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## 2. Significant accounting policies (continued)

### (b) Plant and equipment

#### (i) Recognition and measurement

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

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

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

#### (ii) Subsequent costs

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

#### (iii) Depreciation

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

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## 2. Significant accounting policies (continued)

### (b) Plant and equipment (continued)

#### (iii) Depreciation (continued)

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

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

• Leasehold land	89 years
• Furniture and fittings	10 years
• Office equipment	10 years
• Computer software	3 - 4 years
• Renovation	10 years
• Motor vehicles	5 years

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

### (c) Leased assets

#### (i) Finance lease

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

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

Leasehold land which in substance is a finance lease is classified as investment property as it is intended to be held to earn rental income or for capital appreciation or for both.

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## 2. Significant accounting policies (continued)

### (c) Leased assets (continued)

#### (ii) Operating lease

Leases where the Company does not assume substantially all the risks and rewards of the ownership are classified as operating leases and the leased assets are not recognised on the statement of financial position.

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

### (d) Investment properties

#### Investment properties carried at cost

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. These include freehold land and leasehold land which in substance is a finance lease held for a currently undetermined future use.

Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses similarly to plant and equipment as disclosed in Note 2(b).

Cost includes expenditure that is directly attributable to the acquisition of the investment property and any other costs directly attributable to bringing the investment property to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

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

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## 2. Significant accounting policies (continued)

### (e) Non-current asset held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale.

Immediately before classification as held for sale, the assets are remeasured in accordance with the Company's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less costs of disposal.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Property, plant and equipment once classified as held for sale are not amortised or depreciated.

### (f) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is measured based on the first-in-first-out formula, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

### (g) Cash and cash equivalents

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

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## 2. Significant accounting policies (continued)

### (h) Impairment

#### (i) Financial assets

All financial assets are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

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

#### (ii) Other assets

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

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

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

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

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## 2. Significant accounting policies (continued)

### (h) Impairment (continued)

#### (ii) Other assets (continued)

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

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

#### (i) Equity instruments

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

##### Ordinary shares

Ordinary shares are classified as equity.

#### (j) Employee benefits

##### (i) Short-term employee benefits

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

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

##### (ii) State plans

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

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## 2. Significant accounting policies (continued)

### (k) Revenue

#### Goods sold

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

### (l) Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

### (m) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss.

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

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

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## 2. Significant accounting policies (continued)

### (m) Income tax (continued)

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

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

### (n) Fair value measurement

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

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

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

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

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



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**3. Plant and equipment**

	Furniture and fittings RM'000	Office equipment RM'000	Computer software RM'000	Renovation RM'000	Motor vehicles RM'000	Total RM'000
<b>Cost</b>						
At 1 July 2013	2,910	26	16	70	264	3,286
Additions	366	-	-	-	-	366
At 30 June 2014/1 July 2014	3,276	26	16	70	264	3,652
Additions	387	-	-	-	-	387
At 30 June 2015	3,663	26	16	70	264	4,039
<b>Depreciation</b>						
At 1 July 2013	1,114	17	16	36	159	1,342
Depreciation for the year	310	3	-	7	53	373
At 30 June 2014/1 July 2014	1,424	20	16	43	212	1,715
Depreciation for the year	343	3	-	7	52	405
At 30 June 2015	1,767	23	16	50	264	2,120
<b>Carrying amounts</b>						
At 1 July 2013	1,796	9	-	34	105	1,944
At 30 June 2014/1 July 2014	1,852	6	-	27	52	1,937
At 30 June 2015	1,896	3	-	20	-	1,919

**3.1 Leased motor vehicles**

At 30 June 2015, the net carrying amount of leased motor vehicles was Nil (2014: RM52,000).

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## 4. Investment properties

	Freehold land RM'000	Leasehold land RM'000	Total RM'000
<b>Cost</b>			
At 1 July 2013	-	-	-
Additions	3,847	4,879	8,726
At 30 June 2014/1 July 2014	3,847	4,879	8,726
Additions	12	16	28
Transfer to assets held for sale (Note 9)	(3,859)	(4,895)	(8,754)
At 30 June 2015	-	-	-
<b>Depreciation</b>			
At 1 July 2013	-	-	-
Depreciation for the year	-	9	9
At 30 June 2014/1 July 2014	-	9	9
Depreciation for the year	-	50	50
Transfer to assets held for sale (Note 9)	-	(59)	(59)
At 30 June 2015	-	-	-
<b>Carrying amounts</b>			
At 1 July 2013	-	-	-
At 30 June 2014/1 July 2014	3,847	4,870	8,717
At 30 June 2015	-	-	-

Investment properties comprise freehold land and leasehold land with an unexpired period of more than 50 years that are held for a currently undetermined future use. During the financial year, the entire investment properties have been transferred to assets classified as held for sale, since the Company has entered into a Sale and Purchase Agreement with a company in which certain Directors have significant financial interests in to dispose of the Company's entire investment properties (see note 9).

The entire investment properties remain pledged as security to secure banking facilities granted to the Company (see note 11) as at the end of the current and previous financial years. The Company will extinguish the banking facilities prior to the completion of the said disposals.

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

	2015 RM'000	2014 RM'000
Direct operating expenses:		
- non-income generating investment properties	7	3

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**4. Investment properties (continued)****Fair value information**

Fair value of investment properties is categorised as follows:

	2015 RM'000	2014 RM'000
<b>Level 2</b>		
Freehold land	-	3,847
Leasehold land	-	4,879
	<u>-</u>	<u>8,726</u>

**Level 2 fair value**

In the previous financial year, the fair values of the investment properties resembled the acquisition price as the Directors considered that the market value had no substantial variation from the values when they were acquired.

**5. Deferred tax assets****Recognised deferred tax assets/(liabilities)**

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Plant and equipment	-	-	(195)	(207)	(195)	(207)
Other deductible temporary differences	468	530	-	-	468	530
Tax assets/ (liabilities)	468	530	(195)	(207)	273	323
Set off of tax	(195)	(207)	195	207	-	-
<b>Net tax assets</b>	<u>273</u>	<u>323</u>	<u>-</u>	<u>-</u>	<u>273</u>	<u>323</u>

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**5. Deferred tax assets (continued)****Movement in temporary differences during the year**

	At 1.7.2013 RM'000	Recognised in profit or loss (Note 15) RM'000	At 30.6.2014/ 1.7.2014 RM'000	Recognised in profit or loss (Note 15) RM'000	At 30.6.2015 RM'000
Plant and equipment	(205)	(2)	(207)	12	(195)
Other deductible temporary differences	649	(119)	530	(62)	468
	444	(121)	323	(50)	273

**6. Inventories**

	2015 RM'000	2014 RM'000
Trading merchandise:		
- At cost	17,921	23,721
Recognised in profit or loss:		
Inventories recognised as cost of sales	18,855	17,464
Write-down to net realisable value	36	55

The write-down is recognised in cost of sales.

**7. Trade and other receivables**

	Note	2015 RM'000	2014 RM'000
<b>Trade</b>			
Trade receivables	7.1	9,980	6,655
<b>Non-trade</b>			
Other receivables	7.2	2,061	1,663
Less: Individual impairment allowance		(1,661)	(1,661)
		400	2
Deposits		17	18
		417	20
		10,397	6,675

7.1 Included in trade receivables are balances of RM251,000 (2014: RM475,000) due from companies in which certain Directors have significant financial interests in. These balances are subject to normal trade terms.

7.2 Included in other receivables are balances of RM2,061,000 (2014: RM1,661,000) due from companies in which certain Directors have significant financial interests in. These balances are unsecured, interest free and are repayable on demand.

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**8. Cash and cash equivalents**

	2015 RM'000	2014 RM'000
Cash and bank balances	812	831
Deposits placed with a licensed bank	527	378
	<u>1,339</u>	<u>1,209</u>

The entire deposits placed with a licensed bank are pledged as security to secure bank facilities granted to the Company (see note 11).

**9. Assets classified as held for sale**

In June 2015, the Company entered into a Sale and Purchase Agreement with a company in which certain Directors have significant financial interests in to dispose of the Company's entire investment properties for a total cash consideration of RM8,690,000. As at the end of the current financial year, the disposal is pending the fulfilment of certain conditions precedent and is expected to be completed in the next financial year.

Investment properties held for sale comprise the following:

	Note	2015 RM'000
Cost	4	8,754
Accumulated depreciation	4	(59)
		<u>8,695</u>

**10. Share capital**

	Amount 2015 RM'000	Number of shares 2015 '000	Amount 2014 RM'000	Number of shares 2014 '000
Ordinary share of RM1.00 each:				
Authorised	5,000	5,000	5,000	5,000
Issued and fully paid	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>

**Ordinary shares**

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

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**11. Loans and borrowings**

	Note	2015 RM'000	2014 RM'000
<b>Non-current</b>			
Bank loans	11.1	6,490	4,382
Finance lease liabilities	11.2	40	77
		<u>6,530</u>	<u>4,459</u>
<b>Current</b>			
Bank loans	11.1	914	508
Finance lease liabilities	11.2	37	36
Bank overdrafts - unsecured	11.3	924	480
Bankers' acceptances - secured	11.4	1,222	3,072
		<u>3,097</u>	<u>4,096</u>
		<u>9,627</u>	<u>8,555</u>

**11.1 Bank loans**

The bank loan with a carrying value of RM2,890,000 (2014: RM4,890,000) are secured over investment properties (see note 4) and is personally guaranteed by a Director of the Company while the bank loan with a carrying amount of RM4,514,000 (2014: Nil) is personally guaranteed by a Director of the Company.

**11.2 Finance lease liabilities**

Finance lease liabilities are payable as follows:

	Future minimum lease payments 2015 RM'000	Interest 2015 RM'000	Present value of minimum lease payments 2015 RM'000	Future minimum lease payments 2014 RM'000	Interest 2014 RM'000	Present value of minimum lease payments 2014 RM'000
Less than one year	40	(3)	37	40	(4)	36
Between one and five years	41	(1)	40	81	(4)	77
	<u>81</u>	<u>(4)</u>	<u>77</u>	<u>121</u>	<u>(8)</u>	<u>113</u>

**11.3 Bank overdrafts**

The bank overdrafts are personally guaranteed by a Director of the Company.

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**11. Loans and borrowings (continued)****11.4 Bankers' acceptances**

The bankers' acceptances are secured over the investment properties of a company in which certain Directors have significant financial interests in, deposits placed with a licensed bank (see note 8) and are personally guaranteed by a Director of the Company.

**12. Trade and other payables**

	Note	2015 RM'000	2014 RM'000
<b>Trade</b>			
Trade payables		6,945	9,997
<b>Non-trade</b>			
Other payables	12.1	1,496	2,607
Accrued expenses		1,599	2,026
Amounts due to Directors	12.2	230	-
		<u>3,325</u>	<u>4,633</u>
		<u>10,270</u>	<u>14,630</u>

12.1 Included in other payables are RM1,005,000 (2014: RM2,410,000) due to companies in which certain Directors have significant financial interests in. These balances are unsecured, interest free and are repayable on demand.

12.2 The amounts due to Directors are unsecured, interest free and are repayable on demand.

**13. Finance costs**

	2015 RM'000	2014 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:		
- bank loans	324	48
- finance lease liabilities	4	6
- bank overdrafts	53	13
- bankers' acceptances	143	143
	<u>524</u>	<u>210</u>
Other finance costs	-	10
	<u>524</u>	<u>220</u>

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**14. Profit before tax**

	2015 RM'000	2014 RM'000
<b>Profit before tax is arrived at after charging:</b>		
Auditors' remuneration	34	21
Depreciation of investment properties	50	9
Depreciation of plant and equipment	405	373
Impairment loss on other receivables	-	21
Inventories written down to net realisable value	36	55
Personnel expenses (including key management personnel):		
- Contributions to Employees' Provident Fund	470	437
- Wages, salaries and others	4,375	5,011
Rental expense on fixtures	152	176
Royalty expense	2,198	2,446

