Company on the associated company's board of directors;
- Application of financial monitoring control through the receipt and review of management accounts of the associated company and enquiries made thereon, as appropriate; and
- Having access to the external auditors of the associated company who report to the Board on an annual basis.

This statement was approved by the Board on 02 April 2016.

COMPOSITION AND DESIGNATION OF AUDIT COMMITTEE

The members of the Audit Committee are as follows:

Name	Designation	Directorship
Chow Kwai Fong	Chairman	Senior Independent Non-Executive Director
Winston Paul Wong Chi-Huang	Member	Independent Non-Executive Director
Vincent Wong Soon Choy	Member	Independent Non-Executive Director
Chang Hing Ling @ Cheun Poh Kern	Member	Non-Independent Non-Executive Director (Ceased as member on 20 August 2015)

TERMS OF REFERENCE

The Terms of Reference of the Audit Committee of PTB are as follows:

I) MEMBERSHIP

1. The Audit Committee shall be appointed by the Board of Directors and shall comprise of no fewer than three (3) members.
2. All Audit Committee members must be Non-Executive Directors, with a majority of them being Independent Directors as defined in Bursa Malaysia Securities Berhad Listing Requirements.
3. The members of the Audit Committee shall elect a Chairman from among themselves who shall be an Independent Director; and
4. At least one (1) member of the Audit Committee:-
 - i) must be a member of the Malaysian Institute of Accountants ('MIA'), or
 - ii) if he is not a member of the MIA, he must have at least 3 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.
 - iii) fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.
5. No Alternate Director shall be appointed as member of the Audit Committee.
6. If a member of the Audit Committee retires, resigns, dies or for any reason ceases to be a member resulting in the non-compliance of paragraph 1 and 4 above, the Board shall within three (3) months of these events, fill the vacancy.
7. The Company Secretary or such other person as the Audit Committee may determine shall be the Secretary of the Audit Committee.

II) POLICY

It is the policy of PTB to establish an Audit Committee to provide assistance to the Board in relation to fulfillment of the Board's statutory as well as fiduciary responsibilities and ensure that the internal and external audit functions of PTB Group are being carried out adequately and effectively.

III) DUTIES AND FUNCTIONS

The Audit Committee shall review, report and make recommendations to the Board on the following matters:-

1. The appointment of the external auditors, the audit fee and any questions of re-appointment, resignation or dismissal, and in particular to assess the suitability and independence of the external auditors on an annual basis.

Audit Committee Report (Cont'd)

2. To review with the external auditors:-
 - the audit plan and the audit reports;
 - his evaluation of the system of the internal controls;
 - his audit report;
 - his management letter and management's response;
 - the assistance given by the Company's employees to the external auditors;
 - to discuss problems and reservations arising from the interim and final audit, and any matter the auditors may wish to discuss (in the absence of the management where necessary).
3. To review:-
 - the quarterly and year-end financial statements of the Company and Group prior to the approval of the Board of Directors, and thereafter to submit them to the Directors of the Company focusing particularly on:-
 - i) changes in or implementation of major accounting policies and practices;
 - ii) significant adjustments arising from the audit;
 - iii) the going concern assumption;
 - iv) compliance with applicable financial and accounting reporting standards and other legal requirements.
 - any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity.
4. Establishment of an internal audit function which is independent of the activities it audits and in relation thereto:-
 - ensure that the head of the internal audit function reports directly to the Audit Committee;
 - review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
 - review the internal audit programme, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - review any appraisal or assessment of the performance of members of the internal audit function;
 - approve any appointment or termination of senior staff members of the internal audit function;
 - inform itself of changes in personnel of the internal audit staff members and make available the opportunity for resigning staff members to submit his reasons for resigning;
 - conduct regular reviews and appraisals of the effectiveness of the governance, risk management and internal controls processes within the Company.
5. To propose best practices on disclosure in financial results and annual reports of the Company in line with the principles and spirit set out in Malaysian Code of Corporate Governance, other applicable laws, rules, directives and guidelines.

IV) AUTHORITY

The Audit Committee is authorised by the Board to:-

1. investigate any matter or activity within its terms of reference;
2. have the resources which are required to perform its duties;
3. have full and unrestricted access to any information pertaining to the Company and Group;
4. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
5. obtain independent professional or other advice when needed and to secure the attendance of third parties with relevant experience and expertise if it considers this necessary; and
6. convene meetings with the external auditors, the internal auditors or both, excluding the attendance of the other directors and employees of the Company, whenever deemed necessary.

V) PROCEDURE OF AUDIT COMMITTEE

1. The Committee may meet together for the dispatch of business, adjourn and subject to Article 116 otherwise regulate their meetings as they think fit, provided that the Committee shall meet at least four (4) times in a calendar year.
2. Any member of the Committee may at any time and the Secretary shall on such request summon a meeting of the Committee.
3. At least seven (7) days notice of a meeting of the Committee shall be given to all Committee Members in writing at his last known address or other address given by him for the purpose. The Committee Members may meet on shorter notice and waive notice of any meetings as they deem necessary subject to the consent and agreement of all Committee Members.

The quorum necessary for the transaction of business shall be two (2) comprised of a majority of Independent Directors.

V) PROCEDURE OF AUDIT COMMITTEE (Cont'd)

4. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes, the chairman of the meeting shall have a second or casting vote PROVIDED THAT where two (2) members form a quorum, the chairman of the meeting at which only such quorum is present, or at which only two members are competent to vote on the question at issue, shall not have a casting vote.
5. The external auditors may request a meeting if they consider that one is necessary and the Chairman upon such request will convene a meeting for the purpose.

The external auditors shall have the right to appear and be heard at any meetings of the Committee.

The Committee shall meet with the external auditors at least twice a year and if deemed necessary without the presence of any executive Board member.

6. The Financial Controller/Head of Finance, the Head of Internal Audit (where such function exists) shall normally attend meetings or be excluded at the discretion of the Chairman. The Chairman shall, where he deems appropriate, invite any other Board members, employees, third party professionals and/or any person(s) with the relevant experience and expertise to attend any meetings of the Committee.
7. The Committee shall cause minutes to be duly entered into books provided for the purposes:-
 - i) of the names of all committee members and other participants at each meeting of the Committee;
 - ii) of all resolutions and proceedings of committee meetings;
 - iii) of all orders, recommendations and reports made by the Committee.

Such minutes shall be signed by the Chairman of the Committee at which the proceedings were held or by the Chairman of the next succeeding meeting, and if so signed, shall be conclusive evidence without any further proof of the facts therein stated.

8. The books containing the Minutes of proceedings of the Committee shall be kept by the Company at the Registered Office of the Company subject to the provisions of the Companies Act, 1965, relating to keeping of Minutes of the Board of Directors and any Committee of the Board of Directors.

INTERNAL AUDIT FUNCTION

The Group engaged an external professional service firm to carry out the internal audit function to assist the Audit Committee in discharging its duties and responsibilities. The responsibilities of the internal auditors include conducting audits, submitting findings and the provision of independent report to the Audit Committee on the Group's systems of internal controls.

Internal audit plans are reviewed and approved by the Audit Committee and the plans include independent appraisal on the compliance, adequacy and effectiveness of the Group's internal controls and to assess and monitor the effectiveness and implementation of the Group's risk management policies.

During the year under review, the internal auditors had reviewed the Group's Quality Assurance and Control Process.

The findings arising from the above review were reported to management for their response and subsequently for the Audit Committee deliberation. Where weaknesses were identified, recommended procedures have been or are being put in place to strengthen controls.

SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2015, the Audit Committee convened five (5) meetings. The details of attendance are as follows:

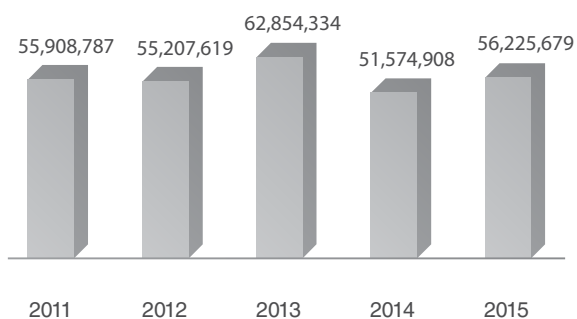
Committee Members	Attendance
Chow Kwai Fong	5/5
Winston Paul Wong Chi-Huang	5/5
Vincent Wong Soon Choy	5/5
Chang Hing Ling @ Cheun Poh Kern (Ceased as member on 20 August 2015)	3/4

The summary of the activities of the Audit Committee in the discharge of its duties and responsibilities for the financial year included the following: -

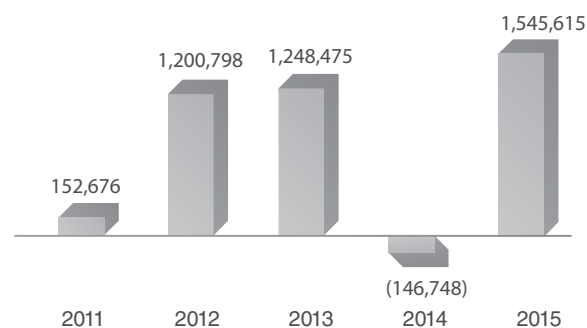
- Reviewed the external auditors' scope of work and audit plan for the year;
- Reviewed and evaluated the independence and performance of the external auditors before recommending to the Board for the re-appointment and their audit fees;
- Reviewed the results of the external audit, the audit report and the management letter and the management's response;
- Met with the external auditors in the absence of management;
- Reviewed the annual report and audited financial statement for the Board's consideration and approval;
- Reviewed the unaudited quarterly reports and announcements for the Board's consideration and approval;
- Reviewed the internal audit plan to ensure principal risk areas are adequately covered in the audit plan;
- Reviewed the results of the internal audit process to ensure that the recommendation made by the Internal Audit Function and corrective actions taken by the management are adequate and on a timely basis;
- Reviewed Risk Management Framework;
- Reviewed the recurrent related party transactions entered into by the Group;
- Reviewed draft circular to shareholders in relation to Proposed Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature and Proposed Renewal of Shareholders' Mandate for Share Buy Back Mandate.

