2014 ANNUAL REPORT

HALEX HOLDINGS BERHAD

Honest

A honest & transparent company

Altruism

Concerned about the welfare of the shareholders, employees, consumers & community

Leverage

To leverage and propel the company to new heights

Excellence

Striving for excellence, in everything we do

Xtra

for the little Xtra.....

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CORPORATE INFORMATION

BOARD OF DIRECTORS

General Tan Sri Dato' Sri Abdul Rahman Bin Abdul Hamid (Rtd)
Independent Non-Executive Chairman

Chen Sen Loon
Non-Independent Executive Director

Lim Pang Yan
Non-Independent Executive Director

Leftenant General Dato' Wira Hj Masood Bin Hj Zainal Abidin (Rtd)
Independent Non-Executive Director

Leong Kah Mun
Independent Non-Executive Director

Sr. Teh Teik Bin
Independent Non-Executive Director

Philip A/L S. Anthonysamy
Independent Non-Executive Director

SENIOR INDEPENDENT DIRECTOR

Philip A/L S. Anthonysamy

AUDIT COMMITTEE

Leong Kah Mun *(Chairman)*

Sr. Teh Teik Bin

General Tan Sri Dato' Sri Abdul Rahman Bin Abdul Hamid (Rtd)

NOMINATION COMMITTEE

Philip A/L S. Anthonysamy *(Chairman)*

Leong Kah Mun

Sr. Teh Teik Bin

REMUNERATION COMMITTEE

Leftenant General Dato' Wira Hj Masood Bin Hj Zainal Abidin (Rtd) *(Chairman)*

Leong Kah Mun

Philip A/L S. Anthonysamy

COMPANY SECRETARY

Laang Jhe How (MIA: 25193)

AUDITORS

STYL Associates (AF:1929)
Chartered Accountants
No.107-B Jalan Aminuddin Baki
Taman Tun Dr Ismail
60000 Kuala Lumpur

Robert Yam & Co (00612)
No.190 Middle Road
#16-01 & #16-03 Fortune Centre
Singapore 188979

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(Main Market)

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
AmBank (M) Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad

REGISTERED OFFICE

No.9 Jalan Taruka
Tampoi Industrial Estate
81200 Johor Bahru, Johor
Tel: 07-2371543
Fax: 07-2370276

REGISTRAR

Insurban Corporate Services Sdn Bhd
149, Jalan Aminuddin Baki
Taman Tun Dr Ismail
60000 Kuala Lumpur
Tel: 03-77295529
Fax: 03-77285948

PRINCIPAL PLACE OF BUSINESS

No.9 Jalan Taruka
Tampoi Industrial Estate
81200 Johor Bahru, Johor
Tel: 07-2371543
Fax: 07-2370276
Email: halexm@halex-group.com
Website : www.halex-group.com

Directors' Profile

DIRECTORS' PROFILE

General Tan Sri Dato' Sri **Abdul Rahman Bin Abdul Hamid** (Rtd)

A Malaysian aged 77, is our Independent Non-Executive Chairman, and was appointed to the Board on 28 January 2015.

He is a graduate of the Royal Military College, Malaysia and Army Staff College, Camberley, United Kingdom.

Tan Sri was the Chief of the Malaysian Army and Defence Force between 1992 and 1994, and was Acting Governor of Penang in 1994. From 1958 to 1994, he served in various capacities and appointments in the Malaysian Armed Forces.

Presently, he is the Chairman of Jaya Tiasa Holdings Berhad, Key Alliance Group Berhad (formerly known as DVM Technology Bhd), and AXA Affin Life Insurance Berhad, a joint-venture company of Lembaga Tabung Angkatan Tentera. He is also the Chairman and Director of a few other multinational and private companies incorporated in Malaysia.

Tan Sri has no conflict of interest with the Company and has no conviction for offences within the past 10 years other than traffic offences. He has no family relationship with any directors or substantial shareholder of the Company.

Chen **Sen Loon**

A Malaysian aged 48, was appointed as Executive Director of Halex Holdings on 18 April 2014.

He has been with the Group for the past 23 years and currently heads the whole agrochemicals division. He joined the Group in 1992 as Chemist and was promoted as Production Manager in 1993. He was appointed as General Manager in 2001, responsible for the agrochemicals manufacturing and export divisions.

Mr Chen graduated with a degree in Chemistry (Honours) from University Kebangsaan Malaysia and obtained his Masters in Business Administration from Heriot-Watt Uninversity, UK. He is an associate member of the Malaysian Institute of Chemistry (IKM).

Mr Chen has no conflict of interest with the Company and has no conviction for offences within the past 10 years other than traffic offences. He has no family relationship with any directors or substantial shareholder of the Company.

Lim **Pang Yan**

A Malaysian aged 45, was appointed to the board as executive director on 27 August 2014.

Mr Lim graduated with a degree in Accounting from the University of New South Wales, Australia in 1991. He then completed the Australian Certified Practising Accountants (CPA) programme in 1994, and is currently a member of CPA Australia and the Malaysian Institute of Accountants (MIA). Mr. Lim joined Ernst & Young, Johor Bahru in 1992, and rose to the rank of Audit Senior in 1994. He left Ernst & Young and joined Halex (M) Sdn Bhd as an Accountant in 1996, and was subsequently promoted as the Group Accountant in 2001.

Mr Lim has no conflict of interest with the Company and has no conviction for offences within the past 10 years other than traffic offences. He has no family relationship with any directors or substantial shareholder of the Company.

DIRECTORS' PROFILE CONT'D

Leftenant General Dato' **Wira Hj Masood Bin Hj Zainal Abidin** (Rtd)

A Malaysian aged 62, is our Independent Non-Executive Director, and was appointed to the Board on 28 January 2015. He is also our Remuneration Committee Chairman.

Dato' Wira joined the Royal Military College in 1972 and thereafter was commissioned in the Royal Malay Regiment, and has served with distinction in the Malaysian Armed Forces for 38 years until his retirement in 2008. His vast experience and contributions to the nation saw him accorded six (6) Datukships from various state governments and the Federal Government.

Academically, he has attended various military and civilian courses locally and overseas. He is a graduate of the Royal Military College of Science Shrivenham (Cranfeld) UK and the Army Command and Staff College Camberley, UK. He attended Joint Service Staff College Australia and holds a Graduate Diploma in Defence Strategy from the University of New South Wales, Australia. He also attended Conflict Management Course in Harvard University, Boston USA. He was conferred with a Master of Science from the US Army War College, Carlisle USA.

Currently he is the Executive Chairman of Wisestar Security Sendirian Berhad and holds many director positions in private companies. Currently, he is the Vice President of the Malaysian Body Building Federation (MBBF).

Dato' Wira has no conflict of interest with the Company and has no conviction for offences within the past 10 years other than traffic offences. He has no family relationship with any directors or substantial shareholder of the Company.

Leong **Kah Mun**

A Malaysian aged 46 was appointed to the Board on 16 October 2014 and is currently our Independent Non-Executive Director. He is also our Audit Committee Chairman.

Mr Leong is currently the managing director of a boutique management consultancy firm, specializing in corporate restructuring, internal auditing and risk management. He is a Chartered Accountant and a Council Member of the Malaysian Institute of Accountants (MIA) for the year 2012/15. He is also an Associate Member of the Institute of Internal Auditors, Malaysia (IIAM).

Mr Leong began his career in an audit firm and subsequently moved into a few senior positions in private and public listed companies in Malaysia, with businesses ranging from property development, main contractor, manufacturing, trading and quarrying.

He is a member of the Finance & Marketing Committee of the Olympic Council of Malaysia (OCM). Mr Leong was also the honorary treasurer and founding member of the MCA ICT Resource Centre (MIRC) for 2005/2009.

Mr. Leong has no conflict of interest with the Company and has no conviction for offences within the past 10 years. He has no family relationship with any directors or substantial shareholders of the Company.

DIRECTORS' PROFILE CONT'D

Sr. Teh Teik Bin

A Malaysian aged 56 was appointed to the Board on 16 October 2014 and is currently our Independent Non-Executive Director.

Sr. Teh is a Chartered Valuation Surveyor started his career in 1978 as a training valuer, working from the bottom of rank and file while pursuing the External Examination of RICS (The Royal Institution of Chartered Surveyors) till the full qualification of professional member of RICS and RISM (Royal Institution of Surveyors Malaysia) and got himself registered with the Board Of Valuers, Appraisers and Estate agents Malaysia in the nineties. He is currently the managing Director of M/S Colliers International Property Consultants Sdn Bhd and had experienced three (3) hard core market recessions and sailing through the property cycles of ups and downs. He has vast exposures and experiences in property matters for all sectors and sub-sectors and is now serving as the Honorary Treasurer of FIABCI-Malaysia chapter, and as the Vice-President of World Council of Brokers for the International Real Estate Federation (FIABCI).

Sr. Teh has no conflict of interest with the Company and has no conviction for offences within the past 10 years other than traffic offences. He has no family relationship with any directors or substantial shareholders of the Company.

Philip A/L S. Anthonysamy

A Malaysian aged 45, is currently our Senior Independent Non-Executive Director and Nomination Committee Chairman since 17 December 2014. He was appointed to the Board on 18 April 2014 as an Independent Non-Executive Director.

Mr Philip started his career in 1998 as an Advocate and Solicitor of The High Court of Malaya. He started as a Legal Assistant for two reputable legal firms in the Klang Valley from 1998 to 2001. He then became a Partner in Messrs Siva Kiru Philip & Assoc. until its dissolution in 2004. Mr Philip then became a Sole Proprietor of Messrs Philip Anthony & Co. since 7 May 2004. Mr Philip has more than 16 years of practice in the legal fraternity.

Mr Philip has no conflict of interest with the Company and has no conviction for offences within the past 10 years other than traffic offences. He has no family relationship with any directors or substantial shareholder of the Company.

Chairman's Statement

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Halex Holdings Berhad, I am pleased to present our Sixth Annual Report as a public listed company for the year ended 30 September 2014.

Year 2014 in Review

The Halex Holdings Berhad group of companies achieved a consolidated turnover of RM 94.54 million and a profit after tax of RM 2.17 million against a turnover of RM 96.38 million and a profit after tax of RM 3.51 million in the preceding year.

Agrochemical Division

The agrochemical business recorded a 4.34% growth in turnover to RM52.80 million with the increase in sales coming from the launch of a unique contact herbicide from Sumitomo Chemical, Japan. Operating profit after tax however, declined by 21.51% to RM3.09 million in 2014. The reduced profit was due to lower profit margins as a result of a prolonged drought during the second quarter of the year and declines in the palm oil and rubber commodities prices.

Healthcare Disposable Division

Our Healthcare Disposable Division recorded an 8.14% lower turnover of RM 36.89 million against the preceding year, due mainly to loss of some export and local OEM business as a result of a slower regional economic growth, and increased price competition within the same industry players. Profit after tax also suffered a decline to RM 0.32 million in line with the drop in turnover.

Horticulture and Agro-biotechnologies Division

Our Horticulture and Agro-biotechnologies Division recorded a 13.67% decrease in turnover to RM 4.85 million in 2014 from RM 5.62 million in 2013. With the lower turnover, the company recorded a loss after tax amounting to RM 0.48 million. The poor performance was a combination of shortage of local skilled workers, unfavourable exchange rate movements (Japanese Yen against Malaysian Ringgit) for most parts of the year, and a weak Japanese economy, which is our primary export market.

Investments during the Year

During the financial year, the Group, through our 100% owned subsidiary, Halex Realty Sdn Bhd ("HRSB"), invested into the property sector with the acquisition of a 25% equity stake in a Sabah-based property development company, Kensington Development Sdn Bhd ("KDSB"). The acquisition was completed on 17 October 2014.

On 1 October 2014, HRSB accepted a conditional offer by the owners of KDSB to acquire a further 50% interest in KDSB for RM 32.0 million. Upon completion of the acquisition, KDSB will thereafter become a 75% owned subsidiary of HRSB.

This investment represents a first foray for the Group into the property development business, and is expected to diversify the Group's earnings base and contribute positively to the revenue and profitability in the near future.

Dividend

The Board does not propose any dividends for the financial ending September 2014 to safeguard and to ensure the development expenditure allocation is at hand for the Group to explore new revenue avenues.

CHAIRMAN'S STATEMENT CONT'D

Future Prospects

For the year 2015, the impact of the drop in oil prices and the strengthening of the US Dollar will be the most significant factors that will affect the global economies. Economists are predicting improving growth for the USA, and for most of East and South Asia, whereas outlooks for the Euro Zone, Japan and South America seem to be more bearish. As for the local economic conditions, the softer outlook for oil prices has prompted the Malaysian government to revise the national budget and lower GDP growth estimates recently. However, other commodities prices like palm oil and rubber are expected to be recovered slightly more positively.

For the year 2015, we continue to be confident that our Agrochemical Division will deliver a satisfactory performance due to the more positive outlook on CPO (crude palm oil) prices and export volumes. We are also looking to further expand the sales coverage of our agency products, including the newly launched contact herbicide, from Sumitomo Chemical, Japan, as we start to promote these products to large plantation groups.

In 2015, our Healthcare Disposable Division may encounter a small challenge in our domestic sales due to restrained consumer spending resulting from the implementation of the Goods and Services Tax. However, with the recent strengthening of the US Dollar, we anticipate an increase in export sales. The Group will focus on elimination of waste and to optimize the resources to overcome the challenging domestic market. As we have already extended our Merchandise Agreement with Rovio Entertainment Ltd. (through their appointed agent in Asia – Pacific Licensing Studio Pte. Ltd.) to manufacture and market our disposable products under the ANGRY BIRDS brand for the Malaysia and Singapore markets until 31 December 2015, and with the opening of the first Southeast Asian Angry Birds Theme Park in Johor Bahru City Centre at the end of October 2014, this places us in a good position to continue working closely with the Theme Park operators to come up with additional business opportunities.

With the arrival of a new batch of foreign workers in mid-2014, our Horticulture and Agro-biotechnologies Division has sufficient workers to commence foliage plantings and production of tissue cultured banana plantlets at our vacant nursery land. We expect to have higher production of foliage and also tissue culture banana plantlets from the second half of 2015 as the average gestation period for our export varieties of foliage to mature is around 12 months.

The property market in Sabah is still experiencing strong demand due to the development of primary, oil and gas and tourism and hospitality industries in the state over the years. So the opportunity presented to Halex to venture into the property development business in Sabah, through the acquisition of a 25% equity stake in KDSB, appears to be an exciting new business segment for the Group as well as to shareholders.

Despite the uncertainties and challenges ahead, Halex is optimistic of returning a credible performance for the financial year 2015.

Corporate Social Responsibility

Halex believes in giving back what the group has benefited from society. We have continued on throughout the year with regular visits to welfare homes, support for blood donation campaigns, providing job opportunities and contracts to people with special needs, and donations, both big and small, to charitable organizations and special relief funds

To promote environmental consciousness, all our Divisions make every effort to incorporate the recycling of plastic and paper board drums and wooden pallets in the repacking and logistic operations.

Appreciation

On behalf of the Board of Directors, I would like to express our sincere appreciation to the management and staff for their loyal and dedicated services. I would also like to thank our bankers, business associates and valued customers for their support and patronage, and the shareholders for their continuous trust and belief in Halex.

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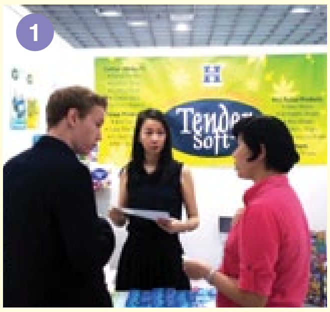

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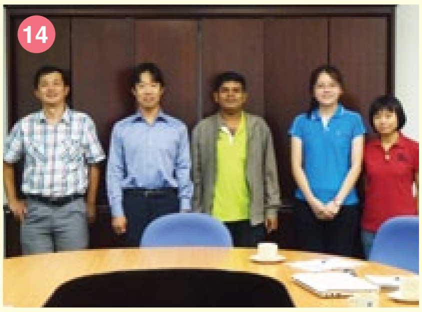

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and PROGRAMS

1. Intrade Malaysia Expo (KL Matrade)
2. Halex Woolton Team Building in Melaka
3. Winner of “Collect & Win Contest”
4. Factory Visit and Audit from Sanofi, Japan
5. Training on Creative Problem Solving for Supervisors
6. Pre-Launching Activities for Angry Birds Theme Park
7. Business Meeting with A.S. Watsons International (Hong Kong Buying Team)
8. Supplier Audit at PT Graha Paper Mill, Cikampek, Indonesia
9. Visit to PT Graha Converting Factory, