APOLLO

APOLLO FOOD HOLDINGS BERHAD

(291471-M)

ANNUAL REPORT 2015

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 21st Annual General Meeting of Apollo Food Holdings Berhad (Co. No. 291471-M) will be held at Delima Room, Level 2, The Puteri Pacific Hotel, Jalan Abdullah Ibrahim, 80730 Johor Bahru, Johor Darul Takzim on Wednesday, 21 October 2015 at 10.00 a.m. for the following purposes:-

AGENDA

Ordinary Business

1.	To receive the Audited Financial Statements for the financial year ended 30 April 2015 and the Reports of the Directors and Auditors thereon	(Please refer to Explanatory Note 1)
2.	To declare a first and final single tier dividend of 25% for the financial year ended 30 April 2015	Resolution 1
3.	To approve the payment of Directors' Fees for the financial year ended 30 April 2015	Resolution 2
4.	To re-appoint the following Director who is over the age of 70, pursuant to Section 129(6) of the Companies Act, 1965:	
	(i) Datuk P. Venugopal A/L V. K. Menon	Resolution 3
5.	To re-elect the following Directors retiring in accordance with Article 116 of the Articles of Association of the Company:	
	(i) Mr. Liang Chiang Heng; and	Resolution 4
	(ii) Mr. Liang Kim Poh	Resolution 5
6.	To re-appoint Messrs BDO as Auditors of the Company and to authorise the Directors to fix their remuneration	Resolution 6

Special Business

To consider and, if thought fit, to pass with or without any modification(s), the following Ordinary Resolutions:

7. **ORDINARY RESOLUTION**

CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS

(i)	"THAT authority be and is hereby given to Mr. Ng Chet Chiang @ Ng Chat Choon who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company."	Resolution 7
(ii)	"THAT authority be and is hereby given to En. Abdul Rahim Bin Bunyamin who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company."	Resolution 8

NOTICE OF ANNUAL GENERAL MEETING (continued)

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

By Order of the Board
APOLLO FOOD HOLDINGS BERHAD

Woo Min Fong (MAICSA 0532413)
Santhi Saminathan (MIA 37094)
Company Secretaries

Johor Bahru
Date: 29 September 2015

NOTICE OF ANNUAL GENERAL MEETING (continued)

NOTES:

1. *A member 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.*

2. *Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*

3. *Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies 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 authorised nominee may appoint in respect of each omnibus account it holds.*

5. *Where the Proxy Form is executed by a corporation, it must be either under its Common Seal or under the hand of an officer or attorney duly authorized*

6. *The Proxy Form must be deposited with the Company Secretary at the Registered Office, Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor Darul Takzim not less than 48 hours before the time set for the Meeting.*

7. *For the purpose of determining a member who shall be entitled to attend the 21st Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 81(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a general meeting Record of Depositor as at 13 October 2015. Only a depositor whose name appears therein shall be entitled to attend the said meeting or appoint a proxy to attend and/or vote on his stead.*

Explanatory Notes:

Ordinary Business

1. ***Item 1 of the Agenda***
Explanatory Note 1

Agenda 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 and the Articles of Association of the Company does not require a formal approval of the Shareholders. Hence, this Agenda is not put forward for voting.

NOTICE OF ANNUAL GENERAL MEETING (continued)

Explanatory Notes (continued):

Special Business

1. Item 7 of the Agenda
Ordinary Resolution

Continuing in Office as Independent Non-Executive Directors

The Ordinary Resolution 7 and 8 as proposed in Agenda 7 above relating to the continuation of Mr. Ng Chet Chiang @ Ng Chat Choon and En. Abdul Rahim Bin Bunyamin as Independent Non-Executive Directors of the Company pursuant to the Malaysian Code on Corporate Governance MCCG 2012. The Nomination Committee had assessed the independence of Mr. Ng Chet Chiang @ Ng Chat Choon and En. Abdul Rahim Bin Bunyamin who each has served on the Board as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years. Both Mr. Ng Chet Chiang @ Ng Chat Choon and En. Abdul Rahim Bin Bunyamin have met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The length of their service does not interfere with their ability and exercise of independent judgment as Independent Directors. Therefore, the Board has recommended that the approval of the shareholders be sought for both of them to continue to act as the Independent Non-Executive Directors of the Company.

CLOSURE OF BOOKS

To determine shareholders' entitlement to the dividend payment, if approved at the 21st Annual General Meeting of the Company, the Share transfer books and Register of Members will be closed on 11 December 2015.

The dividend, if approved, will be paid on 6 January 2016 to shareholders whose names appear in the Register of Members and Record of Depositors at the close of business on 11 December 2015.

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

(a) shares transferred into the depositor's securities account before 4.00 p.m. on 11 December 2015 in respect of ordinary transfers; and

(b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Name of Directors standing for re-election:

1. Mr. Liang Chiang Heng (Executive Chairman cum Managing Director)
2. Mr. Liang Kim Poh (Executive Director)

Profile of Directors standing for re-election:

Please refer to the section on Profile of Directors on pages 31 to 32 of the Annual Report 2015.

Details of attendance of Directors at Board Meetings:

Please refer to the Statement of Corporate Governance on pages 10 to 18 of the Annual Report 2015.

Twenty-First(21st) Annual General Meeting of Apollo Food Holdings Berhad:

Place : The Puteri Pacific Hotel
Delima Room, Level 2
Jalan Abdullah Ibrahim
80730 Johor Bahru
Johor Darul Takzim

Date and Time : Wednesday, 21 October 2015 at 10.00 a.m.

Securities holdings in the Company and its subsidiaries by the directors standing for re-election

The shareholdings as at 01 September 2015 of the directors standing for re-election:

	Ordinary shares of RM 1.00 each			
Name of Directors	**Direct Interest**		**Deemed Interest**	
	No	**%**	**No**	**%**
Mr. Liang Chiang Heng	254,600	0.32	-	-
Mr. Liang Kim Poh	225,000	0.28	-	-

GROUP STRUCTURE

APOLLO FOOD HOLDINGS BERHAD
(291471-M)

Apollo Food Industries (M) Sdn Bhd
(189274-V)

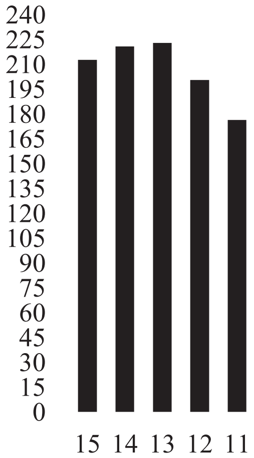
100%

Hap Huat Food Industries Sdn Bhd
(29228-W)

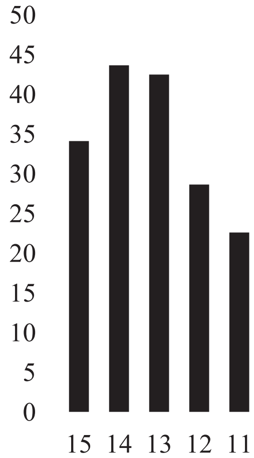
100%

FINANCIAL HIGHLIGHTS

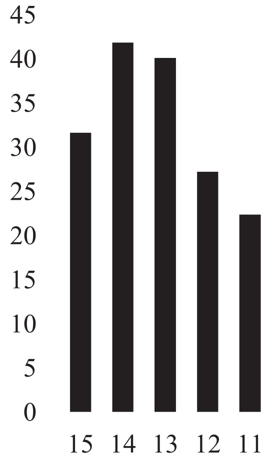
Turnover (RM Million)



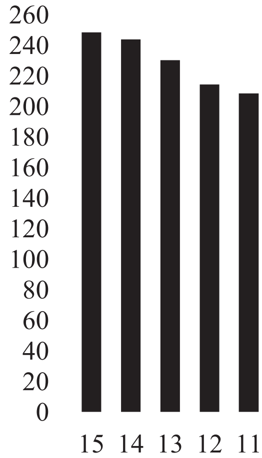
Profit Before Tax (RM Million)



Earnings Per Share (Sen)



Net Assets (RM Million)



Group	2015	2014	2013	2012	2011
Financial results (RM'000)					
Turnover	212,627	220,713	222,904	200,548	176,292
Profit Before Tax	34,056	43,605	42,450	28,597	22,577
Profit After Tax	25,294	33,471	32,083	21,744	17,854
Profit Attributable to Members	25,294	33,471	32,083	21,744	17,854
Dividends	20,000	20,000	16,000	16,000	15,400
Financed by (RM'000)					
Shareholders' Funds	248,432	243,674	230,183	214,214	208,396
Net Assets	248,432	243,674	230,183	214,214	208,396
Statistics					
Earnings Per Share (Sen)	31.62	41.84	40.10	27.18	22.32
Gross Dividend Per Share (Sen)	25.00	25.00	20.00	20.00	25.00
Net Assets Per Share (RM)	3.11	3.05	2.88	2.68	2.60

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Liang Chiang Heng	(*Executive Chairman cum Managing Director)*
Mr. Liang Kim Poh	(*Executive Director)*
Mr. Ng Chet Chiang @ Ng Chat Choon	(*Independent Non-Executive Director)*
Datuk P. Venugopal A/L V. K. Menon	*(Non-Independent Non-Executive Director)*
Encik Abdul Rahim Bin Bunyamin	*(Independent Non-Executive Director)*
Datin Paduka Hjh. Aminah Binti Hashim	(*Independent Non-Executive Director)*

COMPANY SECRETARIES

Ms. Woo Min Fong (MAICSA 0532413)
Ms. Santhi Saminathan (MIA 37094)

REGISTERED OFFICE

Suite 1301, 13th Floor, City Plaza,
Jalan Tebrau, 80300 Johor Bahru,
Johor, Malaysia
Tel No: 07-3322088
Fax No: 07-3328096

PRINCIPAL PLACE OF BUSINESS

70, Jalan Langkasuka, Larkin Industrial Area,
80350 Johor Bahru, Johor.
Tel No: 07-2365096 / 2365097
Fax No: 07-2374748
E-mail: apollof@apollofood.com.my

SHARE REGISTRAR

TRICOR INVESTOR SERVICES SDN BHD (118401 – V)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No.8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Tel No: 03-27839299
Fax No: 03-27839222
Email: is.enquiry@my.tricorglobal.com

AUDITORS

Messrs BDO (AF 0206)
Suite 18-04 Level 18 Menara Zurich
No 15, Jalan Dato' Abdullah Tahir
80300 Johor Bahru, Johor
Tel No: 07-3319815
Fax No: 07-3319817

PRINCIPAL BANKERS

AmBank (M) Berhad
AmFunds Management Berhad
(formerly known as AmInvestment Services Berhad)
OCBC Bank (Malaysia) Berhad
RHB Bank Berhad
Malayan Banking Berhad

STOCK EXCHANGE LISTING

Main Market of the Bursa Malaysia Securities Berhad

STATEMENT OF CORPORATE GOVERNANCE

The Board recognises the importance of good governance to support the Group's continued growth and success. It is committed to continuously improving and enhancing the Group's procedures from time to time to ensure that the principles and best practices in corporate governance recommended in the Malaysian Code on Corporate Governance 2012 ("the Code") are applied within the Group to protect and enhance its shareholders' value.

The Group has complied substantially with the principles and best practices outline in the Code. The extent of the Group's application is shown as follows:

BOARD OF DIRECTORS

Board Responsibilities

The Board has an overall responsibility for the proper conduct of the Company's business and plays an active role in directing management in an effective and responsible manner.

The Board has adopted most of the recommendations as prescribed in the "Code" to effectively lead the Group and retains full and effective control of the Group. This includes responsibility for determining the Group's overall strategic direction, development and control. Key matters, such as reviewing the performance of the Group, overseeing the corporate governance and conduct of the Group's business approval of annual and quarterly results, acquisitions and disposals of assets, as well as material agreements, major capital expenditures, budgets, long range plans and succession planning for top management are reserved for the Board.

The Board had delegated certain responsibilities to the Audit Committee, the Nomination Committee and the Remuneration Committee. These Committees have the authority to examine specific issues and forward their recommendations to the Board which is ultimately responsible for making the final decision.

The Group's code of conduct will be incorporated in the Board Charter which is currently being formalised and will be published in the Company's website in due course.

Board Composition and Balance

The Board currently consists of six (6) Directors:

Two (2) Executive Directors (including the Executive Chairman cum Managing Director)
One (1) Non- Independent Non-Executive Director
Three (3) Independent Non-Executive Directors

The concept of independence adopted by the Board is in tandem with the definition of an Independent Director in the Listing Requirements. The key element of fulfilling the criteria is the appointment of an Independent Director, who is not a member of the management (a Non-Executive Director) and is free of any relationship which could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company and shareholders.

More than one-third of the Board are Independent Non-Executive Directors thereby bringing objective, independent judgement to the decision making process. As and when conflict of interest arises, the Director concerned would declare his/her interest and abstain from the decision-making process and remain in a position to fulfil his/her responsibility to provide a check and balance.

STATEMENT OF CORPORATE GOVERNANCE (continued)

Board Composition and Balance (continued)

The Board comprises an appropriate balance of Directors with diverse experience and expertise required for the effective stewardship of the Group and independence in decision making at Board level. The Board is headed by an Executive Chairman who is also the Managing Director responsible for implementing decisions of the Board. The Board is mindful of the convergence of the two roles and the Chairman being a Non-Independent Director, but is of the view that there are sufficient experienced and independent minded Directors on the Board to provide the assurance that there is adequate check and balance. Given that there is a balanced Board with three experienced Independent Directors, there is a strong independent element on the Board to exercise independent judgement. The Chairman has considerable experience in the Group's business and provide leadership for the Board in considering and setting the overall strategies and objectives of the Group. The Board is of the view that it is in the interest of the Group to maintain the above arrangement so that the Group could have the benefit of a chairman who is well versed about the Group's business and is capable to guide discussion and brief the Board in a timely manner on key issues and developments.

The Code recommends the tenure of an independent director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent Director may continue to serve on the Board subject to re-designation as a Non-Independent Director. Two Directors, Mr Ng Chet Chiang @ Ng Chat Choon and Encik Abdul Rahim Bin Bunyamin will continue to be independent Directors of the Company, notwithstanding having served as Independent directors on the Board for more than nine (9) years. These Directors remain independent and objective in their deliberations and decision making of the Board and Board Committees and that each of them is independent of the Company's management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the interest of the Group. The Board holds the view that their length of services does not interfere with their exercise of independent judgement and in discharging their roles as independent directors. The Group benefits from long serving Directors, who possess detailed knowledge of the Group's business and have proven commitment, experience and competence to advise and oversee management.

The Code recommends that the Board should ensure women participation on the Board to reach 30% by year 2016. Presently, the Group does not have a formal policy on diversity of membership of the Board. The Board believes it is important to recruit and retain the best qualified individual who possess the requisite skills, knowledge, experience, independence, foresight and good judgement to contribute effectively to the Board, regardless of age, gender, race or religion.

The Board of Directors comprise of six members, one of whom is a lady Director, representing 16.7% of the Board composition.

No senior Independent Director was nominated as the Board is of the view that all Directors should shoulder the responsibility collectively.

A brief profile of each Director is presented on pages 31 and 32.

STATEMENT OF CORPORATE GOVERNANCE (continued)

Board Meetings

All Board meetings are scheduled in advance at the beginning of each financial year to enable Directors to plan ahead and maximise their attendance. The Board normally meet 4 times a year with additional meetings convened as and when necessary. During the year ended 30 April 2015, the Board met 4 times, where it deliberated upon and considered a variety of matters including the Group's financial results, major investments, strategic decisions, business plan and direction of the Group. All the Directors have complied with the minimum 50% attendance as required by Paragraph 15.05 of the Bursa Malaysia Berhad's Listing Requirements. The Company Secretary attends all Board meetings and all proceedings and conclusions from the Board meetings are minuted and signed by the Chairman.

In the periods between the Board Meetings, Board approvals were sought via circular resolutions, which were attached with sufficient information required to make informed decision.

Details of Board members attendance at Board meetings are as follows:

Name	Number of Board meetings held during the year	Number of meetings attended by Directors
Liang Chiang Heng	4	4
Liang Kim Poh	4	4
Ng Chet Chiang @ Ng Chat Choon	4	4
Datuk P. Venugopal A/L V. K. Menon	4	4
Abdul Rahim Bin Bunyamin	4	4
Datin Paduka Hjh. Aminah Binti Hashim	4	4

Supply of Information

Notices, agendas and Board papers of each meeting are issued in a timely manner prior to the meetings to enable Directors to obtain further explanations/ clarifications, where necessary, in order to be properly briefed before the meeting.