**15. Tax expense**

	2015 RM'000	2014 RM'000
<b>Recognised in profit or loss</b>		
<b>Current tax expense</b>		
Current year	710	1,249
Prior year	11	1
Total current tax recognised in profit or loss	721	1,250
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences	35	(292)
Effect of change in tax rate	8	-
Under provision in prior year	7	413
Total deferred tax recognised in profit or loss	50	121
Total tax expense	771	1,371
<b>Reconciliation of tax expense</b>		
Profit before tax	2,777	3,838
Income tax calculated using Malaysian tax rate of 25% (2014: 25%)	694	960
Effect of lower tax rate *	(25)	(25)
Effect of change in tax rate	8	-
Non-deductible expenses	76	22
Under provision in prior year	18	414
	771	1,371

\* With effect from year of assessment 2004, companies with paid-up capital of RM2.5 million and below at the beginning of the basis period for a year of assessment are subject to corporate tax at 20% on chargeable income up to RM500,000.



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## 16. Financial instruments

### 16.1 Categories of financial instruments

The financial assets of the Company, which comprise trade and other receivables and cash and cash equivalents are categorised as loans and receivables while the financial liabilities of the Company, which comprise trade and other payables and loans and borrowings are categorised as financial liabilities measured at amortised cost.

### 16.2 Net losses arising from financial instruments

	2015 RM'000	2014 RM'000
Net losses on:		
Loans and receivables	-	21
Financial liabilities measured at amortised cost	524	220
	<u>524</u>	<u>241</u>

### 16.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

### 16.4 Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from its receivables from customers and loans and advances to companies in which certain Directors have interests in.

#### Receivables

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

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on customers requiring credit over a certain amount.

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## 16. Financial instruments (continued)

### 16.4 Credit risk (continued)

#### Receivables (continued)

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

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

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Company. The Company uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

The exposure of credit risk for trade receivables by geographic region as at the end of the current and previous financial years is solely domestic.

##### *Impairment losses*

The Company maintains an ageing analysis in respect of trade receivables only. The ageing of trade receivables as at end of the reporting period was:

	Gross RM'000	Individual impairment RM'000	Net RM'000
<b>2015</b>			
Not past due	7,641	-	7,641
Past due 0 - 30 days	1,374	-	1,374
Past due 31 - 90 days	965	-	965
	<u>9,980</u>	<u>-</u>	<u>9,980</u>
<b>2014</b>			
Not past due	3,415	-	3,415
Past due 0 - 30 days	2,049	-	2,049
Past due 31 - 90 days	1,191	-	1,191
	<u>6,655</u>	<u>-</u>	<u>6,655</u>

No allowance for impairment losses of trade receivables has been made for the past due receivables as the Company monitors the results and repayments of these customers regularly and is confident of the ability of the customers to repay the balances owing.

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## 16. Financial instruments (continued)

### 16.4 Credit risk (continued)

#### Directors' related companies loans and advances

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

The Company provides unsecured loans and advances to companies in which certain Directors have interests in. The Company monitors the results of these companies regularly.

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

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

##### *Impairment losses*

As at the end of the reporting period, except for a balance of RM1,661,000 (2014: RM1,661,000) which is deemed not recoverable and impaired, there was no indication that the loans and advances to these companies are not recoverable. The Company does not specifically monitor the ageing of advances to these companies.

### 16.5 Liquidity risk

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

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

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

## INFORMATION ON ACTIVE (CONT'D)

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Company No. 661413-A

**16. Financial instruments (continued)****16.5 Liquidity risk (continued)***Maturity analysis*

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

	Carrying amount RM'000	Contractual interest rate	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
<b>2015</b>							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	10,270	-	10,270	10,270	-	-	-
Finance lease liabilities	77	2.75%	81	40	41	-	-
Bank loans	7,404	*	9,072	1,355	1,355	3,904	2,458
Bank overdrafts - unsecured	924	**	924	924	-	-	-
Bankers' acceptances - secured	1,222	3.58 - 4.42%	1,222	1,222	-	-	-
<b>2014</b>							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	14,630	-	14,630	14,630	-	-	-
Finance lease liabilities	113	2.75%	121	40	40	41	-
Bank loans	4,890	*	6,224	628	628	1,883	3,085
Bank overdrafts - unsecured	480	**	480	480	-	-	-
Bankers' acceptances - secured	3,072	3.58 - 4.42%	3,072	3,072	-	-	-

\* represents lenders' cost of funds ranging from less 1.50% to plus 1.00%

\*\* represents lenders' cost of funds plus 1.25%

Company No. 661413-A
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## 16. Financial instruments (continued)

### 16.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Company's financial position or cash flows. The Company is not exposed to currency risk as all of its sales and purchases are denominated in RM. The Company is also not exposed to other price risk.

#### 16.6.1 Interest rate risk

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

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

The Company does not have any specific policy to manage its interest rate risk as the Directors are of the opinion that the exposure to interest rate risk is not significant.

#### *Exposure to interest rate risk*

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

	2015 RM'000	2014 RM'000
<b>Fixed rate instruments</b>		
Financial assets	527	378
Financial liabilities	1,299	3,185
<b>Floating rate instruments</b>		
Financial liabilities	8,328	5,370

## INFORMATION ON ACTIVE (CONT'D)

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Company No. 661413-A

**16. Financial instruments (continued)****16.6 Market risk (continued)****16.6.1 Interest rate risk (continued)***Interest rate risk sensitivity analysis**(a) Fair value sensitivity analysis for fixed rate instruments*

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Company does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

*(b) Cash flow sensitivity analysis for variable rate instruments*

A change of 50 basis points ("bp") in interest rates at the end of the reporting period would have increased (decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remained constant.

	Profit or loss			
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
	2015	2015	2014	2014
	RM'000	RM'000	RM'000	RM'000
Floating rate instruments	(31)	31	(20)	20

**16.7 Fair value information**

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

The carrying amounts of bank loans and finance lease liabilities also approximate fair values upon discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liabilities.

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**INFORMATION ON ACTIVE (CONT'D)**


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Company No. 661413-A
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**17. Capital management**

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

The debt-to-equity ratios at 30 June 2015 and 30 June 2014 were as follows:

	Note	2015 RM'000	2014 RM'000
Total loans and borrowings	11	9,627	8,555
Less: Cash and cash equivalents	8	(1,339)	(1,209)
Net debt		<u>8,288</u>	<u>7,346</u>
Total equity		<u>21,327</u>	<u>19,321</u>
Debt-to-equity ratio		<u>0.39</u>	<u>0.38</u>

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

**18. Related parties****Identity of related parties**

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

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

The Company has related party relationship with companies in which certain Directors have significant financial interests in and key management personnel.

## INFORMATION ON ACTIVE (CONT'D)

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Company No. 661413-A

**18. Related parties (continued)****Significant related party transactions**

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Company are shown below. The balances related to the below transactions are shown in notes 7 and 12.

	2015 RM'000	2014 RM'000
<b>A. Companies in which certain Directors have significant financial interests in</b>		
Sale of goods	(2,126)	(1,932)
Personnel expenses	<u>1,016</u>	<u>1,832</u>
<b>B. Key management personnel</b>		
Directors		
Remuneration	<u>-</u>	<u>698</u>

**19. Subsequent event**

In July 2015, the shareholders of the Company entered into a Share Sale Agreement with a third party to dispose of the shareholders' entire equity interest in the Company for a total cash consideration of RM19,000,000. The disposal is pending the fulfilment of certain conditions precedent and is expected to be completed in the next financial year.



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**INFORMATION ON ACTIVE (CONT'D)**

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**Active Fit Sdn. Bhd.**

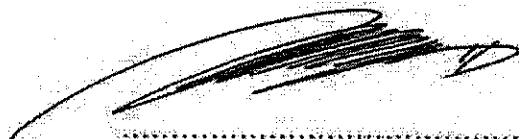
(Company No. 661413-A)

(Incorporated in Malaysia)

**Statement by Directors pursuant to  
Section 169(15) of the Companies Act, 1965**

In the opinion of the Directors, the financial statements set out on pages 5 to 38 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 Company as of 30 June 2015 and its financial performance and cash flows for the financial year then ended.

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



.....  
**Siow Sea Nen**



.....  
**Chua Jin Kau**

Kuala Lumpur,

Date: **08 SEP 2015**

## INFORMATION ON ACTIVE (CONT'D)

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**Active Fit Sdn. Bhd.**

(Company No. 661413-A)

(Incorporated in Malaysia)

**Statutory declaration pursuant to  
Section 169(16) of the Companies Act, 1965**

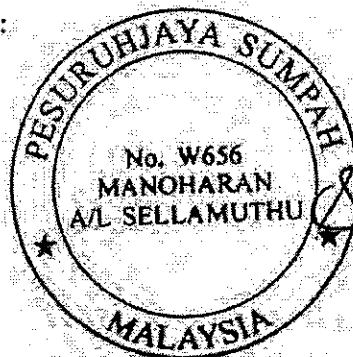
I, Siow Sea Nen, the Director primarily responsible for the management of Active Fit Sdn. Bhd., do solemnly and sincerely declare that the statements set out on pages 5 to 38 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Kuala Lumpur in the Federal Territory on 08 SEP 2015



.....  
Siow Sea Nen

Before me:



No. 17, Tingkat 1, Jalan 1/68F  
Off Jalan Sentul Manis,  
51100 Kuala Lumpur.

## INFORMATION ON ACTIVE (CONT'D)



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KPMG (Firm No. AF 0758)  
Chartered Accountants  
Level 10, KPMG Tower  
8, First Avenue, Bandar Utama  
47800 Petaling Jaya  
Selangor Darul Ehsan, Malaysia

Telephone +60 (3) 7721 3388  
Fax +60 (3) 7721 3399  
Internet www.kpmg.com.my

## Independent Auditors' Report to the members of Active Fit Sdn. Bhd.

(Company No. 661413-A)  
(Incorporated in Malaysia)

### Report on the Financial Statements

We have audited the financial statements of Active Fit Sdn. Bhd., which comprise the statement of financial position as at 30 June 2015, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 38.

#### *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.

KPMG, a partnership established under Malaysian law and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

## INFORMATION ON ACTIVE (CONT'D)



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Company No. 661413-A
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*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 30 June 2015 and of its 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 that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

**Other Matters**

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

**KPMG**  
Firm Number: AF 0758  
Chartered Accountants

**Foong Mun Kong**  
Approval Number: 2613/12/16(J)  
Chartered Accountant

Petaling Jaya.

Date: 08 SEP 2015

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**FURTHER INFORMATION**


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**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Circular has been seen and approved by the Board and the Directors of MESB individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that after making all reasonable enquiries, and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement/information herein false or misleading.

Information relating to Active, the Vendors and Jordone was either obtained from publicly available documents, where available, or provided by such parties/companies and their directors/management. The sole responsibility of the Board is limited to ensuring that the information in relation to Active, the Vendors and Jordone has been accurately reproduced.

**2. CONSENT**

KAF, as the adviser to MESB in relation to the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion in this Circular of its name and all references thereto, where relevant, in the form and context in which they appear.

**3. CONFLICT OF INTEREST**

KAF has confirmed that it is not aware of any conflict of interest situation that exists or likely to exist that affect or may affect its ability to act independently and objectively as the adviser in connection with the Proposed Acquisition.

**4. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**

As at the LPD, save as disclosed below, the Board is not aware of any other material commitments and contingent liabilities incurred or known to be incurred by the MESB Group and Active which, upon becoming due and enforceable, may have a material and adverse impact on the financial results/position of the MESB Group and Active:-

<b>Contingent Liabilities</b>	<b>RM'000</b>
<b>MESB Group</b>	
Corporate guarantee given by MESB to financial institutions in favour of Miroza Leather (M) Sdn Bhd	11,970
<b>Active</b>	
Corporate guarantee given to financial institution in favour of Miracres Sdn Bhd, a company of which Siow Sea Nen and Chen Mui Yong, being two (2) of the vendors of Active, are shareholders and Directors*	3,000

**Note:-**

- \* As at the LPD, Active is in the midst of procuring a discharge from being the corporate guarantor for Miracres Sdn Bhd from the relevant financial institution. The Vendors have confirmed that the corporate guarantee has never been called upon. The Vendors, vide their undertaking letter dated 3 September 2015, undertake that Active will be discharged from the aforesaid corporate guarantee before the completion of the Proposed Acquisition.