Financial Year	2011 RM	2012 RM	2013 RM	2014 RM	2015 RM
Revenue	55,908,787	55,207,619	62,854,334	51,574,908	56,225,679
Profit/(Loss) After Tax	152,676	1,200,798	1,248,475	(146,748)	1,545,615
Profit/(Loss) After Tax Attributable To Owners Of The Company	152,676	1,200,798	1,248,475	(146,748)	1,545,615
Total Assets	52,889,308	49,727,598	50,393,412	45,254,370	54,999,312
Total Liabilities	24,763,110	20,457,019	19,296,584	14,062,619	21,187,373
Shareholders' Equity	28,126,198	29,270,579	31,096,828	31,191,751	33,811,939
Earnings/(Loss) Per Share (sen)	0.10	0.80	0.83	(0.10)	1.03
Net Assets Per Share (sen)	18.70	19.46	20.68	20.74	22.48

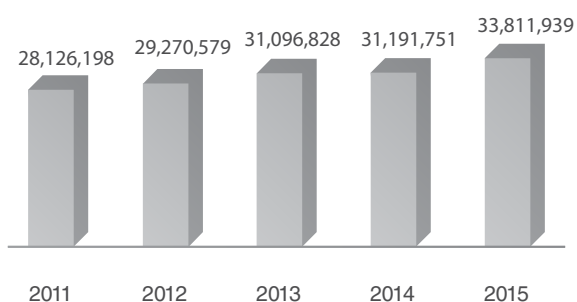
Revenue (RM)



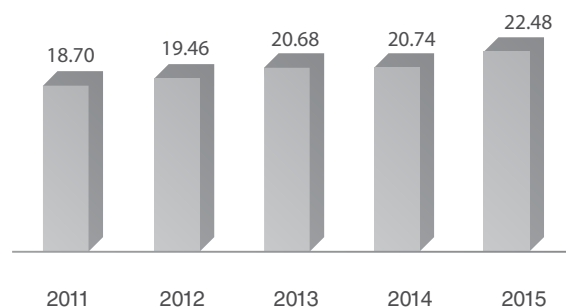
Profit/(Loss) After Tax (RM)



Shareholders' Equity (RM)




Net Assets Per Share (sen)





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The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after tax for the financial year	1,545,615	6,004

DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the statements of changes in equity, Note 24 and other comprehensive income, net of tax.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

- (a) there were no changes in the authorised and issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the making of allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are set out in Note 30 to the financial statements. At the date of this report, there does not exist:-

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

PUA KONG HOI
CHOW KWAI FONG
TENG CHEE KUAN
WINSTON PAUL WONG CHI-HUANG
VINCENT WONG SOON CHOY
CHANG HING LING @ CHEUN POH KERN (RESIGNED ON 01 SEPTEMBER 2015)

Pursuant to Section 129(6) of the Companies Act 1965, Chow Kwai Fong who is over the age of 70 years and retires pursuant to Section 129(2) of the Companies Act 1965 be and is hereby re-appointed as a Director of the Company to hold office until the next annual general meeting of the Company.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company during the financial year are as follows:-

	Number Of Ordinary Shares Of RM0.10 Each			AT 31.12.2015
	AT 1.1.2015	BOUGHT	SOLD	
Pua Kong Hoi	55,669,156	-	-	55,669,156
Teng Chee Kuan	1,500,000	-	-	1,500,000

By virtue of his shareholding in the Company, Pua Kong Hoi is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interest, in accordance with Section 6A of the Companies Act 1965.

The other directors holding office at the end of the financial year had no interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or 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) 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 for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 29 to the financial statements.

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

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 02 APRIL 2016**

Pua Kong Hoi

Teng Chee Kuan

Statement By Directors Pursuant To Section 169(15) Of The Companies Act 1965

We, Pua Kong Hoi and Teng Chee Kuan, being two of the directors of Plastrade Technology Berhad, state that, in the opinion of the directors, the financial statements set out on pages 35 to 81 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 December 2015 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 33, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

**SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 02 APRIL 2016**

Pua Kong Hoi

Teng Chee Kuan

Statutory Declaration Pursuant To Section 169(16) Of The Companies Act 1965

I, Pua Kong Hoi, I/C No.: 480605-10-5493, being the director primarily responsible for the financial management of Plastrade Technology Berhad, do solemnly and sincerely declare that the financial statements set out on pages 35 to 81 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 Declaration Act 1960.

Subscribed and solemnly declared by
Pua Kong Hoi, I/C No.: 480605-10-5493,
at Johor Bahru in the state of Johor
on this 02 April 2016

Before me

Pua Kong Hoi

MOHDZAR BIN KHALID
NO. J204
P.L.P., P.I.S.
Commissioner For Oaths
No. 89, Jalan Trus,
80000 Johor Bahru

Report on the Financial Statements

We have audited the financial statements of Plastrade Technology Berhad, which comprise statements of financial position as at 31 December 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 35 to 81.

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 December 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

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

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

**Independent Auditors' Report To The Members Of
Plastrade Technology Berhad (591077-X) (Cont'd)****Other Reporting Requirements**

The supplementary information set out in Note 33 on page 82 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

Crowe Horwath
Firm No.: AF 1018
Chartered Accountants

02 April 2016

Johor Bahru

Fong Kiat Keong
Approval No: 3048/06/17 (J)
Chartered Accountant

	NOTE	THE GROUP		THE COMPANY	
		2015 RM	2014 RM	2015 RM	2014 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	9,749,998	9,749,998
Investment in an associate	6	8,145,531	7,295,821	4,215,390	4,215,390
Property, plant and equipment	7	11,187,032	11,486,983	-	-
Goodwill on consolidation	8	1,792,432	1,792,432	-	-
Amount owing by related companies	9	-	-	4,743,674	4,409,880
		21,124,995	20,575,236	18,709,062	18,375,268
CURRENT ASSETS					
Inventories	10	10,467,685	10,017,136	-	-
Trade receivables	11	7,494,401	5,956,740	-	-
Other receivables, deposits and prepayments	12	331,765	249,446	1,763	-
Amount owing by related companies	9	-	-	375,000	375,000
Amount owing by related parties	13	1,672,559	2,944,647	-	-
Current tax assets		-	147,159	7,163	4,163
Fixed deposits with licensed banks	14	10,986,096	2,484,039	-	-
Cash and bank balances		2,921,811	2,879,967	177,853	510,919
		33,874,317	24,679,134	561,779	890,082
TOTAL ASSETS		54,999,312	45,254,370	19,270,841	19,265,350

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

Statements Of Financial Position At 31 December 2015 (Cont'd)

	NOTE	THE GROUP		THE COMPANY	
		2015 RM	2014 RM	2015 RM	2014 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	15	15,040,000	15,040,000	15,040,000	15,040,000
Reserves	16	18,771,939	16,151,751	4,142,591	4,136,587
SHAREHOLDERS' EQUITY		33,811,939	31,191,751	19,182,591	19,176,587
NON-CURRENT LIABILITIES					
Deferred tax liabilities	17	535,000	781,000	-	-
		535,000	781,000	-	-
CURRENT LIABILITIES					
Trade payables	18	4,852,389	2,637,335	-	-
Other payables and accruals	19	1,352,199	654,783	88,250	88,763
Amount owing to a related party	20	-	745,909	-	-
Bankers' acceptance	21	14,147,011	9,042,710	-	-
Bank overdrafts	22	228,874	200,882	-	-
Current tax liability		71,900	-	-	-
		20,652,373	13,281,619	88,250	88,763
TOTAL LIABILITIES		21,187,373	14,062,619	88,250	88,763
TOTAL EQUITY AND LIABILITIES		54,999,312	45,254,370	19,270,841	19,265,350

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

**Statements Of Profit Or Loss And Other Comprehensive Income
For The Financial Year Ended 31 December 2015**

37

	NOTE	THE GROUP		THE COMPANY	
		2015 RM	2014 RM	2015 RM	2014 RM
REVENUE	23	56,225,679	51,574,908	120,000	120,000
COST OF SALES		(51,656,224)	(48,795,323)	-	-
GROSS PROFIT		4,569,455	2,779,585	120,000	120,000
OTHER INCOME		1,088,970	347,470	108,980	117,723
		5,658,425	3,127,055	228,980	237,723
ADMINISTRATIVE EXPENSES		(2,025,748)	(1,859,446)	(220,181)	(243,598)
SELLING AND DISTRIBUTION EXPENSES		(883,794)	(980,950)	-	-
FINANCE COSTS		(541,933)	(590,207)	-	-
SHARE OF RESULTS IN ASSOCIATE, NET OF TAX		(224,863)	68,774	-	-
PROFIT/(LOSS) BEFORE TAX	24	1,982,087	(234,774)	8,799	(5,875)
TAX (EXPENSE)/INCOME	25	(436,472)	88,026	(2,795)	(4,966)
PROFIT/(LOSS) AFTER TAX		1,545,615	(146,748)	6,004	(10,841)
OTHER COMPREHENSIVE INCOME, NET OF TAX					
- Share of associate's other comprehensive income		1,074,573	241,671	-	-
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL YEAR		2,620,188	94,923	6,004	(10,841)
PROFIT/(LOSS) AFTER TAX ATTRIBUTABLE TO:-					
- Owners of the Company		1,545,615	(146,748)	6,004	(10,841)
- Non-controlling interests		-	-	-	-
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) ATTRIBUTABLE TO:-					
- Owners of the Company		2,620,188	94,923	6,004	(10,841)
- Non-controlling interests		-	-	-	-
EARNINGS/(LOSS) PER SHARE					
- BASIC (SEN)	26	1.03	(0.10)		
- DILUTED (SEN)	26	N/A	N/A		

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

Statements Of Changes In Equity For The Financial Year Ended 31 December 2015

THE GROUP	Share Capital RM	NON- DISTRIBUTABLE RESERVE		DISTRIBUTABLE RESERVE		Total RM
		Share Premium RM	Foreign Exchange Translation Reserve RM	Retained Profits RM		
At 1.1.2014	15,040,000	6,082,453	469,010	9,505,365		31,096,828
Loss after taxation for the financial year	-	-	-	(146,748)		(146,748)
Total other comprehensive income for the financial year	-	-	241,671	-		241,671
At 31.12.2014/1.1.2015	15,040,000	6,082,453	710,681	9,358,617		31,191,751
Profit after taxation for the financial year	-	-	-	1,545,615		1,545,615
Total other comprehensive income for the financial year	-	-	1,074,573	-		1,074,573
At 31.12.2015	15,040,000	6,082,453	1,785,254	10,904,232		33,811,939

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

Statements Of Changes In Equity
For The Financial Year Ended 31 December 2015 (Cont'd)

THE COMPANY	Share Capital RM	NON DISTRIBUTABLE RESERVE Share Premium RM	Accumulated Losses RM	Total RM
At 1.1.2014	15,040,000	6,082,453	(1,935,025)	19,187,428
Total comprehensive expenses for the financial year	-	-	(10,841)	(10,841)
At 31.12.2014/1.1.2015	15,040,000	6,082,453	(1,945,866)	19,176,587
Total comprehensive income for the financial year	-	-	6,004	6,004
At 31.12.2015	15,040,000	6,082,453	(1,939,862)	19,182,591

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

Statements Of Cash Flows

For The Financial Year Ended 31 December 2015

	THE GROUP		THE COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit/(Loss) before tax	1,982,087	(234,774)	8,799	(5,875)
Adjustments for:-				
Inventories written down to net realisable value	88,040	12,582	-	-
Depreciation of property, plant and equipment	1,469,779	1,765,955	-	-
Equipment written off	13,463	20,504	-	-
Loss on disposal of equipment	-	2,417	-	-
Interest expense	446,383	504,867	-	-
Interest income	(129,906)	(126,370)	(108,980)	(117,723)
Reversal of previously written down inventories	(107,529)	(158,399)	-	-
Share of results of an associate	224,863	(68,774)	-	-
Operating profit/(loss) before working capital changes	3,987,180	1,718,008	(100,181)	(123,598)
(Increase)/Decrease in inventories	(431,060)	1,492,057	-	-
(Increase)/Decrease in trade and other receivables	(1,619,980)	1,826,587	(1,763)	-
Decrease in amount owing by related parties	526,179	539,078	-	-
Decrease in amount owing by related companies	-	-	-	24,999
Increase/(Decrease) in trade and other payables	2,912,470	(3,534,946)	(513)	7,824
CASH FROM/(FOR) OPERATIONS	5,374,789	2,040,784	(102,457)	(90,775)
Interest paid	(446,383)	(504,867)	-	-
Tax paid	(463,413)	(412,698)	(5,795)	(6,966)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	4,464,993	1,123,219	(108,252)	(97,741)

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

Statements Of Cash Flows For The Financial Year Ended 31 December 2015 (Cont'd)

	NOTE	THE GROUP		THE COMPANY	
		2015 RM	2014 RM	2015 RM	2014 RM
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Interest received		129,906	126,370	185	164
Advances to related companies		-	-	(224,999)	-
Proceeds from disposal of equipment		-	1,000	-	-
Purchase of plant and equipment		(1,183,291)	(599,778)	-	-
NET CASH (FOR)/ FROM INVESTING ACTIVITIES		(1,053,385)	(472,408)	(224,814)	164
CASH FLOWS FROM/(FOR) FINANCING ACTIVITY					
Net drawdown/(repayment) of bankers' acceptance		5,104,301	(1,637,322)	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITY		5,104,301	(1,637,322)	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		8,515,909	(986,511)	(333,066)	(97,577)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		5,163,124	6,149,635	510,919	608,496
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	27	13,679,033	5,163,124	177,853	510,919

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

Notes To The Financial Statements For The Financial Year Ended 31 December 2015

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Suite 5.11 & 5.12 5 th Floor, Menara TJB No.9, Jalan Syed Mohd Mufti 80000 Johor Bahru
Principal place of business	:	PL0 264, Jalan Firma 3 Tebrau Industrial Estate IV 81100 Johor Bahru Johor

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 02 April 2016.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and provision of management services. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)

Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions
Annual Improvements to MFRSs 2010 – 2012 Cycle
Annual Improvements to MFRSs 2011 – 2013 Cycle

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

3.2 The Group has not applied in advance the following applicable accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	(Deferred until further notice)
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101 : Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

3. BASIS OF PREPARATION (Cont'd)

- 3.2 The Group has not applied in advance the following applicable accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year (Cont'd):-

The adoption of the above mentioned accounting standards and interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

4. SIGNIFICANT ACCOUNTING POLICIES**4.1 Critical Accounting Estimates and Judgements**

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made.

(c) Impairment of Non-Financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value in use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(d) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgment to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(e) Write down of Inventories

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

Notes To The Financial Statements For The Financial Year Ended 31 December 2015 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.1 Critical Accounting Estimates and Judgements (Cont'd)

(f) *Classification of Leasehold Land*

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

(g) *Impairment of Goodwill*

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(h) *Fair Value Estimates for Certain Financial Assets and Financial Liabilities*

The Group carries certain financial assets and financial liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

4.2 Functional and Foreign Currencies

(a) *Functional and Presentation Currency*

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

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

(b) *Transactions and Balances*

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) *Foreign Operations*

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**4.3 Financial Instruments**

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provision of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

(i) Financial Assets at Fair Value Through Profit or Loss

As at the end of the reporting period, there were no financial assets classified under this category.

(ii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current assets.

(iii) Loans and Receivables Financial Assets

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

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

(iv) Available-for-sale Financial Assets

As at the end of the reporting period, there were no financial assets classified under this category.

Notes To The Financial Statements For The Financial Year Ended 31 December 2015 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.3 Financial Instruments (Cont'd)

(b) *Financial Liabilities*

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

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

(c) *Equity Instruments*

Equity instruments classified as equity are measured at cost and are not remeasured subsequently.

Ordinary Shares

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) *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 the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in 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.

(e) *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 specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

The Group designates corporate guarantees given to financial institutions for credit facilities granted to subsidiaries as insurance contracts as defined in MFRS 4 Insurance Contracts. The Group recognises these corporate guarantees as liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

4.4 Basis of Consolidation

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

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, 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.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**4.4 Basis of Consolidation (Cont'd)**

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) Non-Controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(c) Changes In Ownership Interests In Subsidiaries Without Change Of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (a) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (b) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed off (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Notes To The Financial Statements For The Financial Year Ended 31 December 2015 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.5 Investment in Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investment includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.6 Investment in Associate

An associate is an entity in which the Group and the Company have a long-term equity interest and where it exercises significant influence over the financial and operating policies.

Investment in an associate are stated at cost in the statement of financial position of the Company and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable.

The investment in an associate is accounted for in the consolidated financial statement using the equity method, based on the financial statements of the associate made up to 31 December 2015. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post acquisition retained profits and reserves. The cost of investment includes transaction cost.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

Unrealised gains on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 139. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate into profit or loss when the equity method is discontinued.

4.7 Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**4.8 Property, Plant and Equipment**

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost less impairment losses, if any, and is not depreciated.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives.

Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Leasehold land	Over the remaining lease period
Buildings	2% or over the remaining lease period, whichever is shorter
Plant and machinery	10% - 20%
Furniture, fittings and office equipment	10% - 40%
Renovation and electrical installation	10%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and 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.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

4.9 Impairment**(a) Impairment of Financial Assets**

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period 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. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be an objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets 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 financial asset's original effective interest rate.

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

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. Such impairment losses are not reversed in subsequent periods.

Notes To The Financial Statements For The Financial Year Ended 31 December 2015 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.9 Impairment (Cont'd)

(b) *Impairment of Non-financial Assets*

The carrying values of assets, other than those to which MFRS 136 – Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow using a pre-tax discount rate. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss immediately. 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 units and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rate basis.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

4.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis, and comprises the cost of materials and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods includes the cost of materials, labour and an appropriate proportion of production overheads.

Net realisable value represents the estimated selling price less estimated costs of completion and the estimated costs necessary to make the sale.

4.11 Income Taxes

Income tax for the reporting period comprises current tax and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination cost or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**4.11 Income Taxes (Cont'd)**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

4.12 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and deposits pledged with financial institutions that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

4.13 Operating Segments

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

4.14 Employee Benefits**(a) Short-term Benefits**

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4.15 Related Parties

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the reporting entity.

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

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.

Notes To The Financial Statements For The Financial Year Ended 31 December 2015 (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

4.15 Related Parties (Cont'd)

- (b) An entity is related to a reporting entity if any of the following conditions applies:- (Cont'd)
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
 - (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity either directly or indirectly, including any director (whether executive or otherwise) of that entity.

4.16 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.17 Earnings Per Ordinary Share

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary share, which comprise share options granted to employees.

4.18 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.

4.19 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction 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.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

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

4. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**4.20 Revenue recognition and Other Income****(i) Sales of Goods**

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of goods and service tax, cash, and trade discounts.

(ii) Interest Income

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

(iii) Management Income

Management fee is recognised on an accrual basis.

5. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY	
	2015 RM	2014 RM
Unquoted shares, at cost	9,749,998	9,749,998

Details of the subsidiaries are as follows:-

Name of Subsidiaries	Country of Incorporation	Proportion of Ownership Interest		Principal Activities
		2015 %	2014 %	
MHT Manufacturing Sdn. Bhd.	Malaysia	100	100	Manufacturing of polyethylene compound for wire and cable insulation and jacketing.
Plascable Polymer Sdn. Bhd.	Malaysia	100	100	Compounding of plastic master batches, polymer additives, plastic compounds and composites.

6. INVESTMENT IN AN ASSOCIATE

	THE GROUP		THE COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Unquoted shares, at cost	4,215,390	4,215,390	4,215,390	4,215,390
Share of post acquisition profits	2,144,887	2,369,750	-	-
Share of post acquisition other comprehensive income	1,785,254	710,681	-	-
	8,145,531	7,295,821	4,215,390	4,215,390

Notes To The Financial Statements For The Financial Year Ended 31 December 2015 (Cont'd)

6. INVESTMENT IN AN ASSOCIATE (Cont'd)

Details of the associate is as follows:

Name of Associate	Country of Incorporation	Effective Equity Interest		Principal Activities
		2015	2014	
		%	%	
Shanghai Quasar Polymer Technology Co. Ltd.*	The People's Republic of China	25	25	Manufacturing and trading of cross linkable polyethylene compounds, polyethylene compounds and related products.

* Audited by a firm other than Crowe Horwath

The summarised audited financial information that is material to the Group is as follows :-

	2015 RM	2014 RM
<u>At 31 December</u>		
Non-current assets	1,162,158	1,138,104
Current assets	30,868,887	30,209,698
Current liabilities	(3,436,407)	(6,152,002)
Net assets	28,594,638	25,195,800
<u>Financial year ended 31 December</u>		
Revenue	48,722,341	51,689,351
(Loss)/Profit for the financial year	(899,452)	275,094
Total comprehensive income	3,398,838	1,241,779
Group's share of (loss)/profit for the financial year	(224,863)	68,774
Group's share of other comprehensive income	1,074,573	241,671
<u>Reconciliation of net assets to carrying amount</u>		
Group's share of net assets above	7,148,660	6,298,950
Goodwill	996,871	996,871
Carrying amount of the Group's interests in the associate	8,145,531	7,295,821

Notes To The Financial Statements
For The Financial Year Ended 31 December 2015 (Cont'd)

7. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	At 1.1.2015 RM	Additions RM	Written Off RM	Depreciation Charge RM	At 31.12.2015 RM
2015					
Net book value					
Freehold land	700,000	-	-	-	700,000
Leasehold land	1,748,199	-	-	(64,783)	1,683,416
Buildings	5,808,976	121,347	-	(201,408)	5,728,915
Plant and machinery	2,996,870	924,900	(8,193)	(1,157,705)	2,755,872
Furniture, fittings and office equipment	74,914	66,846	(5,270)	(30,642)	105,848
Renovation and electrical installation	158,024	70,198	-	(15,241)	212,981
	11,486,983	1,183,291	(13,463)	(1,469,779)	11,187,032

THE GROUP	At 1.1.2014 RM	Additions RM	Disposal RM	Written Off RM	Depreciation Charge RM	At 31.12.2014 RM
2014						
Net book value						
Freehold land	700,000	-	-	-	-	700,000
Leasehold land	1,812,982	-	-	-	(64,783)	1,748,199
Buildings	5,974,473	26,074	-	-	(191,571)	5,808,976
Plant and machinery	3,994,657	464,088	-	-	(1,461,875)	2,996,870
Furniture, fittings and office equipment	112,166	21,965	(3,417)	(20,504)	(35,296)	74,914
Renovation and electrical installation	82,803	87,651	-	-	(12,430)	158,024
	12,677,081	599,778	(3,417)	(20,504)	(1,765,955)	11,486,983

Notes To The Financial Statements For The Financial Year Ended 31 December 2015 (Cont'd)

7. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

THE GROUP	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
2015			
Freehold land	700,000	-	700,000
Leasehold land	2,575,000	(891,584)	1,683,416
Buildings	8,149,295	(2,420,380)	5,728,915
Plant and machinery	25,880,060	(23,124,188)	2,755,872
Furniture, fittings and office equipment	448,330	(342,482)	105,848
Renovation and electrical installation	400,829	(187,848)	212,981
	38,153,514	(26,966,482)	11,187,032
2014			
Freehold land	700,000	-	700,000
Leasehold land	2,575,000	(826,801)	1,748,199
Buildings	8,027,948	(2,218,972)	5,808,976
Plant and machinery	25,382,901	(22,386,031)	2,996,870
Furniture, fittings and office equipment	402,914	(328,000)	74,914
Renovation and electrical installation	330,631	(172,607)	158,024
	37,419,394	(25,932,411)	11,486,983

The net book value of property, plant and equipment pledged as securities for banking facilities granted to the Group as disclosed in Notes 21 and 22 are as follows:-

	THE GROUP	
	2015 RM	2014 RM
Freehold land	700,000	700,000
Leasehold land	1,683,416	1,748,199
Buildings	5,728,915	5,808,976
	8,112,331	8,257,175

8. GOODWILL

	THE GROUP	
	2015 RM	2014 RM
At cost:-		
At 1 January / 31 December	1,792,432	1,792,432

(a) The carrying amounts of goodwill allocated to each cash-generating units are as follows:-

	THE GROUP	
	2015 RM	2014 RM
Resin compound for wires and cables	1,792,432	1,792,432

(b) The Group has assessed the recoverable amounts of goodwill allocated and determined that no impairment is required. The recoverable amounts of the cash-generating units are determined using the value in use approach, and this is derived from the present value of the future cash flows from each cash-generating unit computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amounts are as follows:-

	Gross margin		Growth Rate		Discount Rate	
	2015 %	2014 %	2015 %	2014 %	2015 %	2014 %
Resin compound for wires and cables	7.9-8.3	8.0	4.5	10.0	11.2	12.4

- (i) Budgeted gross margin Average gross margin achieved in 2 financial years immediately before the forecast period.
- (ii) Growth rate Based on the estimated GDP growth for Malaysia forecast by World Bank.
- (iii) Discount rate (pre-tax) Reflects specific risks relating to the relevant cash-generating-unit.

The values assigned to the key assumptions represent management's assessment of future trend in the cash-generating units and are based on both external sources and internal historical data.

(c) The directors believe that there is no reasonable possible change in the above key assumptions applied that is likely to materially cause the cash-generating unit carrying amount to be exceeded its recoverable amount.

Notes To The Financial Statements For The Financial Year Ended 31 December 2015 (Cont'd)

9. AMOUNT OWING BY RELATED COMPANIES

	THE COMPANY	
	2015 RM	2014 RM
Non-current:-		
Quasi loans		
Subsidiaries	2,270,000	1,670,000
Non-trade related balances		
Subsidiaries	2,473,674	2,739,880
	<u>4,743,674</u>	<u>4,409,880</u>
Current:-		
Non-trade related balances		
Subsidiaries	375,000	375,000
	<u>375,000</u>	<u>375,000</u>
	<u>5,118,674</u>	<u>4,784,880</u>

Quasi loans

Quasi loans represent payments made on behalf of which the settlement is neither planned nor likely to occur in the foreseeable future. These amounts are, in substance, a part of the Company's net investment in the subsidiaries. The quasi loans are stated at cost less accumulated impairment losses, if any.

Non-trade balances

The current and non-current portions are unsecured and bear interest rates ranging from 3.25% to 3.81% (2014: 3.25% and 3.81%) per annum.

Non-current portion represents amount not to be repayable within the next twelve months.

Current portion represents amount to be repayable on demand.

10. INVENTORIES

	THE GROUP	
	2015 RM	2014 RM
Raw materials	6,501,260	6,660,602
Finished goods	3,966,425	3,356,534
	<u>10,467,685</u>	<u>10,017,136</u>
Recognised in profit or loss:-		
Inventories recognised as cost of sales	51,656,224	48,795,323
Amount written down to net realisable value	88,040	12,582
Reversal of write down	<u>(107,529)</u>	<u>(158,399)</u>

11. TRADE RECEIVABLES

	THE GROUP	
	2015 RM	2014 RM
Trade receivables	7,673,236	6,135,575
Less : Allowance for impairment losses	(178,835)	(178,835)
	<u>7,494,401</u>	<u>5,956,740</u>
Allowance for impairment losses:-		
At 1 January / 31 December	<u>178,835</u>	<u>178,835</u>

The Group's normal trade credit terms ranging from 30 to 60 days (2014: 30 to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Other receivables	112,416	121,436	-	-
Deposits	18,750	16,550	-	-
Prepayments	200,599	111,460	1,763	-
	<u>331,765</u>	<u>249,446</u>	<u>1,763</u>	<u>-</u>

13. AMOUNT OWING BY RELATED PARTIES

	THE GROUP	
	2015 RM	2014 RM
Current:-		
Trade related balances		
Companies in which certain directors have interests	-	485,102
Associate	1,672,559	2,459,545
	<u>1,672,559</u>	<u>2,944,647</u>

The Group's normal trade credit terms granted to the above related parties is 60 days (2014: 60 days). The amount owing is to be settled in cash.

14. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits of RM2,289,596 (2014: RM2,219,969) have been pledged with licensed banks as securities for banking facilities granted to the Group as disclosed in Note 21 to the financial statements.

The effective interest rate of fixed deposits at the end of the reporting period is at 2.93% (2014: 2.79%) per annum. The fixed deposits have maturity periods ranging from 7 days to 365 days (2014: 16 days to 365 days).

Notes To The Financial Statements For The Financial Year Ended 31 December 2015 (Cont'd)

15. SHARE CAPITAL

	THE COMPANY			
	2015	2014	2015	2014
	Number of shares		RM	RM
ORDINARY SHARES OF RM0.10 EACH				
AUTHORISED	250,000,000	250,000,000	25,000,000	25,000,000
ISSUED AND FULLY PAID-UP	150,400,000	150,400,000	15,040,000	15,040,000

16. RESERVES

16.1 Share Premium

The share premium reserve represents the premium paid on subscription of ordinary shares in the Company over and above the par value of the shares issued, net of transaction costs (if any). The share premium reserve is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

16.2 Foreign Exchange Translation Reserve

The foreign exchange translation reserve arose from the Group's share of an associate's foreign currency translation differences.

16.3 Retained profits

Under the single tier tax system, tax on the Company's profit is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

17. DEFERRED TAX LIABILITIES

	At 1.1.2015 RM	Recognised in Profit or Loss (Note 25) RM	At 31.12.2015 RM
The Group 2015			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	973,000	64,000	1,037,000
<i>Deferred Tax Assets</i>			
Unutilised capital allowances	(91,000)	50,000	(41,000)
Unabsorbed business losses	(101,000)	-	(101,000)
Unutilised reinvestment allowances	-	(360,000)	(360,000)
	(192,000)	(310,000)	(502,000)
	781,000	(246,000)	535,000

Notes To The Financial Statements
For The Financial Year Ended 31 December 2015 (Cont'd)

17. DEFERRED TAX LIABILITIES (Cont'd)

	At 1.1.2014 RM	Recognised in Profit or Loss (Note 25) RM	At 31.12.2014 RM
The Group 2014			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	1,182,000	(209,000)	973,000
<i>Deferred Tax Assets</i>			
Unutilised capital allowances	-	(91,000)	(91,000)
Unabsorbed business losses	-	(101,000)	(101,000)
	-	(192,000)	(192,000)
	1,182,000	(401,000)	781,000

18. TRADE PAYABLES

The normal trade credit terms granted to the Group ranging from 30 to 60 days (2014: 30 to 60 days). Other credit terms are granted on a case-by-case basis.

19. OTHER PAYABLES AND ACCRUALS

	THE GROUP		THE COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Other payables	954,097	385,574	-	5,363
Accrued expenses	253,140	213,531	88,250	83,400
Payroll liabilities	144,962	55,678	-	-
	1,352,199	654,783	88,250	88,763

20. AMOUNT OWING TO A RELATED PARTY

	THE GROUP	
	2015 RM	2014 RM
Current:-		
Trade related balances		
A company in which certain directors have interests	-	745,909

The trade balance was subject to the normal trade credit terms of 60 days. The amount owing was to be settled in cash.

Notes To The Financial Statements For The Financial Year Ended 31 December 2015 (Cont'd)

21. BANKERS' ACCEPTANCE

Bankers' acceptance is drawn for a period of up to 150 days (2014: 150 days). Interest is charged at rates ranging from 3.76% to 5.36% (2014: 1.58% to 5.51%) per annum.

Bankers' acceptance is secured as follows:-

- (i) by legal charges over the Group's and a related party's landed properties;
- (ii) by a pledge of the fixed deposits of the Group; and
- (iii) by corporate guarantee from the Company.

22. BANK OVERDRAFTS

Bank overdrafts of the Group bore floating interest rate of 8.10% (2014: 8.10%) per annum and are secured in the same manner as the bankers' acceptance as disclosed in Note 21 to the financial statements.

23. REVENUE

	THE GROUP		THE COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Sale of goods	56,225,679	51,574,908	-	-
Management fees	-	-	120,000	120,000
	56,225,679	51,574,908	120,000	120,000

Notes To The Financial Statements
For The Financial Year Ended 31 December 2015 (Cont'd)

24. PROFIT/(LOSS) BEFORE TAX

	NOTE	THE GROUP		THE COMPANY	
		2015 RM	2014 RM	2015 RM	2014 RM
Profit/(Loss) before tax is arrived at after (crediting)/charging:-					
Audit fee					
- current financial year		60,000	58,000	21,000	20,000
Depreciation of property, plant and equipment	7	1,469,779	1,765,955	-	-
Directors' remuneration	28	501,080	423,780	71,650	67,800
Equipment written off		13,463	20,504	-	-
Interest expense on financial liabilities not at fair value through profit or loss:					
- bankers' acceptance		412,952	481,925	-	-
- bank overdrafts		23,277	18,051	-	-
- trust receipts		10,154	4,891	-	-
Loss on disposal of equipment		-	2,417	-	-
Staff costs:					
- salaries, wages, bonuses and allowances		3,435,994	3,148,719	-	-
- defined contribution plan		320,470	301,209	-	-
Gain on foreign exchange - realised		(865,586)	(177,373)	-	-
Interest income on financial assets not at fair value through profit or loss:					
- fixed deposits with licensed banks		(129,369)	(125,067)	-	-
- imputed interest income recognised under MFRS 139		-	-	(108,795)	(117,559)
- others		(537)	(1,303)	(185)	(164)

Notes To The Financial Statements For The Financial Year Ended 31 December 2015 (Cont'd)

25. TAX EXPENSE/(INCOME)

	NOTE	THE GROUP		THE COMPANY	
		2015 RM	2014 RM	2015 RM	2014 RM
Income Tax					
- Current year		678,000	315,000	2,000	5,000
- Under/(Over) provision in prior year		4,472	(2,026)	795	(34)
		682,472	312,974	2,795	4,966
Deferred taxation	17				
- Effect of change in corporate income tax rate from 25% to 24%		-	(41,000)	-	-
- Origination and recognition of temporary differences		(72,000)	(323,000)	-	-
- Under/(Over) provision in prior year		177,000	(37,000)	-	-
- Recognition of deferred tax assets previously not recognised		(351,000)	-	-	-
		(246,000)	(401,000)	-	-
		(436,472)	(88,026)	2,795	4,966

Subject to agreement with the tax authorities, at the end of the reporting period, the unutilised capital allowances, unutilised reinvestment allowances and unabsorbed business losses of the Group are as follows:

	THE GROUP	
	2015 RM	2014 RM
Unutilised capital allowances	166,000	355,000
Unutilised reinvestment allowances	8,121,000	8,121,000
Unabsorbed tax losses	402,000	402,000
	8,689,000	8,878,000

The unabsorbed tax losses and unutilised capital allowances do not expire under current tax legislation. However, the availability of unabsorbed tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act 1967 and guidelines issued by the tax authority.

Notes To The Financial Statements For The Financial Year Ended 31 December 2015 (Cont'd)

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25. TAX EXPENSE/(INCOME) (Cont'd)

A reconciliation of income tax expense/(income) applicable to the profit/(loss) before tax at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	THE GROUP		THE COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit/(Loss) before tax	1,982,087	(234,774)	8,799	(5,875)
Malaysian tax at statutory rate	495,522	(58,700)	2,200	(1,000)
Tax effects of:-				
Effect of change in corporate income tax rate from 25% to 24% on deferred tax	-	(41,000)	-	-
Effect of foreign tax rate in foreign jurisdiction	56,200	(16,300)	-	-
Non-deductible expenses	112,384	127,648	27,000	34,000
Non-taxable income	(58,106)	(60,648)	(27,200)	(28,000)
Under/(Over) provision of income tax in prior year	4,472	(2,026)	795	(34)
Under/(Over) provision of deferred tax in prior year	177,000	(37,000)	-	-
Recognised of deferred tax assets previously not recognised	(351,000)	-	-	-
	436,472	(88,026)	2,795	4,966

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective from year of assessment 2016.

26. EARNINGS PER SHARE

	THE GROUP	
	2015	2014
Earnings/(Loss) attributable to owners of the Company (RM)	1,545,615	(146,748)
Weighted average number of ordinary shares	150,400,000	150,400,000
Basic earnings/(loss) per share (sen)	1.03	(0.10)

No disclosure on diluted earnings per share as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

Notes To The Financial Statements For The Financial Year Ended 31 December 2015 (Cont'd)

27. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	NOTE	THE GROUP		THE COMPANY	
		2015 RM	2014 RM	2015 RM	2014 RM
Fixed deposits with licensed banks	14	10,986,096	2,484,039	-	-
Cash and bank balances		2,921,811	2,879,967	177,853	510,919
Bank overdrafts	22	(228,874)	(200,882)	-	-
		13,679,033	5,163,124	177,853	510,919

As disclosed in Note 14 to the financial statements, fixed deposits of the Group totalling of RM2,289,596 (2014 : RM2,219,969), that have been pledged to banks for banking facilities granted to certain subsidiaries are not available for general use by the Group other than to meet the obligations under the banking facilities.

28. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and the Company include executive directors and non-executive directors of the Group and of the Company.

(a) The key management personnel compensation during the financial year are as follows:-

	THE GROUP		THE COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Directors				
<i>Directors of the Company</i>				
Executive Directors:				
Short-term employee benefits				
- Salaries, bonuses and other benefits	390,440	325,440	3,000	3,000
- Defined contribution benefits	41,990	33,540	-	-
	432,430	358,980	3,000	3,000
Non-executive Directors:				
Short-term employee benefits				
- fee	63,250	59,400	63,250	59,400
- allowance	5,400	5,400	5,400	5,400
	68,650	64,800	68,650	64,800
Total directors' remuneration (Note 24)	501,080	423,780	71,650	67,800

28. KEY MANAGEMENT PERSONNEL COMPENSATION (Cont'd)

(b) The number of the Company's directors with total remuneration falling in bands of RM50,000 are as follows:-

	THE GROUP		THE COMPANY	
	2015	2014	2015	2014
	Number of Directors		Number of Directors	
Executive Directors:-				
Below RM50,000	-	-	2	2
RM50,001 – RM100,000	-	-	-	-
RM100,001 – RM150,000	-	-	-	-
RM150,001 – RM200,000	-	2	-	-
RM200,001 – RM250,000	2	-	-	-
Non-executive Directors:-				
Below RM50,000	4	4	4	4
	6	6	6	6

29. RELATED PARTY DISCLOSURES

(a) The Group and the Company had the following transactions with related parties during the financial year:-

	THE COMPANY	
	2015 RM	2014 RM
Subsidiaries		
Management fee received/receivable	120,000	120,000
Imputed interest income recognised under MFRS 139	108,795	117,559
	THE GROUP	
	2015 RM	2014 RM
Associate		
Sales of goods	2,369,913	2,576,034
Companies in which certain directors have interests		
Compounding charges paid/payable	21,933	33,263
Purchase of goods	2,526,516	6,347,835
Sales of goods	2,596,671	4,425,617

Information regarding outstanding balances arising from related party transactions as at 31 December 2015 are disclosed in the respective notes to the financial statements.

Notes To The Financial Statements For The Financial Year Ended 31 December 2015 (Cont'd)

30. CONTINGENT LIABILITY

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	THE COMPANY	
	2015 RM	2014 RM
<hr/>		
Unsecured:		
Corporate guarantees given to licensed banks for credit facilities granted to subsidiaries	38,100,000	38,100,000

31. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group's management as its managing director maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into three main reportable segments as follows:-

- Resin compound for wires and cables – involved in business of manufacturing polyethylene compound for wire and cable insulation and jacketing.
- Resin compound for other industries – compounding of plastic master batches, polymer additives, plastic compounds and composites.
- Others – management services.

Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties. The effects of such inter-segment transactions are eliminated on consolidation.

Notes To The Financial Statements
For The Financial Year Ended 31 December 2015 (Cont'd)

31. OPERATING SEGMENTS (Cont'd)**(a) BY BUSINESS SEGMENT :-**

2015

	Resin Compound For Wires And Cables RM	Resin Compound For Other Industries RM	Others RM	Eliminations RM	Consolidated RM
SEGMENT REVENUE					
Revenue from external customers	40,582,443	15,643,236	-	-	56,225,679
Inter-segment revenue	3,320,305	3,640,406	120,000	(7,080,711)	-
Total revenue	43,902,748	19,283,642	120,000	(7,080,711)	56,225,679
SEGMENT RESULTS					
Segment results	2,443,730	405,149	(99,996)	-	2,748,883
Finance costs					(541,933)
Share of results in associate					(224,863)
Profit before tax					1,982,087
Tax expense					(436,472)
Profit after tax					1,545,615
Segment profit before interest and tax includes the followings:-					
Depreciation of property, plant and equipment	868,875	600,904	-	-	1,469,779
Interest expense	301,305	377,028	-	(231,950)	446,383
Gain on foreign exchange	(340,164)	(525,422)	-	-	(865,586)
Interest income	(230,504)	(22,372)	(108,980)	231,950	(129,906)
Inventory written down to net realisable value	86,769	1,271	-	-	88,040
Reversal of inventories previously written down	(54,281)	(53,248)	-	-	(107,529)

Notes To The Financial Statements For The Financial Year Ended 31 December 2015 (Cont'd)

31. OPERATING SEGMENTS (Cont'd)

(a) BY BUSINESS SEGMENT (Cont'd) :-

2015

	Resin Compound For Wires And Cables RM	Resin Compound For Other Industries RM	Others RM	Eliminations RM	Consolidated RM
CONSOLIDATED STATEMENT OF FINANCIAL POSITION					
Segment assets	33,372,106	16,568,300	3,028,290	(6,114,915)	46,853,781
Investment in an associate					8,145,531
Consolidated total assets					<u>54,999,312</u>
Additions to non-current assets other than financial instruments are:-					
Plant and equipment	224,490	958,801	-	-	1,183,291
Segment liabilities	16,540,338	10,066,800	88,250	(6,114,915)	20,580,473
Current tax liability					71,900
Deferred tax liabilities					535,000
Consolidated total liabilities					<u>21,187,373</u>

Notes To The Financial Statements
For The Financial Year Ended 31 December 2015 (Cont'd)

31. OPERATING SEGMENTS (Cont'd)**(a) BY BUSINESS SEGMENT (Cont'd) :-**

2014

	Resin Compound For Wires And Cables RM	Resin Compound For Other Industries RM	Others RM	Eliminations RM	Consolidated RM
SEGMENT REVENUE					
Revenue from external customers	39,869,437	11,705,471	-	-	51,574,908
Inter-segment revenue	3,647,613	2,897,271	120,000	(6,664,884)	-
Total revenue	43,517,050	14,602,742	120,000	(6,664,884)	51,574,908
SEGMENT RESULTS					
Segment results	1,016,391	(606,298)	(123,434)	-	286,659
Finance costs					(590,207)
Share of results in associate					68,774
Loss before tax					(234,774)
Tax income					88,026
Loss after tax					(146,748)
Segment loss before interest and tax includes the followings:-					
Depreciation of property, plant and equipment	985,945	780,010	-	-	1,765,955
Interest expense	401,047	349,190	-	(245,370)	504,867
Gain on foreign exchange	(127,517)	(49,856)	-	-	(177,373)
Interest income	(237,852)	(16,165)	(117,723)	245,370	(126,370)
Inventory written down to net realisable value	-	12,582	-	-	12,582
Reversal of inventories previously written down	(98,998)	(59,401)	-	-	(158,399)

Notes To The Financial Statements For The Financial Year Ended 31 December 2015 (Cont'd)

31. OPERATING SEGMENTS (Cont'd)

(a) BY BUSINESS SEGMENT (Cont'd) :-

2014

	Resin Compound For Wires And Cables RM	Resin Compound For Other Industries RM	Others RM	Eliminations RM	Consolidated RM
CONSOLIDATED STATEMENT OF FINANCIAL POSITION					
Segment assets	25,526,588	15,713,363	3,625,799	(7,054,360)	37,811,390
Investment in an associate					7,295,821
Current tax asset					147,159
Consolidated total assets					<u>45,254,370</u>
Additions to non-current assets other than financial instruments are:-					
Plant and equipment	555,794	43,984	-	-	599,778
Segment liabilities	10,460,998	9,786,218	88,763	(7,054,360)	13,281,619
Deferred tax liabilities					781,000
Consolidated total liabilities					<u>14,062,619</u>

The Group's assets are located in Malaysia and the cost of acquisition of property, plant and equipment arose from Malaysia.

(b) GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located:-

	2015 RM	2014 RM
SALES REVENUE		
Malaysia	43,468,540	36,011,593
Other ASEAN countries	6,095,314	5,226,313
Other Asian countries	2,819,131	4,975,288
Europe	3,442,560	4,026,254
Others	400,134	1,335,460
	<u>56,225,679</u>	<u>51,574,908</u>

31. OPERATING SEGMENTS (Cont'd)**(c) MAJOR CUSTOMERS**

The following are major customers with revenue equals to or more than 10% of the Group's total revenue:-

	2015 RM'000	2014 RM'000	Segment
Customer #1	10,736	8,828	Resin Compound for wires, cables, and other industries
Customer #2	6,512	4,714	Resin Compound for wires and cables

32. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

32.1 Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk**(i) Foreign Currency Risk**

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the functional currency of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Euro Dollar ("EUR"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

Notes To The Financial Statements For The Financial Year Ended 31 December 2015 (Cont'd)

32. FINANCIAL INSTRUMENTS (Cont'd)

32.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) that based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure	USD	EUR	Others
The Group	RM	RM	RM
2015			
Financial assets			
Trade receivables	323,439	221,825	112,209
Amount owing by a related party	1,672,559	-	-
Cash and bank balances	479,563	87,395	39,629
Fixed deposits with licensed banks	643,500	-	-
	<u>3,119,061</u>	<u>309,220</u>	<u>151,838</u>
Financial liabilities			
Trade payables	(1,245,658)	-	(21,764)
Bankers' acceptance	(3,319,607)	-	-
	<u>(4,565,265)</u>	<u>-</u>	<u>(21,764)</u>
Net Currency exposure	<u>(1,446,204)</u>	<u>309,220</u>	<u>130,074</u>
Foreign Currency Exposure	USD	EUR	Others
The Group	RM	RM	RM
2014			
Financial assets			
Trade receivables	868,982	302,412	71,477
Amount owing by a related party	2,459,545	-	-
Cash and bank balances	1,169,083	73,177	48,317
Fixed deposits with licensed banks	264,070	-	-
	<u>4,761,680</u>	<u>375,589</u>	<u>119,794</u>
Financial liabilities			
Trade payables	(779,517)	-	(12,923)
Bankers' acceptance	(630,031)	-	-
	<u>(1,409,548)</u>	<u>-</u>	<u>(12,923)</u>
Net Currency exposure	<u>3,352,132</u>	<u>375,589</u>	<u>106,871</u>

32. FINANCIAL INSTRUMENTS (Cont'd)**32.1 Financial Risk Management Policies (Cont'd)**

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:-

	THE GROUP	
	2015 RM	2014 RM
Effects on profit/(loss) after tax		
USD/RM - strengthened by 23% (2014 : 7%)	(249,470)	172,106
- weakened by 23% (2014 : 7%)	249,470	(172,106)
EUR/RM - strengthened by 10% (2014 : 12%)	23,192	16,886
- weakened by 10% (2014 : 12%)	(23,192)	(16,886)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from short-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available.

The Group's fixed deposits with licensed banks are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined MFRS7 since neither their carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk that based on the carrying amounts of the financial liabilities at the end of the reporting period is disclosed in Notes 21 and 22 to the financial statements.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:-

	THE GROUP	
	2015 RM	2014 RM
Effects on profit/(loss) after tax		
Increase of 25 basis points (2014 : 25 basis points)	(17,313)	(21,981)
Decrease of 25 basis points (2014 : 25 basis points)	17,313	21,981

(iii) Equity Price Risk

The Group does not have any quoted investment and hence is not exposed to equity price risk.

Notes To The Financial Statements For The Financial Year Ended 31 December 2015 (Cont'd)

32. FINANCIAL INSTRUMENTS (Cont'd)

32.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by transacting with the established obliged multinational companies. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Groups uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 30 to 60 days, which are deemed to have higher credit risk, are monitored individually.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures. Impairment is estimated by management based on prior experience and the current economic environment.

The Company provides financial guarantee to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the results of these subsidiaries regularly and repayments made by the subsidiaries.

Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by three (3) (2014 : 3) significant customers which constituted approximately 57% (2014 : 44%) of its trade receivables (including related parties) as at the end of the reporting period.

In addition, the Group also determines concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables (including related parties) at the end of the reporting period is as follows:-

	THE GROUP	
	2015 RM	2014 RM
Malaysia	6,836,928	5,916,107
China	1,672,559	1,979,183
Europe	236,294	356,816
Others	421,179	649,281
	9,166,960	8,901,387

Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

32. FINANCIAL INSTRUMENTS (Cont'd)**32.1 Financial Risk Management Policies (Cont'd)**

(b) Credit Risk (Cont'd)

Ageing analysis

The ageing analysis of trade receivables (including amount owing by related parties) is as follows:-

The Group	Gross Amount RM	Individual Impairment RM	Carrying Value RM
2015			
Not past due	6,291,597	-	6,291,597
Past due:-			
- less than 3 months	2,037,347	-	2,037,347
- 3 to 6 months	838,016	-	838,016
- over 6 months	-	-	-
- more than 1 year	178,835	(178,835)	-
	9,345,795	(178,835)	9,166,960
2014			
Not past due	5,951,230	-	5,951,230
Past due:-			
- less than 3 months	1,193,382	-	1,193,382
- 3 to 6 months	1,418,961	-	1,418,961
- over 6 months	337,814	-	337,814
- more than 1 year	178,835	(178,835)	-
	9,080,222	(178,835)	8,901,387

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The Group believes that no impairment allowance is necessary in respect of trade receivables that are past due but not impaired because they are companies with good collection track record and no recent history of default.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

Notes To The Financial Statements For The Financial Year Ended 31 December 2015 (Cont'd)

32. FINANCIAL INSTRUMENTS (Cont'd)

32.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

	Contractual Interest Rate	Carrying Amount	Contractual Undiscounted Cash Flows	Within 1 Year
The Group	%	RM	RM	RM
2015				
Trade payables	-	4,852,389	4,852,389	4,852,389
Other payables and accruals	-	1,352,199	1,352,199	1,352,199
Bank overdrafts	8.10	228,874	228,874	228,874
Bankers' acceptance	3.76-5.36	14,147,011	14,147,011	14,147,011
		<u>20,580,473</u>	<u>20,580,473</u>	<u>20,580,473</u>
2014				
Trade payables	-	2,637,335	2,637,335	2,637,335
Other payables and accruals	-	654,783	654,783	654,783
Amount owing to a related party	-	745,909	745,909	745,909
Bank overdrafts	8.10	200,882	200,882	200,882
Bankers' acceptance	1.58-5.51	9,042,710	9,042,710	9,042,710
		<u>13,281,619</u>	<u>13,281,619</u>	<u>13,281,619</u>
The Company	Contractual Interest Rate	Carrying Amount	Contractual Undiscounted Cash Flows	Within 1 Year
	%	RM	RM	RM
2015				
Other payables and accruals	-	<u>88,250</u>	<u>88,250</u>	<u>88,250</u>
2014				
Other payables and accruals	-	<u>88,763</u>	<u>88,763</u>	<u>88,763</u>

32.2 Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners.

32. FINANCIAL INSTRUMENTS (Cont'd)**32.2 Capital Risk Management (Cont'd)**

The debt-to-equity ratio of the Group as at the end of the reporting period was as follows:-

	Note	THE GROUP	
		2015 RM	2014 RM
Bankers' acceptances	21	14,147,011	9,042,710
Banker overdrafts	22	228,874	200,882
		14,375,885	9,243,592
Less: Fixed deposits with licensed banks	14	(10,986,096)	(2,484,039)
Less: Cash and bank balances		(2,921,811)	(2,879,967)
Net debt		467,978	3,879,586
Total equity		33,811,939	31,191,751
Debt-to-equity ratio		0.01	0.12

There was no change in the Group's approach to capital management during the financial year.

Under the requirement of Bursa Malaysia Guidance Note No. 3/2006, the Company is required to maintain its shareholders' equity equal to or not less than the 25% of the issued and paid-up share capital of the Company. The Company has complied with this requirement.

Notes To The Financial Statements For The Financial Year Ended 31 December 2015 (Cont'd)

32. FINANCIAL INSTRUMENTS (Cont'd)

32.3 Classification Of Financial Instruments

	NOTE	THE GROUP		THE COMPANY	
		2015 RM	2014 RM	2015 RM	2014 RM
Financial assets					
<u>Loans and receivables financial assets</u>					
Amount owing by related companies	9	-	-	5,118,674	4,784,880
Trade receivables	11	7,494,401	5,956,740	-	-
Other receivables and deposits	12	131,166	137,986	-	-
Amount owing by related parties	13	1,672,559	2,944,647	-	-
Cash and bank balances		2,921,811	2,879,967	177,853	510,919
		<u>12,219,937</u>	<u>11,919,340</u>	<u>5,296,527</u>	<u>5,295,799</u>
<u>Held-to-maturity financial assets</u>					
Fixed deposits with licensed banks	14	10,986,096	2,484,039	-	-
Financial liabilities					
<u>Other financial liabilities</u>					
Trade payables	18	4,852,389	2,637,335	-	-
Other payables and accruals	19	1,352,199	654,783	88,250	88,763
Amount owing to a related party	20	-	745,909	-	-
Bankers' acceptance	21	14,147,011	9,042,710	-	-
Bank overdrafts	22	228,874	200,882	-	-
		<u>20,580,473</u>	<u>13,281,619</u>	<u>88,250</u>	<u>88,763</u>

32. FINANCIAL INSTRUMENTS (Cont'd)**32.4 Fair Values Measurements**

At the end of the reporting period, the fair value of the financial assets and financial liabilities maturity within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

As the Group does not have any financial instruments carried at fair value. The following table sets out only the fair value profile of the financial instruments that are not carried at fair value at the end of the reporting period:-

Company	Fair Value of Financial Instruments Not Carried at Fair Value			Total Fair Value RM	Carrying Amount RM
	Level 1 RM	Level 2 RM	Level 3 RM		
2015					
<u>Financial Asset</u>					
Amount owing by related companies	-	-	5,509,369	5,509,369	5,118,674
2014					
<u>Financial Asset</u>					
Amount owing by related companies	-	-	5,084,306	5,084,306	4,784,880

Fair Value of Financial Instruments not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using cash flow projections discounted at rates ranging from 3.25% to 3.81% (2014 – 3.25% to 3.81%).

