



ABM Fujiya Berhad

(628324-W)



Innovation. Integrity. Performance.



ANNUAL REPORT 2015

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT The Twelfth Annual General Meeting of ABM Fujiya Berhad will be held at the Conference Room, Lot 859, Section 66, Jalan Pangkalan, Pending Industrial Estate, 93450 Kuching, Sarawak, on Wednesday, 18th May 2016 at 11:00 a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors' Fees for the financial year ending 31 December 2016. **(Resolution 1)**
3. To re-elect Datuk Tay Ah Ching @ Tay Chin Kin, who is due to retire in accordance with Article 86 of the Company's Articles of Association and being eligible, has offered himself for re-election. **(Resolution 2)**
4. To re-elect Puan Sri Corinne Bua Nyipa, who is due to retire in accordance with Article 86 of the Company's Articles of Association and being eligible, has offered herself for re-election. **(Resolution 3)**
5. To re-elect Dato' Tay Tze Poh, who is due to retire in accordance with Article 86 of the Company's Articles of Association and being eligible, has offered himself for re-election. **(Resolution 4)**
6. To re-elect Mr Sim Chong Hong, who is due to retire in accordance with Article 93 of the Company's Articles of Association and being eligible, has offered himself for re-election. **(Resolution 5)**
7. To re-appoint Messrs. KPMG as the Auditors of the Company and to authorise the Directors to determine their remuneration. **(Resolution 6)**

SPECIAL BUSINESS

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

8. **Authority to Allot and Issue Shares Pursuant to Section 132D of The Companies Act, 1965** **(Resolution 7)**
 "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten (10) percent of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company, subject always to the Companies Act, 1965, the Articles of the Company and approval of all relevant regulatory bodies being obtained for such allotment and issue."
9. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

By order of the Board,

Yeo Puay Huang (f)

Company Secretary

(LS 0000577)

Dated : 27th April 2016

Notice of Annual General Meeting (continued)

EXPLANATORY NOTES TO SPECIAL BUSINESS

Ordinary Resolution No. 7

Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965

The Ordinary Resolution proposed under Resolution 7 of the Agenda is a renewal of the General Mandate for the Directors to issue and allot shares pursuant to Section 132D of the Companies Act, 1965.

The Proposed Ordinary Resolution 7, if passed, will give authority to the Directors of the Company, from the date of the above Annual General Meeting, to issue and allot shares to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of share issued does not exceed 10% of the issued share capital of the Company for the time being. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Eleventh Annual General Meeting held on 19th June 2015 and which will lapse at the conclusion of the Twelfth Annual General Meeting to be held on 18th May 2016.

The General Mandate sought will enable the Directors of the Company to issue and allot shares, including but not limited to further placing of shares, for purposes of funding investment(s), working capital and/or acquisition(s).

NOTES:

- (1) Only Depositors whose names appear in the General Meeting Record of Depositors as at 12th May 2016 be regarded as Members and shall be entitled to attend, speak and vote at the Twelfth Annual General Meeting.
- (2) A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 ("the Act") shall not apply to the Company.
- (3) To be valid, the proxy form, duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
- (4) A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1)(c) of the Act are complied with.
- (5) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- (6) If the appointor is a corporation, this form must be executed under its common seal or under the hand of an officer or attorney duly authorized.
- (7) Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

Details of Individuals who are standing for election as Directors

There are no individuals who are standing for election as directors (excluding directors standing for re-election) at the Twelfth Annual General Meeting.

Corporate Information

BOARD OF DIRECTORS

Datuk Tay Ah Ching @ Tay Chin Kin

Non-Independent Executive Group Chairman

Dato' Tay Tze How

Non-Independent Managing Director

Dato' Tay Tze Poh

Non-Independent Deputy Managing Director

Puan Sri Corinne Bua Nyipa

Independent Non-Executive Director

Datuk Haji Abang Abdul Wahap Bin Haji Abang Julai

Independent Non-Executive Director

Dato' Ooi Teik Heng

Independent Non-Executive Director

Wong Siaw Wei

Independent Non-Executive Director

Sim Chong Hong

Independent Non-Executive Director

COMPANY SECRETARY

Yeo Puay Huang (LS 0000577)

AUDITORS

KPMG (AF: 0758)

Chartered Accountants
Level 6, Westmoore House
Twin Tower Centre
Rock Road
93200 Kuching, Sarawak

REGISTERED OFFICE AND CORPORATE OFFICE

Lot 2224, Section 66
Lorong Pangkalan, Off Jalan Pangkalan
Pending Industrial Estate
93450 Kuching, Sarawak
Telephone No. : 082-333 344
Facsimile No. : 082-483 603
E-mail: admin@abmfujiya.com.my
Website: <http://www.abmfujiya.com>

REGISTRAR

Securities Services (Holdings) Sdn Bhd (Company No. 36869-T)

Level 7, Menara Milenium, Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Telephone No. : 03-2084 9000
Facsimile No. : 03-2094 9940

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK NAME

AFUJIYA

STOCK CODE

5198



Corporate Structure



ABM Fujiya Berhad
(Company No.628324-W)

100%

**Amalgamated Batteries
Manufacturing (Sarawak)
Sdn. Bhd.**
(Company No. 11108-A)

Manufacture and sale of
automotive batteries

100%

**Amalgamated Batteries
Corporation Sdn. Bhd.**
(Company No. 644774-P)
Dormant

100%

**Anpei Corporation
Sdn. Bhd.**
(Company No. 288399-V)
Dormant

100%

**Amalgamated
Batteries
Marketing
(Sarawak)
Sdn. Bhd.**
(Company No. 645460-H)
Retailing of
automotive batteries

100%

**Auto Industries
Batteries
(East Malaysia)
Sdn. Bhd.**
(Company No. 42216-M)
Dealer of batteries
and lubricants



Chairman's Statement



Dear Shareholders,

On behalf of the Board of Directors of ABM Fujiya Berhad ("the Group"), I am pleased to present the Annual Report and Audited Financial Statements of the Group for the financial year ended 31 December 2015.

MARKET OVERVIEW

In 2015, the global economic activity remain subdued, with the growth rate estimated at 3.1 percent, mainly due to the slowdown of the economic activity in China, lower prices for commodities and the tightening of the monetary policy in the United States have continued to influence the global economic outlook.

It had been a rather challenging year for the Malaysian economy. On our local front, the decline of the crude oil prices, the implementation of the Goods and Services Tax, the fluctuations of the foreign currencies exchange and the weakening of our currency had all affected our economy. Despite the above and the uncertainties in the external environment, the Malaysian economy recorded GDP growth rate of 5% in 2015.

REVIEW OF RESULTS

For the financial year ended 31 December 2015 ("FYE 2015"), the Group's financial performance recorded a profit before tax ("PBT") of RM4.48 million as compared to RM6.97 million reported for FYE 2014. For FYE 2015, net profit attributable to equity holders was RM2.91 million, with a revenue of RM111.55 million and the earnings per share of the Group was 1.62 sen.

Despite the domestic and global economic downturn in 2015, our Group's revenue has increased slightly compared to FYE 2014. The decrease in PBT was attributed to the weakening of our currency which had increased the costs of raw materials. Furthermore, the fluctuations in the foreign currencies exchange and lead price also affected the buying behaviours of the customers.

Chairman's Statement (continued)

There was an increase in the Group's debt to equity ratio from 0.33 to 0.37 in year 2015. Overall, the Group's financial position remained stable with increase in shareholders' equity from RM140.83 million to RM143.74 million.

PROSPECT

The global growth is projected at 3.4 percent in 2016 and 3.6 percent in 2017. The slowdown and the rebalancing of the Chinese economy and lower prices for energy and other commodities will continue to weight on the growth prospects in 2016 – 2017.

Despite the decline in the oil prices, financial volatility and the weakening of the Malaysian Ringgit, the Malaysian economy will continue to grow at a moderate pace, supported by domestic consumption growth and increase in the export sectors by the electrical and manufacturing products.

Furthermore, with the optimistic outlook in the automotive industry which achieved the highest total industry volume ("TIV") in Malaysian history in 2015 and further expected the TIV to rise to 680,000 units in 2016, we are confident that our performance will be encouraging.

Our Group will continue to rely on our many years of experience in the manufacturing industry and to pursue continuous improvement in our products and services, technology advancement, efficiencies in production and long term strategies to expand our presence, to venture into new markets and to strengthen product branding.

We believe that with strong commitment from our Group's management team and support from our stakeholders, we will continue to weather the challenges ahead of us.

IN APPRECIATION

On behalf of the Board of Directors, I wish to take this opportunity to put on record our gratitude to our customers, suppliers, business partners, authorities, shareholders and fellow Board members for their continuous support to the Group.

I also wish to thank the management and all employees for their great effort and commitment in contributing to this year's results, despite the challenges we encountered in the external and domestic market in year 2015.

DATUK TAY AH CHING @ TAY CHIN KIN

Chairman



Directors' Profile



Datuk Tay Ah Ching @ Tay Chin Kin

Malaysian, aged 69, is the founder and Non-Independent Executive Group Chairman of the Company. Datuk Tay was appointed to the Board on 30 November 2009. He has vast experience and well versed with the operations, planning and business development of our Group and his management style encompasses a very hands-on approach. He is the father of Dato' Tay Tze How (Managing Director) and Dato' Tay Tze Poh (Deputy Managing Director). He does not have any conflict of interest with the Company and has no convictions for any offences within the past ten years. He attended all five (5) Board Meetings held during the financial year.



Dato' Tay Tze How

Malaysian, aged 45, Non-Independent Managing Director. Dato' Tay was appointed to the Board on 30 November 2009. He holds a Bachelor of Commerce Degree from the Curtin University of Technology, Australia. He is the son of Datuk Tay Ah Ching @ Tay Chin Kin (Group Chairman) and the brother of Dato' Tay Tze Poh (Deputy Managing Director). He does not have any conflict of interest with the Company and has no convictions for any offences within the past ten years. He attended all five (5) Board Meetings held during the financial year.

Directors' Profile (continued)



Dato' Tay Tze Poh

Malaysian, aged 44, Non-Independent Deputy Managing Director. Dato' Tay was appointed to the Board on 30 November 2009. He holds a Bachelor of Arts Degree from the Curtin University of Technology, Australia. He is the son of Datuk Tay Ah Ching @ Tay Chin Kin (Group Chairman) and the brother of Dato' Tay Tze How (Managing Director). He does not have any conflict of interest with the Company and has no convictions for any offences within the past ten years. He attended all five (5) Board Meetings held during the financial year.



Puan Sri Corinne Bua Nyipa

Malaysian, aged 53, Independent Non-Executive Director. Puan Sri Corinne was appointed to the Board on 22 January 2010. She is a Member of the Nominating Committee. She does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. She has no convictions for any offences within the past ten years. She attended all five (5) Board Meetings held during the financial year.

Directors' Profile (continued)

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Datuk Haji Abang Abdul Wahap Bin Haji Abang Julai

Malaysian, aged 65, Independent Non-Executive Director. Datuk Haji Abang Abdul Wahap was appointed to the Board on 30 November 2009. He is the Chairman of the Remuneration Committee and also a Member of the Audit Committee. He holds an Advance Diploma in Police Science and a Bachelor of Law (LLBs Hon) – Honours Second Upper Class. He does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past ten years and he does not hold any shares in the Company. He attended all five (5) Board Meetings held during the financial year.



Dato' Ooi Teik Heng

Malaysian, aged 61, Independent Non-Executive Director. Dato' Ooi was appointed to the Board on 18 August 2010. He is the Chairman of the Nominating Committee and also a Member of the Remuneration Committee. He does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past ten years and he does not hold any shares in the Company. He attended all five (5) Board Meetings held during the financial year.

Directors' Profile (continued)



Miss Wong Siaw Wei

Malaysian, aged 40, Independent Non-Executive Director. Ms Wong was appointed to the Board on 30 November 2009. She is the Chairperson of the Audit Committee and also the Member of the Nominating and Remuneration Committees. She is a Fellow Member of the Association of Chartered Certified Accountants (FCCA) and a member of the Malaysian Institute of Accountants (MIA). She does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. She has no convictions for any offences within the past ten years and she does not hold any shares in the Company. She attended all five (5) Board Meetings held during the financial year.



Mr Sim Chong Hong

Malaysian, aged 43, Independent Non-Executive Director. Mr Sim was appointed to the Board on 4 June 2015. He is the Member of the Audit, Nominating and Remuneration Committees. He is a Member of the Advocates Association of Sarawak. He does not have any family relationship with any director and/or major shareholder of the Company, nor any conflict of interest with the Company. He has no convictions for any offences within the past ten years and he does not hold any shares in the Company. He attended two (2) Board Meetings held during the financial year.

Corporate Social Responsibility

At ABM Fujiya Berhad ("ABM Fujiya"), we support the concept of Corporate Social Responsibility ("CSR") by taking into consideration the impact of our Group's operations on employees, customers, shareholders, communities, other stakeholders and the environment.

In addition to comply with the relevant legislations, our commitment towards CSR extends to the way we conduct our business operations to ensure sustainable social, economic and environmental benefits to the community in which we operate.



Corporate Social Responsibility (continued)



Driven by the belief that CSR is a concept that has to be embraced group wide, ABM Fujiya encourages its employees to play a proactive role in supporting the community and environment. During the year, ABM Fujiya had successfully continued to organise blood donation drive as part of its CSR. The main objective of organising blood donation campaign is to replenish the blood supply for the blood bank of Sarawak General Hospital to help those in need. Also, ABM Fujiya aims at increasing public awareness and encourages more people to come forward and donate blood through the campaign. These are all beyond monetary contributions and have made significant and positive impact on the community.



ABM Fujiya also promotes work-life balance and healthy living lifestyle to its employees by organising various social events and sports activities whereby the employees are encouraged to participate to show case their talents and bonds with each other. The employees' engagements further enhance team building and co-operation among the various departments of our Group. The employees are also motivated to participate charity event organised by external parties such as charity run. The participation is not only to promote healthier life style but also to establish social networking. At the same time, to promote caring and charitable heart amongst employees.



Corporate Social Responsibility (continued)

As a responsible manufacturer, our main priority is to ensure a healthy and safe environments for our employees, guests and the general public. We focus on instilling proper occupational health and safety cultures into our employees to ensure that they will continuously be able to strive in maintaining a safe and healthy workplace.

Our core safety and health activities include the following briefings:

- lead safety;
- working near moving parts;
- manual lifting; and
- personal protective equipment usage.



Our hands on safety training include fire extinguisher training, emergency evacuation process as well as emergency response planning. This is to ensure that our workers are not only able to handle real emergencies should they ever occur, but also competent in preventing accidents.

We have employed the services of Occupational Safety and Health consultants and clinical services to assist us in conducting various monitoring and tests to identify and propose safety measures at site and to ensure that our workplace are safe and our operations does not bring negative impact to our environment.

With all these programs, we can ensure that the safety and health interests of the staffs, workers and the general public are always our main priority.



Statement on Corporate Governance

The Board of Directors ("the Board") is committed to upholding high standards of good Corporate Governance throughout the Group. It will continue to enhance corporate governance in order to safeguard the interests of shareholders and other stakeholders.

The Board is pleased to share the manner in which the Principles of the Malaysian Code of Corporate Governance 2012 ("the Code") issued by the Securities Commission Malaysia has been applied within the Group and the extent to which the Group has complied with the Recommendations of the Code during the financial year ended 31 December 2015.

I. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Board Responsibilities

The functions and responsibilities of the Board includes the following six (6) specific responsibilities, which facilitate the discharge of the Board's responsibilities in the best interest of the Company:-

- (i) Adopting and reviewing a strategic plan for the Company
- (ii) Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed and sustained
- (iii) Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks
- (iv) Succession planning, including appointing, training, fixing the remuneration of senior management of the Company
- (v) Developing and implementing an investor relations programme or shareholder communications policy for the Company
- (vi) Reviewing the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines

The Group is also committed towards sustainable development. Employees' welfare, environment and community responsibilities are integral to the conduct of the Group's business. The corporate social responsibility report is set out on pages 12 to 14 of this Annual Report.

In performing its duties, the Board has access to the advice and services of the Company Secretaries and, if necessary, may seek independent professional advice about the affairs of the Group.

To assist in the discharge of its stewardship role, the Board has established Board Committees, namely the Audit Committee, Nominating Committee and Remuneration Committee, to examine specific issues within their respective terms of reference as approved by the Board and for them to report to the Board their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

Board charter

The Board is aware of the need to clearly demarcate the duties and responsibilities of the Board, Board Committees and Management, including the limits of authority accorded, in order to provide clarity and guidance to Directors and Management. To achieve this, the Board has adopted a Board Charter, setting out, inter-alia, the roles of the Board, Board Committees, Executive and Non-Executive Directors and Management. The Charter, which serves as a reference point for Board's activities to enable Directors to carry out their stewardship role and discharge their fiduciary duties towards the Company, also contains a formal schedule of matters reserved to the Board for deliberation and decision so that the control and direction of the Company's businesses are in its hands. In line with Recommendation of 1.7 of the MCCG 2012 to make public the Board Charter, the Company has recently established and uploaded the Board Charter on its website at www.abmfujiya.com.

Statement on Corporate Governance (continued)

Directorships in Other Companies

In compliance with Paragraph 15.06 restriction on directorship in listed issuers of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the Directors of the Company do not hold more than five (5) directorships in Public Listed Companies and the listing of directorships held by Directors is confirmed by each Director.

Board Meetings and Access to Information

The Board meets at least four times a year, with additional meetings convened as and when the Board's approval and guidance are required. Upon consultation with the Chairman and the Managing Director, due notice shall be given of proposed dates of meetings during the financial year and standard agenda and matters to be tabled to the Board. Meetings are set before the beginning of the year to allow Directors to plan ahead and to maximise their participation.

Prior to the Board meetings, the Company Secretary will furnish a notice together with an agenda to the Directors to allow them to have adequate preparation time to ensure effectiveness at the proceedings of the meeting. The Company Secretary will ensure Board's proceedings are followed regularly and reviewed and will also provide guidance to the Board on Director's obligation arising from the rules and regulations including the Code and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia.

Technology and information technology are effectively used in Board meetings and communications with the Board, where Directors may participate in meetings by audio or video conference, and Board materials are shared electronically.

Five (5) Board meetings were held during the financial year ended 31 December 2015 and details of the attendance of each Director are as follows:

Name of Directors	Meetings Attended
Datuk Tay Ah Ching @ Tay Chin Kin	5/5
Dato' Tay Tze How	5/5
Dato' Tay Tze Poh	5/5
Puan Sri Corinne Bua Nyipa	5/5
Datuk Haji Abang Abdul Wahap Bin Haji Abang Julai	5/5
Dato' Ooi Teik Heng	5/5
Wong Siaw Wei	5/5
Sim Chong Hong (Appointed on 4 June 2015)	2/5

The Company Secretary will circulate Board meeting papers including Quarterly and Annual "year-to-date" Financial Statements, Minutes of Past Meetings, updates by Regulatory Authorities, Internal and External Auditors' Report.

The Board has full access to the Company Secretary, all information including the advice and services of the Company Secretary in furtherance of their duties. Non-Executive Directors also have the same right of access to all data including seeking independent professional advice as and when required at the Company's expenses.

Company Secretary

The Board is supported by the Company Secretary who facilitates overall compliance with the MMLR, Companies Act, 1965 and other relevant laws and regulations.

Statement on Corporate Governance (continued)

Company Secretary (continued)

The Company Secretary who is qualified, has relevant working experience and competent on statutory and regulatory requirements, briefs the Board on the necessary contents and timing of material announcements to be made to regulators. The removal of the Company Secretary, if any, is the matter for the Board as a whole to make decision.

The Company Secretary attends all Board and Board Committee meetings and ensures that there is a quorum for each of the meeting. She is also responsible for ensuring that all the meetings are convened in accordance with the Board procedures and relevant terms of references.

The minutes of the meetings are prepared to include amongst others, pertinent issues, substance of enquires and responses, recommendations and decisions made by the Directors. The minutes of the meetings are properly kept in accordance with the relevant statutory requirements of the Companies Act, 1965.

II. BOARD STRENGTH

Appointments

The Nominating Committee ("NC") makes independent recommendations for appointments to the Board, based on criteria which they develop, maintain and review. The NC may consider the use of external consultants in the identification of potential Directors. In making these recommendations, the NC assesses the suitability of candidates, taking into account the required mix of skills, knowledge, expertise and experience, professionalism, integrity, competencies, time commitment and other qualities of the candidates, before recommending their appointment to the Board for approval. The Board makes clear at the outset its expectations of its new Directors in terms of their time commitment as recommended by the Code.

Re-election of Directors

Pursuant to the Company's Articles of Association, at least one-third (1/3) of all the Directors are subject to retirement by rotation at each Annual General Meeting. Retiring Directors may offer themselves for re-election to the Board. Details of Directors seeking re-election such as inter-alia, age, relevant experience and list of directorships, participation in the Board Committees are disclosed separately in this Annual Report.

Board Diversity Policy

The Board recognises that diversity in its composition is critical in ensuring its effectiveness and good corporate governance. A truly diverse board will include and make use of the variation in the skills, experience, background, race, gender and nationality of its members.

As part of its commitment to enhance its diversity, including gender diversity, the Board is pleased to report that the Company has two (2) female Board members.

Statement on Corporate Governance (continued)

Board Committees

As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions to the following Board Committees and the composition is as follows:-

Audit Committee	• Wong Siaw Wei (Chairperson) (Appointed on 31 December 2015) • Dato' Ooi Teik Heng (Resigned on 31 December 2015) • Datuk Haji Abang Abdul Wahap Bin Haji Abang Julai (Member) • Sim Chong Hong (Member) (Appointed on 4 June 2015)
Nominating Committee	• Dato' Ooi Teik Heng (Chairman) • Puan Sri Corinne Bua Nyipa (Member) • Wong Siaw Wei (Member) • Sim Chong Hong (Member) (Appointed on 4 June 2015)
Remuneration Committee	• Datuk Haji Abang Abdul Wahap Bin Haji Abang Julai (Chairman) • Dato' Ooi Teik Heng (Member) • Wong Siaw Wei (Member) • Sim Chong Hong (Member) (Appointed on 4 June 2015)

All Board Committees consist of members who are exclusively Independent and Non-Executive Directors.

In addition, from time to time the Board reviews the functions and terms of reference of Board Committees to ensure that they are relevant and updated in line with the latest provision of the Code 2012 and other related policies or regulatory requirements.

The Chairperson of the respective Board Committees reports to the Board on the outcome of Board Committee meetings which require the Board's attention and direction and the Board also reviews the minutes of the Board Committee meetings.

Meetings and Activities of the Board Committees

Audit Committee

The details of meetings and activities of the Audit Committee can be found in the Audit Committee Report on pages 24 to 26 of this Annual Report.

Nominating Committee

The Committee met twice during the financial year 2015 and all members of the Committee attended the meetings.

During the financial year 2015, the Committee has undertaken the following activities:-

- (i) Reviewed the proposed format of the Self-Assessment of individual Directors;
- (ii) Reviewed the composition of the Board and the Board Committees;
- (iii) Performed Annual Assessment of the Independent Directors; and
- (iv) Considered the timetable, process and methodology and outcome of the assessment of the Board of Directors, Board Committees and Directors' training for 2015.

During the year, the Company did not engage any external party in respect of the annual review of the Board of Directors or Board Committees.

Statement on Corporate Governance (continued)

Remuneration Committee

The Remuneration Committee assists the Board in reviewing and assessing the remuneration packages of Executive Directors, although determination of remuneration packages of both Executive and Non-Executive Directors remains with the Board. The Committee is responsible to ensure the level of remuneration is sufficiently attractive to retain a stable management team and to further encourage creation of value for the shareholders and link rewards to corporate goals and individual performance. Further, the Remuneration Committee also keeps abreast with changes in the external market for remuneration comparable, reviews and recommends changes to the Board as it deems appropriate.

The Committee met once during the financial year 2015 and all members of the Committee attended the meeting.

Directors' Remuneration

The Remuneration Committee determines the remuneration of each Executive Director, Executive Group Chairman and Group Managing Director reflecting the level of responsibility, experience and commitment. The fees paid to Non-Executive Directors are the responsibilities of the entire Board. No Director is involved in determining his/her own remuneration.

The details of aggregate remuneration paid to the Directors of the Company by the Group and the Company for the financial year ended 31 December 2015 are as follows:-

Aggregate Remuneration	Executive Directors (RM' 000)	Non-Executive Directors (RM' 000)
Salaries	936	–
Directors' Fees	300	50
Allowances and Benefit in Kind	58	6

In compliance with transparency, accountability and disclosure requirements under the MMLR, the number of Directors whose total remuneration falling within the following bands during the financial year ended 31 December 2015 are as follows:

Remuneration Band	Executive Directors	Non-Executive Directors
Below RM50,000	–	5
RM250,001 to RM300,000	2	–
RM650,001 to RM700,000	1	–

III. BOARD BALANCE AND INDEPENDENCE

During the financial year ended 31 December 2015, the Directors individually complete a formal written assessment of the Board, its performance, composition and conduct. The Chairman collates the opinions and responses of Directors and tables the results for review, comment and recommendation by the Board.

The Board comprises three (3) Executive Directors and five (5) Independent Non-Executive Directors. The Board comprises a majority of Independent Non-Executive Directors, which is in line with the Recommendation of the Code and the MMLR that requires one-third (1/3) of Board members to be independent directors.

Statement on Corporate Governance (continued)

III. BOARD BALANCE AND INDEPENDENCE (continued)

The Board gives close consideration to its size, composition and spread of experience and expertise that enables the Board to provide effective leadership as well as independent judgement on business decisions, taking into account long term interests of shareholders, customers, suppliers and other business associates with whom the Group conducts its business.

The Board is satisfied with the composition and good mix of Executive Directors and Independent Non-Executive Directors to carry out the Board's priorities objectively and impartially and to grow the Group effectively. The Board is mindful of the MCCG 2012 which stipulates the requirement for Board to comprise majority of Independent Directors if the Chairman is also the Group Managing Director. The Board will give careful consideration and take necessary measure to comply including any restructuring when the need arises whilst simultaneously ensuring an effective and suitable composition, including Board size, is achieved in the interest of the Company.

The NC is established to regularly assess the independence of independent directors. The Independent Non-Executive Directors are also free from any business or related parties relationships that could materially interfere with independent judgment. Brief profile of each Director is presented from pages 8 to 11 of this Annual Report.

At end of the financial year, none of the Independent Non-Executive Directors has served for a cumulative period exceeding nine (9) years.

Division of roles and responsibilities between the Executive Chairman and the Managing Director

The Group practices a division of responsibility between the Chairman and the Managing Director and there is a balance of Executive and Independent Non-Executive Directors. The roles of the Chairman and Managing Director are separate and clearly defined responsibilities, and are held individually by two persons.

The Chairman's main responsibility is to ensure effective conduct of the Board and that all Directors, both Executive and Non-Executive, have unrestricted and timely access to all relevant information necessary for informed decision-making. The Chairman encourages participation and deliberation by all Board members to enable the knowledge of all the Board members to be tapped and to promote consensus building as much as possible.

The Managing Director has overall responsibilities over the Group's operational and business units, organisational effectiveness and implementation of Board policies, directives, strategies and decisions. In addition, the Managing Director also functions as the intermediary between the Board and Management.

IV. COMMITMENT OF THE BOARD

All Board members shall notify the Chairman of the Board before accepting any new directorships in any other organisation. The notification shall include an indication of time commitment required under the new appointment as recommended by the Code.

Training and Development of Directors

The NC and the Board assess the training needs of each of its Directors on an on-going basis, by determining areas that would best strengthen their contributions to the Board.

All Directors have completed the Mandatory Accreditation Programme ("MAP") required under the MMLR. They are also mindful that training is essential to all Directors and they should continue to update their skills and knowledge to effectively execute their duties.