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**FURTHER INFORMATION (CONT'D)**

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**5. MATERIAL LITIGATION, CLAIMS OR ARBITRATION**

As at the LPD, the Board is not aware of any material litigation, claims or arbitration, either as plaintiff or defendant, involving Active and to the best of the Board's knowledge and belief, it is not aware of any proceedings, pending or threatened, or of any facts likely to give rise to any proceedings involving Active.

**6. MATERIAL CONTRACTS**

Save as disclosed below, Active has not entered into any other material contracts (not being contracts entered into in the ordinary course of business) within the two (2) years preceding the date of this Circular:-

- (i) Sale and purchase agreement dated 11 September 2013 between Active and Mega Star Furniture Sdn Bhd for the acquisition by Active of a parcel of vacant leasehold commercial land held under H.S. (D) 52648, Lot PT1874, District of Gombak, Town of Ulu Kelang, State of Selangor Darul Ehsan ("Leasehold Land") for a cash consideration of RM4,693,200 and a parcel of vacant freehold agricultural land held under Geran Mukim 6, Lot 546, Town of Ulu Kelang, Locality of 7 ¼ Mile, Ulu Klang, District of Gombak, State of Selangor Darul Ehsan ("Freehold Land") for a cash consideration of RM3,694,000;
- (ii) Sale and purchase agreement dated 19 June 2015 and supplemental sale and purchase agreement dated 27 July 2015 between Active and Jordone for the disposal by Active to Jordone of the Freehold Land for a cash consideration of RM3,858,798.12; and
- (iii) Sale and purchase agreement dated 19 June 2015 and supplemental sale and purchase agreement dated 27 July 2015 between Active and Jordone for the disposal by Active to Jordone of the Leasehold Land for a cash consideration of RM4,831,091.73.

**7. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of MESB at 10<sup>th</sup> Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur during normal business hours from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of the EGM:-

- (a) the Memoranda and Articles of Association of MESB and Active;
- (b) the letters of consent and conflict of interest referred to in Section 2 and Section 3 respectively of this Appendix III;
- (c) the SSA;
- (d) the material contracts referred to in Section 6 of this Appendix III;
- (e) the audited consolidated financial statements of MESB for the past two (2) FYE 31 March 2014 and FYE 31 March 2015 respectively as well as the latest unaudited consolidated financial statements of MESB for the three (3)-month FPE 30 June 2015; and
- (f) the audited financial statements of Active for the past two (2) FYE 30 June 2014 and FYE 30 June 2015 respectively.



**MESB BERHAD**  
(Company No. 337554-D)  
(Incorporated in Malaysia under the Companies Act, 1965)

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** an Extraordinary General Meeting of MESB Berhad (“MESB” or the “Company”) will be held at Room 3, Level 2, Hotel Sri Petaling, 30, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur on Wednesday, 30 September 2015 at 10.00 a.m. or immediately after the conclusion or adjournment (as the case may be) of the Twentieth (20<sup>th</sup>) Annual General Meeting of MESB to be held at the same venue on the same day at 9.30 a.m., whichever is later, for the purpose of considering and, if thought fit, passing the following ordinary resolution, with or without any modifications:-

### **ORDINARY RESOLUTION**

**PROPOSED ACQUISITION BY MESB BERHAD (“MESB” OR THE “COMPANY”) OF THE ENTIRE EQUITY INTEREST IN ACTIVE FIT SDN BHD (“ACTIVE”) FROM SLOW SEA NEN, CHEN MUI YONG AND LIEW KEE WAH (COLLECTIVELY, “VENDORS”) FOR A CASH CONSIDERATION OF RM19,000,000 (“PROPOSED ACQUISITION”)**

“THAT subject to the provisions under the Companies Act, 1965, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant authorities/parties (where relevant/required) being obtained/fulfilled or waived (where permitted by law), approval be and is hereby given to MESB to acquire 2,500,000 ordinary shares of RM1.00 each in Active, which represent 100% of the issued and paid-up share capital of Active, for a cash consideration of RM19,000,000, subject to and upon the terms and conditions set out in the conditional share sale agreement dated 23 July 2015 in relation to the Proposed Acquisition entered into between MESB and the Vendors.