Notes To The Financial Statements

For The Financial Year Ended 31 December 2015 (Cont'd)

33. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS/LOSSES

The breakdown of the retained profits/(accumulated losses) of the Group and of the Company as at the end of the reporting period into realised and unrealised profits/(losses) are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	THE GROUP		THE COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Total retained profits/(accumulated losses):				
- realised	13,248,885	12,798,980	(1,939,862)	(1,945,866)
- unrealised	(535,000)	(781,000)	-	-
	12,713,885	12,017,980	(1,939,862)	(1,945,866)
Total share of retained profits of associate:				
- realised	2,144,887	2,369,750	-	-
- unrealised	1,785,254	710,681	-	-
	16,644,026	15,098,411	(1,939,862)	(1,945,866)
Less: Consolidation adjustments	(5,739,794)	(5,739,794)	-	-
At 31 December	10,904,232	9,358,617	(1,939,862)	(1,945,866)

A summary of the Group's properties as at 31 December 2015 is as follows:-

Title No. / Location / Postal Address	Description/ Existing Use	Tenure / Date of Expiry of Leasehold Land	Date of Acquisition	Approximate Age of Building (years)	Land Area (square feet)	Built-up Area (square feet)	NBV as at 31 December 2015 RM
H S (D) 177841 Lot PTD No.52064 Mukim of Tebrau District of Johor Bahru Johor Darul Takzim No. 5 Jalan Firma 2/2 Tebrau Industrial Estate 1 81100 Johor Bahru Johor Darul Takzim	Single storey detached factory with 2-storey office annex and a guard house	Freehold	31 July 2002	23 years	30,832	28,372	1,771,005
Lot PTD No. 76050 PLO 264 Mukim of Tebrau District of Johor Bahru Johor Darul Takzim PLO 264, Jalan Firma 3, Tebrau Industrial Estate IV 81100 Johor Bahru Johor Darul Takzim	3 Blocks :- Block A (Single-storey detached factory with 3-storey office annex) Block B (1 ½-storey detached Factory) Block C (Single-storey detached Warehouse) Guard house and TNB substation	60 year leasehold/ Expiring on 14 July 2057	02 January 2002	16 years	94,133	69,378	5,418,742
H S (D) 270909 Lot PTD No. 68791 PLO 133 Mukim of Tebrau District of Johor Bahru Johor Darul Takzim PLO 133, Jalan Firma 1/5 Tebrau Industrial Estate I 81100 Johor Bahru Johor Darul Takzim	Single storey detached warehouse with 2-storey integral office	30 year leasehold/ Expiring on 13 November 2025	19 February 2002	18 years	36,011	9,216	922,584

SHARE CAPITAL AS AT 31 MARCH 2016

Authorised capital	:	RM25,000,000-00 divided into 250,000,000 ordinary shares of RM0-10 each
Issued and paid up capital	:	RM15,040,000-00 divided into 150,400,000 ordinary shares of RM0-10 each
Class of shares	:	Ordinary shares of RM0-10 each
Voting rights	:	One (1) vote per ordinary share

DISTRIBUTION OF SHAREHOLDERS ACCORDING TO STATISTICAL SUMMARY OF THE RECORD OF DEPOSITORS AS AT 31 MARCH 2016

No. of holders	Size of shareholdings	No. of shares held	Percentage %
5	Less than 100 shares	200	0.00
180	100 to 1,000 shares	156,503	0.10
584	1,001 to 10,000 shares	3,571,000	2.37
606	10,001 to 100,000 shares	26,231,400	17.45
167	100,001 to less than 5% of issued shares	66,458,741	44.19
1	5% and above of issued shares	53,982,156	35.89
1,602	TOTAL	150,400,000	100.00

LIST OF 30 LARGEST SHAREHOLDERS ACCORDING TO THE RECORD OF DEPOSITORS AS AT 31 MARCH 2016

No.	Name of shareholders	No. of shares held	Percentage %
1.	PUA KONG HOI	53,982,156	35.89
2.	QUASAR MANUFACTURING SDN. BHD.	4,300,000	2.86
3.	VAST SKYLINE SDN. BHD.	3,682,000	2.45
4.	LOW MAI KIN	2,721,900	1.81
5.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. - CIMB BANK FOR TEE CHEE CHIANG (M55008)	2,093,800	1.39
6.	ONG YAP MIN	1,760,000	1.17
7.	TEO CHIN SIONG	1,724,900	1.15
8.	MERCSEC NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR PUA KONG HOI	1,687,000	1.12
9.	TENG CHEE KUAN	1,500,000	1.00
10.	HO KAR KOK	1,462,725	0.97
11.	NG YEW CHOY	1,385,000	0.92
12.	TA NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR LIM YEE FOONG	1,370,000	0.91
13.	HLIB NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR KONG HWEE CHIN (CCTS)	1,410,000	0.94
14.	LAU PAK LAM	1,200,000	0.80
15.	NG GEAK HONG	1,102,000	0.73
16.	HO KAR KOK	1,019,216	0.68
17.	YIP HENG SWEE	1,000,000	0.66
18.	KOH THIN MIN	700,000	0.47
19.	NG SIEW CHOO	678,800	0.45
20.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. - PLEDGED SECURITIES ACCOUNT FOR NG GEOK WAH (B BRKLANG-CL)	670,000	0.45
21.	WOO SOOM POH	640,000	0.43
22.	LEE KOK HOONG	610,300	0.41

LIST OF 30 LARGEST SHAREHOLDERS ACCORDING TO THE RECORD OF DEPOSITORS AS AT 31 MARCH 2016 (Cont'd)

No.	Name of shareholders	No. of shares held	Percentage %
23.	CIMSEC NOMINEES (TEMPATAN) SDN. BHD. - CIMB BANK FOR TAN KOH WAH (MY1842)	606,000	0.40
24.	NORA LAI BT ABDULLAH	600,000	0.40
25.	TEOH HIN HENG	586,000	0.39
26.	DATUK ABDUL AZEEZ BIN ABDUL RAHIM	528,000	0.35
27.	CHAI KIN YIN	510,000	0.34
28.	CHANG AH TEE	500,000	0.33
29.	LIM SIEW SIEW	500,000	0.33
30.	MD LUCKMAL HAKIM BIN ZUBIT @ ZUBIR	500,000	0.33
	TOTAL	90,819,797	60.39

SUBSTANTIAL SHAREHOLDERS AS AT 31 MARCH 2016 (As per Register of Substantial Shareholders)

No.	Name of Shareholders	No. of shares held			
		Direct Interest	%	Deemed Interest	%
1.	PUA KONG HOI	55,669,156	37.01	-	-

DIRECTORS SHAREHOLDINGS AS AT 31 MARCH 2016 (As per Register of Directors' Shareholding)

No.	Name of Directors	No. of shares held in Plastrade Technology Berhad			
		Direct Interest	%	Deemed Interest	%
1.	PUA KONG HOI	55,669,156	37.01	-	-
2.	TENG CHEE KUAN (f)	1,500,000	1.00	-	-
3.	CHOW KWAI FONG	-	-	-	-
4.	WINSTON PAUL WONG CHI-HUANG	-	-	-	-
5.	VINCENT WONG SOON CHOY	-	-	-	-

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塑易新科技有限公司
PLASTRADE TECHNOLOGY BERHAD
(Company no.: 591077-X)

PROXY FORM

I/We _____ (Nric No. _____)
of (full address) _____
a member / members of PLASTRADE TECHNOLOGY BERHAD hereby appoint (full name) _____
_____ (Nric No. _____)
of (full address) _____ or
failing him, _____ (Nric No. _____)
of (full address) _____
as *my/our proxy to vote for *me/us and on *my/our behalf at the 14th Annual General Meeting of the Company to be held on
Friday, the 20th day of May, 2016 at 9.30 am and at every adjournment thereof to vote as indicated below in respect of the following
Resolutions:-

ORDINARY BUSINESS		FOR	AGAINST
Ordinary Resolution 1	Re-election of Ms Teng Chee Kuan		
Ordinary Resolution 2	Approval of Directors' Fees		
Ordinary Resolution 3	Re-appointment of Auditors		
SPECIAL BUSINESS			
Ordinary Resolution 4	Re-appointment of Mr Chow Kwai Fong		
Ordinary Resolution 5	Proposed Retention of Independent Director - Mr Chow Kwai Fong		
Ordinary Resolution 6	Proposed Retention of Independent Director - Mr Winston Paul Wong Chi-Huang		
Ordinary Resolution 7	Authority to allot and issue shares Pursuant to Section 132D of the Companies Act, 1965.		
Ordinary Resolution 8	Proposed Shareholders' Mandate for RRPT		
Ordinary Resolution 9	Proposed Renewal of Share Buy-Back Mandate		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Dated this _____ day of _____ 2016

No. of shares held : _____

Signature of member/s

NOTES :

- A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may, but need not be a member of the Company. A Member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. Notwithstanding this, a member entitled to attend and vote at the Meeting is entitled to appoint any person as his proxy to attend and vote instead of him at the Meeting. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- Where a member is an Authorised Nominee as defined under The Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account") there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised.
- To be valid, the form of proxy must be deposited at the Registered Office of the Company situated at Suite 5.11 & 5.12, 5th Floor, Menara TJB, No. 9, Jalan Syed Mohd. Mufti, 80000 Johor Bahru, Johor not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
- In respect of deposited securities, only members whose names appear on the Record of Depositors on 16 May 2016, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

Fold here for sealing

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Postage

**THE COMPANY SECRETARY
PLASTRADE TECHNOLOGY BERHAD (591077-X)**

Suite 5.11 & 5.12
5th Floor, Menara TJB
No.9, Jalan Syed Mohd. Mufti,
80000 Johor Bahru,
Johor Darul Takzim

Fold along this line (2)

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