Statement on Corporate Governance (continued)

Training and Development of Directors (continued)

Since the date of the last report, the Directors attended the following training/courses:

Name of Directors	Description of Training	Date
Datuk Tay Ah Ching @ Tay Chin Kin	- Bursa Malaysia Berhad (Iclif Leadership and Governance Centre) - Nominating Committee Programme Part 2 : "Effective Board Evaluations"	5 Oct 2015
Dato' Tay Tze How	- Securities Industry Development Corporation - The Interplay Between CG, NFI and Investment Decision - What Boards of Listed Companies Need To Know - Suruhanjaya Syarikat Malaysia - Annual Dialogue Companies Commission Of Malaysia (SSM) (Sarawak) 2016	19 Aug 2015 11 Apr 2016
Dato' Tay Tze Poh	- Securities Industry Development Corporation - The Interplay Between CG, NFI and Investment Decision - What Boards of Listed Companies Need To Know	19 Aug 2015
Puan Sri Corinne Bua Nyipa	- Suruhanjaya Syarikat Malaysia - SSM Sarawak Seminar 2015: "Revamping the Companies Act"	7 Oct 2015
Datuk Haji Abang Abdul Wahap Bin Haji Abang Julai	- Suruhanjaya Syarikat Malaysia - Annual Dialogue Companies Commission Of Malaysia (SSM) (Sarawak) 2016	11 Apr 2016
Dato' Ooi Teik Heng	- Bursatra Sdn Bhd - Corporate Governance Management and Best Practices : Maximizing Board Effectiveness Through A Strong Board Risk Oversight Role Beyond Financial Performance	2 Oct 2015
Wong Siaw Wei	- Jabatan Kastam Diraja Malaysia - Training Course for the GST Tax Agent - Bursa Malaysia Berhad (Iclif Leadership and Governance Centre) - Nominating Committee Programme Part 2 : "Effective Board Evaluations" - Bursa Malaysia Berhad - Technical Briefing On Computation Of Percentage Ratios For Company Secretaries Of Listed Issuers - Suruhanjaya Syarikat Malaysia - Annual Dialogue Companies Commission Of Malaysia (SSM) (Sarawak) 2016	6 - 8 Feb 2015, 13 - 14, 16 Feb 2015 10 Sept 2015 6 Oct 2015 11 Apr 2016
Sim Chong Hong	- Bursatra Sdn Bhd - Mandatory Accreditation Programme for Directors of Public Listed Companies - Bursa Malaysia Berhad (Iclif Leadership and Governance Centre) - Nominating Committee Programme Part 2 : "Effective Board Evaluations"	9 & 10 Sept 2015 5 Oct 2015

Statement on Corporate Governance (continued)

V. BOARD INTEGRITY IN FINANCIAL REPORTING, RISK RECOGNITION AND MANAGEMENT

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible for ensuring accounting records are properly kept and the Company and Group's financial statements are prepared in accordance with applicable financial reporting standards in Malaysia and the provisions of the Companies Act, 1965. It is assisted by the Audit Committee to oversee the Group's financial reporting processes, to determine that the reports fairly present the Group's financial position and the results of its operation and ensure the accuracy and adequacy of the information announced.

The Audit Committee is an independent platform for regular discussions between Independent Directors and External Auditors and to review the Company's process including internal control and communication with Internal Auditors.

The Statement of Responsibility by Directors in respect of the preparation of the annual audited financial statements of the Company is set out on page 29 of this Annual Report.

Risk Management and Internal Control

The Board is responsible for establishing a sound system of internal control to safeguard shareholders' investments and the Group's assets. The information on Group's Internal Control System is presented in the Statement on Risk Management and Internal Control as set out in this Annual Report.

The Audit Committee assists the Board in fulfilling such obligation by reviewing and evaluating independently its effectiveness and adequacy with the assistance of the Internal Auditors. In addition to the Audit Committee's independent evaluation of the Internal Control system, the head of individual department and key management personnel ("the management team") also ensures the implementation of a Risk Management Framework relating to all the Group's operations and business activities. The management team reports and recommends to the Board on its findings for approval on solutions.

Relationship with External Auditors

The Audit Committee meets with the external auditors at least twice a year to discuss any issues arising from their audits without the presence of the Management. The external auditors also highlight to the Audit Committee and Board of Directors on matters that require the Audit Committee's or the Board's attention together with the recommended corrective actions thereof. The Management is held responsible for ensuring that all these corrective actions are undertaken within an appropriate time frame.

The role of the Audit Committee in relation to the external auditors is found in the Audit Committee Report on pages 24 to 26 of this Annual Report. The Group has always maintained a close and transparent relationship with its external auditors in seeking professional advice and ensuring compliance with Malaysian Financial Reporting Standards, International Financial Reporting Standard, the requirements of the Companies Act, 1965 in Malaysia and the MMLR.

The Audit Committee also reviews the proposed re-appointment of the external auditors of the Company and their fees on annual basis to ensure that the independence of the external auditors is not compromised.

For the audit of the financial statements of ABM Fujiya Berhad and its subsidiaries for the financial year ended 31 December 2015, the external auditors of the Group have confirmed their independence in accordance with the terms of relevant professional and regulatory requirements.

Statement on Corporate Governance (continued)

VI. TIMELY AND HIGH QUALITY DISCLOSURE

The Board has also established and adopted the Corporate Disclosure Policy which include feedback from management as recommended by the Code and the policies and procedures therein have been formulated with reference to the Best Practices published in the Corporate Disclosure Guide issued by Bursa Malaysia.

As recommended by the Code, the Company will seek to leverage on the latest and most innovative information technology available to promote more efficient and effective ways to communicate with both its shareholders and stakeholders. The Company's Annual Reports, announcements to Bursa Malaysia, media releases and presentations relating to its quarterly financial results have been made available on the Company's website.

Various contact details are provided on the Company's website to address queries from customers, shareholders and other public.

VII. RELATIONSHIP WITH SHAREHOLDERS

1. Shareholders and Investor Relations

The Board believes that the Group should at all times be transparent and accountable to its shareholders and investors and the Board is proactive in evaluating the effectiveness of information dissemination to all shareholders and the wider investing community.

As such, the Board disseminates proper, timely and adequate relevant information to the shareholders through announcements, quarterly results, Annual Reports and press releases.

An online Investor Relations section can be accessed by shareholders and the general public via the Company's website at www.abmfujiya.com.

2. Annual General Meeting ("AGM")

The AGM is the principal forum for dialogue with all shareholders who are encouraged and given sufficient opportunity to enquire about the Group's activities and prospects as well as to communicate their expectations and concerns. Shareholders who are unable to attend are allowed to appoint proxies in accordance with the Company's Articles to attend and vote on their behalf. The Chairman and Board members are in attendance to provide clarification on shareholders' queries.

Announcements are made on a timely manner to Bursa Malaysia and are made available electronically to the public via Bursa Malaysia's website at www.bursamalaysia.com as well as the Company's website at www.abmfujiya.com.

3. Whistle-Blowing

In light of the requirements stipulated under the Capital Markets and Services Act 2007, the Bursa Malaysia' Corporate Governance Guide and the Companies Act, 1965, the Board recognises the importance of whistle-blowing and is committed to maintain the standards of ethical conduct within the Group.

This Statement is issued in accordance with a resolution of the Board of Directors dated 7 April 2016.

Audit Committee Report

The Audit Committee ("The Committee") of ABM Fujiya Berhad is pleased to present the Audit Committee Report for the financial year ended 31 December 2015. This report has been approved by the Board's resolution dated 7 April 2016.

The Audit Committee comprises three (3) Independent Directors as listed below:

Committee Members	Designation
Wong Siaw Wei (Chairperson) (Appointed on 31 December 2015)	Independent Non-Executive Director
Dato' Ooi Teik Heng (Resigned on 31 December 2015)	Independent Non-Executive Director
Datuk Haji Abang Abdul Wahap Bin Haji Abang Julai (Member)	Independent Non-Executive Director
Sim Chong Hong (Member) (Appointed on 4 June 2015)	Independent Non-Executive Director

TERM OF REFERENCE OF AUDIT COMMITTEE

Membership

The members of the Committee shall be appointed by the Board from amongst its directors. The Committee must be composed of no fewer than three (3) members of whom all shall be non-executive directors with a majority of them being Independent Directors.

- At least one (1) member of the committee must be a member of the Malaysian Institute of Accountants or if he/she is not a member of the Malaysian Institute of Accountants, he/she must have at least three (3) years' working experience and must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act, 1967 or he/she 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 fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Malaysia").
- In the event of any vacancy resulting in the non-compliance of paragraph above, the Board shall within three (3) months of that event, appoint such number of new members required to fulfill the minimum requirement.
- The members of the Committee shall elect a Chairman from among their number who shall be an independent non-executive director.

Quorum

Unless otherwise determined, two (2) members shall be a quorum. The majority of members present must be Independent Directors.

Functions

The Committee shall review the following and report the same to the Board of Directors:

- with the external auditors, the audit plans, the scope of audit and the audit report;
- the assistance given by the Group's and the Company's employees to the internal and external auditors;
- the adequacy of the scope, functions and resources of the internal audit function and whether appropriate actions have been taken with respect to internal audit recommendations; and
- the quarterly results and year-end financial statements, prior to the approval by the Board of Directors, focusing particularly on:

Audit Committee Report (continued)

Functions (continued)

- a) changes in or implementation of major accounting policy;
 - b) significant and unusual events; and
 - c) compliance with accounting standards and other legal requirements.
- any related party transactions and conflict of interest situation that may arise within the Group and the Company including any transaction, procedure or course of conduct that raises questions of management integrity;
 - the appointment or dismissal of the external auditors and their fees;
 - recommendation of the nomination of a person or persons as external auditors;
 - any letter of resignation from the external auditors of the Company; and whether there is reason (supported by grounds) to believe that the external auditors of the Group and the Company are not suitable for re-appointment; and
 - to perform other related duties as may be agreed by the Committee and the Board.

Authority

The Committee is authorised by the Board to:

- investigate any matter within its terms of reference;
- have full and unrestricted access to any information pertaining to the Company and its subsidiaries;
- have the resources which are required to perform its duties;
- have direct communication channels with the internal and external auditors;
- be able to obtain independent professional advice; and
- be able to convene meetings with external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

MEMBERS AND ATTENDANCE OF MEETINGS

During the financial year ended 2015, the Committee has held five (5) meetings and the details of attendance of the meetings of the Committee are as follows:

Committee Members	Designation	Attendance
Wong Siaw Wei	Independent Non-Executive Director	5/5
Dato' Ooi Teik Heng (Resigned on 31 December 2015)	Independent Non-Executive Director	5/5
Datuk Haji Abang Abdul Wahap Bin Haji Abang Julai	Independent Non-Executive Director	5/5
Sim Chong Hong (Appointed on 4 June 2015)	Independent Non-Executive Director	2/5

The Executive Chairman, Managing Director, Deputy Managing Director, Finance Manager and Account Manager, other officers, external auditors and internal auditors were invited to attend some of these meetings.

Audit Committee Report (continued)

SUMMARY OF AUDIT COMMITTEE'S ACTIVITIES

The main activities undertaken by the Committee during the financial years are as follows:

The Internal Audit Function

- Reviewed internal auditors' audit plans, the scope of audit and the results of the auditors' findings;
- Reviewed internal auditors' report on internal control recommendations and management's responses; and
- Considered the re-appointment of internal auditors and the audit fees.

The External Audit Function

- Reviewed external auditors' audit plans, the scope of audit and the results of the auditors' findings;
- Reviewed external auditors' reports on matters relating to major audit findings and the management's responses thereto; and
- Considered the re-appointment of external auditors and the audit fees.

The Financial Results

- Reviewed quarterly unaudited financial results of the Group before recommendation to the Board for approval; and
- Reviewed audited financial statements for the financial year ended 31 December 2015 prior recommending to the Board for approval.

Related Parties Transactions

- Reviewed the related party transactions of the Group.

Risk Management

- Reviewed the Statement on Risk Management and Internal Control prior to recommendation to the Board for consideration and approval.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to external consulting firm, Messrs Deloitte Risk Enterprise Services Sdn Bhd. The Internal Audit team independently review the risks associated with and controls over business processes and evaluate their adequacy and compliance. The Group's internal audit plan is tabled to and approved by the Audit Committee. Audits are carried out based on a risk based approach, taking into consideration input of the senior management, the Audit Committee and the Board. Audit findings and recommendations are reported to the Audit Committee.

The costs amounting to RM30,000 was incurred in relation to the internal audit function for the financial year ended 31 December 2015.

Statement on Risk Management and Internal Control

Introduction

The Statement on Risk Management and Internal Control is made pursuant to Listing Requirements of Bursa Malaysia Securities Berhad which requires the Board to include in its Annual Report a statement on the state of its risk management and internal control. The revised Malaysian Code on Corporate Governance (2007 & 2012) requires all listed companies to maintain a sound system of risk management and internal control to safeguard shareholders' investment and the company's assets.

Accordingly, the Board of Directors ("the Board") of ABM Fujiya Berhad is pleased to provide the Statement on Risk Management and Internal Control ("Statement") for the year ended 31 December 2015 that was prepared in accordance with the "Guidance for Directors of Public Listed Company" issued by Bursa Malaysia Securities Berhad.

Responsibility

The Board acknowledges its responsibility for ensuring that a sound system of risk management and internal control is maintained within the Group, and for reviewing its design and operational adequacy and effectiveness.

The risk management and internal control system are an integral part of the Group which is designed to:-

- (a) Help the achievement of corporate, business and operational strategies, safeguard the Group's assets and shareholders' investments;
- (b) Ensure proper maintenance of accounting records and reliability of financial reporting;
- (c) Ensure compliance with relevant legislation and regulations; and
- (d) Identify, assess, manage and mitigate key risks to the Group.

In view of the limitations inherent in any system, the Board noted that risk management and internal control system is designed to provide reasonable, but not absolute assurance against material misstatement or loss and to manage the Group's risks, rather than to eliminate the risks that may impede the achievement of the Group's strategies.

Risk Management

The Risk Framework summarises the identification of key risks of the Group, as well as assessment, management and mitigation of the key risks.

The Board of Directors are charged with the responsibility to identify key risks of the Group and to ensure the implementation of a proper and appropriate system to manage these risks.

Key risks are identified, assessed and categorised to highlight the source of risks and their impacts. The key risks identified for the Group are considered in formulating the strategies and plans that are approved and adopted by the Board. The strategies and plans are monitored and revised as the need arises.

Internal Audit Function

The Group's internal audit function is outsourced to external consulting firm, Messrs Deloitte Risk Enterprise Services Sdn Bhd. The Internal Audit team independently reviews the risks associated with and controls over business processes and evaluates their adequacy and compliance. The Group's internal audit plan is tabled to and approved by the Audit Committee. Audits are carried out based on a risk based approach, taking into consideration input of the senior management, the Audit Committee and the Board. Audit findings and recommendation are reported to the Audit Committee.

The Board recognises that the development of internal control system is a process to identify, evaluate and manage the key risks faced by the Group. In striving for continuous improvement, the Board will continue to take appropriate action plans to further enhance the Group's system of internal control.

Statement on Risk Management and Internal Control (continued)

Internal Control System

The Group has established organisational structure with clearly defined lines of responsibilities and appropriate levels of delegation and authority. Key duties are segregated amongst different personnel of major divisions, such as manufacturing and trading operations, financial management and reporting, capital expenditure management, human resources and purchasing. A process of hierarchical reporting is established which provides for a documented and auditable trail of accountability. During the financial year under review, Management meetings chaired by the Managing Director are held with management personnel to oversee the financial and operational performance of the Group, including the discussion of challenges faced in operations and action plans to address the concerns. The Managing Director reported the issues and action plans to the Group Chairman. The system of internal control includes the proper delegation of duties and responsibilities from the Board to the Managing Director, Senior Management (collectively, the "Management"), in running the key operations of the Group. In this respect, Management essentially comprises personnel with significant years of experience and who are in a position to identify and manage business risks relevant to the Group and design appropriate internal controls to manage these risks.

Conclusion

The Board is of the view that the system of internal control and risk management in place during the year under review, and up to the date of approval of this Statement, is sound and sufficient to safeguard the Group's assets, as well as the shareholders' investments, and the interests of customers, regulators, employees and other stakeholders.

The Board has also received assurance from the Executive Group Chairman and the Finance Manager that the Group's risk management and internal control system are operating adequately and effectively, in all material respects, based on the risk management and internal control system of the Group.

Review of Statement by the External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Recommended Practice Guide ('RPG') 5 (Revised 2015), *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants ('MIA') for inclusion in the annual report of the Group for the year ended 31 December 2015, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

- a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or
- b) is factually inaccurate.

RPG 5 (Revised 2015) does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

This statement is issued in accordance with a resolution of the Board of Directors dated 7 April 2016.

Statement of Directors' Responsibilities

Statement of Directors' responsibilities in respect of the preparation of audited financial statements pursuant to Paragraph 15.26(a) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

The Directors are required to ensure that the audited financial statements of the Group and the Company are prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia and the MMLR of Bursa Malaysia.

In preparing the Group and the Company's financial statements, the Directors have:

- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable accounting standards have been followed; and
- prepared the financial statements on an on-going basis.

The Directors also responsible to safeguard the assets of the Group and the Company, to prevent and to detect fraud and other irregularities.

Additional Compliance Information

In compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the following information is provided hereunder.

Share Buy-Backs

During the financial year ended 31 December 2015, the Company did not purchase any of its own shares.

Options, Warrants or Convertible Securities

No options, warrants or convertible securities were issued during the financial year under review.

Depository Receipt Programme

The Group did not sponsor any Depository Receipt Programme during the financial year under review.

Sanctions and Penalties

There were no sanctions or penalties imposed on the Group, its subsidiaries, Directors and Management during the financial year under review.

Non-Audit Fees

The amount of non-audit fees incurred for services rendered to the Company and its subsidiaries for the financial year ended 31 December 2015 by the Company's external auditors, Messrs KPMG amounted to RM11,000 and there are also other fees in relation to services comprising tax compliance and advisory services incurred by a corporation affiliated to Messrs KPMG.

Variation in Results

During the financial year under review, there were no significant variations in results.

Profit Guarantee

During the financial year under review, there were no profit guarantees given by the Group.

Related Party Transactions

During the financial year under review, there was no material related party transaction.

Material Contracts

There were no material contract entered into by the Group and/or its subsidiaries involving directors and major shareholders, either subsisting at the end of the financial year or entered into since the end of the previous financial year.

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Directors' Report

for the year ended 31 December 2015

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

Principal activities

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM	Company RM
Profit for the year attributable to owners of the Company	2,911,081	115,010

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

Dividends

The Company has no distributable reserve with which to pay dividends.

Directors of the Company

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

Datuk Tay Ah Ching @ Tay Chin Kin
 Dato' Tay Tze How
 Dato' Tay Tze Poh
 Puan Sri Corinne Bua Nyipa
 Datuk Haji Abang Abdul Wahap Bin Haji Abang Julai
 Dato' Ooi Teik Heng
 Wong Siaw Wei
 Sim Chong Hong (Appointed 04.06.2015)

Directors' interests in shares

The interests and deemed interests of the Directors at year end (including the interests of their spouses or children who themselves are not Directors of the Company) in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) as recorded in the Register of Directors' Shareholdings are as follows:

Direct interests in the Company	At 1.1.2015	Number of ordinary shares *		At 31.12.2015
		Bought	Sold	
Datuk Tay Ah Ching @ Tay Chin Kin	200,002	–	–	200,002
Dato' Tay Tze How	170,002	–	–	170,002

Directors' Report (continued)

Directors' interests in shares (continued)

Direct interests in the Company	At	Number of ordinary shares *		At
	1.1.2015	Bought	Sold	31.12.2015
Dato' Tay Tze Poh	170,000	–	–	170,000
Puan Sri Corinne Bua Nyipa	171,300	–	–	171,300

Direct interests in the holding company, Kayatas Sdn. Bhd.	At	Number of ordinary shares *		At
	1.1.2015	Bought	Sold	31.12.2015
Datuk Tay Ah Ching @ Tay Chin Kin	88,000	–	–	88,000
Dato' Tay Tze How	220,000	–	–	220,000
Dato' Tay Tze Poh	170,492	–	–	170,492

Deemed interests in the Company

Datuk Tay Ah Ching @ Tay Chin Kin	)			
Dato' Tay Tze How	)	133,163,496	–	–
Dato' Tay Tze Poh	)			133,163,496

By virtue of their interests in the shares of the holding company, Datuk Tay Ah Ching @ Tay Chin Kin, Dato' Tay Tze How and Dato' Tay Tze Poh are also deemed interested in the shares of the Company and its related corporations during the financial year to the extent the holding company has an interest.

None of the other Directors holding office at 31 December 2015 had any interest in the shares and options over shares of the Company and of its related corporations during the financial year.

* The nominal value of the ordinary shares of Kayatas Sdn. Bhd. is RM1.00 each while that of the Company is RM0.50 each.

Directors' benefits

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

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

Directors' Report (continued)

Issue of shares and debentures

There were neither changes in the authorised, issued and paid-up capital of the Company, nor issuances of debentures by the Company during the financial year.

Options granted over unissued shares

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

Other statutory information

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

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

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

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

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

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

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

Directors' Report (continued)

Other statutory information (continued)

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2015 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

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

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

Datuk Tay Ah Ching @ Tay Chin Kin

Dato' Tay Tze How

Kuching,

Date: 7 April 2016

Statements of Financial Position

as at 31 December 2015

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Assets					
Property, plant and equipment	3	84,063,277	89,006,534	—	—
Prepaid lease payments	4	4,540,460	4,769,414	—	—
Investments in subsidiaries	5	—	—	78,500,000	78,500,000
Deferred tax assets	12	22,000	—	—	—
Total non-current assets		88,625,737	93,775,948	78,500,000	78,500,000
Inventories	6	78,903,667	63,553,312	—	—
Current tax assets		531,044	313,328	—	—
Trade and other receivables	7	49,362,481	50,249,215	2,300	2,000
Amount due from subsidiaries	8	—	—	11,830,104	11,738,916
Cash and cash equivalents	9	11,946,841	3,680,330	78,508	8,085
Total current assets		140,744,033	117,796,185	11,910,912	11,749,001
Total assets		229,369,770	211,572,133	90,410,912	90,249,001
Equity					
Share capital	10	90,000,000	90,000,000	90,000,000	90,000,000
Share premium	10	2,023,644	2,023,644	2,023,644	2,023,644
Merger reserve	10	3,643,000	3,643,000	—	—
Retained earnings/(Accumulated losses)		48,072,919	45,161,838	(1,747,011)	(1,862,021)
Total equity attributable to owners of the Company		143,739,563	140,828,482	90,276,633	90,161,623
Liabilities					
Loans and borrowings	11	15,259,451	645,176	—	—
Deferred tax liabilities	12	8,256,745	8,392,322	—	—
Total non-current liabilities		23,516,196	9,037,498	—	—
Trade and other payables	13	11,601,037	12,300,299	117,729	81,366
Amount due to a Director	14	58,839	29,553	—	—
Current tax liabilities		119,470	374,781	16,550	6,012
Loans and borrowings	11	50,334,665	49,001,520	—	—
Total current liabilities		62,114,011	61,706,153	134,279	87,378
Total liabilities		85,630,207	70,743,651	134,279	87,378
Total equity and liabilities		229,369,770	211,572,133	90,410,912	90,249,001

The notes on pages 42 to 82 are an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2015

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Revenue					
- Sale of automotive batteries and lubricants		111,548,466	111,413,844	—	—
Cost of sales		(95,293,853)	(94,161,924)	—	—
Gross profit		16,254,613	17,251,920	—	—
Other income		123,115	580,626	—	—
Distribution expenses		(1,981,217)	(2,043,652)	—	—
Administrative expenses		(7,024,798)	(6,314,628)	(207,406)	(140,301)
Results from operating activities	15	7,371,713	9,474,266	(207,406)	(140,301)
Finance income	16	4,545	66	410,980	406,821
Finance costs	16	(2,893,637)	(2,501,477)	—	—
Net finance (costs)/income		(2,889,092)	(2,501,411)	410,980	406,821
Profit before tax		4,482,621	6,972,855	203,574	266,520
Tax expense	17	(1,571,540)	(1,992,762)	(88,564)	(75,512)
Profit/Total comprehensive income for the year attributable to owners of the Company		2,911,081	4,980,093	115,010	191,008
Basic and diluted earnings per ordinary share (Sen)	18	1.62	2.77		

The notes on pages 42 to 82 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2015

Group	← Share capital RM	Non-distributable Share premium RM	→ Merger reserve RM	Distributable Retained earnings RM	Total RM
At 1 January 2014	90,000,000	2,023,644	3,643,000	40,181,745	135,848,389
Profit/Total comprehensive income for the year	—	—	—	4,980,093	4,980,093
At 31 December 2014/ 1 January 2015	90,000,000	2,023,644	3,643,000	45,161,838	140,828,482
Profit/Total comprehensive income for the year	—	—	—	2,911,081	2,911,081
At 31 December 2015	90,000,000	2,023,644	3,643,000	48,072,919	143,739,563
	(Note 10)	(Note 10)	(Note 10)		

The notes on pages 42 to 82 are an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2015

Company	Share capital RM	Share premium RM	Accumulated losses RM	Total RM
At 1 January 2014	90,000,000	2,023,644	(2,053,029)	89,970,615
Profit/Total comprehensive income for the year	-	-	191,008	191,008
At 31 December 2014/ 1 January 2015	90,000,000	2,023,644	(1,862,021)	90,161,623
Profit/Total comprehensive income for the year	-	-	115,010	115,010
At 31 December 2015	90,000,000	2,023,644	(1,747,011)	90,276,633
	(Note 10)	(Note 10)		

The notes on pages 42 to 82 are an integral part of these financial statements.

Statements of Cash Flows

for the year ended 31 December 2015

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash flows from operating activities				
Profit before tax	4,482,621	6,972,855	203,574	266,520
Adjustments for:				
Allowance for impairment loss on doubtful receivables (Note 15)	344,326	196,000	—	—
Amortisation of prepaid lease payments (Note 4)	228,954	228,954	—	—
Depreciation of property, plant and equipment (Note 3)	9,136,830	9,994,431	—	—
Finance costs (Note 16)	2,893,637	2,501,477	—	—
Finance income (Note 16)	(4,545)	(66)	(410,980)	(406,821)
Interest on bankers' acceptances (Note 15)	672,946	440,198	—	—
Unrealised foreign exchange (gain)/loss (Note 15)	(548,140)	499,333	—	—
Operating profit/(loss) before changes in working capital	17,206,629	20,833,182	(207,406)	(140,301)
Changes in working capital:				
Inventories	(15,350,355)	(711,783)	—	—
Trade and other receivables, deposits and prepayments	610,328	(5,505,328)	(300)	—
Trade and other payables	2,529,537	(1,015,815)	36,363	(366,938)
Amount due to a Director	29,286	6,635	—	—
Cash generated from/(used in) operations	5,025,425	13,606,891	(171,343)	(507,239)
Income tax paid, net of refund	(2,202,144)	(1,923,651)	(78,026)	(77,500)
Interest received	4,545	66	—	—
Interest paid	(2,004,737)	(1,462,229)	—	—
Net cash from/(used in) operating activities	823,089	10,221,077	(249,369)	(584,739)
Cash flows from investing activities				
Acquisition of property, plant and equipment [Note (i)]	(4,193,573)	(4,608,634)	—	—
Land premium paid	(2,732,185)	(2,732,179)	—	—
Interest paid on land premium payable	(841,948)	(841,954)	—	—
Changes in deposits pledged with licensed bank	—	18,000	—	—
Net cash used in investing activities	(7,767,706)	(8,164,767)	—	—

Statements of Cash Flows

for the year ended 31 December 2015 (continued)

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash flows from financing activities				
Advances to subsidiaries	—	—	319,792	579,389
Proceeds from borrowings	122,390,711	86,816,392	—	—
Repayment of borrowings	(103,647,356)	(95,884,174)	—	—
Repayment of finance leases	(78,653)	(52,862)	—	—
Interest paid	(719,898)	(637,492)	—	—
Net cash from/(used in) financing activities	17,944,804	(9,758,136)	319,792	579,389
Net increase/(decrease) in cash and cash equivalents	11,000,187	(7,701,826)	70,423	(5,350)
Effect of exchange rate fluctuations on cash held	(16,394)	(3,913)	—	—
Cash and cash equivalents at beginning of year	(12,661,986)	(4,956,247)	8,085	13,435
Cash and cash equivalents at end of year [Note (ii)]	(1,678,193)	(12,661,986)	78,508	8,085

Notes

(i) Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment as follows:

	Group	
	2015 RM	2014 RM
Paid in cash	4,193,573	4,608,634
Finance lease	—	130,000
Total (see Note 3)	4,193,573	4,738,634

(ii) Cash and cash equivalents

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

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash and bank balances (Note 9)	11,946,841	3,680,330	78,508	8,085
Bank overdrafts (Note 11)	(13,625,034)	(16,342,316)	—	—
Cash and cash equivalents	(1,678,193)	(12,661,986)	78,508	8,085

The notes on pages 42 to 82 are an integral part of these financial statements.

Notes to the Financial Statements

– 31 December 2015

ABM Fujiya Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of its registered office is Lot 2224, Section 66, Lorong Pangkalan, Off Jalan Pangkalan, Pending Industrial Estate, 93450 Kuching, Sarawak.

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

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements.

The holding company during the financial year is Kayatas Sdn. Bhd., a company incorporated in Malaysia.

These financial statements were authorised for issue by the Board of Directors on 7 April 2016.

1. Basis of preparation

(a) Statement of compliance

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

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

MFRS / Amendment / Interpretation	Effective date
MFRS 14, <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to MFRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)</i>	1 January 2016
Amendments to MFRS 7, <i>Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)</i>	1 January 2016
Amendments to MFRS 10, <i>Consolidated Financial Statements</i> , MFRS 12, <i>Disclosure of Interests in Other Entities</i> and MFRS 128, <i>Investments in Associates and Joint Ventures - Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to MFRS 11, <i>Joint Arrangements - Accounting for Acquisition of Interests in Joint Operations</i>	1 January 2016
Amendments to MFRS 101, <i>Presentation of Financial Statements - Disclosure Initiative</i>	1 January 2016
Amendments to MFRS 116, <i>Property, Plant and Equipment</i> and MFRS 138, <i>Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016

Notes to the Financial Statements – 31 December 2015 (continued)

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRS / Amendment / Interpretation	Effective date
Amendments to MFRS 116, <i>Property, Plant and Equipment</i> and MFRS 141, <i>Agriculture - Agriculture: Bearer Plants</i>	1 January 2016
Amendments to MFRS 119, <i>Employee Benefits (Annual Improvements 2012-2014 Cycle)</i>	1 January 2016
Amendments to MFRS 127, <i>Separate Financial Statements - Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to MFRS 134, <i>Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)</i>	1 January 2016
MFRS 9, <i>Financial Instruments</i> (2014)	1 January 2018
MFRS 15, <i>Revenue from Contracts with Customers</i>	1 January 2018
Amendments to MFRS 10, <i>Consolidated Financial Statements</i> and MFRS 128, <i>Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

The Group and the Company plan to apply:

- from the annual period beginning on 1 January 2016 those standards, amendments and interpretations that are effective for annual periods beginning on or after 1 January 2016, except for MFRS 14, Amendments to MFRS 5, Amendments to MFRS 10, MFRS 12 and MFRS 128, Amendments to MFRS 11, Amendments to MFRS 116 and MFRS 141, Amendments to MFRS 119, Amendments to MFRS 127 and Amendments to MFRS 134, which are assessed as presently not applicable to the Group and the Company.
- from the annual period beginning on 1 January 2018, MFRS 9 and MFRS 15, which are effective for annual periods beginning on or after 1 January 2018.

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

(i) MFRS 9, *Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets. Upon adoption of MFRS 9, financial assets will be measured at either fair value or amortised cost.

The adoption of MFRS 9 will result in a change in accounting policy. The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

Notes to the Financial Statements – 31 December 2015 (continued)

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

(ii) MFRS 15, Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*. Upon adoption of MFRS 15, it is expected that the timing of revenue recognition might be different as compared with the current practices.

The adoption of MFRS 15 will result in a change in accounting policy. The Group is currently assessing the financial impact that may arise from the adoption of MFRS 15.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements, other than those disclosed in the following:

- Note 3, impairment assessment of property, plant and equipment; and
- Note 7, assessment of recoverability on trade receivables.

2. Significant accounting policies

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

(a) Basis of consolidation

(i) Subsidiaries

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

Notes to the Financial Statements – 31 December 2015 (continued)

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(i) **Subsidiaries** (continued)

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

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

(ii) **Business combinations**

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

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

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

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

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

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

(iii) **Acquisitions from entities under common controls**

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any resulting gain/loss is recognised directly in equity.

Notes to the Financial Statements – 31 December 2015 (continued)

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iv) Loss of control

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

(v) Transactions eliminated on consolidation

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

(b) Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments or a financial instrument designated as a hedge of currency risk, which are recognised in other comprehensive income.

(c) Financial instruments

(i) Initial recognition and measurement

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

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

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

Notes to the Financial Statements – 31 December 2015 (continued)

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(ii) *Financial instrument categories and subsequent measurement*

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) *Financial assets at fair value through profit or loss*

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

(b) *Held-to-maturity investments*

Held-to-maturity investments category comprises debt instruments that are quoted in an active market and the Group or the Company has the positive intention and ability to hold them to maturity.

Financial assets categorised as held-to-maturity investments are subsequently measured at amortised cost using the effective interest method.

(c) *Loans and receivables*

Loans and receivables category comprises debt instruments that are not quoted in an active market.

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

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

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

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable

Notes to the Financial Statements – 31 December 2015 (continued)

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

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

Financial assets (continued)

(d) *Available-for-sale financial assets (continued)*

to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment [see Note 2(h)(i)].

Financial liabilities

All financial liabilities, other than those categorised as fair value through profit or loss, are subsequently measured at amortised cost.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of equity instruments that do not have a quoted price in an active market for identical instruments whose fair values otherwise cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

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

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

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

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

Notes to the Financial Statements – 31 December 2015 (continued)

2. Significant accounting policies (continued)

(c) Financial instruments (continued)

(iv) Derecognition

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

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

(d) Property, plant and equipment

(i) Recognition and measurement

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

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

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

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

Notes to the Financial Statements – 31 December 2015 (continued)

2. Significant accounting policies (continued)**(d) Property, plant and equipment (continued)****(ii) Subsequent costs**

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

(iii) Depreciation

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

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

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

Long-term leasehold land	60, 788, 793, 797 and 825 years
Short-term leasehold land	42, 48, 50, 60 and 61 years
Buildings	24, 35, 50 years
Plant and machinery	5 and 10 years
Tools and equipment	8 years
Furniture and fittings	5, 8, 10 and 12 years
Motor vehicles	5 and 10 years
Renovation	10 years

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

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

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

Notes to the Financial Statements – 31 December 2015 (continued)

2. Significant accounting policies (continued)

(e) Leased assets (continued)

(i) Finance lease (continued)

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

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

(ii) Operating lease

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

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

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

(f) Inventories

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

The cost of inventories is calculated using the weighted average cost formula, except that for raw materials which is measured based on first-in first-out formula. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

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

(g) Cash and cash equivalents

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

Notes to the Financial Statements – 31 December 2015 (continued)

2. Significant accounting policies (continued)

(h) Impairment

(i) Financial assets

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

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

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

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

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

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

(ii) Other assets

The carrying amounts of other assets, except for inventories and deferred tax assets [see Note 2(f) and 2(m)] are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill with indefinite useful lives, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose

Notes to the Financial Statements – 31 December 2015 (continued)

2. Significant accounting policies (continued)

(h) Impairment (continued)

(ii) Other assets (continued)

of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

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

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

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

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

(i) Equity instruments

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

(i) Issue expenses

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

(ii) Ordinary shares

Ordinary shares are classified as equity.

(j) Employee benefits

(i) Short-term employee benefits

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

Notes to the Financial Statements – 31 December 2015 (continued)

2. Significant accounting policies (continued)

(j) Employee benefits (continued)

(i) Short-term employee benefits (continued)

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

(ii) State plans

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

(k) Revenue and other income

(i) Goods sold

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

(ii) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from sub-leased property is recognised as other income.

(iii) Interest income

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

(l) Borrowing costs

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

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

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

Notes to the Financial Statements – 31 December 2015 (continued)

2. Significant accounting policies (continued)

(l) Borrowing costs (continued)

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

(m) Tax expense

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

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

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

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

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

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

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

(n) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

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

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

Notes to the Financial Statements – 31 December 2015 (continued)

2. Significant accounting policies (continued)

(o) Operating segments

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

(p) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(q) Fair value measurements

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

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

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

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

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

Notes to the Financial Statements – 31 December 2015 (continued)

3. Property, plant and equipment

Group	Long-term leasehold land (more than 50 years) RM	Short-term leasehold land (less than 50 years) RM	Buildings RM	Plant and machinery RM	Tools and equipment RM	Furniture and fittings RM	Motor vehicles RM	Renovation RM	Assets under construction RM	Total RM
Cost										
At 1 January 2014	20,323,483	4,419,863	31,855,137	70,901,900	474,880	958,948	800,148	488,803	25,315	130,248,477
Additions	–	–	–	3,879,485	357,795	59,289	190,000	43,000	209,065	4,738,634
At 31 December 2014/1 January 2015	20,323,483	4,419,863	31,855,137	74,781,385	832,675	1,018,237	990,148	531,803	234,380	134,987,111
Additions	–	–	–	3,994,813	5,569	29,488	–	–	163,703	4,193,573
Write-offs	–	–	–	–	–	(3,762)	–	–	–	(3,762)
At 31 December 2015	20,323,483	4,419,863	31,855,137	78,776,198	838,244	1,043,963	990,148	531,803	398,083	139,176,922
Depreciation										
At 1 January 2014	1,214,301	442,614	2,576,891	30,387,346	332,723	299,952	528,755	203,564	–	35,986,146
Depreciation for the year (Note 15)	303,575	110,653	717,130	8,462,054	101,279	81,924	159,595	58,221	–	9,994,431
At 31 December 2014	1,517,876	553,267	3,294,021	38,849,400	434,002	381,876	688,350	261,785	–	45,980,577
At 1 January 2015	1,517,876	553,267	3,294,021	38,849,400	434,002	381,876	688,350	261,785	–	45,980,577
Depreciation for the year (Note 15)	303,575	110,654	717,130	7,653,543	78,708	76,673	138,783	57,764	–	9,136,830
Write-offs	–	–	–	–	–	(3,762)	–	–	–	(3,762)
At 31 December 2015	1,821,451	663,921	4,011,151	46,502,943	512,710	454,787	827,133	319,549	–	55,113,645
Carrying amounts										
At 31 December 2014/1 January 2015	18,805,607	3,866,596	28,561,116	35,931,985	398,673	636,361	301,798	270,018	234,380	89,006,534
At 31 December 2015	18,502,032	3,755,942	27,843,986	32,273,255	325,534	589,176	163,015	212,254	398,083	84,063,277

Notes to the Financial Statements – 31 December 2015 (continued)

3. Property, plant and equipment (continued)

3.1 Leased motor vehicles

Assets under finance lease are charged to secure the finance lease liabilities of the Group (see Note 11.1). The net carrying amount of leased motor vehicles was RM151,766 (2014: RM249,562).

3.2 Security

The land and buildings of the Group are charged to secure banking facilities granted to certain Group entities. In addition, a debenture incorporating fixed and floating charges has been created over all assets (including property, plant and equipment and prepaid lease payments) of certain Group entities to secure the banking facilities granted thereto (see Note 11.1).

3.3 Land

The Group has 31 parcels of leasehold land. The lease period of 21 parcels of leasehold land (classified as long-term) expire in the years 2071, 2795 and 2817 while the lease period of the other 10 parcels of leasehold land (classified as short-term) expire in the years 2027, 2031, 2038, 2053 and 2054.

Included in the long-term leasehold land are two parcels of leasehold land for which only provisional land titles have been received.

4. Prepaid lease payments

		Short-term leasehold land (Unexpired lease period less than 50 years) RM
Group		
Cost		
At 1 January 2014, 31 December 2014/1 January 2015 and 31 December 2015		5,914,184
Amortisation		
At 1 January 2014		915,816
Amortisation for the year (Note 15)		228,954
At 31 December 2014/1 January 2015		1,144,770
Amortisation for the year (Note 15)		228,954
At 31 December 2015		1,373,724
Carrying amounts		
At 31 December 2014/1 January 2015		4,769,414
At 31 December 2015		4,540,460

The lease period of 2 parcels of leasehold land (classified as short-term) expire in the years 2035 and 2037.

The land has been charged to secure banking facilities granted to certain Group entities (see Note 11.1).

Notes to the Financial Statements – 31 December 2015 (continued)

5. Investments in subsidiaries

	Company	
	2015 RM	2014 RM
Unquoted shares, at cost	78,500,000	78,500,000

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:

Direct subsidiaries

Name of entity	Principal place of business	Principal activities	Effective ownership interest and voting interest	
			2015 %	2014 %
Amalgamated Batteries Manufacturing (Sarawak) Sdn. Bhd.	Malaysia	Manufacture and sale of automotive batteries	100.00	100.00
Amalgamated Batteries Corporation Sdn. Bhd.	Malaysia	Dormant	100.00	100.00
Anpei Corporation Sdn. Bhd.	Malaysia	Dormant	100.00	100.00

Subsidiaries of Amalgamated Batteries Manufacturing (Sarawak) Sdn. Bhd.