**AND THAT** the Directors of MESB be and are hereby authorised to act for and on behalf of the Company and to take all such steps and do all such acts, matters and things (including entering into all such deeds, agreements, arrangements, transactions, undertakings, transfers and indemnities) as they may deem fit or consider necessary, desirable, appropriate or expedient to implement, finalise and give full effect to the Proposed Acquisition with full power to give all or any notices, directions, consents and authorisations in respect of any matter arising under or in connection with the Proposed Acquisition and to assent to any conditions, modifications, variations and/or amendments relating to the Proposed Acquisition as may be approved/required by the relevant regulatory authorities and/or as the Directors of MESB deem fit and to do all such things as they may consider necessary, desirable, appropriate or expedient in the best interests of MESB.”

### **BY ORDER OF THE BOARD**

**LIM LEE KUAN (MAICSA 7017753)**  
**SOO SHIOW FANG (MAICSA 7044946)**  
Company Secretaries  
Kuala Lumpur  
15 September 2015

**Notes:-**

1. *A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. The provisions of Section 149(1)(b) of the Act shall not apply to the Company and there shall be no restriction as to the qualification of the proxy.*
2. *A member shall be entitled to appoint only one proxy to attend and vote at the same meeting.*
3. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint only 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.*
4. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.*
5. *If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.*
6. *The instrument appointing a proxy must be deposited at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.*
7. *If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of its attorney.*
8. *The Date of Record of Depositors for the purpose of determining Members' entitlement to attend, vote and speak at the meeting will be on 22 September 2015.*





**MESB BERHAD**

(Company No. 337554-D)

(Incorporated in Malaysia under the Companies Act, 1965)

**PROXY FORM**

No. of shares held

I/We, \_\_\_\_\_ NRIC No./Passport No./Company No. \_\_\_\_\_  
of \_\_\_\_\_

being a member/members of MESB Berhad hereby appoint \_\_\_\_\_  
NRIC No./Passport No. \_\_\_\_\_ of \_\_\_\_\_

\*and/or failing him/her \_\_\_\_\_ NRIC No./Passport No. \_\_\_\_\_ of \_\_\_\_\_

or failing him/her, \*the Chairman of the Meeting as \*my/our proxy to vote for \*me/us and on my/our behalf at the Extraordinary General Meeting of MESB Berhad to be held at Room 3, Level 2, Hotel Sri Petaling, 30, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur on Wednesday, 30 September 2015 at 10.00 a.m. or immediately after the conclusion or adjournment (as the case may be) of the Twentieth (20<sup>th</sup>) Annual General Meeting of MESB to be held at the same venue on the same day at 9.30 a.m., whichever is later.

Please indicate with (X) on how you want to cast your vote.

RESOLUTION	FOR	AGAINST
Ordinary Resolution – Proposed Acquisition		

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

Signature(s)/Common Seal of Shareholder(s)

The proportion of my/our shareholding to be represented by my/our proxy/proxies is as follows:

First named proxy \_\_\_\_\_ %

Second named proxy \_\_\_\_\_ %

\_\_\_\_\_ 100 %

If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy. In case of a vote taken by show of hands, the first named proxy shall vote on my/our behalf.

\* Delete whichever is not applicable.

**Notes:-**

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company. The provisions of Section 149(1)(b) of the Act shall not apply to the Company and there shall be no restriction as to the qualification of the proxy.
2. A member shall be entitled to appoint only one proxy to attend and vote at the same meeting.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint only 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.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
5. If no name is inserted in the space provided for the name of your proxy, the Chairman of the meeting will act as your proxy.
6. The instrument appointing a proxy must be deposited at Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.
7. If the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of its attorney.
8. The Date of Record of Depositors for the purpose of determining Members' entitlement to attend, vote and speak at the meeting will be on 22 September 2015.

FOLD THIS FLAP TO SEAL

---

2<sup>ND</sup> FOLD HERE

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AFFIX  
STAMP  
HERE

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

---

1<sup>ST</sup> FOLD HERE