All Directors have access to the advice and services of the Company Secretary in carrying out their duties. If necessary, the Directors may seek external advice and call for additional clarification and data to assist them in forming their opinion and findings in the lead up to Board decisions

STATEMENT OF CORPORATE GOVERNANCE (continued)

Directors' Training

All Directors have completed the Mandatory Accreditation Programme (MAP). Directors are encouraged to attend seminars and education programmes to further enhance their skills and knowledge and to keep abreast with relevant changes and developments in the market place to assist them in the discharge of their duties as Directors.

Details of the training programmes attended by the Directors during the financial year ended 30 April 2015 were as follows:

Name	Courses Attended
Liang Chiang Heng	• Common Breaches of the Listing Requirements with Case Studies
Liang Kim Poh	• Common Breaches of the Listing Requirements with Case Studies
Ng Chet Chiang @ Ng Chat Choon	• Common Breaches of the Listing Requirements with Case Studies
Datuk P. Venugopal A/L V.K.Menon	• Common Breaches of the Listing Requirements with Case Studies • Global Competitiveness And The Malaysian Experience • Great Companies Deserve Great Boards And Great Boards Leading The Way For Highly Innovative Companies • Current Trends In Shareholders Activism And Predicting Financial Crime And Fraud-Detection, Prevention And Remediation
Abdul Rahim Bin Bunyamin	• Common Breaches of the Listing Requirements with Case Studies
Datin Paduka Hjh. Aminah Binti Hashim	• Common Breaches of the Listing Requirements with Case Studies

All Directors will continue to attend relevant seminars and programmes as a continuous process as recommended by Bursa Malaysia Securities Berhad.

Appointment and Re-election of Directors

The Nomination Committee is responsible for the identification and making recommendations on any nomination of new Directors to the Board and ensuring the appointments of individuals with appropriate experience and knowledge to fulfil the duties of a Director. There is a familiarisation programme in place for new Directors, which included visit to the factory, meeting with the senior management as appropriate, to facilitate their understanding of the Company's business and operations.

In accordance with the Company's Articles of Association, nearest to one third (1/3) of the Directors, including the Managing Director, shall retire from office at every Annual General Meeting but shall be eligible for re-election provided always that each Director shall retire at least once every three years.

Directors who are appointed by the Board during the financial year are subject to re-election by the shareholders at the next Annual General Meeting held following their appointments.

Director(s) over seventy years of age are required to submit himself/themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

The names of Directors seeking for re-appointment and re-election at the forthcoming Annual General Meeting are disclosed in the Notice of Annual General Meeting in this Annual Report.

STATEMENT OF CORPORATE GOVERNANCE (continued)

Remuneration Committee

The Remuneration Committee was established on 29 June 2000 with clear terms of reference. It comprises three Independent Non-Executive Directors, one Non-Independent Non-Executive Director and one Executive Chairman cum Managing Director and its composition is as follows:-

Chairman

Ng Chet Chiang @ Ng Chat Choon – Independent Non-Executive Director

Membersc

Liang Chiang Heng – Executive Chairman cum Managing Director

Datuk P. Venugopal A/L V.K Menon – Non-Independent Non-Executive Director

Abdul Rahim Bin Bunyamin – Independent Non-Executive Director

Datin Paduka Hjh. Aminah Binti Hashim – Independent Non-Executive Director

The Committee meets at least once a year. The Remuneration Committee reviews and makes recommendations to the Board as to the remuneration and other entitlements of the Executive Directors to ensure that they are rewarded appropriately for their contribution to the Group's growth and profitability. Remuneration of Non-Executive Directors is linked to their level of responsibilities.

The Executive Directors play no part in the deliberations and decisions on their remuneration. The remuneration and entitlements of Non-Executive Directors are decided by the Board with the Director concerned abstaining from deliberations and voting on decisions in respect of his remuneration.

The Directors' fees are subject to shareholders' approval at the Annual General Meeting.

Aggregate remuneration of the Directors categorised into appropriate components for the financial year ended 30th April 2015 are as follows:

	Executive Directors RM	**Non-Executive Directors RM**
Salaries, bonus and allowances	4,959,456	25,250
Other emoluments	52,781	16,000
Defined contribution plans	588,995	-
Fees	66,000	124,000
TOTAL	**5,667,232**	**165,250**

The number of Directors whose total remuneration falls within the respective band are as follows:

	No of Directors	
Range of remuneration	Executive Directors	Non Executive Directors
Below RM 50,000	**-**	**4**
RM 1,800,001 - RM1,850,000	**1**	**-**
RM 3,700,001 - RM3,750,000	**1**	**-**
TOTAL	**2**	**4**

The Remuneration Committee met once during the financial year, attended by all its members.

STATEMENT OF CORPORATE GOVERNANCE (continued)

Nomination Committee

The Nomination Committee was established on 23 March 2000 with clear defined terms of reference. It comprises three Independent Non-Executive Directors and one Non-Independent Non-Executive Director and its composition is as follows:

Chairman

Ng Chet Chiang @ Ng Chat Choon – Independent Non-Executive Director

Members

Datuk P. Venugopal A/L V.K Menon – Non-Independent Non-Executive Director

Abdul Rahim Bin Bunyamin – Independent Non-Executive Director

Datin Paduka Hjh. Aminah Binti Hashim – Independent Non-Executive Director

The Committee is responsible for making recommendations to the Board on appointment of all new members to the Board and Committees of the Board and it provides a formal and transparent procedure for such appointments. The Committee will review at least once a year the performance of the individual Directors, Board and Board Committees as well as the required mix of skills and experience of the Directors on the Board in determining the appropriate balance and size of Executive and Non-Executive participation.

The Nomination Committee met once during the financial year, attended by all its members.

The Code recommends that the Chairman of the Nomination Committee should be the Senior Independent Director. As no individual director was nominated to assume the role of Senior Independent Non-Executive Director, the Chairman of the Nomination Committee is not a Senior Independent Director. However, by virtue of his vast experience, the Board believes that the existing Chairman of the Nomination Committee is competent and capable to lead the Nomination Committee in ensuring that the Board composition meets the needs of the Group.

Audit Committee

The composition of membership and the terms of reference of the Audit Committee and other pertinent information about the Audit Committee and its activities are highlighted in the Audit Committee Report set out on Pages 20 and 27 of the Annual Report.

ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual financial statements and quarterly announcement of results to shareholders, the Directors take responsibility to present a balanced and accurate assessment of the Group's position and prospects. The Audit Committee assists the Board in scrutinising the information for disclosure to ensure accuracy and transparency.

STATEMENT OF CORPORATE GOVERNANCE (continued)

Risk Management and Internal Controls

The Board acknowledges its responsibility of maintaining a sound system in of internal controls covering not only financial controls but also operational and compliance controls as well as risk assessments. The internal control system is designed to meet the Group's particular needs and to manage and minimise the risks to which it is exposed. This system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement, fraud or loss. Ongoing reviews are continuously being carried out to ensure the effectiveness, adequacy and integrity of the risk management framework and internal control systems in safeguarding the Group's assets and therefore shareholders' investment in the Group.

The internal auditors report independently to the Audit Committee. The Statement of Risk Management and Internal Control is set out on Pages 28 to 30 of the Annual Report.

Relationship with External Auditors

The role of the Audit Committee in relation to the external auditors is described in the Audit Committee Report. The Company maintained a formal and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the applicable accounting standards in Malaysia.

During the year, the Audit Committee met 2 times with the external auditors without the presence of the Executive Directors and Management.

Shareholders Relations

The Company maintains a regular policy of disseminating information that is material for shareholders' attention through announcements and release of financial results on a quarterly basis, which provide the shareholders and the investing public with an overview of the Group's performance and operations.

At the Annual General Meeting of the Company, the Directors welcome the opportunity to gather the views of shareholders. Notices of each meeting are issued on a timely manner to all, and in the case of special business, a statement explaining the effect of the proposed resolutions is provided. Upon request, the Directors will also meet up with institutional investors, press and investment analysts to explain to them the Group's operations so as to give them a better understanding of the Group's business.

While conducting interviews, the Board takes necessary precautions to ensure that price sensitive and information regarded as material undisclosed information about the Group is not revealed until after the prescribed announcement has been made to Bursa Securities.

Corporate Social Responsibility

The Group is committed to be a successful and responsible corporate citizen by not just delivering quality products and services and generating attractive returns to our customers and shareholders, but also recognising that it is our corporate social responsibility to ensure that we conduct our business in an ethical, professional and socially responsible manner. As we strive to achieve this aim, we recognise our responsibility to our employees, business associates and community within which we conduct our business as well as the environment we operate in.

Recognising its employees as an important asset to the Group, it has always endeavored to safeguard the welfare of its employees. Occupational Safety and Health Programme have been established to provide a safe and healthy workplace and environment for the employees and visitors.

STATEMENT OF CORPORATE GOVERNANCE (continued)

Corporate Social Responsibility (continued)

Employees are also provided with the necessary training on an ongoing basis to further enhance their skills and knowledge. This includes participation in various job related training organised by external parties.

On community welfare, the Group has from time to time donated cash and sponsored company products to various organisations, associations and schools for them to carry out their various activities.

The Group adheres strictly to all applicable environmental laws and regulations. Production process are being constantly monitored and upgraded to ensure compliance with any changes in the environmental laws and regulations. Operation and office resources are been utilised without much wastage and recycling are being encouraged at all times. The Group is committed to seek continuous improvements in its operations to minimise any negative impact on the environment.

ADDITIONAL COMPLIANCE INFORMATION

In compliance with the Bursa Securities Listing Requirements, the following additional information is provided:-

(a) Recurrent Related Party Transactions (RRPT)

The Company did not have any recurrent related party transactions of revenue nature for the financial year ended 30 April 2015.

(b) Share Buybacks

There were no share buybacks by the Company during the financial year.

(c) Utilisation of Proceeds

No proceeds were raised by the Company from any corporate proposal during the financial year.

(d) Depository Receipts/Global Depository Receipts

The Company did not sponsor any Depository Receipts or Global Depository Receipts programme during the financial year.

(e) Profit Estimate, Forecast or Projection

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

(f) Profit Guarantee

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

(g) Options, warrants or convertible securities

There were no options, warrants or convertible securities issued during the financial year.

(h) Deviation in Financial Results

There was no material deviation between the results for the financial year and the unaudited results previously announced.

(i) Sanctions and Penalties

There were no sanctions or penalties imposed on the Company and its subsidiaries by Bursa Securities, Securities Commission and the relevant regulatory bodies during the financial year.

(j) Tax Compliance fee

The amount of the Group's non-audit fee paid to external auditors and its affiliated company during the financial year ended 30 April 2015 is RM15,700.

STATEMENT OF CORPORATE GOVERNANCE (continued)

ADDITIONAL COMPLIANCE INFORMATION (continued)

(k) Material Contracts

There were no material contracts outside the ordinary course of business, including contract relating to loan, entered into by the Company and/or its subsidiaries involving Directors and major shareholders that are still subsisting at the end of the financial year or which were entered into since the end of the previous financial year.

(l) Revaluation Policy

There was no revaluation performed on all properties of the Group during the financial year.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act, 1965 ("the Act") to prepare financial statements for each financial year which have been made out in accordance with the applicable Financial Reporting Standards in Malaysia and to give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

During the preparation of the financial statements for the financial year ended 30 April 2015 the Directors have ensured that:

The Group and the Company have used appropriate accounting policies which are consistently applied;

Reasonable judgements and estimates that are prudent and reasonable have been made;

All applicable Financial Reporting Standards in Malaysia have been followed;

The accounting and other records required by the Act are properly kept and disclosed with reasonable accuracy on the financial position of the Group and of the Company which enable them to ensure that the financial statements comply with the Act.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities and material misstatements. Such systems, by their nature, can only provide reasonable and not absolute assurance against material misstatement, loss and fraud.

AUDIT COMMITTEE'S REPORT

The Audit Committee (Committee) adopted the revised terms of reference on 27 March 2008 as set out on page 20 to 26 of the annual report.

COMPOSITION OF MEMBERS

For the financial year ended 30 April 2015, the Committee comprised the following members:-

Chairman

Mr Ng Chet Chiang @ Ng Chat Choon (Independent Non-Executive Director)

Members

Datuk P. Venugopal A/L V.K. Menon (Non-Independent Non-Executive Director)
Encik Abdul Rahim Bin Bunyamin (Independent Non-Executive Director)
Datin Paduka Hjh. Aminah Binti Hashim (Independent Non-Executive Director)

TERMS OF REFERENCE

Objectives

The objectives of the Audit Committee are as follows:

(1) To provide assistance to the Board in fulfilling its fiduciary responsibilities relating to corporate accounting and reporting practices for the Company;

(2) To maintain, through regularly scheduled meetings, a direct line of communication between the Board and the external auditors as well as the internal auditors;

(3) To avail to the external and internal auditors a private and confidential audience at any time they desire and to request such audience through the Chairman of the Committee, with or without the prior knowledge of Management;

(4) To act upon the Board's request to investigate and report on any issue of concern with regard to the management of the Company; and

(5) To ensure compliance with any such changes / amendments / updates / insertions of the listing requirements and any other applicable laws and regulations, arising thereof from time to time.

AUDIT COMMITTEE'S REPORT (continued)

TERMS OF REFERENCE (continued)

Composition

The Audit Committee shall be appointed by the Board from amongst their members and shall consist of not less than three (3) members. All the audit committee members must be non-executive directors with a majority of them being Independent Directors.

At least one member of the Audit Committee:

(i) must be a member of the Malaysian Institute of Accountants (MIA); or

(ii) he must have at least 3 years' working experience and:

  (a) he must have passed the examinations specified in Part 1 of the 1st 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 1st Schedule of the Accountants Act 1967; or

(iii) he must fulfil such other requirements as prescribed or approved by the Exchange.

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

The members of the Committee shall among them elect a Chairman from whom shall be an Independent Director.

The terms of office and the performance of each member shall be reviewed at least once every three years.

AUDIT COMMITTEE'S REPORT (continued)

TERMS OF REFERENCE (continued)

Meetings

The Committee shall meet at least four (4) times a year and as many times as the Committee deems necessary.

The quorum for a meeting shall be two (2) members, and only if only two members present both of them must be Independent Directors. If the number of members present for the meeting is more than two (2), the majority of members present must be Independent Directors.

The Company Secretary shall be the Secretary to the Audit Committee.

The Group Accountant will normally attend the meetings to brief and highlight to the Committee on the Group performance through the quarterly financial reports and any significant control issues / concerns. Other Board members and employees may attend meetings upon the invitation of the Committee. The presence of the external auditors will be by invitation as and when required.

Minutes of each meeting shall be kept by the Secretary as evidence that the Committee had discharged its functions. The Chairman of the Committee will report to the Board after each Audit Committee meeting. The approved minutes of Audit Committee meetings are forwarded to Board members for information. In the absence of the Chairman of the Committee, members present shall elect a Chairman for the meeting from amongst the Independent Directors.

A committee member shall be deemed to be present at a meeting of the Committee if he participates by instantaneous telecommunication device and all members of the Committee participating in the meeting of the Committee are able to hear each other and recognize each other's voice, and for this purpose, participation constitutes prima facie proof of recognition. For the purposes of recording attendance, the Chairman or Secretary of the Committee shall mark on the attendance sheet that the committee member was present and participating by instantaneous telecommunication device.

A committee member may not leave the meeting by disconnecting his instantaneous telecommunication device unless he has previously obtained the express consent of the Chairman of the meeting and a committee member will be conclusively presumed to have been present and to have formed part of the quorum at all times during the committee meeting by instantaneous telecommunication device unless he has previously obtained the express consent of the Chairman of the committee meeting to leave the meeting.

Minutes of the proceedings at a committee meeting by instantaneous telecommunication device will be sufficient evidence of such proceedings and of the observance of all necessary formalities if certified as correct minutes by the Chairman of the committee meeting. Instantaneous telecommunication device means any telecommunication conferencing device with or without visual capacity.

A resolution in writing signed or approved by a majority of the Committee and who are sufficient to form a quorum shall be as valid and effectual as if it had been passed at a meeting of the Committee duly called and constituted.