Name of entity	Principal place of business	Principal activities	Effective ownership interest and voting interest	
			2015 %	2014 %
Amalgamated Batteries Marketing (Sarawak) Sdn. Bhd.	Malaysia	Retailing of automotive batteries	100.00	100.00
Auto Industries Batteries (East Malaysia) Sdn. Bhd.	Malaysia	Dealer of batteries and lubricants	100.00	100.00

6. Inventories

	Group	
	2015 RM	2014 RM
Raw materials (including goods in transit)	18,045,202	16,990,597
Work-in-progress	30,621,472	21,075,372
Manufactured inventories	29,638,447	24,481,780
Trading goods (including goods in transit)	598,546	1,005,563
	78,903,667	63,553,312
Recognised in profit or loss:		
Inventories recognised as cost of sales	74,539,404	72,080,328
Write-down to net realisable value charged out to cost of sales	21,494	–

Notes to the Financial Statements – 31 December 2015 (continued)

7. Trade and other receivables

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Trade				
Trade receivables (Note 7.1)	39,149,236	46,640,578	–	–
Allowance for impairment losses	(1,005,941)	(661,615)	–	–
	38,143,295	45,978,963	–	–
Non-trade				
Other receivables	841,613	33,165	–	–
Deposits	144,447	136,937	2,300	2,000
Prepayments (Note 7.2)	10,233,126	4,100,150	–	–
	11,219,186	4,270,252	2,300	2,000
Total	49,362,481	50,249,215	2,300	2,000

Assessment on doubtful receivables

7.1 The main collectability risk of trade receivables is customer insolvencies. Management determines allowance for impairment losses on doubtful receivables based on an on-going review and evaluation performed as part of its credit risk evaluation process. These include assessment of customers' past payment records, sales level, financial standing and the age of receivables. The evaluation is however inherently judgemental and requires material estimates, including the amounts and timing of future cash flows expected to be received, which may be susceptible to significant changes.

7.2 Included in the prepayments is an amount of RM9,985,147 (2014: RM3,872,560) being advances paid for the purchase of machineries.

8. Amount due from subsidiaries - Company

Amount due from subsidiaries is non-trade in nature, unsecured, interest free and has no fixed terms of repayment except for an amount due from a subsidiary of RM11,830,104 (2014: RM11,738,916) which bears interest at 3.50% (2014: 3.50%) per annum.

9. Cash and cash equivalents

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash and bank balances	11,946,841	3,680,330	78,508	8,085

Notes to the Financial Statements – 31 December 2015 (continued)

10. Capital and reserves

Share capital

	Amount		Group and Company	
	2015 RM	2014 RM	Number of shares 2015	2014
Ordinary shares of RM0.50 each				
Authorised:				
Opening and closing balances	500,000,000	500,000,000	1,000,000,000	1,000,000,000
Issued and fully paid:				
Opening and closing balances	90,000,000	90,000,000	180,000,000	180,000,000

Share premium

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the ordinary shares net of share listing expenses.

Merger reserve

Merger reserve represents the difference between the cost of acquisition and the nominal value of the ordinary shares acquired in a business combination involving a common control transaction in an earlier year.

11. Loans and borrowings

	Group	
	2015 RM	2014 RM
Non-current		
Term loans - secured	15,186,895	491,213
Finance lease liabilities - secured	72,556	153,963
	15,259,451	645,176
Current		
Bank overdrafts		
- secured	13,625,034	16,210,512
- unsecured	—	131,804
	13,625,034	16,342,316
Bankers' acceptances		
- secured	25,335,190	29,067,384
- unsecured	494,000	568,000
	25,829,190	29,635,384
Term loans - secured	1,798,984	2,945,117
Finance lease liabilities - secured	81,457	78,703
Revolving credit - secured	9,000,000	—
	50,334,665	49,001,520
Total	65,594,116	49,646,696

Notes to the Financial Statements – 31 December 2015 (continued)

11. Loans and borrowings (continued)

11.1 Security

The Group's banking facilities comprising term loans, bankers' acceptances, revolving credit and overdrafts are secured by way of legal charges over the landed properties belonging to certain Group entities and by a debenture incorporating fixed and floating charges over all assets of the Group entities (see Note 3.2 and 4). The facilities are also jointly and severally guaranteed by certain Directors of the Company and a corporate guarantee from the Company.

The finance lease liabilities are secured on the respective finance lease assets of the Group (see Note 3.1).

11.2 Finance lease liabilities

Finance lease liabilities are payable as follows:

Group	2015			2014		
	Future minimum lease payments RM	Interest RM	Present value of minimum lease payments RM	Future minimum lease payments RM	Interest RM	Present value of minimum lease payments RM
Less than one year	87,126	5,669	81,457	88,692	9,989	78,703
Between one and two years	48,471	2,220	46,251	87,076	5,669	81,407
Between two and five years	26,806	501	26,305	75,277	2,721	72,556
	162,403	8,390	154,013	251,045	18,379	232,666

12. Deferred taxation

12.1 Recognised deferred tax assets and liabilities

Deferred taxation is attributable to the following:

Group	Assets		Liabilities		Net	
	2015 RM	2014 RM	2015 RM	2014 RM	2015 RM	2014 RM
Property, plant and equipment	3,000	—	(7,653,000)	(7,858,000)	(7,650,000)	(7,858,000)
Fair value adjustments on business combinations	—	—	(797,745)	(812,322)	(797,745)	(812,322)
Allowances for impairment loss	194,000	158,000	—	—	194,000	158,000
Others	19,000	120,000	—	—	19,000	120,000
Tax assets/(liabilities)	216,000	278,000	(8,450,745)	(8,670,322)	(8,234,745)	(8,392,322)
Set off of tax	(194,000)	(278,000)	194,000	278,000	—	—
Net tax assets/(liabilities)	22,000	—	(8,256,745)	(8,392,322)	(8,234,745)	(8,392,322)

Notes to the Financial Statements – 31 December 2015 (continued)

12. Deferred taxation (continued)

12.2 Recognised deferred tax assets and liabilities – net movements during the year

	At 1.1.2014 RM	Recognised in profit or loss RM	At 31.12.2014/ 1.1.2015 RM	Recognised in profit or loss RM	At 31.12.2015 RM
Property, plant and equipment	8,131,000	(273,000)	7,858,000	(208,000)	7,650,000
Fair value adjustments on business combinations	788,643	23,679	812,322	(14,577)	797,745
Allowance for impairment losses	(111,000)	(47,000)	(158,000)	(36,000)	(194,000)
Others	(22,000)	(98,000)	(120,000)	101,000	(19,000)
	8,786,643	(394,321)	8,392,322	(157,577)	8,234,745
		(Note 17)		(Note 17)	

12.3 Unrecognised deferred tax assets

Deferred tax assets of the Group of RM21,000 (2014: RM53,000) have not been recognised in respect of the following items (stated at gross) because it is uncertain if future taxable profits of sufficient quantum will be available against which the Group concerned can utilise the benefits therefrom:

	2015 RM	2014 RM
Property, plant and equipment	90,000	44,000
Unabsorbed capital allowances carry-forwards	–	17,000
Unutilised tax losses carry-forwards	–	158,000
Total gross temporary differences	90,000	219,000

Unabsorbed capital allowances carried forward and unutilised tax losses carried forward do not expire under the current tax legislation except that in the case of a dormant company, such allowances and losses will not be available to the company if there is a substantial change of 50% or more in the shareholdings thereof.

13. Trade and other payables

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Trade payables	10,516,822	7,535,384	–	–
Other payables and accruals	1,084,215	4,764,915	117,729	81,366
	11,601,037	12,300,299	117,729	81,366

Other payables of the Group include an amount of RM Nil (2014: RM2,732,185), being land premium payable for two parcels of land alienated by the State Government of Sarawak to a subsidiary in earlier financial years. The premium has been fully settled during the year.

Notes to the Financial Statements – 31 December 2015 (continued)

14. Amount due to a Director - Group

Amount due to a Director is non-trade in nature, unsecured, interest free and has no fixed terms of repayment.

15. Results from operating activities

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Results from operating activities is arrived at after charging:				
Allowance for impairment losses on doubtful receivables	344,326	196,000	—	—
Amortisation of prepaid lease payments (Note 4)	228,954	228,954	—	—
Auditors' remuneration				
- Statutory audit				
- current year	94,000	94,000	15,000	15,000
- prior year	2,000	(4,500)	—	(2,500)
- Non-audit	11,000	21,000	11,000	21,000
Depreciation of property, plant and equipment (Note 3)	9,136,830	9,994,431	—	—
Directors' fees	733,800	638,800	50,000	33,000
Foreign exchange loss				
- realised	558,796	—	—	—
- unrealised	—	499,333	—	—
Interest on bankers' acceptances	672,946	440,198	—	—
Personnel expenses (including key management personnel)				
- contributions to state plan	354,262	352,974	—	—
- wages, salaries and others	7,971,137	6,517,783	5,900	—
Rental of premises	79,800	49,000	—	—
and after crediting:				
Foreign exchange gain				
- realised	—	934,056	—	—
- unrealised	548,140	—	—	—
Rental of premises	92,710	88,750	—	—

Notes to the Financial Statements – 31 December 2015 (continued)

16. Finance income and finance costs

Recognised in profit or loss

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
<i>Interest income of financial assets that are not at fair value through profit or loss</i>				
- Fixed deposit and cash funds	4,545	66	—	—
- Subsidiary	—	—	410,980	406,821
	4,545	66	410,980	406,821
<i>Interest expense of financial liabilities that are not at fair value through profit or loss</i>				
- Loans and borrowings	2,051,689	1,659,523	—	—
- Land premium payable	841,948	841,954	—	—
	2,893,637	2,501,477	—	—

17. Tax expense

Recognised in profit or loss

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Current tax expense				
Malaysian - current year	1,691,000	2,471,000	83,000	83,000
- prior year	38,117	(83,917)	5,564	(7,488)
	1,729,117	2,387,083	88,564	75,512
Deferred tax income (Note 12)				
- current year	(115,577)	(394,321)	—	—
- prior year	(42,000)	—	—	—
	(157,577)	(394,321)	—	—
Total tax expense	1,571,540	1,992,762	88,564	75,512
<i>Reconciliation of tax expense</i>				
Profit for the year	2,911,081	4,980,093	115,010	191,008
Total tax expense	1,571,540	1,992,762	88,564	75,512
Profit excluding tax	4,482,621	6,972,855	203,574	266,520

Notes to the Financial Statements – 31 December 2015 (continued)

17. Tax expense (continued)

Reconciliation of tax expense (continued)

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Income tax calculated using				
Malaysian tax rate of 25% (2014: 25%)*	1,121,000	1,743,000	51,000	67,000
Non-deductible expenses	443,423	352,679	32,000	16,000
Movements of unrecognised				
deferred tax assets	(32,000)	(19,000)	–	–
Recognition of previously				
unrecognised deferred tax assets	43,000	–	–	–
	1,575,423	2,076,679	83,000	83,000
(Over)/Under-provided in prior years	(3,883)	(83,917)	5,564	(7,488)
	1,571,540	1,992,762	88,564	75,512

* In the Malaysian Budget 2014, it has announced that corporate income tax rate will be reduced to 24% for year of assessment 2016 ("YA 2016") onwards. Consequently, any temporary differences expected to be reversed in the YA 2016 onwards are measured using this rate.

18. Earnings per ordinary share

Basic and diluted earnings per ordinary share

The calculation of basic and diluted earnings per ordinary share at 31 December 2015 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2015 RM	2014 RM
Profit attributable to ordinary shareholders	2,911,081	4,980,093
Weighted average number of ordinary shares at end of year	180,000,000	180,000,000
<i>In Sen</i>		
Basic and diluted earnings per ordinary share	1.62	2.77

19. Operating segments

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer similar products and services, but are managed separately because they require different marketing strategies. For each of the strategic business units, the Group's Executive Chairman (the chief operating decision maker) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Manufacturing - Includes manufacturing and distributions of batteries.
- Marketing - Includes marketing and retailing of batteries and lubricants.

Notes to the Financial Statements – 31 December 2015 (continued)

19. Operating segments (continued)

There are varying levels of integration between Manufacturing reportable segments and the Marketing reportable segments. This integration includes transfers of manufactured inventories. Inter-segment pricing is determined on negotiated basis.

Performance is measured based on segment profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the Group's Executive Chairman (the chief operating decision maker). Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets, liabilities and capital expenditure

Segment assets, liabilities and capital expenditure information is neither included in the internal management reports nor provided regularly to the Group's Executive Chairman. Hence no disclosure is made.

	Manufacturing RM	Marketing RM	Total RM
2015			
Segment profit	2,859,553	1,488,565	4,348,118
Included in the measure of segment profit are:			
Revenue from external customers	82,647,622	28,900,844	111,548,466
Inter-segment revenue	21,467,523	–	21,467,523
Amortisation	(228,954)	–	(228,954)
Depreciation	(8,879,342)	(158,122)	(9,037,464)
Finance costs	(3,244,063)	(60,553)	(3,304,616)
Not included in the measure of segment profit but provided to Executive Chairman are:			
Tax expense	(1,128,523)	(369,030)	(1,497,553)
2014			
Segment profit	5,476,301	1,136,796	6,613,097
Included in the measure of segment profit are:			
Revenue from external customers	84,749,175	26,664,669	111,413,844
Inter-segment revenue	18,285,590	–	18,285,590
Amortisation	(228,954)	–	(228,954)
Depreciation	(9,721,399)	(173,665)	(9,895,064)
Finance costs	(2,875,171)	(33,127)	(2,908,298)
Not included in the measure of segment profit but provided to Executive Chairman are:			
Tax expense	(1,641,416)	(252,155)	(1,893,571)

Notes to the Financial Statements – 31 December 2015 (continued)

19. Operating segments (continued)

Reconciliations of reportable segment profit or loss

	2015 RM	2014 RM
Profit or loss		
Total profit or loss for reportable segments	4,348,118	6,613,097
Elimination of inter-segment profits/(losses)	168,640	198,662
Additional depreciation	(99,367)	(99,367)
Net unallocated income/(expenses)	65,230	260,463
Consolidated profit before tax	4,482,621	6,972,855

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments and deferred tax assets.

Geographical information

	2015		2014	
	Revenue RM	Non-current assets RM	Revenue RM	Non-current assets RM
Malaysia	53,048,244	88,603,737	54,629,707	93,775,948
Sultanate of Oman	28,475,338	—	22,272,079	—
Others	30,024,884	—	34,512,058	—
	111,548,466	88,603,737	111,413,844	93,775,948

Major customers

The following is major customer with revenue equal or more than 10% of the Group's total revenue:

	Revenue		Segment
	2015 RM	2014 RM	
Customer A	28,475,338	22,272,079	Manufacturing

Notes to the Financial Statements – 31 December 2015 (continued)

20. Financial instruments

20.1 Categories of financial instruments

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

- (i) Loans and receivables ("L&R"); and
- (ii) Financial liabilities measured at amortised cost ("FL").

	Carrying amount RM	L&R/ (FL) RM
2015		
Group		
<i>Financial assets/(liabilities)</i>		
Trade and other receivables	38,984,908	38,984,908
Cash and cash equivalents	11,946,841	11,946,841
Loans and borrowings	(65,594,116)	(65,594,116)
Trade and other payables	(11,601,037)	(11,601,037)
Amount due to a Director	(58,839)	(58,839)
Company		
<i>Financial assets/(liabilities)</i>		
Amount due from subsidiaries	11,830,104	11,830,104
Cash and cash equivalents	78,508	78,508
Trade and other payables	(117,729)	(117,729)
2014		
Group		
<i>Financial assets/(liabilities)</i>		
Trade and other receivables	46,012,128	46,012,128
Cash and cash equivalents	3,680,330	3,680,330
Loans and borrowings	(49,646,696)	(49,646,696)
Trade and other payables	(12,300,299)	(12,300,299)
Amount due to a Director	(29,553)	(29,553)
Company		
<i>Financial assets/(liabilities)</i>		
Amount due from subsidiaries	11,738,916	11,738,916
Cash and cash equivalents	8,085	8,085
Trade and other payables	(81,366)	(81,366)

Notes to the Financial Statements – 31 December 2015 (continued)

20. Financial instruments (continued)

20.2 Net gains and losses arising from financial instruments

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Net (losses)/gains on:				
Loans and receivables	2,845,050	1,027,619	410,980	406,821
Financial liabilities measured at amortised cost	(6,716,342)	(3,847,947)	–	–
	(3,871,292)	(2,820,328)	410,980	406,821

20.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

(a) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and cash and bank balances placed with licensed financial institutions. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries.

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

The Group implements credit controls that include evaluation, monitoring and feedback to ensure that only credit-worthy customers are accepted. Credit sales are mainly to long established customers. The Group also controls credit risk by limiting the credit amounts given to new customers. Credit limits are revised on a regular basis based on customers' payment patterns and the comfort level of doing business with them. Sales to overseas customers are mostly settled via letters of credit, advance payments and bankers' acceptances.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, other than the amounts stated below, there were no significant concentrations of credit risk.

	Group	
	2015 RM	2014 RM
Amount due from three (2014: three) trade receivables	18,775,964	20,796,121

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group for a good length of time. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 60 days, which are deemed to have higher credit risk, are monitored individually.

Notes to the Financial Statements – 31 December 2015 (continued)

20. Financial instruments (continued)

20.3 Financial risk management (continued)

(a) Credit risk (continued)

*Receivables (continued)**Exposure to credit risk, credit quality and collateral (continued)*

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was:

	Group	
	2015 RM	2014 RM
Malaysia	33,002,828	37,870,133
Sultanate of Oman	2,527,213	2,501,624
Brunei	49,542	476,483
Singapore	636,573	1,072,266
Nigeria	786,399	670,791
India	557,844	1,848,515
Others	582,896	1,539,151
	38,143,295	45,978,963

Impairment losses

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

Group	Gross RM	Individual impairment RM	Collective impairment RM	Net RM
2015				
Not past due	26,443,439	—	—	26,443,439
Past due 0-30 days	1,935,859	—	—	1,935,859
Past due 31-120 days	3,536,050	—	—	3,536,050
Past due 121-180 days	1,227,357	—	—	1,227,357
Past due more than 180 days	6,006,531	(87,941)	(918,000)	5,000,590
	39,149,236	(87,941)	(918,000)	38,143,295
2014				
Not past due	30,104,864	—	—	30,104,864
Past due 0-30 days	3,830,372	—	—	3,830,372
Past due 31-120 days	4,529,904	—	—	4,529,904
Past due 121-180 days	1,603,876	—	—	1,603,876
Past due more than 180 days	6,571,562	(3,870)	(657,745)	5,909,947
	46,640,578	(3,870)	(657,745)	45,978,963

Notes to the Financial Statements – 31 December 2015 (continued)

20. Financial instruments (continued)

20.3 Financial risk management (continued)

(a) Credit risk (continued)

*Receivables (continued)**Impairment losses (continued)*

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

	Group	
	2015 RM	2014 RM
At beginning of year	661,615	465,615
Impairment loss recognised	344,326	196,000
At end of year	1,005,941	661,615

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

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

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

Exposure to credit risk, credit quality and collateral

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

Loans and advances are only provided to subsidiaries which are wholly owned by the Company.

Impairment losses

As at the end of the reporting period, there was no indication that the loans and advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of current advances to the subsidiaries. Nevertheless, these advances have been overdue for less than a year.

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

The Company provides unsecured financial guarantee to banks in respect of banking facilities granted to a subsidiary. The Company monitors on an ongoing basis the results of the subsidiary and repayments made by the subsidiary.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM48,623,566 (2014: Nil) representing the outstanding banking facilities of the subsidiary as at the end of the reporting period.

Notes to the Financial Statements – 31 December 2015 (continued)

20. Financial instruments (continued)

20.3 Financial risk management (continued)

(a) Credit risk (continued)

Financial guarantees (continued)

Exposure to credit risk, credit quality and collateral (continued)

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

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

(b) Liquidity risk

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

Risk management objectives, policies and processes for managing the risk

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

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

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities (which are non-derivatives) as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM	Contractual interest rate % p.a	Contractual cash flows RM	Under 1 year RM	1-2 years RM	2-5 years RM	More than 5 years RM
2015							
Term loans	16,985,879	4.90 - 7.15	18,044,290	1,915,261	5,130,120	8,255,542	2,743,367
Bankers' acceptances	25,829,190	1.91 - 4.64	25,835,390	25,835,390	—	—	—
Revolving credit	9,000,000	6.15	9,046,125	9,046,125	—	—	—
Finance lease liabilities	154,013	3.77 - 6.54	162,403	87,126	48,471	26,806	—
Bank overdrafts	13,625,034	3.95 - 7.85	13,709,825	13,709,825	—	—	—
Amount due to a Director	58,839	—	58,839	58,839	—	—	—
Trade payables	10,516,822	—	10,516,822	10,516,822	—	—	—
Other payables	1,084,215	—	1,084,215	1,084,215	—	—	—
	77,253,992		78,457,909	62,253,603	5,178,591	8,282,348	2,743,367

Notes to the Financial Statements – 31 December 2015 (continued)

20. Financial instruments (continued)

20.3 Financial risk management (continued)

(b) Liquidity risk (continued)

Maturity analysis (continued)

Group (continued)	Carrying amount RM	Contractual interest rates % p.a	Contractual cash flows RM	Under 1 year RM	1-2 years RM	2-5 years RM
2014						
Term loans	3,436,330	7.15 - 7.60	3,605,239	3,103,254	490,124	11,861
Bankers' acceptances	29,635,384	1.90 - 3.93	29,635,384	29,635,384	—	—
Finance lease liabilities	232,666	3.77 - 6.54	251,045	88,692	87,076	75,277
Bank overdrafts	16,342,316	7.60	16,445,818	16,445,818	—	—
Amount due to a Director	29,553	—	29,553	29,553	—	—
Trade payables	7,535,384	—	7,535,384	7,535,384	—	—
Other payables (excluding land premium payable)	2,032,736	—	2,041,209	2,041,209	—	—
Land premium payable	2,732,179	8.00	3,574,133	3,574,133	—	—
	<u>61,976,548</u>		<u>63,117,765</u>	<u>62,453,427</u>	<u>577,200</u>	<u>87,138</u>

Company	Carrying amount RM	Contractual interest rate %	Contractual cash flows RM	Under 1 year RM
2015				
Other payables	117,729	—	117,729	117,729
Financial guarantees	<u>—</u>	<u>—</u>	<u>117,270,000</u>	<u>117,270,000</u>
2014				
Other payables	81,366	—	81,366	81,366
Financial guarantees	<u>—</u>	<u>—</u>	<u>65,270,000</u>	<u>65,270,000</u>

(c) Market risk

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

Notes to the Financial Statements – 31 December 2015 (continued)

20. Financial instruments (continued)

20.3 Financial risk management (continued)

(c) Market risk (continued)

Currency risk

The Group is exposed to foreign currency risk on sales, purchases, bank balances and borrowings that are denominated in a currency other than the functional currency of Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Singapore Dollars ("SGD"), Japanese Yen ("JPY") and Great Britain Pound ("GBP").

Risk management objectives, policies and processes for managing the risk

The Group keeps two foreign currency bank accounts (denominated in USD and SGD) into which certain sales proceeds are deposited and from which payments denominated in these currencies are made to minimise its exposure to foreign exchange risk.

As for other monetary assets and liabilities held in a currency other than the functional currency, the Group ensures that the net exposure is kept to an acceptable level.

Exposure to foreign currency risk

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

Group	2015 Denominated in		2014 Denominated in	
	USD	SGD	USD	SGD
Balances recognised in the statement of financial position				
In RM				
Trade receivables	4,563,553	322,426	7,317,807	329,544
Bankers' acceptances	(2,146,189)	–	(21,824,384)	–
Trade payables	(8,854,909)	–	(6,020,076)	–
Other payables	(48,070)	–	–	–
Cash and cash equivalents	7,960,471	1,495,528	344,337	647,482
Net exposure	1,474,856	1,817,954	(20,182,316)	977,026

Currency risk sensitivity analysis

A 10% (2014: 10%) strengthening of the Ringgit Malaysia ("RM") against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

Notes to the Financial Statements – 31 December 2015 (continued)

20. Financial instruments (continued)

20.3 Financial risk management (continued)

(c) Market risk (continued)

*Currency risk (continued)**Currency risk sensitivity analysis (continued)*

Group	Profit or (loss)	
	2015 RM	2014 RM
USD	(111,000)	1,514,000
SGD	(136,000)	(73,000)
	(247,000)	1,441,000

A 10% (2014: 10%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

Interest rate risk

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

Risk management objectives, policies and processes for managing the risk

The Group monitors its exposure to changes in interest rates on a regular basis. Borrowings are negotiated with a view to securing the best possible terms, including rate of interest, to the Group and when deemed appropriate, obtained on a fixed rate basis.

Exposure to interest rate risk

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

Group	2015 RM	2014 RM
Fixed rate instruments		
Financial liabilities	(34,983,203)	(32,600,235)
Floating rate instruments		
Financial liabilities	(30,610,913)	(19,778,646)
	(65,594,116)	(52,378,881)

Notes to the Financial Statements – 31 December 2015 (continued)

20. Financial instruments (continued)

20.3 Financial risk management (continued)

(c) Market risk (continued)

*Interest rate risk (continued)**Exposure to interest rate risk (continued)*

Company	2015 RM	2014 RM
Fixed rate instruments		
Financial assets	11,830,104	11,738,916

*Interest rate risk sensitivity analysis**Fair value sensitivity analysis for fixed rate instruments*

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

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

Group	Profit or loss	
	100bp increase RM	100bp decrease RM
Floating rate instruments		
- 2015	(230,000)	230,000
- 2014	(148,000)	148,000

Other price risk

The Group does not have any investments in equity securities as at the end of the reporting period and is therefore not exposed to any other price risk.

20.4 Fair value information

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

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

Notes to the Financial Statements – 31 December 2015 (continued)

20. Financial instruments (continued)

20.4 Fair value information (continued)

Group	Fair value of financial instruments not carried at fair value				Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
2015						
Financial liabilities						
Term loans	–	–	14,870,549	14,870,549	14,870,549	16,985,879
Finance lease liabilities	–	–	149,230	149,230	149,230	154,013
	–	–	15,019,779	15,019,779	15,019,779	17,139,892
2014						
Financial liabilities						
Term loans	–	–	3,402,591	3,402,591	3,402,591	3,436,330
Finance lease liabilities	–	–	225,116	225,116	225,116	232,666
	–	–	3,627,707	3,627,707	3,627,707	3,668,996

Policy on transfer between levels

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

Level 1 fair value

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

Level 2 fair value

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

Non-derivative financial liabilities

Fair value, 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.

Transfers between Level 1 and Level 2 fair values

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

Notes to the Financial Statements – 31 December 2015 (continued)

20. Financial instruments (continued)

20.4 Fair value information (continued)

Level 3 fair value

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

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Type	Description of valuation technique and inputs used
Term loans and finance lease liabilities	Discounted cash flows using a rate based on the current market rate of borrowing of the respective Group entities at the reporting date.

21. Contingencies

The Directors are of the opinion that provision is not required in respect of the following corporate guarantees as it is not probable that a future outflow of economic benefits will be required.

	Company	
	2015 RM	2014 RM
Corporate guarantees for banking facilities granted to a subsidiary	117,270,000	65,270,000

22. Capital management

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

The Group's strategy, which was unchanged from 2014 was to maintain the debt-to-equity ratio close to 0.5:1. The debt-to-equity ratio at 31 December 2015 and at 31 December 2014 were as follows:

Debt-to-equity ratio

	Group	
	2015 RM	2014 RM
Total loans and borrowings (Note 11)	65,594,116	49,646,696
Less: Cash and cash equivalents (Note 9)	(11,946,841)	(3,680,330)
Net debts	53,647,275	45,966,366

Notes to the Financial Statements – 31 December 2015 (continued)

22. Capital management (continued)

	Group	
	2015 RM	2014 RM
Total equity	143,739,563	140,828,482
Debt-to-equity ratio	0.37	0.33

There was no change in the Group's approach to capital management during the financial year. In prior year, the Group was also required to maintain a maximum debt-to-equity ratio of 2.0:1 and shareholders' funds ratio of 6.0:1 to comply with certain bank covenants, failing which the bank may call an event of default. The Group had not breached these covenants.

During the year, the Group is required to comply with new bank covenant of maintaining net assets of not less than RM130 million, failing which the bank may call an event of default. The Group has not breached the covenant.

	2015 RM
<i>Tangible net worth</i>	
Total equity	143,739,563

23. Capital expenditure commitments

	Group	
	2015 RM	2014 RM
<i>Plant and equipment</i>		
Approved and contracted for	1,571,512	1,448,000
Approved but not contracted for	1,991,988	–
Total	3,563,500	1,448,000

24. Related parties

Identity of related parties

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

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

The Group has related party relationship with its holding company, subsidiaries and key management personnel.

Notes to the Financial Statements – 31 December 2015 (continued)

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

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in the statements of financial position.

	Group	
	2015 RM	2014 RM
Key management personnel		
Directors		
- fees	350,000	333,000
- other short term employee benefits	999,654	993,354
	1,349,654	1,326,354
Other key management personnel		
- fees	383,800	338,800
- short-term employee benefits	1,091,638	1,057,879
	1,475,438	1,396,679
Total	2,825,092	2,723,033
	Company	
	2015 RM	2014 RM
Subsidiary		
Interest income on loans	410,980	406,821

Notes to the Financial Statements – 31 December 2015 (continued)

25. Supplementary financial information on the breakdown of realised and unrealised profits or losses

The breakdown of the retained earnings/(accumulated losses) of the Group and of the Company at 31 December, into realised and unrealised profits/(losses), pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Total retained earnings/ (accumulated losses) of the Company and its subsidiaries				
- realised	57,471,683	55,705,549	(1,747,011)	(1,862,021)
- unrealised	(6,888,860)	(8,079,333)	–	–
	50,582,823	47,626,216	(1,747,011)	(1,862,021)
Less: Consolidation adjustments	(2,509,904)	(2,464,378)	–	–
Total retained earnings/ (accumulated losses)	48,072,919	45,161,838	(1,747,011)	(1,862,021)

The determination of realised and unrealised profits or losses is based on the Guidance of 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 on 20 December 2010.

Statement by Directors

Pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors,

- a) the financial statements set out on pages 36 to 81 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the financial year then ended, and
- b) the information set out in Note 25 on page 82 to the financial statements has been compiled in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

Datuk Tay Ah Ching @ Tay Chin Kin

Dato' Tay Tze How

Kuching,

Date: 7 April 2016

Statutory Declaration

Pursuant to Section 169(16) of the Companies Act, 1965

I, **Jong An Nee**, the officer primarily responsible for the financial management of ABM Fujiya Berhad, do solemnly and sincerely declare that the financial statements set out on pages 36 to 82 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named
in Kuching in the State of Sarawak
on 7 April 2016

Jong An Nee

Before me:

Liong Heng Tzui

Commissioner For Oaths

No. Q109

Independent Auditors' Report

to the Members of ABM Fujiya Berhad (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of ABM Fujiya Berhad, which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 36 to 81.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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 the Company as of 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Independent Auditors' Report to the Members of ABM Fujiya Berhad (Incorporated in Malaysia) (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 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 Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174 (3) of the Act.

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 25 on page 82 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Malaysian Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Other Matters

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

KPMG

Firm Number: AF 0758
Chartered Accountants

Lee Hean Kok

Approval Number: 2700/12/17 (J)
Chartered Accountant

Kuching,

Date: 7 April 2016

List of Properties of the Group

As At 31 December 2015

No.	Location	Approximate Age of Building	Date of Expiry of Lease	Description and Existing Use	Land Area	Year of Acquisition	Net Book Value (RM'000)
1	Lot No. 859, Section 66, Kuching Town Land District Lorong Pangkalan, Off Jalan Pangkalan, Pending Industrial Estate, 93450 Kuching, Sarawak	8 years	05.02.2035	Industrial Land with 5-storey office and 1-storey plant (with one mezzanine floor) for batteries manufacturing	8,053.00 m ²	1997	11,243
2	Lot 1122, Block 8, Muara Tebas Land District, 93050 Kuching, Sarawak	Not applicable	09.01.2071	Industrial land / Vacant ⁽²⁾	88,620.00 m ²	2010	8,582
3	Lot 1274, Block 8, Muara Tebas Land District, 93050 Kuching, Sarawak	Not applicable	09.01.2071	Industrial land / Vacant ⁽²⁾	80,660.00 m ²	2010	7,811
4	Lot No. 2224, Section 66, Kuching Town Land District, Lorong Pangkalan, Off Jalan Pangkalan, Pending Industrial Estate, 93450 Kuching, Sarawak	14 years	08.02.2053	Industrial Land with 3-storey office and 1-storey plant (with one mezzanine floor) for batteries manufacturing	10,115.00 m ²	1993	5,849
5	PL Plot 854, Block 7, Muara Tebas Land District, Sejingkat Industrial Park, 93450 Kuching, Sarawak	4 years	19.02.2054	Industrial land / 1-storey plant for batteries containers sets manufacturing and 3-storey block for storage and office	7,420.00 m ²	1995	4,665
6	Lot 1159, Section 66, Kuching Town Land District, Lorong Pangkalan, Off Jalan Pangkalan, Pending Industrial Estate, 93450 Kuching, Sarawak	27 years	28.1.2037	Industrial land with 1-storey plant for batteries manufacturing	6,677.00 m ²	1997	3,341

List of Properties Of The Group

As At 31 December 2015 (continued)

No.	Location	Approximate Age of Building	Date of Expiry of Lease	Description and Existing Use	Land Area	Year of Acquisition	Net Book Value (RM'000)
7	Lot 9628, Section 64 , Kuching Town Land District, T. Chin Kin Commercial Centre, Jalan Pending, 93450 Kuching, Sarawak.	17 years	12.12.2795	4-storey intermediate shop house / Commercial/ Residential Vacant ⁽¹⁾	194.10 m ²	2012	754
8	Lot 9629, Section 64, Kuching Town Land District, T. Chin Kin Commercial Centre, Jalan Pending, 93450 Kuching, Sarawak.	17 years	12.12.2795	4-storey intermediate shop house / Commercial / Residential Partially rented ⁽¹⁾	194.20 m ²	2012	754
9	Lot 8, Town Lease, 17701021, Inanam Baru, Kota Kinabalu, Sabah.	42 years	19.02.2031	3-storey intermediate shop lot/ Commercial and industrial building Office and storage	116.10 m ²	2009	708
10	Lot 1678, Block 226, KNLD, 4 th Mile, Penrissen Road, Kuching, Sarawak.	Not applicable	31.12.2038	Vacant land ⁽¹⁾ / Suburban Land/ Mixed Zone Land	4,207.00 m ²	2009	622

Notes:-

(1) Held for investment purposes.

(2) Held for future expansion purposes.

Analysis of Shareholdings

As At 8 April 2016

Authorised Shares Capital	:	RM500,000,000
Issued and Fully Paid Up	:	RM90,000,000
Class of Shares	:	Ordinary shares of RM0.50 each fully paid

Distribution of Shareholdings

Holdings	No. of Holders	Total Holdings	% Shares
Less than 100	1	59	0.00
100 – 1,000	75	51,907	0.03
1,001 – 10,000	361	2,187,700	1.22
10,001 – 100,000	161	5,693,300	3.16
100,001 – and below 5%	62	38,903,538	21.61
5% and above	1	133,163,496	73.98
Total	661	180,000,000	100.00

Directors' Shareholdings

No.	Name of Directors	Direct Shareholdings		Indirect Shareholdings	
		No. of Shares	% of Shares	No. of Shares	% of Shares
1.	Datuk Tay Ah Ching @ Tay Chin Kin	200,002	0.11	133,163,496 ⁽¹⁾	73.98
2.	Datuk Haji Abang Abdul Wahap Bin Haji Abang Julai	–	–	–	–
3.	Puan Sri Corinne Bua Nyipa	171,300	0.10	–	–
4.	Dato' Tay Tze How	170,002	0.09	133,163,496 ⁽²⁾	73.98
5.	Dato' Tay Tze Poh	170,002	0.09	133,163,496 ⁽²⁾	73.98
6.	Dato' Ooi Teik Heng	–	–	–	–
7.	Wong Siaw Wei	–	–	–	–

Notes :

⁽¹⁾ Deemed interested by virtue of his children and children spouses' interest in Kayatas Sdn. Bhd.

⁽²⁾ Deemed interested by virtue of his father, siblings and siblings' spouses' interest in Kayatas Sdn. Bhd.

Substantial Shareholder

No.	Name	Direct Shareholdings		Indirect Shareholdings	
		No. of Shares	% of Shares	No. of Shares	% of Shares
1.	Kayatas Sdn. Bhd.	133,163,496	73.98	–	–

Analysis of Shareholdings

As At 8 April 2016 (continued)

Thirty Largest Shareholders

No.	Name	No.of Shares	% of Share
1.	Kayatas Sdn. Bhd.	133,163,496	73.98
2.	Bibi Anak Moton	6,214,800	3.45
3.	Teo Yiau Hong @ Teo Yiau Fong	4,870,400	2.71
4.	Polywell Enterprise Sendirian Berhad	3,000,000	1.67
5.	Ng Teng Song	1,917,700	1.07
6.	Erni Rianti Hardjoko	1,701,900	0.95
7.	Teo Poh Boon	1,600,000	0.89
8.	Chew Siang Jin	1,500,000	0.83
9.	Loh Yut Kuah	1,500,000	0.83
10.	Teo Kwee Hock	1,351,300	0.75
11.	CIMSEC Nominees (Tempatan) Sdn Bhd Beneficiary: CIMB for Wong Ching Kung (PB)	1,200,000	0.67
12.	Wong Chin Phong	909,300	0.51
13.	Law Kiat Jin	762,700	0.42
14.	Syarikat Saiban Sdn. Bhd.	647,500	0.36
15.	Ngui Ing Chuang	500,000	0.28
16.	Lim Teck Hui	494,300	0.27
17.	Kong Kim Sing	437,000	0.24
18.	Choo Chin Woon	402,000	0.22
19.	MAYBANK Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Yong Meu Fah	400,000	0.22
20.	Shuit Soon Hock	400,000	0.22
21.	RT United Sdn. Bhd.	360,000	0.20
22.	Kederi Anak Moton	347,600	0.19
23.	Kueh Song Teck	345,300	0.19
24.	Azerina Mohd Arip @ Gertie Chong Soke Hoon	342,700	0.19
25.	Toh Meng Fook	340,000	0.19
26.	Cheong Boo Chin	330,000	0.18
27.	JF Apex Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Teo Siew Lai (Margin)	308,600	0.17
28.	Public Nominees (Tempatan) Sdn Bhd Beneficiary: Pledged Securities Account for Yew Tek Hoon (E-BMM)	301,100	0.17
29.	Chee Cheong On	300,000	0.17
30.	CIMSEC Nominees (Tempatan) Sdn Bhd Beneficiary: CIMB for Rose Lee Mee Choo (PB)	300,000	0.17

Form of Proxy



ABM Fujiya Berhad
(Incorporated in Malaysia) (628324-W)

No. of Shares Held : _____

I/We _____ NRIC No./Company No. _____

of _____

being *a member/members of **ABM FUJIYA BERHAD** hereby appoint _____

_____ NRIC No. _____

of _____

or failing him/her, _____ NRIC No. _____

of _____

or Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf, at the Twelfth Annual General Meeting of the Company to be held on 18th May 2016 at 11:00 a.m. and at any adjournment thereof for/against *the resolution(s) to be proposed thereat.

NO.	RESOLUTIONS	FOR	AGAINST
1.	To approve Directors' Fees for the financial year ending 31 December 2016.		
2.	To re-elect Datuk Tay Ah Ching @ Tay Chin Kin, who is due to retire in accordance with Article 86 of the Company's Articles of Association, as Director of the Company.		
3.	To re-elect Puan Sri Corinne Bua Nyipa, who is due to retire in accordance with Article 86 of the Company's Articles of Association, as Director of the Company.		
4.	To re-elect Dato' Tay Tze Poh, who is due to retire in accordance with Article 86 of the Company's Articles of Association, as Director of the Company.		
5.	To re-elect Mr Sim Chong Hong, who is due to retire in accordance with Article 93 of the Company's Articles of Association, as Director of the Company.		
6.	To re-appoint Messrs KPMG as the Auditors of the Company and to authorise the Directors to determine their remuneration.		
7.	To authorise Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		

The proportions of my/our holdings to be presented by *my proxy/our proxies are as follows :

First named proxy	%
Second named proxy	%
	100%

Please indicate with (X) how you wish your vote to be cast. In case of a vote taken by a show of hands, the first named proxy shall vote on *my/our behalf.

As witness my/our hand(s) this _____ day of May 2016.

Signature of Shareholder(s)/Common Seal

*Strike out whichever is not desired. (Unless otherwise instructed, the proxy may vote as he/she thinks fit.)

NOTES:

- (1) Only Depositors whose names appear in the General Meeting Record of Depositors as at 12th May 2016 be regarded as Members and shall be entitled to attend, speak and vote at the Twelfth Annual General Meeting.
- (2) Proxy may but need not be a member of the Company and the provisions of Section 149(1) (b) of the Act shall not apply to the Company.
- (3) To be valid, this form, duly completed must be deposited at the registered office of the Company not less than 48 hours before the time set for holding the meeting or any adjournment thereof.
- (4) A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting provided that the provisions of Section 149(1) (c) of the Act are complied with.
- (5) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- (6) If the appointor is a corporation, this form must be executed under its common seal or under the hand of an officer or attorney duly authorized.
- (7) Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.

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The Company Secretary
ABM Fujiya Berhad (628324 - W)
Lot 2224, Section 66
Lorong Pangkalan, Off Jalan Pangkalan
Pending Industrial Estate
93450 Kuching, Sarawak

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