AUDIT COMMITTEE'S REPORT (continued)

TERMS OF REFERENCE (continued)

Authority

The Committee shall, in accordance with a procedure to be determined by the Board and at the cost of the Company:-

1. have explicit authority to investigate any matters of the Company and its subsidiaries, within its terms of reference, where it deems necessary, investigate any matter referred to it or that it has come across in respect of a transaction that raises questions of management integrity, possible conflict of interest, or abuse by a significant or controlling shareholder;

2. have resources which are required to perform its duties;

3. have full and unrestricted access to the Chief Executive Officer and Chief Financial Officer and to any information pertaining to the Company which it requires in the course of performing its duties;

4. (i) have direct communication channels with the external auditors;
   (ii) have direct authority over the internal audit function of which is independent from management and operations;

5. be able to obtain and seek outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary; and

6. be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company.

AUDIT COMMITTEE'S REPORT (continued)

TERMS OF REFERENCE (continued)

Functions and Duties

1. (i) To consider and recommend the appointment of the external auditors, the audit fee, and any questions of resignation or dismissal, and inquire into the staffing and competence of the external auditors in performing their work and assistance given by the Company's officers to the external auditors.

   (ii) Where the external auditors are removed from office or give notice to the Company of their desire to resign as external auditors, the Committee shall ensure that the Company immediately notify Bursa Malaysia Securities Bhd ("the Exchange") and forward to the Exchange a copy of any written representations or written explanations of the resignation made by the external auditors at the same time as copies of such representations or explanations are submitted to the Registrar of Companies pursuant to section 172A of the Companies Act 1965.

2. (i) To discuss with the external auditors before the audit commences the nature, scope and any significant problems that may be foreseen in the audit, ensure adequate tests to verify the accounts and procedures of the Company and ensure co-ordination where more than one audit firm is involved; and

   (ii) To ensure and confirm that the management has placed no restriction on the scope of the audit.

3. To review the quarterly announcements to Bursa Malaysia Securities Berhad and financial statements before submission to the Board, focusing particularly on:-

   - any changes in accounting policies and practice;
   - major judgmental areas;
   - significant adjustments resulting from the audit;
   - any significant transactions which are not a normal part of the Group's business;
   - the going concern assumptions;
   - compliance with the accounting standards;
   - compliance with stock exchange and legal requirements;
   - assess the quality and effectiveness of the internal control system and the efficiency of the Company operations;
   - the quality and effectiveness of the entire accounting and internal control systems; and
   - the adequacy the disclosure of information essential to a fair and full presentation of the financial affairs of the Group.

4. To discuss problems and reservations arising from the interim and final audits, and any matters the auditor may wish to discuss (in the absence of the management where necessary).

5. To review all areas of significant financial risks and the arrangements in place to contain these risks to acceptable levels.

AUDIT COMMITTEE'S REPORT (continued)

TERMS OF REFERENCE (continued)

Functions and Duties (continued)

6. For the internal audit function, to:

   (a) Review the adequacy of the competency of the internal audit function including the scope and resources of the internal audit functions and ensuring that the internal auditors have the necessary authority to carry out their work;

   (b) Review internal audit program;

   (c) Ensure co-ordination of external audit with internal audit;

   (d) Consider major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function;

   (e) If the internal audit function is outsourced:-

   To consider and recommend the appointment or termination of the internal auditors, the fee and inquire into the staffing and competence of the internal auditors in performing their work.

   (f) If the internal audit function is performed in-house, to

      (i) To review any appraisal or assessment of the performance of the staff of the internal audit function;

      (ii) To approve any appointment or termination of senior staff member of the internal audit function; and

      (iii) To inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reason of resignation.

7. To review the external auditors' management letter and management's response.

AUDIT COMMITTEE'S REPORT (continued)

TERMS OF REFERENCE (continued)

Functions and Duties (continued)

8. To consider:

   - any related party transactions that may arise within the Company or the Group and to ensure that Directors report such transactions annually to shareholders via the annual report; and
   - in respect of the recurrent related party transactions of revenue or trading nature which are subject of a shareholder's mandate, prescribe guidelines and review procedures to ascertain that such transactions are in compliance with the terms of the shareholders' mandate.

9. To report to Bursa Malaysia Securities Berhad ("Bursa") on matters reported by it to the Board that has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa.

ACTIVITIES OF THE COMMITTEE

During the financial year ended 30 April 2015, the Committee met four times. The attendance of each Committee member is as follows:

	Total Number of meetings held during the year	Number of meetings attended by Directors
Ng Chet Chiang @ Ng Chat Choon	4	4
Datuk P. Venugopal A/L V.K. Menon	4	4
Abdul Rahim Bin Bunyamin	4	4
Datin Paduka Hjh. Aminah Binti Hashim	4	4

AUDIT COMMITTEE'S REPORT (continued)

ACTIVITIES OF THE COMMITTEE (continued)

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

i. Reviewed the external auditors' scope of work and audit plan for the year;

ii. Reviewed and recommended to the Board the re-appointment of external auditors and the audit fee thereof;

iii. Reviewed the Corporate Governance Statement and Statement on Internal Control prior to the Board's approval for inclusion in the Company's annual report;

iv. Reviewed the draft audited financial statements prior to submission to the Board for their consideration and approval;

v. Reviewed the Group's unaudited quarterly reports and announcements before recommending them for the Board's consideration and approval;

vi. Met with the external auditors without the presence of any executive board members and management personnel;

vii. Reviewed internal audit plan, internal audit reports with recommendations by the internal auditors, management's response and follow-up actions taken by the management;

viii. Reported to and updated the Board on significant issues and concerns discussed during the Committee and where appropriate made the necessary recommendations to the Board; and

ix. Discussed any other matters raised during the meeting.

INTERNAL AUDIT FUNCTION

The role of the internal audit function is to assist the Audit Committee and the Board of Directors in monitoring and managing risks and internal controls of the Group. A systematic and disciplined approach will be used to evaluate and improve the effectiveness of risk management, operational and internal controls, and compliance with laws and regulations.

The Group's internal audit function is outsourced to a professional service provider firm to assist the Committee in discharging its duties and responsibilities more effectively. The expenses incurred for internal audit amounted to RM 41,067 for the year ended 30 April 2015.

The Group's Statement on Risk Management and Internal Control is set out on page 28 to 30 of the Annual Report to provide an overview on the state of risk management and internal control.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to paragraph 15.26(b) and Practice Note 9 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements in relation to requirement to prepare statement about the state of risk management and internal control of the listed issuer as a group, and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines"), the Board is pleased to present the statement on the state of risk management and internal control of the Group for the financial year ended 30 April 2015.

BOARD RESPONSIBILITY

The Board of Directors ("the Board") affirms its overall responsibility for maintaining a sound risk management and internal control system and for reviewing their adequacy and effectiveness so as to safeguard all its stakeholders' interests and protecting the Group's assets. The system of internal controls includes, inter-alia, risk assessment as well as financial, operational, environmental and compliance controls. The Board delegates the duty of identification, assessment and management of key business risks to the Executive Board and Senior Management and its review role to the Audit Committee, through terms of reference approved by the Board, in order to provide assurance to the Board on the adequacy and effectiveness of risk management and internal control system of the Group.

However, in view of the limitations that are inherent in any system of internal controls, the system of internal controls is designed to manage, rather than to eliminate, the risk of failure to achieve the Group's business objectives. Accordingly, the system of internal controls can only provide reasonable and not absolute assurance against material misstatement of losses and fraud.

RISK MANAGEMENT

The Board maintains an on-going commitment for identifying, evaluating and managing significant risks faced by the Group during the financial year under review. The Board had put in place risk management practice and internal control system in order to manage key business risks faced by the Group adequately and effectively. The responsibility for the identification, evaluation and management of the key business risk delegated to the Executive Board and Senior Management.

The Group's Risk Management is embedded into key processes at all level of organisation structure whereby respective head of departments are delegated with the responsibility to continuously identify, evaluate and manage the existing and emerging risks, resulting from changes to internal and external environment, faced by the Group under their scope of responsibility by formulating and implementing adequate internal control to manage the risk exposure identified.

The Executive Directors and Senior Management manage key business risks faced by the Group through constant communication among themselves and with respective head of departments during daily management of operation and through scheduled management meetings. Changes in the key business risks faced by the Group or emergence of new key business risks are highlighted to the Board for deliberation and decision making, if any.

The Group had practiced the above process for the financial year under review and up to the date of approval of this statement.

STATEMENT ON RISK MANAGEMNET AND INTERNAL CONTROL (continued)

INTERNAL CONTROL SYSTEM

The key features of the Group's internal control system are described below:

- **Board of Directors/Board Committees**

  Board Committees (i.e. Audit Committee, Remuneration Committee and Nomination Committee) being established to carry out duties and responsibilities delegated by the Board, governed by written terms of reference;

  Meetings of Board of Directors and respective Board Committees are carried out on scheduled basis to review the performance of the Group, from financial and operational perspective, and to carry out its fiduciary duties and responsibilities. Potential business strategies are proposed by the Executive Directors for the Board's review and approval, after taking into consideration risk and responses.

- **Organisation Structure and Authorisation Procedure**

  The Group has a formal organization structure in place to ensure appropriate level of authority and responsibilities are delegated accordingly to competent staffs in achieving operational effectiveness and efficiency.

- **Policy and Procedure**

  The Group has documented policies and procedures that are periodically reviewed and updated to ensure its relevance to regulate key operations in compliance with its International Organisation for Standardisation ("ISO") certification.

- **Employee Handbook**

  Guidelines on the human resource management are in place to ensure the Group's ability to operate in an effective and efficient manner by employing and retaining adequate competent employees possessing necessary knowledge, skill and experience in order to carry out their duties and responsibilities assigned effectively and efficiently.

- **Information and Communication**

  At operational levels, clear reporting lines are established across the Group and operation and management reports are prepared for dissemination to relevant personnel for effective communication of critical Information throughout the Group for timely decision-making and execution in pursuit of the business objectives. Matters that require the Board and Senior Management's attention are highlighted for review, deliberation and decision on a timely basis.

- **Monitoring and Review**

  Executive Directors' close and direct involvement in operations, regular reviews of operational data including production, and marketing and financial data.

  Regular management meetings, supported by operation and/or financial reports prepared by respective departments and key indicators, to assess the Group's performance and risks for formulation and implementation of mitigating controls.

  Apart from the above, the quarterly financial performance review containing key financial results and previous corresponding financial results are presented to the Board for their review.

STATEMENT ON RISK MANAGEMNET AND INTERNAL CONTROL (continued)

INTERNAL CONTROL SYSTEM (continued)

- **Monitoring and Review (continued)**

  In addition to the above, for the purpose of compliance with ISO22000:2005 Food Safety Management System, Internal quality audits are carried out by in-house independent personnel to provide assurance of compliance with established ISO procedures. The monitoring of compliance with relevant laws and regulations are further enhanced by independent review of specific areas of safety, health and environment by relevant regulatory bodies.

INTERNAL AUDIT

The Group relies on internal audit mechanisms to provide the management with the required level of assurance that its business is operating adequately and effectively in order to provide reasonable assurance that the business objectives of the Group are achievable.

The Group's internal audit function is outsourced to an independent professional firm which provides the Audit Committee with much of the assurance it requires regarding the adequacy and integrity of the Group's system of internal control. The outsourced internal audit function reports functionally to Audit Committee and administratively to the Managing Director.

The outsourced internal audit function adopts a risk based approach for prioritisation of internal audit activities, with consultation with the Executive Directors, for Audit Committee's review and approval. Regular internal audit reviews are performed based on the internal audit plan approved by Audit Committee and, upon the completion of the internal audit work, the internal audit reports are presented to the Audit Committee during its meetings. During the presentation, the internal audit findings, its potential risks and recommendations as well as management response and action plans are presented and deliberated. Update on the status of action plans as identified in the previous internal audit reports were also presented during the financial year under review for Audit Committee to ensure action plans are implemented to address the individual risks associated with the findings. During the financial year under review, the outsourced internal audit function conducted two (2) internal audit cycles and reported of the same to the Audit Committee per approved internal audit plan and subsequent management request approved by Audit Committee.

ASSURANCE PROVIDED BY EXECUTIVE DIRECTORS

During the meeting of Board of Directors during the financial year under review, the performance of the Group was reviewed and deliberated by the Board, including, but not limited to, the adequacy and effectiveness of risk management and internal control system in relation to the strategic objectives of the Group.

In line with the Guildelines, the Executive Chairman cum Managing Director, being highest ranking executive in the Company and the person primarily responsible for the management of the financial affairs of the Company has provided assurance to the Board that the Group's risk management and internal control system operated adequately and effectively, in all material aspects, to meet the Group's objectives during the financial year under review.

CONCLUSION

The Board is of the view that the existing risk management and internal control system put in place is operating satisfactorily to safeguard the interest of the stakeholders and the Group's assets, based on the existing nature of business and scale of operations of the Group. The Board recognises the need for the risk management and internal control system to be subjected to continuous review in line with the growth of the Group and the Board is committed towards striving for continuous improvements to further enhance the Group's risk management and internal control system.

DIRECTORS' PROFILE

Liang Chiang Heng (65 years of age – Singaporean)

Non-Independent and Executive Director. Has been with the Apollo Group since 1979 and appointed as Managing Director on 20 March 1996 as the Executive chairman as well on 21 July 1998. The Group's business has grown and expanded within the short period of time under his leadership. He was awarded an Honorary PhD in Business Administration from the Wisconsin International University. He also sits on the Board of several private companies. He is also a member of the Remuneration Committee.

Liang Kim Poh (54 years of age – Singaporean)

Non-Independent and Executive Director. Initially appointed as an alternate director on 20 March 1996 and subsequently to the Board on 21 July 1998. Presently, he serves as the Sales Director of the Group and also sits on the Board of several private companies.

Ng Chet Chiang @ Ng Chat Choon (66 years of age – Malaysian)

Independent and Non-Executive Director. Appointed to the Board on 20 March 1996. A licensed company secretary, he started his career as a tax officer with the Inland Revenue Board before setting up his own tax and secretarial practices in 1982. He is an associate member of Malaysian Institute of Taxation. Appointed as Chairman of the Audit Committee on 9 May 1996. Member of the Remuneration and Nomination Committees and also sits on the Board of several private companies.

Datuk P.Venugopal A/L V.K. Menon (72 years of age – Malaysian)

Non-Independent and Non-Executive Director. Graduated with a BA (Hons.) from the University of Malaya and a Masters in Public Administration from Harvard University. Appointed to the Board on 12 October 1998. He was an officer of the Malaysian Administrative and Diplomatic Service for over 32 years of which 26 were with the Prime Minister's Department in various capacities. Datuk is a Member of the Audit, Remuneration and Nomination Committees.

DIRECTORS' PROFILE (continued)

Abdul Rahim Bin Bunyamin (62 years of age – Malaysian)

Independent and Non-Executive Director. Fellow Member of The Association of Chartered Certified Accountants, UK (ACCA). Appointed to the Board on 14 December 2001. He has extensive corporate finance experience having been attached with a reputable merchant bank and several companies in the commercial sector. Member of the Audit, Remuneration and Nomination Committees.

Datin Paduka Hjh. Aminah Binti Hashim (67 years of age – Malaysian)

Independent and Non-Executive Director. Graduated with Bachelor of Arts (Economics) from University of Malaya. Datin served in various Johor State Government Department, namely, The Johor State Secretary Office, Batu Pahat Land Office, Batu Pahat Local Council Office, Johor State Treasury Office, Johor State Islamic Development Corporation and Johor Lands and Mines Office from 1972 to 2003. She held different positions, her last post being the Director General of Lands and Mines, Johor Lands and Mines Office. She is also a committee member of Puspanita Johor, Pemadam Johor and Mawar Johor. Member of the Audit, Remuneration and Nomination Committees. She also sits on the Board of a private company.

OTHER INFORMATION

a) None of the Directors have any family relationships with each other and/or major shareholders except Mr Liang Chiang Heng and Mr Liang Kim Poh are brothers.

b) The Directors' interests in the shares of the Company as at 01 September 2015 are shown on page 106.

c) None of the Directors have been convicted of any offences within the past 10 years other than traffic offences, if any.

d) None of the Directors have any conflict of interest with the Company.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and the Audited Financial Statements of Apollo Food Holdings Berhad Group for the financial year ended 30 April 2015.

Financial Performance

The Group registered a turnover of RM212.63 million for the financial year ended 30 April 2015, a decrease of 0.96% as compared to RM220.71 million in 2014.

The profit after tax decreased by 24.44% to RM25.29 million from RM33.47 million as recorded in the previous financial year. Similarly the Group's earning per share also decreased from 41.84 sen to 31.62 sen over the same period. The higher cost of raw materials had contributed to the lower profit.

Despite the continuing economic uncertainties globally, the Malaysian economy remained resilient. Despite the political unrest in certain regions and slowing growth in the emerging markets, the markets in which the Group operates remain relatively stable.

Although the prices of major raw materials were less volatile this year as compared to year 2014, the raw material prices are expected to be unstable in the forthcoming year. Coupled with the uncertainties in the global economy, we expect the forthcoming year to be another challenging year. In facing these challenges, the Group will monitor the raw material prices closely and review its business strategies to adapt to the changes in the market for the forthcoming year.

Dividend

Your Board of Directors is recommending a first and final dividend of 25 sen under the single tier system (tax exempt) for the financial year ended 30 April 2015, for the shareholders' approval at the forthcoming Annual General Meeting to be held on 21 October 2015. If approved, the dividend will be paid on 6 January 2016.

Operations Review and Prospects

Continuous improvement on our production planning, stringent quality control and investment on newer and modern production machineries with higher output and more automation to use less labour are the pre-requisites for our Group to remain competitive in this very challenging market environment. We will therefore continue to focus our efforts in this direction on improving our overall performance. Our long term strategies shall include the seeking of new business opportunities and diversifying our revenue streams. We shall continue to train our employees to improve their operational, marketing, management and industrial skills to enhance our competitiveness in this industry.

The Board is confident of maintaining the Group's financial performance under the prevailing challenging business environment. The Group will strive to ensure that it continues to achieve satisfactory results by implementing prudent measures and improving operational efficiency so as to sustain the current margin while remaining focused on product and service quality.

CHAIRMAN'S STATEMENT (continued)

Appreciation

On behalf of the Board of Directors, we wish to convey our heartfelt appreciation to our loyal shareholders and customers for their continued support and confidence in the Group. We also would like to express our utmost gratitude to our management team and employees for their hard work and dedication over the past year. We look forward to your continued support as we move steadily forward.

Lastly, I extend my sincere appreciation to my colleagues on the Board for the continued support, guidance and insight provided as we work together to achieve our vision of making the Group one of the leaders in this industry.

LIANG CHIANG HENG
Executive Chairman
27 August 2015

FINANCIAL STATEMENTS

CONTENTS PAGE

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 April 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and provision of management services to subsidiaries. The principal activities of the subsidiaries are set out in Note 10 to the financial statements.

RESULTS

	Group RM	Company RM
Profit for the financial year	25,293,936	20,649,098

DIVIDEND

Dividends paid, declared or proposed since the end of the previous financial year was as follows:

	Company RM
In respect of financial year ended 30 April 2014:	
Final single tier dividend of 25 sen per ordinary share, paid on 9 January 2015	20,000,000

The Directors proposed a single tier final dividend of 25 sen per ordinary share, amounting to RM20,000,000 in respect of the financial year ended 30 April 2015, subject to the approval of members at the forthcoming Annual General Meeting.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

There were no new issues of shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

DIRECTORS' REPORT (continued)

DIRECTORS

The Directors who have held for office since the date of the last report are:

Liang Chiang Heng
Liang Kim Poh
Ng Chet Chiang @ Ng Chat Choon
Datuk P. Venugopal A/L V.K. Menon
Abdul Rahim Bin Bunyamin
Datin Paduka Hjh. Aminah Binti Hashim

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares and options over ordinary shares in the Company and of its related corporations during the financial year ended 30 April 2015 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia were as follows:

	----Number of ordinary shares of RM1.00 each----			
	Balance as at 1.5.2014	**Bought**	**Sold**	**Balance as at 30.4.2015**
Shares in the Company				
Direct interests:				
Liang Chiang Heng	254,600	-	-	254,600
Liang Kim Poh	225,000	-	-	225,000
Ng Chet Chiang @ Ng Chat Choon	20,000	-	-	20,000
Datuk P. Venugopal A/L V.K. Menon	25,000	-	-	25,000
Abdul Rahim Bin Bunyamin	17,000	-	-	17,000
Indirect interests:				
Liang Chiang Heng	41,048,415	-	-	41,048,415
Liang Kim Poh	41,048,415	-	-	41,048,415
Datuk P. Venugopal A/L V.K. Menon	10,000	-	-	10,000

	----Number of ordinary shares of RM1.00 each----			
	Balance as at 1.5.2014	**Bought**	**Sold**	**Balance as at 30.4.2015**
Shares in the ultimate holding company				
Keynote Capital Sdn. Bhd.				
Direct interests:				
Liang Chiang Heng	270,350	-	-	270,350
Liang Kim Poh	232,506	-	-	232,506

DIRECTORS' REPORT (continued)

DIRECTORS' INTERESTS (continued)

By virtue of their interests in the ordinary shares of the Company, Liang Chiang Heng and Liang Kim Poh are also deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in ordinary shares and options over ordinary shares in the Company or ordinary shares, options over ordinary shares and debentures of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have 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 the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for any benefits which may be deemed to have arisen by virtue of those transactions as disclosed in Note 28 to the financial statements.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

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

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that no known bad debts written off and provision need not be made for doubtful debts; and

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

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

OTHER STATUTORY INFORMATION REGARDING THE GROUP AND THE COMPANY (continued)

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would necessitate the amount written off for bad debts or the making of provision for doubtful debts in the financial statements of the Group and of the Company;

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

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

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Group and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Group and of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

ULTIMATE HOLDING COMPANY

The Directors regard Keynote Capital Sdn. Bhd., a company incorporated in Malaysia as the ultimate holding company.

AUDITORS

The auditors, BDO, have expressed their willingness to continue in office.

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

....	....
Liang Chiang Heng	Liang Kim Poh
Director	Director

Johor Bahru
27 August 2015

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 44 to 104 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 April 2015 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

In the opinion of the Directors, the information set out in Note 33 to the financial statements on page 105 has been compiled in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

On behalf of the Board,

....	....
Liang Chiang Heng	Liang Kim Poh
Director	Director

Johor Bahru
27 August 2015

STATUTORY DECLARATION

I, Liang Chiang Heng, being the Director primarily responsible for the financial management of Apollo Food Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 44 to 105 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 abovenamed at)
Johor Bahru, Johor this)
27 August 2015)

Before me:

PESURUHJAYA SUMPAH
No. J252
SERENA KAUR
MALAYSIA

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15 Jalan Dato' Abdullah Tahir
80300 Johor Bahru Ta'zim
Malaysia

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APOLLO FOOD HOLDINGS BERHAD

Report on the Financial Statements

We have audited the financial statements of Apollo Food Holdings Berhad, which comprise statements of financial position as at 30 April 2015 of the Group and of the Company, and 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 44 to 104.

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 the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 30 April 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF APOLLO FOOD HOLDINGS BERHAD (continued)

Report on Other Legal and Regulatory Requirements

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

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

(b) We are satisfied that the accounts of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

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

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.

BDO

BDO	**Se Kuo Shen**
AF : 0206	2949/05/16 (J)
Chartered Accountants	Chartered Accountant

Johor Bahru
27 August 2015

STATEMENTS OF FINANCIAL POSITION
AS AT 30 APRIL 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	7	112,004,552	115,764,999	-	-
Investment properties	8	13,311,470	13,525,260	-	-
Prepaid lease payments for land	9	884,615	1,000,000	-	-
Investments in subsidiaries	10	-	-	39,378,234	39,378,234
Other investments	11	3,471,762	4,062,735	3,470,762	4,061,735
Deferred tax assets	12	-	-	12,740	12,740
		129,672,399	134,352,994	42,861,736	43,452,709
Current assets					
Inventories	13	19,362,334	18,790,244	-	-
Trade and other receivables	14	35,931,082	34,777,229	43,514,785	24,083,592
Current tax assets		185,889	65,252	185,889	65,252
Cash and bank balances	15	89,140,666	81,798,844	23,761,470	42,600,650
		144,619,971	135,431,569	67,462,144	66,749,494
TOTAL ASSETS		274,292,370	269,784,563	110,323,880	110,202,203
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	16	80,000,000	80,000,000	80,000,000	80,000,000
Reserves	17	168,432,331	163,674,425	29,866,222	29,753,154
TOTAL EQUITY		248,432,331	243,674,425	109,866,222	109,753,154

STATEMENTS OF FINANCIAL POSITION (continued)
AS AT 30 APRIL 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
LIABILITIES					
Non-current liabilities					
Retirement benefits obligations	18	1,496,302	1,637,778	-	-
Deferred tax liabilities	12	12,836,698	14,588,031	-	-
		14,333,000	16,225,809	-	-
Current liabilities					
Trade and other payables	19	10,427,315	9,008,713	457,658	449,049
Current tax liabilities		1,099,724	875,616	-	-
		11,527,039	9,884,329	457,658	449,049
TOTAL LIABILITIES		25,860,039	26,110,138	457,658	449,049
TOTAL EQUITY AND LIABILITIES		274,292,370	269,784,563	110,323,880	110,202,203

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
Revenue	20	212,626,773	220,713,333	20,310,368	20,466,945
Cost of sales		(156,316,175)	(156,567,077)	-	-
Gross profit		56,310,598	64,146,256	20,310,368	20,466,945
Other income		3,439,668	3,562,018	1,342,516	1,671,538
Distribution costs		(8,418,904)	(9,015,164)	-	-
Administrative expenses		(15,279,049)	(14,382,021)	(762,353)	(1,403,809)
Other expenses		(1,996,242)	(705,658)	-	-
Profit before tax	21	34,056,071	43,605,431	20,890,531	20,734,674
Tax expense	22	(8,762,135)	(10,134,691)	(241,433)	(406,699)
Profit for the financial year		25,293,936	33,470,740	20,649,098	20,327,975
Other comprehensive income					
Items may be reclassified subsequently to profit or loss					
Other investments					
- fair value (loss)/gain	11(a)	(536,030)	254,825	(536,030)	254,825
- reclassification to profit or loss upon disposal	11(a)	-	(233,900)	-	(233,900)
Total other comprehensive (loss)/income, net of tax		(536,030)	20,925	(536,030)	20,925
Total comprehensive income		24,757,906	33,491,665	20,113,068	20,348,900
Profit attributable to owners of the parent		25,293,936	33,470,740	20,649,098	20,327,975
Total comprehensive income attributable to owners of the parent		24,757,906	33,491,665	20,113,068	20,348,900
Earnings per ordinary share attributable to owners of the parent (sen):					
- Basic	26	31.62	41.84		
- Diluted	26	31.62	41.84		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015

		<------------ Non-distributable	------------>		Distributable	
Group	**Note**	**Share capital RM**	**Share premium RM**	**Available-for-sale reserve RM**	**Retained earnings RM**	**Total RM**
Balance as at 1 May 2013		80,000,000	4,325,454	198,690	145,658,616	230,182,760
Profit for the financial year		-	-	-	33,470,740	33,470,740
Other investments						
- fair value gain	11(a)	-	-	254,825	-	254,825
- reclassification to profit or loss upon disposal	11(a)	-	-	(233,900)	-	(233,900)
Total comprehensive (loss)/income, net of tax		-	-	20,925	33,470,740	33,491,665
Transaction with owners						
Dividend paid	23	-	-	-	(20,000,000)	(20,000,000)
Total transaction with owners		-	-	-	(20,000,000)	(20,000,000)
Balance as at 30 April 2014		80,000,000	4,325,454	219,615	159,129,356	243,674,425
Balance as at 1 May 2014		80,000,000	4,325,454	219,615	159,129,356	243,674,425
Profit for the financial year		-	-	-	25,293,936	25,293,936
Other investments						
- fair value loss	11(a)	-	-	(536,030)	-	(536,030)
Total comprehensive (loss)/income, net of tax		-	-	(536,030)	25,293,936	24,757,906
Transaction with owners						
Dividend paid	23	-	-	-	(20,000,000)	(20,000,000)
Total transaction with owners		-	-	-	(20,000,000)	(20,000,000)
Balance as at 30 April 2015		80,000,000	4,325,454	(316,415)	164,423,292	248,432,331

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015

		<----------- Non-distributable		----------->	Distributable	
		Share capital	Share premium	Available-for-sale reserve	Retained earnings	Total
Company	**Note**	**RM**	**RM**	**RM**	**RM**	**RM**
Balance as at 1 May 2013		80,000,000	4,325,454	198,690	24,880,110	109,404,254
Profit for the financial year		-	-	-	20,327,975	20,327,975
Other investments						
- fair value gain	11(a)	-	-	254,825	-	254,825
- reclassification to profit or loss upon disposal	11(a)	-	-	(233,900)	-	(233,900)
Total comprehensive income, net of tax		-	-	20,925	20,327,975	20,348,900
Transaction with owners						
Dividend paid	23	-	-	-	(20,000,000)	(20,000,000)
Total transaction with owners		-	-	-	(20,000,000)	(20,000,000)
Balance as at 30 April 2014		80,000,000	4,325,454	219,615	25,208,085	109,753,154
Balance as at 1 May 2014		80,000,000	4,325,454	219,615	25,208,085	109,753,154
Profit for the financial year						
Other investments		-	-	-	20,649,098	20,649,098
- fair value loss	11(a)	-	-	(536,030)	-	(536,030)
Total comprehensive (loss)/income, net of tax		-	-	(536,030)	20,649,098	20,113,068
Transaction with owners						
Dividend paid	23	-	-	-	(20,000,000)	(20,000,000)
Total transaction with owners		-	-	-	(20,000,000)	(20,000,000)
Balance as at 30 April 2015		80,000,000	4,325,454	(316,415)	25,857,183	109,866,222

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		34,056,071	43,605,431	20,890,531	20,734,674
Adjustments for:					
Amortisation of prepaid lease payments for land	9	115,385	115,385	-	-
Bad debts written off		-	1,544	-	-
Depreciation of:					
- investment properties	8	213,790	213,791	-	-
- property, plant and equipment	7	10,516,290	9,557,361	-	-
Dividend income		(71,250)	(207,475)	(20,090,368)	(20,226,945)
Gain on disposals of:					
- property, plant and equipment	21	-	(47,474)	-	-
- other investments	21	(276,000)	(227,637)	(276,000)	(227,637)
Impairment loss on other investments	11(a)	-	657,464	-	657,464
Interest income		(2,092,464)	(2,308,341)	(1,066,516)	(1,443,901)
Inventories written off	13	117,379	151,953	-	-
Provision of retirement benefits	18(c)	46,279	42,680	-	-
Property, plant and equipment written off	7	2,824	8,124	-	-
Unrealised loss/(gain) on foreign exchange translations		1,866,238	(397,334)	-	-
Operating profit/(loss) before changes in working capital		44,494,542	51,165,472	(542,353)	(506,345)
Inventories		(689,469)	951,758	-	-
Trade and other receivables		(1,019,903)	2,193,900	51,843	(12,088)
Trade and other payables		1,418,602	1,889,067	8,609	22,017
Cash generated from/(used in) operations		44,203,772	56,200,197	(481,901)	(496,416)
Interest received		2,092,464	2,308,341	1,066,516	1,443,901
Income tax paid		(10,409,997)	(11,994,166)	(362,070)	(313,482)
Income tax refunded		-	363,335	-	211,605
Retirement benefits paid		(187,755)	(22,703)	-	-
Net cash from operating activities		35,698,484	46,855,004	222,545	845,608

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 APRIL 2015 (continued)

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
(Advances to)/Repayments from subsidiaries		-	-	(19,483,036)	6,200,137
Dividends received		71,250	186,610	20,090,368	20,206,080
Proceeds from disposals of:					
- property, plant and equipment		-	49,500	-	-
- other investments		1,863,000	1,353,437	1,863,000	1,353,437
Purchase of:					
- property, plant and equipment	7	(6,758,667)	(9,967,761)	-	-
- other investments	11(a)	(1,532,057)	(1,695,905)	(1,532,057)	(1,695,905)
Net cash (used in)/from investing activities		(6,356,474)	(10,074,119)	938,275	26,063,749
CASH FLOWS FROM FINANCING ACTIVITY					
Dividends paid/Net cash used in financing activity	23	(20,000,000)	(20,000,000)	(20,000,000)	(20,000,000)
Net increase/(decrease) in cash and cash equivalents		9,342,010	16,780,885	(18,839,180)	6,909,357
Effects of exchange rate changes on cash and cash equivalents		(2,000,188)	155,058	-	-
Cash and cash equivalents at beginning of financial year		81,798,844	64,862,901	42,600,650	35,691,293
Cash and cash equivalents at end of financial year	15	89,140,666	81,798,844	23,761,470	42,600,650

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

NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 2015

1. CORPORATE INFORMATION

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

The registered office of the Company is located at Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor.

The principal place of business is located at 70, Jalan Langkasuka, Larkin Industrial Area, 80350 Johor Bahru, Johor.

The immediate and ultimate holding company of the Company is Keynote Capital Sdn. Bhd., which is incorporated in Malaysia.

The consolidated financial statements for the financial year ended 30 April 2015 comprise the Company and its subsidiaries. These financial statements are presented in Ringgit Malaysia ('RM'), which is also the Company's functional currency.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 27 August 2015.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and provision of management services to subsidiaries. The principal activities of the subsidiaries are set out in Note 10 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 and of the Company set out on pages 44 to 104 have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the provisions of the Companies Act, 1965 in Malaysia. However, Note 33 to the financial statements set out on page 105 has been 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 ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements in conformity with MFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgements in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(a) Power over the investee;
(b) Exposure, or rights, to variable returns from its involvement with the investee; and
(c) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) The contractual arrangement with the other vote holders of the investee;
(b) Rights arising from other contractual agreements; and
(c) The voting rights of the Group and potential voting rights.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the interest of the Group in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Basis of consolidation (continued)

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the other entities in the Group.

Non-controlling interests represent equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent 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.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. 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. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:

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

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. 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 *Financial Instruments: Recognition and Measurement* or, where applicable, the cost on initial recognition of an investment in associate or joint venture.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Business combinations

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(a) Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
(b) Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and
(c) Assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the serviced are received.

Any contingent consideration payable is recognised at fair value at the acquisition date.

Measurement period adjustments to contingent consideration are dealt with as follows:

(a) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.
(b) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of MFRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with MFRS 139. All other subsequent changes are recognised in profit or loss.

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

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at fair value. All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's 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 would flow to the Group and the cost of the asset could 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.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

After initial recognition, property, plant and equipment except for freehold land and buildings are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation rates are as follows:

Long term leasehold land	97 - 98 years
Buildings and improvements	13 - 22 years
Plant, machinery, tools and equipment	4% - 20%
Motor vehicles	20%
Office equipment, furniture and fittings	10% - 33.33%
Renovation	10% - 20%

Construction-in-progress represents system under installation is stated at cost. Construction-in-progress is not depreciated until such time when the asset is available for use.

At the end of each reporting period, the carrying amount of an item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.8 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed 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 property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Property, plant and equipment and depreciation (continued)

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit and loss.

4.5 Leases and hire purchase

Leases of land and buildings

For leases of land and buildings, the land and buildings elements are considered separately for the purpose of lease classification and these leases are classified as operating or finance leases in the same way as leases of other assets.

The minimum lease payments including any lump-sum upfront payments made to acquire the interest in the land and buildings are allocated between the land and the buildings elements in proportion to the relative fair values of the leasehold interests in the land element and the buildings element of the lease at the inception of the lease.

For a lease of land and buildings in which the amount that would initially be recognised for the land element is immaterial, the land and buildings are treated as a single unit for the purpose of lease classification and is accordingly classified as a finance or operating lease. In such a case, the economic life of the buildings is regarded as the economic life of the entire leased asset.

4.6 Investment properties

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties also include properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, including transaction costs, less any accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the carrying amount of the investment properties 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 would flow to the Group and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of investment properties 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 investment properties are acquired, if applicable.

After initial recognition, investment properties are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost or valuation of the investment properties to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods for the investments properties ranges between twenty- four (24) and fifty (50) years.

Freehold land has unlimited useful life and is not depreciated.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Investment properties (continued)

At the end of each reporting period, the carrying amount of an item of the investment properties are assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.8 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed 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 investment properties. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investbment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.

4.7 Investments

Subsidiaries

A subsidiary is an entity in which the Group and the Company are exposed, or have rights, to variable returns from its involvement with the subsidiary and have the ability to affect those returns through its power over the subsidiary.

An investment in subsidiary, which is eliminated on consolidation, is stated in the separate financial statements of the Company at cost. Investments accounted for at cost shall be accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* when they are classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with MFRS 5.

When control of a subsidiary is lost as a result of a transaction, event or other circumstance, the Group would derecognise all assets, liabilities and non-controlling interests at their carrying amount and to recognise the fair value of the consideration received. Any retained interest in the former subsidiary is recognised at its fair value at the date control is lost. The resulting difference is recognised as a gain or loss in profit or loss.

4.8 Impairment of non-financial assets

The carrying amount of assets, except for financial assets (excluding investments in subsidiaries), 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, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ('CGU') to which the asset belongs.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Impairment of non-financial assets (continued)

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

Such reversals are recognised as income immediately in profit or loss. However, to the extent that an impairment loss in the same revalued asset was previously recognised in profit or loss, a reversal of that impairment loss is also recognised in profit or loss.

The impairment loss is recognised in profit or loss immediately.

An impairment loss for other assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' 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. Such reversals are recognised as income immediately in profit or loss.

4.9 Inventories

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

Cost is determined using the first-in, first-out formula. The cost comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes the cost of raw materials, direct labour, other direct cost and a proportion of production overheads based on normal operating capacity of the production facilities.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favorable to the Group.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavorable to the Group.

Financial instruments are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristic and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit and loss.

(a) Financial assets

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

However, derivatives that is linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

(a) Financial assets (continued)

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as loans and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the right of the Group to receive payment is established.

Cash and bank balances include cash and cash equivalents, bank overdrafts, deposits and other short term, highly liquid investments with original maturities of three (3) months or less, which are readily convertible to cash and are subject to insignificant risk of changes in value.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

(a) Financial assets (continued)

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

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

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial assets classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Financial instruments (continued)

(b) Financial liabilities (continued)

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a 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.

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

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries as financial liabilities at the time the guarantee is issued.

The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Corporate guarantees provided by the Company for no compensation, in relation to loans or payables of subsidiaries are initially measured at fair value and any resulting differences are recognised as contributions by the Company which form part of the cost of investment in subsidiaries.

(c) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Impairment of financial assets

The Group assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

(a) Loans and receivables

The Group collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payments to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

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

The carrying amount of loans and receivables is reduced through the use of an allowance account.

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

(b) Available-for-sale financial assets

The Group collectively considers factors such as significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market as objective evidence that available-for-sale financial assets are impaired.

If any such objective evidence exists, an amount comprising the difference between the financial asset's cost (net of any principal payment and amortisation) and current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit to loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Impairment of financial assets (continued)

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

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

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Instead, any increase in the fair value subsequent to the impairment loss is recognised in other comprehensive income.

Impairment losses on available-for-sale debt investments are subsequently reversed in profit or loss if the increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

4.12 Income taxes

Income taxes include all taxes on taxable profit. Taxes in profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws in which the Group operates and include all taxes based upon the taxable profits and real property gains taxes payable on disposal of properties.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset, is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Income taxes (continued)

(b) Deferred tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax asset against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) The same taxable entity; or
(ii) Different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

4.13 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Group.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plan

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund and recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Employee benefits (continued)

(c) Defined benefit plan

The Group operates an unfunded defined benefit plan for eligible employees of the Group.

The recognition and measurement of the defined benefits plan involve:

(i) Determining the deficit or surplus by:

(a) Using an actuarial technique, the projected unit credit method, to make a reliable estimate of the ultimate cost to the Group of the benefit that employees have earned in return for their service in the current and prior periods;
(b) Discounting that benefit in order to determine the present value of the defined benefit obligation and the current service cost; and
(c) Deducting the fair value of any plan assets from the present value of the defined benefit obligation.

(ii) Determining the amount of the net defined benefit liability as the amount of the deficit or surplus as determined above, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling; and

(iii) Determining amounts to be recognised in profit or loss, i.e. current service cost, any past service cost and gain or loss on settlement and net interest on the net defined benefit liability.

The Group determines the net defined benefit liability annually so that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period.

The Group recognises the net defined benefit liability in the statement of financial position.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

The Group uses the yield rate of high quality government or corporate bonds which have AA rating or higher to discount the post-employment benefit obligations. The currency and term of the government bonds (corporate bonds) are consistent with the currency and estimated term of the post-employment benefit obligations of the Group.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Employee benefits (continued)

(c) Defined benefit plan (continued)

The remeasurement of the net defined obligation are recognised directly within equity. The remeasurement include:

(i) Actuarial gains and losses;
(ii) Return on plan assets, excluding interest; and
(iii) Any asset ceiling effects, excluding interest.

Services costs are recognised in profit or loss, and include current and past service costs as well as gains and losses on curtailments.

Net interest expense is recognised in profit or loss, and is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the balance of the net defined benefit obligation, considering the effects of contributions and benefit payments during the reporting period. Gains or losses arising from changes to scheme benefits or scheme curtailment are recognised immediately in profit or loss.

Settlement of defined benefit schemes are recognised in the period when the settlement occurs.

If the Group has an unconditional right to a refund during the life of the plan, it would recognise an asset measured as the amount of the surplus at the end of the reporting period that it has a right to receive a refund which would be the fair value of the plan assets less the present value of the defined benefits obligation, less any associated costs, such as taxes. If the amount of a refund is determined as the full amount or a proportion of the surplus, rather than a fixed amount, the Group would make no adjustment for the time value of money, even if the refund is realisable only at a future date.

If there is no minimum funding requirement for contributions relating to future service, the economic benefit available as a reduction in future contributions is the present value of future service cost to the entity at the end of each reporting period over the shorter of the expected life of the plan and the expected life of the entity. The Group would assume no change to the benefits provided by a plan in the future until the plan is amended and shall assume a stable workforce in the future unless it is demonstrably committed at the end of the reporting period to make a reduction in the number of employees covered by the plan.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of each of the entities of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Ringgit Malaysia, which is the functional and presentation currency of the Company.

(b) Foreign currency translations and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of each reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

4.15 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction would flow to the Group, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the activities of the Group as follows:

(a) Sale of goods

Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods has been transferred to the customer and where the Group does not have continuing managerial involvement over the goods, which coincides with the delivery of goods and acceptance by customers.

(b) Dividend income

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

(c) Management fee

Management fee from rendering of services is recognised when the services are rendered to the subsidiaries.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Revenue recognition (continued)

(d) Interest income

Interest income is recognised as it accrues, using the effective interest method.

(e) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease. The aggregate cost of incentives provided for the lessee is recognised as reduction of rental income over the lease term on a straight line basis.

4.16 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If the Group has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4.17 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

In the acquisition of subsidiaries by the Group under business combinations, contingent liabilities assumed are measured initially at their fair value at the acquisition date.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.18 Operating segments

Operating segments are defined as components of the Group that:

(a) engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group);

(b) whose operating results are regularly reviewed by the chief operating decision makers of the Group (i.e. the Group's Executive Director) in making decisions about resources to be allocated to the segment and assessing its performance; and

(c) for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues.

The Group reports separately information about each operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue, including both sales to external customers and intersegment sales or transfers, is ten (10) per cent or more of the combined revenue, internal and external, of all operating segments.

(b) The absolute amount of its reported profit or loss is ten (10) per cent or more of the greater, in absolute amount of:

(i) the combined reported profit of all operating segments that did not report a loss; and
(ii) the combined reported loss of all operating segments that reported a loss.

(c) Its assets are ten (10) per cent or more of the combined assets of all operating segments.

Operating segments that do not meet any of the quantitative thresholds may be considered reportable, and separately disclosed, if the management believes that information about the segment would be useful to users of the financial statements.

Total external revenue reported by operating segments shall constitute at least seventy five (75) percent of the Group's revenue. Operating segments identified as reportable segments in the current financial year in accordance with the quantitative threshold, if any, would result in a restatement of prior period segment data for comparative purposes.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.19 Earnings per share

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

4.20 Fair value measurements

The fair value of an asset or a liability 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 fair value 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.

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(a) The condition and location of the asset; and
(b) Restrictions, if any, on the sale or use of the asset.

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

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

5. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs

5.1 New MFRSs adopted during the current financial year

The Group and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year.

Title	Effective Date
Amendments to MFRS 10 *Consolidated Financial Statements*	1 January 2014
Amendments to MFRS 12 *Disclosure of Interests in Other Entities*	1 January 2014
Amendments to MFRS 127 *Separate Financial Statements (2011): Investment Entities*	1 January 2014
Amendments to MFRS 132 *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
Amendments to MFRS 136 *Recoverable Amount Disclosures for Non-Financial Assets*	1 January 2014
Amendments to MFRS 139 *Novation of Derivatives and Continuation of Hedge Accounting*	1 January 2014
IC Interpretation 21 *Levies*	1 January 2014

There is no material effect upon adoption of the above standards during the financial year.

5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2015

The following are accounting standards, amendments and interpretations of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ('MASB') but have not been adopted by the Group and the Company.

Title	Effective Date
Amendments to MFRS 119 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Amendments to MFRSs *Annual Improvements 2010 – 2012 Cycle*	1 July 2014
Amendments to MFRSs *Annual Improvements 2011 – 2013 Cycle*	1 July 2014
MFRS 14 *Regulatory Deferral Accounts*	1 January 2016
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associates or Joint Venture*	1 January 2016
Amendments to MFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*	1 January 2016
Amendments to MFRS 127 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to MFRSs *Annual Improvements 2012 – 2014 Cycle*	1 January 2016
Amendments to MFRS 101 *Disclosure Initiative*	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
MFRS 15 *Revenue from Contracts with Customers*	1 January 2017
MFRS 9 *Financial Instruments (IFRS as issued by IASB in July 2014)*	1 January 2018

The Group and the Company is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for the future financial years.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 Change in estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no significant changes in estimates at the end of the reporting period.

6.2 Critical judgement made in applying accounting policy

The following are judgements made by management in the process of applying the accounting policies of the Group that have the most significant effect on the amounts recognised in the financial statements.

(a) Classification between investment properties and property, plant and equipment and prepaid lease payment for land

The Group has developed certain criteria based on MFRS 140 in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(b) Classification of leasehold land

The Group has assessed and classified land use rights of the Group as finance leases based on the extent to which risks and rewards incidental to ownership of the land resides with the Group arising from the lease term. Consequently, the Group has classified the unamortised upfront payment for land use rights as finance leases in accordance with MFRS 117 *Leases*.

(c) Contingent liabilities

The determination of treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies for matters in the ordinary course of the business.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

6.2 Critical judgement made in applying accounting policy (continued)

(d) Contingent liabilities on corporate guarantees

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote.

(e) Impairment of equity investments categorised as other investments

The Group believes that a significant or prolonged decline in fair value of an investment in equity instrument is a decline in fair value of more than twenty percent (20%) of the cost, or the decline in fair value below its original cost has persisted for more than nine (9) to twelve (12) months.

6.3 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Depreciation of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment at the time the assets are acquired based on historical experience, the expected usage, wear and tear of the assets, and technical obsolescence arising from changes in the market demands or service output of the assets. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to changes in factors mentioned above. Changes in these factors could impact the useful lives and the residual values of the assets, therefore future depreciation charges could be revised.

(b) Income taxes

Significant judgement is required in determining transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for any anticipated tax audit issues based on estimates of whether additional taxes would be due. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income tax and deferred tax provisions in the period in which such determination is made.

(c) Deferred tax assets

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

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

6.3 Key sources of estimation uncertainty (continued)

(d) Impairment of receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debt, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where the expectation is different from the original estimate, the difference would impact the carrying amount of receivables.

(e) Write down for obsolete or slow moving inventories

The Group writes down its obsolete or slow moving inventories based on an assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts could not be recovered. Management specifically analyses sales trend and current economic trends when making this judgement to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.

(f) Retirement benefits obligations

The costs, assets and liabilities of the retirement benefits obligations operated by the Group are determined using methods relying on actuarial estimates and assumptions. The details of the key assumptions are set out in Note 18(e) to the financial statements. The Group takes advice from independent actuaries relating to the appropriateness of the assumptions. Changes in the assumptions would have effects on the consolidated statement of financial position and the consolidated statement of profit or loss and other comprehensive income.

(g) Fair value measurement

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable.

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities;
(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for that asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from price); and
(iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures financial instruments at fair value as disclosed respectively in Note 30 to the financial statements.

7. PROPERTY, PLANT AND EQUIPMENT

Group	Balance as at 1.5.2014 RM	Additions RM	Written off RM	Depreciation charge for the financial year RM	Balance as at 30.4.2015 RM
Carrying amount					
Long term leasehold land	21,487,101	-	-	(226,692)	21,260,409
Buildings and improvements	19,806,601	-	-	(1,374,728)	18,431,873
Plant, machinery, tools and equipment	68,844,783	918,789	(104)	(7,852,477)	61,910,991
Motor vehicles	172,817	-	(1)	(77,520)	95,296
Office equipment, furniture and fittings	1,490,325	352,387	(2,719)	(310,007)	1,529,986
Renovation	2,752,224	5,367,491	-	(674,866)	7,444,849
Construction-in-progress	1,211,148	120,000	-	-	1,331,148
	115,764,999	6,758,667	(2,824)	(10,516,290)	112,004,552

	<---------- At 30.4.2015		---------->
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Long term leasehold land	22,733,057	(1,472,648)	21,260,409
Buildings and improvements	24,731,467	(6,299,594)	18,431,873
Plant, machinery, tools and equipment	159,059,126	(97,148,135)	61,910,991
Motor vehicles	2,009,488	(1,914,192)	95,296
Office equipment, furniture and fittings	5,333,130	(3,803,144)	1,529,986
Renovation	8,471,882	(1,027,033)	7,444,849
Construction-in-progress	1,331,148	-	1331,148
	223,669,298	(111,664,746)	112,004,552

7. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Balance as at 1.5.2013 RM	Additions RM	Disposals RM	Written off RM	Reclassification RM	Depreciation charge for the financial year RM	Balance as at 30.4.2014 RM
Carrying amount							
Long term leasehold land	21,721,720	-	-	-	-	(234,619)	21,487,101
Buildings and improvements	16,849,175	3,500	-	-	4,007,212	(1,053,286)	19,806,601
Plant, machinery, tools and equipment	68,854,544	7,606,057	-	(76)	-	(7,615,742)	68,844,783
Motor vehicles	122,932	122,808	(1)	-	-	(72,922)	172,817
Office equipment, furniture and fittings	1,624,329	172,985	(2,025)	(7)	-	(304,957)	1,490,325
Renovation	965,648	2,062,411	-	-	-	(275,835)	2,752,224
Construction-in-progress	5,226,401	-	-	(8,041)	(4,007,212)	-	1,211,148
	115,364,749	9,967,761	(2,026)	(8,124)	-	(9,557,361)	115,764,999

	<---------- At 30.4.2014		---------->
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Long term leasehold land	22,733,057	(1,245,956)	21,487,101
Buildings and improvements	24,731,467	(4,924,866)	19,806,601
Plant, machinery, tools and equipment	158,786,176	(89,941,393)	68,844,783
Motor vehicles	2,056,488	(1,883,671)	172,817
Office equipment, furniture and fittings	4,990,991	(3,500,666)	1,490,325
Renovation	3,104,391	(352,167)	2,752,224
Construction-in-progress	1,211,148	-	1,211,148
	217,613,718	(101,848,719)	115,764,999

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INVESTMENT PROPERTIES

Group	Balance as at 1.5.2014 RM	Depreciation charge for the financial year RM	Balance as at 30.4.2015 RM
Carrying amount			
Freehold land	11,181,000	-	11,181,000
Freehold buildings	289,679	(8,330)	281,349
Leasehold land and building	2,054,581	(205,460)	1,849,121
	13,525,260	(213,790)	13,311,470

	<------ At 30.4.2015 ------>			
	Cost RM	Accumulated depreciation RM	Accumulated impairment RM	Carrying amount RM
Freehold land	12,280,246	-	(1,099,246)	11,181,000
Freehold buildings	416,587	(135,238)	-	281,349
Leasehold land and building	4,931,000	(3,081,879)	-	1,849,121
	17,627,833	(3,217,117)	(1,099,246)	13,311,470

Group	Balance as at 1.5.2013 RM	Depreciation charge for the financial year RM	Balance as at 30.4.2014 RM
Carrying amount			
Freehold land	11,181,000	-	11,181,000
Freehold buildings	298,009	(8,330)	289,679
Leasehold land and building	2,260,042	(205,461)	2,054,581
	13,739,051	(213,791)	13,525,260

	<------ At 30.4.2014 ------>			
	Cost RM	Accumulated depreciation RM	Accumulated impairment RM	Carrying amount RM
Freehold land	12,280,246	-	(1,099,246)	11,181,000
Freehold buildings	416,587	(126,908)	-	289,679
Leasehold land and building	4,931,000	(2,876,419)	-	2,054,581
	17,627,833	(3,003,327)	(1,099,246)	13,525,260

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. INVESTMENT PROPERTIES (continued)

Direct operating expenses arising from investment properties during the financial year are as follows:

	Group 2015 RM	Group 2014 RM
Quit rent and assessment		
- generating rental income	16,734	15,430
- not generating rental income	44,342	16,865
Insurance		
- generating rental income	4,771	5,512

The fair value of the investment properties of approximately RM21,812,655 (2014: RM17,800,000) was recommended by the Directors as at the end of reporting period based on comparison method that makes reference to recent market value of a similar property in the vicinity on a price per square feet basis. Any changes in the price per square feet will result in a reasonable change in the fair value of the investment property.

9. PREPAID LEASE PAYMENTS FOR LAND

Group	Balance as at 1.5.2014 RM	Amortisation charge for the financial year RM	Balance as at 30.4.2015 RM
Carrying amount			
Short term leasehold land	1,000,000	(115,385)	884,615

	<--------------- At 30.4.2015 ---------------->		
	Cost RM	Accumulated amortisation RM	Carrying amount RM
Short term leasehold land	1,500,000	(615,385)	884,615

Group	Balance as at 1.5.2013 RM	Amortisation charge for the financial year RM	Balance as at 30.4.2014 RM
Carrying amount			
Short term leasehold land	1,115,385	(115,385)	1,000,000

	<--------------- At 30.4.2014 ---------------->		
	Cost RM	Accumulated amortisation RM	Carrying amount RM
Short term leasehold land	1,500,000	(500,000)	1,000,000

The leasehold land has a lease period of 60 years, which expires on 27 March 2022.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. INVESTMENTS IN SUBSIDIARIES

	Company 2015 RM	Company 2014 RM
Unquoted equity shares, at cost	39,378,234	39,378,234

(a) The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Effective interest in equity 2015 %	Effective interest in equity 2014 %	Principal activities
Apollo Food Industries (M) Sdn. Bhd.#	Malaysia	100	100	Manufacture and trading in compound chocolates, chocolate confectionery products and cakes.
Hap Huat Food Industries Sdn. Bhd.#	Malaysia	100	100	Investment holding

Subsidiaries audited by BDO Malaysia

(b) On 1 April 2015, Hap Huat Food Industries Sdn. Bhd., a wholly owned subsidiary of Apollo Food Holdings Berhad has changed its business activity to investment company from the distribution and marketing of compound chocolates, chocolate confectionery products and cakes. Its business activities of distribution and marketing are to be assumed by Apollo Food Industries (M) Sdn. Bhd..

11. OTHER INVESTMENTS

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Available-for-sale financial assets				
- quoted shares in Malaysia	3,470,762	4,719,199	3,470,762	4,719,199
- unquoted shares in Malaysia	1,000	1,000	-	-
	3,471,762	4,720,199	3,470,762	4,719,199
Less: Impairment loss	-	(657,464)	-	(657,464)
Total other investments	3,471,762	4,062,735	3,470,762	4,061,735

11. OTHER INVESTMENTS (continued)

(a) The reconciliation of movements in the other investments are as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Balance as at 1 May	4,062,735	4,129,169	4,061,735	4,128,169
Additions	1,532,057	1,695,905	1,532,057	1,695,905
Disposals	(1,587,000)	(1,125,800)	(1,587,000)	(1,125,800)
Fair value (loss)/gain	(536,030)	254,825	(536,030)	254,825
Reclassification of fair value reserve to profit or loss upon disposal	-	(233,900)	-	(233,900)
Impairment loss	-	(657,464)	-	(657,464)
Balance as at 30 April	3,471,762	4,062,735	3,470,762	4,061,735

During the financial year, impairment loss of RM657,464 was reversed upon disposal due to the delisting of Malaysian Airline System Berhad from the Main Market of the Bursa Malaysia Securities Berhad.

(b) Information on the fair value hierarchy is disclosed in Note 30 to the financial statements.

(c) Information on financial risks of other investments is disclosed in Note 31 to the financial statements.

12. DEFERRED TAX

(a) The deferred tax assets and liabilities are made up of the following:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Balance as at at 1 May	14,588,031	15,621,159	(12,740)	(12,740)
Recognised in profit or loss (Note 22)	(1,751,333)	(1,033,128)	-	-
Balance as at 30 April	12,836,698	14,588,031	(12,740)	(12,740)
Presented after appropriate offsetting				
Deferred tax liabilities, net	13,659,724	15,299,932	37,130	37,130
Deferred tax assets, net	(823,026)	(711,901)	(49,870)	(49,870)
At 30 April	12,836,698	14,588,031	(12,740)	(12,740)

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. DEFERRED TAX (continued)

(b) The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group

	Payables RM	Property, plant and equipment RM	Total RM
Balance as at 1 May 2014	(662,491)	(49,410)	(711,901)
Recognised in profit or loss	(111,125)	-	(111,125)
Balance as at 30 April 2015	(773,616)	(49,410)	(823,026)
Balance as at 1 May 2013	(609,104)	(49,410)	(658,514)
Recognised in profit or loss	(53,387)	-	(53,387)
Balance as at 30 April 2014	(662,491)	(49,410)	(711,901)

Deferred tax liabilities of the Group

	Property, plant and equipment RM	Others RM	Total RM
Balance as at 1 May 2014	15,262,802	37,130	15,299,932
Recognised in profit or loss	(1,640,208)	-	(1,640,208)
Balance as at 30 April 2015	13,622,594	37,130	13,659,724
Balance as at 1 May 2013	16,242,543	37,130	16,279,673
Recognised in profit or loss	(979,741)	-	(979,741)
Balance as at 30 April 2014	15,262,802	37,130	15,299,932

Deferred tax assets of the Company	**Payables RM**
Balance as at 30 April 2015/2014	(49,870)

Deferred tax liabilities of the Company	**Others RM**
Balance as at 30 April 2015/2014	37,130

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. INVENTORIES

	Group	
	2015 RM	2014 RM
At cost		
Raw materials	7,212,190	7,396,777
Work in progress	1,016,858	866,268
Finished goods	6,046,990	5,145,587
Packaging materials	5,086,296	5,381,612
	19,362,334	18,790,244

(a) During the financial year, inventories of the Group recognised as cost of sales amounted to RM121,932,857 (2014: RM124,611,661).

(b) During the financial year, the Group has written off inventories of RM117,379 (2014: RM151,953) in cost of sales.

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Trade receivables				
Third parties	33,530,310	34,081,877	-	-
Other receivables				
Other receivables	184,928	100,720	1,350	1,350
Amounts owing by subsidiaries	-	-	43,388,982	23,905,946
Interest receivable from deposits with licensed banks	215,433	192,138	108,070	159,813
	400,361	292,858	43,498,402	24,067,109
Loans and receivables	33,930,671	34,374,735	43,498,402	24,067,109
Deposits and prepayments				
Deposits	1,267,621	292,535	2,150	2,150
Prepayments	732,790	109,959	14,233	14,333
	2,000,411	402,494	16,383	16,483
	35,931,082	34,777,229	43,514,785	24,083,592

(a) Trade receivables are non-interest bearing and the normal trade terms granted by the Group ranges from 30 days to 90 days (2014: 30 days to 90 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(b) Amounts owing by subsidiaries are unsecured, interest free and payable on demand in cash and cash equivalents.

14. TRADE AND OTHER RECEIVABLES (continued)

(c) The currency exposure profile of receivables are as follows:

	Group	
	2015 RM	2014 RM
Ringgit Malaysia	24,667,450	22,659,606
US Dollar	11,252,527	12,099,491
Singapore Dollar	11,105	18,132
	35,931,082	34,777,229

Receivables of the Company are denominated in Ringgit Malaysia (‘RM’).

(d) The ageing analysis of trade receivables of the Group is as follows:

	Group	
	2015 RM	2014 RM
Neither past due nor impaired	28,097,151	33,566,173
Past due, not impaired		
1 to 30 days	4,972,543	304,801
31 to 60 days	442,744	125,799
More than 61 days	17,872	85,104
	5,433,159	515,704
	33,530,310	34,081,877

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the trade receivables of the Group that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

Trade receivables that are past due but not impaired mainly arose from active customers with on-going business relationship, in which the management is of the view that the amounts are recoverable based on past payments history.

Trade receivables of the Group that are past due but not impaired are unsecured in nature.

(e) Information on financial risks of trade and other receivables is disclosed in Note 31 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. CASH AND BANK BALANCES

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Cash and bank balances	43,580,765	13,162,077	129,672	56,489
Deposits with:				
- licensed banks	42,578,301	62,981,509	23,631,798	42,544,161
- other financial institution	2,981,600	5,655,258	-	-
	45,559,901	68,636,767	23,631,798	42,544,161
	89,140,666	81,798,844	23,761,470	42,600,650

(a) The currency exposure profile of cash and bank balances are as follows:

	Group 2015 RM	Group 2014 RM
Euro	29,169,668	-
Ringgit Malaysia	51,252,097	75,243,413
US Dollar	8,718,901	6,555,431
	89,140,666	81,798,844

Cash and bank balances of the Company are denominated in Ringgit Malaysia ('RM').

(b) Information on financial risks of cash and bank balances is disclosed in Note 31 to the financial statements.

16. SHARE CAPITAL

	Group and Company 2015 Number of shares	2015 RM	2014 Number of shares	2014 RM
Ordinary shares of RM1.00 each:				
Authorised	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid	80,000,000	80,000,000	80,000,000	80,000,000

The owners of parent are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. RESERVES

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Non-distributable:				
Share premium	4,325,454	4,325,454	4,325,454	4,325,454
Available-for-sale reserve	(316,415)	219,615	(316,415)	219,615
	4,009,039	4,545,069	4,009,039	4,545,069
Distributable:				
Retained earnings	164,423,292	159,129,356	25,857,183	25,208,085
	168,432,331	163,674,425	29,866,222	29,753,154

Available-for-sale reserve

This reserve arose from gains or losses of financial assets classified as other investments.

18. RETIREMENT BENEFITS OBLIGATIONS

(a) The Group operates an unfunded defined benefits retirement plan for its eligible employees and Directors. Under the plan, employees and Executive Directors with a minimum period of five years services with the Group are entitled to retirement benefits based on last drawn final salary and length of service on attainment of the retirement age of 60.

(b) The amounts recognised in the statement of financial position are determined as follows:

	2015 RM	2014 RM
Present value of defined benefit obligations	1,496,302	1,637,778
Analysed as follows:		
Non-current liabilities	1,496,302	1,637,778

(c) The following table sets out the reconciliation of defined benefit plan.

Group	2015 RM	2014 RM
Balance as at 1 May	1,637,778	1,617,801
Current service costs	96,079	128,758
Past service costs	(127,747)	(159,017)
Interest costs	77,947	72,939
Included in profit or loss	46,279	42,680
Benefits paid	(187,755)	(22,703)
Balance as at 30 April	1,496,302	1,637,778

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. RETIREMENT BENEFITS OBLIGATIONS (continued)

(d) During the financial year, the Group updated its policy relating to the age of retirement. As a result, the net defined benefit obligations of the Group decreased by RM13,538 (2014: RM159,017), requiring a corresponding charge to be recognised as a past service cost.

(e) The principal actuarial assumptions used are as follows:

	Group	
	2015 %	2014 %
Discount rate	5.0	5.0
Expected rate of salary increases	5.5	5.5

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Trade payables				
Third parties	4,154,465	3,957,772	-	-
Other payables				
Other payables	2,672,719	879,981	-	-
Accruals	3,497,631	4,068,460	457,658	449,049
Deposits received	102,500	102,500	-	-
	6,272,850	5,050,941	457,658	449,049
	10,427,315	9,008,713	457,658	449,049

(a) Trade payables are non-interest bearing and the normal trade terms granted to the Group range from 7 days to 60 days (2014: 7 days to 60 days).

(b) All payables are denominated in Ringgit Malaysia ('RM').

(c) Information on financial risks of trade and other payables is disclosed in Note 31 to the financial statements.

20. REVENUE

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Sale of goods	212,556,423	220,506,406	-	-
Management fee	-	-	220,000	240,000
Dividend income				
- subsidiaries	-	-	20,020,018	20,020,018
- others	70,350	206,927	70,350	206,927
	70,350	206,927	20,090,368	20,226,945
	212,626,773	220,713,333	20,310,368	20,466,945

NOTES TO THE FINANCIAL STATEMENTS (continued)

21. PROFIT BEFORE TAX

	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Profit before tax is arrived at after charging:				
Auditors' remuneration	83,000	80,000	26,000	25,000
Amortisation of prepaid lease payments for land (Note 9)	115,385	115,385	-	-
Bad debts written off	-	1,544	-	-
Depreciation of :				
- property, plant and equipment (Note 7)	10,516,290	9,557,361	-	-
- investment properties (Note 8)	213,790	213,791	-	-
Directors' remuneration paid and payable to Directors:				
- Directors' fees:				
- paid and payable by the Company	190,000	190,000	190,000	190,000
- paid and payable by the subsidiaries	26,000	26,000	-	-
- other emoluments:				
- paid and payable by the Company	51,750	54,250	51,750	54,250
- paid and payable by the subsidiaries	7,520,610	7,298,184	-	-
Impairment loss on other investments	-	657,464	-	657,464
Inventories written off (Note 13)	117,379	151,953	-	-
Loss on foreign exchange				
- realised	130,004	445,528	-	-
- unrealised	1,866,238	-	-	-
Property, plant and equipment written off (Note 7)	2,824	8,124	-	-
Rental of premises	40,800	40,800	-	-
And crediting:				
Gain on disposals of:				
- property, plant and equipment	-	47,474	-	-
- other investments	276,000	227,637	276,000	227,637
Interest income from financial institutions	2,092,464	2,308,341	1,066,516	1,443,901
Dividends received from:				
- shares quoted in Malaysia	70,350	206,927	70,350	206,927
- unquoted shares	900	548	-	-
- subsidiaries	-	-	20,020,018	20,020,018
	71,250	207,475	20,090,368	20,226,945
Rental income from investment properties	371,000	325,400	-	-
Unrealised gain on foreign exchange	-	397,334	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. TAX EXPENSE

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Income tax				
- current year	10,155,000	11,158,000	263,000	376,000
- under/(over) provision in prior years	358,468	9,819	(21,567)	30,699
	10,513,468	11,167,819	241,433	406,699
Deferred tax (Note 12)				
- origination and reversal of temporary differences	(967,333)	(58,415)	-	-
- over provision in prior years	(784,000)	(974,713)	-	-
	(1,751,333)	(1,033,128)	-	-
	8,762,135	10,134,691	241,433	406,699

(a) The Malaysian income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated taxable profit for the fiscal year.

(b) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of the Group and of the Company are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Profit before tax	34,056,071	43,605,431	20,890,531	20,734,674
Tax expense at the applicable tax rate of 25% (2014: 25%)	8,514,018	10,901,358	5,222,633	5,183,669
Tax effects in respect of:				
Non-allowable expenses	855,368	365,601	131,959	285,112
Non-taxable income	(181,719)	(167,374)	(5,091,592)	(5,092,781)
	9,187,667	11,099,585	263,000	376,000
Under/(Over) provision in prior years				
- income tax	358,468	9,819	(21,567)	30,699
- deferred tax	(784,000)	(974,713)	-	-
	8,762,135	10,134,691	241,433	406,699

NOTES TO THE FINANCIAL STATEMENTS (continued)

22. TAX EXPENSE (continued)

(c) Tax on each component of other comprehensive income is as follows:

	Group and Company		
2015	**Before tax RM**	**Tax effect RM**	**After tax RM**
Items that may be reclassified subsequently to profit or loss			
Other investments			
- fair value loss	(536,030)	-	(536,030)
- reclassification to profit or loss upon disposal	-	-	-
	(536,030)	-	(536,030)
Items that may be reclassified subsequently to profit or loss			
Fair value loss on other investments	254,825	-	254,825
2014			
Items that may be reclassified subsequently to profit or loss			
Other investments			
- fair value loss	254,825	-	254,825
- reclassification to profit or loss upon disposal	(233,900)	-	(233,900)
	20,925	-	20,925
Items that may be reclassified subsequently to profit or loss			
Fair value loss on other investments	(114,290)	-	(114,290)

23. DIVIDEND

	Group and Company			
	2015		2014	
	Gross dividend per share sen	Amount of dividend RM	Gross dividend per share sen	Amount of dividend RM
Final single tier dividend	25	20,000,000	25	20,000,000

A single tier final dividend in respect of the financial year ended 30 April 2015 of 25 sen per ordinary share, amounting to RM 20,000,000 has been proposed by the Directors after the reporting period for shareholders' approval at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. This dividend, if approved by shareholders, would be accounted for as an appropriation of retained earnings in the financial year ending 30 April 2016.

24. EMPLOYEE BENEFITS

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Salaries, wages and bonuses	24,407,714	23,643,505	322,791	333,126
Contributions to defined contribution plan	2,092,388	1,998,726	34,361	32,150
Defined benefit plan	46,279	42,680	-	-
Social security contribution	164,722	165,324	2,419	2,476
Other benefits	77,743	58,007	-	-
	26,788,846	25,908,242	359,571	367,752

Included in the employee benefits of the Group and of the Company are Directors' remuneration amounting to RM7,572,360 (2014: RM7,352,434) and RM51,750 (2014: RM54,250) respectively.

25. COMMITMENTS

	Group	
	2015 RM	2014 RM
Capital expenditure in respect of purchase of property, plant and equipment:		
Contracted but not provided for	1,052,851	647,347

26. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2015 RM	2014 RM
Profit attributable to equity holders of the parent ('RM')	25,293,936	33,470,740
Weighted average number of ordinary shares in issue	80,000,000	80,000,000
Basic earnings per ordinary share (sen)	31.62	41.84

(b) Diluted

The diluted earnings per ordinary share for the financial years 2015 and 2014 are the same as the basic earnings per ordinary share since there are no dilutive potential ordinary shares.

27. CONTINGENT LIABILITIES

	Group and Company	
	2015	2014
	RM	RM
Corporate guarantees - unsecured		
Issued to banks for banking facilities granted to subsidiaries		
- limit of guarantee	10,000,000	10,000,000
- amount utilised	655,500	832,250

The Directors are of the view that the chances of the financial institutions to call upon the corporate guarantees are remote. Accordingly, the fair values of the above corporate guarantees given to subsidiaries for banking facilities are negligible.

28. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

The Company has controlling related party relationship with its subsidiaries and its ultimate holding company.

(b) In addition to the transactions detailed elsewhere in the financial statements, the Company had the following transactions with the related parties during the financial year:

	Company	
	2015	2014
	RM	RM
Subsidiaries:		
Dividend income	20,020,018	20,020,018
Management fees income	220,000	240,000

Material balances with related parties at reporting date are disclosed in Note 14 to the financial statements. These transactions have been established under negotiated terms between the parties.

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel (continued)

The remuneration of Directors during the year is as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Short term employee benefits	6,726,782	6,589,435	51,750	54,250
Contribution to defined contribution plan	792,797	750,263	-	-
Defined benefit plan	52,781	12,736	-	-
	7,572,360	7,352,434	51,750	54,250
Fees	216,000	216,000	190,000	190,000
	7,788,360	7,568,434	241,750	244,250

29. OPERATING SEGMENTS

Apollo Food Holdings Berhad and its subsidiaries are principally engaged in investment holding, manufacturing, distributing and trading in compound chocolates, chocolate confectionery products and cakes.

Apollo Food Holdings Berhad has arrived at three (3) reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technologies requirements, which requires different business and marketing strategies. The reportable segments are summarised as follows:

(i) Investment holding

(ii) Manufacturing

Manufacturing and trading in compound chocolates, chocolate confectionery products and cakes.

(iii) Marketing and distribution

Marketing and distributing in compound chocolates, chocolate confectionery products and cakes.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

Segment performance is evaluated based on operating profit, excluding non-recurring losses, and in certain respect as explained in the table below, it is measured differently from operating profit in consolidated financial statements.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied constantly throughout the current and previous financial years.

Segment assets exclude tax assets. Segment liabilities exclude tax liabilities. Details are provided in the reconciliations from segment assets and liabilities to the position of the Group.

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. OPERATING SEGMENTS (continued)

2015	Investment holding RM	Manufacturing RM	Marketing and distribution RM	Total RM
Revenue				
Total revenue	70,350	202,394,258	109,449,449	311,914,057
Inter-segment revenue	-	(99,287,284)	-	(99,287,284)
Revenue from external customers	70,350	103,106,974	109,449,449	212,626,773
Interest income	1,066,516	926,579	99,369	2,092,464
Rental income	-	18,000	353,000	371,000
Depreciation and amortisation	-	(10,491,902)	(238,178)	(10,730,080)
Segment profit before income tax	650,513	27,326,278	6,079,280	34,056,071
Tax expense	(241,433)	(7,033,782)	(1,486,920)	(8,762,135)
Other material non-cash items:				
- inventories written-off	-	(117,379)	-	(117,379)
Additions to non-current assets other than financial instruments and deferred tax assets	-	6,758,667	-	6,758,667
Segment assets	27,358,035	229,348,708	17,399,738	274,106,481
Segment liabilities	457,658	11,230,205	235,754	11,923,617

2014	Investment holding RM	Manufacturing RM	Marketing and distribution RM	Total RM
Revenue				
Total revenue	206,927	209,081,795	122,171,591	331,460,313
Inter-segment revenue	-	(110,746,980)	-	(110,746,980)
Revenue from external customers	206,927	98,334,815	122,171,591	220,713,333
Interest income	1,443,901	784,333	80,107	2,308,341
Rental income	-	17,400	308,000	325,400
Depreciation and amortisation	-	(9,652,794)	(233,743)	(9,886,537)

NOTES TO THE FINANCIAL STATEMENTS (continued)

29. OPERATING SEGMENTS (continued)

2014	Investment holding RM	Manufacturing RM	Marketing and distribution RM	Total RM
Segment profit before income tax	474,656	36,769,806	6,360,969	43,605,431
Tax expense	(406,699)	(8,103,492)	(1,624,500)	(10,134,691)
Other material non-cash items:				
- bad debts written off	-	(1,544)	-	(1,544)
- inventories written off	-	(151,953)	-	(151,953)
- impairment loss on other investments	(657,464)	-	-	(657,464)
Additions to non-current assets other than financial instruments and deferred tax assets	-	9,844,953	122,808	9,967,761
Segment assets	46,840,031	193,706,545	29,172,735	269,719,311
Segment liabilities	449,049	9,744,440	453,002	10,646,491

(a) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to the corresponding amounts of the Group are as follows:

	2015 RM	2014 RM
Revenue		
Total revenue for reportable segments	311,914,057	331,460,313
Inter-segment revenue	(99,287,284)	(110,746,980)
Revenue from external customers	212,626,773	220,713,333
Profit for the financial year		
Total profit or loss for reportable segments	34,056,071	43,605,431
Tax expense	(8,762,135)	(10,134,691)
Profit for the financial year of the Group from continuing operations per consolidated statement of profit or loss and other comprehensive income	25,293,936	33,470,740
Total assets for reportable segments	274,106,481	269,719,311
Tax assets	185,889	65,252
Assets of the Group per consolidated statement of financial position	274,292,370	269,784,563
Total liabilities for reportable segments	11,923,617	10,646,491
Tax liabilities	13,936,422	15,463,647
Liabilities of the Group per consolidated statement of financial position	25,860,039	26,110,138

29. OPERATING SEGMENTS (continued)

(b) Geographical segments

The manufacturing facilities and sales offices of the Group are mainly based in Malaysia, Indonesia, Singapore, China and others.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location from which the sale transactions originated.

Revenue from external customers	2015 RM	2014 RM
Malaysia	122,487,836	122,802,239
Asean (excluding Malaysia)	82,268,621	85,621,627
Others	7,870,316	12,289,467
	212,626,773	220,713,333

(c) Major customers

Revenue from a customer in distributing imported products represent approximately RM35,271,353 (2014: RM43,203,854) of the Group revenue.

30. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the Group's capital management is to ensure that the Group continues as going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged from that in the financial year ended 30 April 2014.

The Group's capital structure is represented by the equity of the Company. No changes were made in the objectives, policies or processes during the financial years ended 30 April 2015 and 30 April 2014.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the twenty-five percent (25%) of the issued and paid-up capital and such shareholders' equity is not less than RM40,000,000 million. The Company has complied with this requirement for the financial year ended 30 April 2015.

The Group are not subject to any other externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

30. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments

Categories of financial instruments

Group	2015 RM	2014 RM
Financial assets		
Available-for-sale		
Other investments	3,471,762	4,062,735
Loan and receivables		
Trade and other receivables	33,930,671	34,374,735
Cash and bank balances	89,140,666	81,798,844
	123,071,337	116,173,579
	126,543,099	120,236,314
Financial liabilities		
Other financial liabilities		
Trade and other payables	10,427,315	9,008,713

Company	2015 RM	2014 RM
Financial assets		
Available-for-sale		
Other investments	3,470,762	4,061,735
Loans and receivables		
Trade and other receivables	43,498,402	24,067,109
Cash and bank balances	23,761,470	42,600,650
	67,259,872	66,667,759
	70,730,634	70,729,494
Financial liabilities		
Other financial liabilities		
Other payables	457,658	449,049

NOTES TO THE FINANCIAL STATEMENTS (continued)

30. FINANCIAL INSTRUMENTS (continued)

(c) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

(i) Financial instruments that are not carried at fair value and whose carrying amounts are at reasonable approximation of fair value.

The carrying amounts of financial assets and financial liabilities, such as trade and other receivables and trade and other payables, are reasonable approximation of fair value, due to their short-term nature.

(ii) Quoted shares

The fair value of quoted investments in Malaysia is determined by reference to the exchange quoted market bid prices at the close of the business on the end of the reporting period.

(iii) Unquoted shares

In view of the insignificant financial effect on the Company's profit net of tax with the possible change in fair value, the effect of the fair value was not disclosed in the financial statements.

(d) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Fair value of non-derivative financial liabilities, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For other borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30. FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy (continued)

The following table set out the financial instruments carried at fair value shown in the statements of financial position:

	Fair value of financial instruments carried at fair value					
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Total fair value RM	Carrying amount RM
2015						
Group						
Financial assets at fair value through profit or loss						
Other investments	3,470,762	-	1,000	3,471,762	3,471,762	3,471,762
2014						
Group						
Financial assets at fair value through profit or loss						
Other investments	4,061,735	-	1,000	4,062,735	4,062,735	4,062,735
2015						
Company						
Financial assets at fair value through profit or loss						
Other investments	3,470,762	-	-	3,470,762	3,470,762	3,470,762
2014						
Company						
Financial assets at fair value through profit or loss						
Other investments	4,061,735	-	-	4,061,735	4,061,735	4,061,735

During the financial years ended 30 April 2015 and 30 April 2014, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management objective is to optimise value creation for its shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates. It is, and has been throughout the period under review, the Group's policy that no trading and speculation in derivative financial instruments shall be undertaken.

The Group is exposed mainly to credit risk, foreign currency risk, interest rate risk as well as liquidity and cash flow risk. Information on the management of the related exposures are detailed below.

(i) Credit risk

Cash deposits and trade receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The counter parties are major international institutions and reputable multinational organisations. It is the policy of the Group to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's primary exposure to credit risk arises through its trade and other receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of 30 to 90 days (2014: 30 to 90 days). Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control officer to minimise credit risk. Overdue balances are reviewed regularly by senior management.

Exposure to credit risk

At the end of each reporting period, the maximum exposure of the Group and of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

At the end of each reporting period:

(a) Approximately 28% (2014: 27%) of the Group's trade receivables were due from a customer; and
(b) The Company do not have any significant concentration of credit risk as at the end of the reporting period other than the amounts owing by subsidiaries of RM43,388,982 (2014: RM23,905,946).

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 14 to the financial statements. Bank balances and deposits are placed with reputable financial institutions with good standing. The Directors believe that the possibility of non-performance by the financial institutions is remote on the basis of its financial strength.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 14 to the financial statements.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign exchange risk on sales and purchases that are denominated in foreign currencies.

Foreign currency risk is monitored closely and managed to an acceptable level.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group to a reasonably possible change in Singapore Dollar ('SGD'), United States Dollar ('USD') and EURO ('EUR') exchange rate against the respective functional currencies of the Group entities, with all other variables held constant:

		Group	
		2015	2014
Profit after tax		RM	RM
SGD/RM	- strengthen by 2% (2014: 2%)	200	300
	- weaken by 2% (2014: 2%)	(200)	(300)
USD/RM	- strengthen by 2% (2014: 2%)	299,600	279,900
	- weaken by 2% (2014: 2%)	(299,600)	(279,900)
EUR/RM	- strengthen by 2% (2014: 2%)	437,600	-
	- weaken by 2% (2014: 2%)	(437,600)	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk

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

The Group's and the Company's exposures to market risk of changes in interest rates relates primarily to the Group's deposits with investment banks and commercial banks. There is no formal hedging policy with respect to interest rate exposure.

The following table sets out the carrying amounts and the weighted average effective interest rates as at the reporting date of the Group's financial assets and financial liabilities that are exposed to interest rate risk.

As at 30 April 2015	Note	Weighted average effective interest rate %	Within 1 year RM	1 - 5 years RM	More than 5 years RM	Total RM
Group						
Fixed rates						
Deposits with investment and commercial banks	15	3.7	45,559,901	-	-	45,559,901
Company						
Fixed rates						
Deposits with investment and commercial banks	15	3.7	23,631,798	-	-	23,631,798
As at 30 April 2014						
Group						
Fixed rates						
Deposits with investment and commercial banks	15	3.3	68,636,767	-	-	68,636,767
Company						
Fixed rates						
Deposits with investment and commercial banks	15	3.4	42,544,161	-	-	42,544,161

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of the Group and of the Company if interest rates at the end of reporting period changed by 100 basis points with all other variables held constant.

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Profit after tax				
- Increase by 1% (2014: 1%)	341,699	514,776	177,238	319,081
- Decrease by 1% (2014: 1%)	(341,699)	(514,776)	(177,238)	(319,081)

The sensitivity is lower in 2015 than in 2014 because of a decrease in deposits with investment banks and commercial banks during the financial year. The assumed movement in basis points for interest rate sensitivity analysis is based on current observable market environment.

(iv) Liquidity and cash flow risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group would encounter difficulty in meeting its financial obligations when due.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

The table below summarises the maturity profile of the liabilities of the Group and of the Company's liabilities at the end of each reporting period based on contractual undiscounted repayment obligations.

As at 30 April 2015	**On demand or within one year RM**	**One to five years RM**	**Over five years RM**	**Total RM**
Group				
Financial liabilities				
Trade and other payables	10,427,315	-	-	10,427,315
Total undiscounted financial liabilities	10,427,315	-	-	10,427,315
Company				
Financial liabilities				
Trade and other payables	457,658	-	-	457,658
Total undiscounted financial liabilities	457,658	-	-	457,658

NOTES TO THE FINANCIAL STATEMENTS (continued)

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iv) Liquidity and cash flow risk (continued)

As at 30 April 2014	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Group				
Financial liabilities				
Trade and other payables	9,008,713	-	-	9,008,713
Total undiscounted financial liabilities	9,008,713	-	-	9,008,713
Company				
Financial liabilities				
Trade and other payables	449,049	-	-	449,049
Total undiscounted financial liabilities	449,049	-	-	449,049

(v) Market price risk

Market risk is the risk that the fair value of future cash flows of the financial instruments of the Group would fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risks arising from quoted investments held by the Group. Quoted equity instruments in Malaysia are listed on the Bursa Malaysia Securities Berhad. These instruments are classified as financial assets available for sale.

There has been no changes to the Group's exposure to market risks or the manner in which these risks are managed and measured.

Sensitivity analysis for market price risk

The Group has considered the sensitivity of the financial instruments to market risks and is of the view that its impact is insignificant.

32. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 1 April 2015, Hap Huat Food Industries Sdn. Bhd., a wholly owned subsidiary of Apollo Food Holdings Berhad has changed its business activity to investment company from the distribution and marketing of compound chocolates, chocolate confectionery products and cakes. Its business activities of distribution and marketing are to be assumed by Apollo Food Industries (M) Sdn. Bhd..

33. SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

The retained earnings as at the end of the reporting period may be analysed as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Total retained earnings of the Company and its subsidiaries:				
- Realised	214,861,369	207,245,264	25,844,443	25,195,345
- Unrealised	(15,862,404)	(13,517,580)	12,740	12,740
	198,998,965	193,727,684	25,857,183	25,208,085
Less: Consolidation adjustments	(34,575,672)	(34,598,328)	-	-
Total retained earnings	164,423,293	159,129,356	25,857,183	25,208,085

ANALYSIS OF SHAREHOLDINGS AS AT 01 SEPTEMBER 2015

Statement of shareholdings according to the record of depositors as at 01 September 2015

AUTHORISED SHARE CAPITAL	:	RM100,000,000 ORDINARY SHARES OF RM1-00 EACH
ISSUED AND FULLY PAID-UP CAPITAL	:	RM80,000,000 divided into 80,000,000 shares
CLASS OF SHARES	:	Ordinary shares of RM1-00 each
NO OF SHAREHOLDERS	:	2,759
VOTING RIGHTS	:	One vote per ordinary share

A) List of Substantial Shareholders

		Direct		Deemed interest in shares	
No.	Name Of Shareholders	No. of shares	%	No. of shares	%
1.	Keynote Capital Sdn Bhd	41,048,415	51.31	-	-
2.	Liang Chiang Heng	254,600	0.32	41,048,415 *1	51.31
3.	Liang Kim Poh	225,000	0.28	41,048,415 *1	51.31
4.	Tan Song Cheng	66,000	0.08	41,048,415 *1	51.31
5.	Tan Kok Guan	-	-	41,048,415 *1	51.31
6.	Amanahraya Trustees Berhad - Skim Amanah Saham Bumiputera	16,072,000	20.09	-	-

Note :

*1 *By virtue of their interest in Keynote Capital Sdn Bhd.*

B) List of directors' shareholdings in the Company

		Direct		Deemed interest in shares	
No.	Name Of Directors	No. of shares	%	No. of shares	%
1.	Liang Chiang Heng	254,600	0.32	41,048,415 *1	51.31
2.	Liang Kim Poh	225,000	0.28	41,048,415 *1	51.31
3.	Ng Chet Chiang @ Ng Chat Choon	20,000	0.03	-	-
4.	Datuk P. Venugopal A/L V.K. Menon	25,000	0.03	10,000 *2	0.01
5.	Abdul Rahim Bin Bunyamin	17,000	0.02	-	-
6.	Datin Paduka Hjh. Aminah Binti Hashim	-	-	-	-

Note :

*1 *By virtue of their interest in the shares held by Keynote Capital Sdn Bhd*
*2 *By virtue of the shares held by his spouse*

ANALYSIS OF SHAREHOLDINGS (continued)

C) List of 30 largest securities account holders

No.	Name	No. of Shares Held	Percentage (%)
1.	Keynote Capital Sdn Bhd	41,048,415	51.31
2.	Amanahraya Trustees Berhad - Skim Amanah Saham Bumiputera	16,072,000	20.09
3.	Kam Loong Mining Sdn Bhd	2,563,000	3.20
4.	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for Credit Suisse (SG BR-TST-ASING)	1,028,800	1.29
5.	Shoptra Jaya (M) Sdn Bhd	887,000	1.11
6.	Foo Khen Ling	388,000	0.49
7.	Denver Corporation Sdn Bhd	353,500	0.44
8.	HSBC Nominees (Asing) Sdn Bhd -Exempt AN for Bank Julius Baer & Co. Ltd. (Singapore BCH)	352,500	0.44
9.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad -Deutsche Trustees Malaysia Berhad for Hong Leong Consumer Products Sector Fund	314,800	0.39
10.	Affin Hwang Nominees (Tempatan) Sdn Bhd - Lion Group Medical Assistance Fund	285,400	0.36
11.	Liang Chiang Heng	254,600	0.32
12.	Lim Seng Qwee	253,400	0.32
13.	Kam Loong Credit Sdn Bhd	232,000	0.29
14.	Liang Kim Poh	225,000	0.28
15.	Cartaban Nominees (Asing) Sdn Bhd - SSBT Fund F9EX for Fidelity Northstar Fund	200,000	0.25
16.	Chai Koon Khow	154,300	0.19
17.	Yeoh Phek Leng	154,000	0.19
18.	Lam Ee Lin	150,000	0.19
19.	Yap Kum Ming	143,000	0.18
20.	Tan How Kheng	132,000	0.17
21.	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for Credit Suisse Securities (Europe) Limited (CLTAC N-TREATY)	130,394	0.16
22.	Lee Toong Hian	120,000	0.15
23.	Choy Wee Chiap	115,100	0.14
24.	Sow Tiap	110,000	0.14
25.	Tan Hock Hin	105,000	0.13
26.	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB Bank for Kevin Foo Yoke Kin (MY1968)	104,750	0.13
27.	DB (Malaysia) Nominee (Asing) Sdn Bhd - Deutsche Bank AG Singapore PBD for Shindo Sumidomo	100,500	0.13
28.	Kenanga Nominees (Tempatan) Sdn Bhd - Heah Sieu Lay (PCS)	100,000	0.13
29.	Low Mei Lan	100,000	0.13
30.	Maybank Nominees (Tempatan) Sdn Bhd - Libra Invest Berhad for Eng Sim Leong @ Ng Leong Sing (AIS088) (353455)	100,000	0.13
	Total	**66,277,459**	**82.87**

ANALYSIS OF SHAREHOLDINGS (continued)

D) Distribution of shareholdings

Holdings	No. of Holders	Total Holdings	Percentage (%)
Less than 100	50	591	0.00
100 to 1,000	677	569,275	0.71
1,001 to 10,000	1,720	6,389,525	7.99
10,001 to 100,000	285	7,063,150	8.83
100,001 to less than 5% of issued shares	25	8,857,044	11.07
5% and above of issued shares	2	57,120,415	71.40
Total	2,759	80,000,000	100.00

LIST OF PROPERTIES AS AT 30 APRIL 2015

Location	Existing Use	Tenure	Approximate Age of Building (Years)	Land Area (sq.m)	Carrying Amount At 30 April 2015 RM'000
70, Jalan Langkasuka Larkin Industrial Area 80350 Johor Bahru	Corporate office and main factory	99 years leasehold expiring on 08.08.2109	26	7,762	6,666
58, Jalan Langkasuka Larkin Industrial Area 80350 Johor Bahru	Factory building rented out	60 years leasehold expiring on 14.01.2024	24	10,036	1,849
GM170 Lot 138 & GM100 Lot 139 Jalan JB – Kota Tinggi Plentong 81800 Ulu Tiram, Johor	Vacant land	Freehold	-	53,595	8,285
HS(M) 2718 PTD 120622, Jalan JB – Kota Tinggi Plentong 81800 Ulu Tiram, Johor	Vacant land	Freehold	-	14,156	2,896
47 & 49, Jalan Saga 14 Taman Desa Cemerlang 81800 Ulu Tiram, Johor	2 units of intermediate double storey terrace house rented out	Freehold	18	327	281
3, 3A & 3B, Jalan Kilang Larkin Industrial Area 80350 Johor Bahru	Factory building occupied as second factory	99 years leasehold expiring on 08.08.2109	46	8,377	4,217
4, 4A & 4B, Jalan Petaling Larkin Industrial Area 80350 Johor Bahru	Factory building occupied as main factory	99 years leasehold expiring on 08.08.2109	47	7,661	4,737
5, Jalan Kilang Larkin Industrial Area 80350 Johor Bahru Johor	Factory building occupied as second factory	99 years leasehold expiring on 08.08.2109	48	7,751	3,427
Lot 6398, 3 Jalan Asas Larkin Industrial Area 80350 Johor Bahru Johor	Factory building occupied as main factory	99 years leasehold expiring on 08.08.2109	9	11,914	6,978
Balance c/f to next page					39,336

LIST OF PROPERTIES (continued)
AS AT 30 APRIL 2015

Location	Existing Use	Tenure	Approximate Age of Building (Years)	Land Area (sq.m)	Carrying Amount At 30 April 2015 RM'000
Balance b/f from previous page					39,336
HS(D) 15991 TLO 786A Larkin Industrial Area 80350 Johor Bahru Johor	Vacant land	99 years leasehold expiring on 17.09.2111	8	4,046	1,663
No. 6, Jalan Petaling, Larkin Industrial Estate, 80350 Johor Bahru, Johor.	To be occupied as factory	60 years leasehold expiring on 27.03.2022	40	12,140	6,602
No. 1, Jalan Asas, Larkin Industrial Estate, 80350 Johor Bahru, Jonor.	Workshop and store	99 years leasehold expiring on 18.12.2110	40	8,093	4,420
No. 8, Jalan Petaling, Larkin Industrial Estate, 80350 Johor Bahru, Johor.	Factory building occupied as main factory	99 years leasehold expiring on 11.04.2111	25	5,042	1,867
Total					**53,888**

FORM OF PROXY

CDS ACCOUNT NO.	NO. OF SHARES HELD

I/We____ [NRIC NO:___________________________________]

of____being a

member/members of **APOLLO FOOD HOLDINGS BERHAD** (Co. No. 291471-M) do hereby appoint :

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or (delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

failing him, the Chairman of the meeting as * my/our proxy to attend and to vote for * me/us on * my/our behalf at the 21st Annual General Meeting of the Company to be held on Wednesday, the 21st day of October, 2015 at 10.00 a.m. at Delima Room, Level 2, The Puteri Pacific Hotel, Jalan Abdullah Ibrahim, 80730 Johor Bahru, Johor Darul Takzim and at any adjournment thereof.

* My / our proxy is to vote as indicated below:

RESOLUTIONS NO		FOR	AGAINST
Ordinary Business:			
1.	Declaration of First and Final Single Tier Dividend		
2.	Approval of Directors' Fees		
3.	Re-appointment of Director - Datuk P. Venugopal A/L V. K. Menon		
4.	Re-election of Director - Mr. Liang Chiang Heng		
5.	Re-election of Director - Mr. Liang Kim Poh		
6.	Re-appointment of Messrs BDO as Auditors		
Special Business:			
7.	Ordinary Resolution: Continuing in office as Independent Non-Executive Director - Mr. Ng Chet Chiang @ Ng Chat Choon		
8.	Ordinary Resolution: Continuing in office as Independent Non-Executive Director - En. Abdul Rahim Bin Bunyamin		

(Please indicate with a cross (X) in the spaces whether you wish your votes to be cast for or against the resolution. In the absence of such specific directions, your proxy will vote or abstain as he thinks fit.)

Dated this _______ day of _________________ 2015

____
Signature of Member(s)/Common Seal

Notes

1. A member 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.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies 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 authorised nominee may appoint in respect of each omnibus account it holds.
5. Where the Proxy Form is executed by a corporation, it must be either under its Common Seal or under the hand of an officer or attorney duly authorised.
6. The Proxy Form must be deposited with the Company Secretary at the Registered Office, Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor Darul Takzim not less than 48 hours before the time set for the Meeting.
7. For the purpose of determining a member who shall be entitled to attend the 21st Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Article 81(2) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991 to issue a general meeting Record of Depositor as at 13 October 2015. Only a depositor whose name appears therein shall be entitled to attend the said meeting or appoint a proxy to attend and/or vote on his stead.

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STAMP

The Company Secretary
Apollo Food Holdings Berhad (291471-M)
Suite 1301, 13th Floor
City Plaza, Jalan Tebrau
80300 Johor Bahru
Johor Darul Ta'zim

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APOLLO FOOD HOLDINGS BERHAD
(291471-M)

70, Jalan Langkasuka, Larkin Industrial Area,
80350 Johor Bahru, Johor, Malaysia.
Tel: 607- 236 5096 / 607- 236 5097
Fax: 607- 237 4748
Email: apollof@apollofood.com.my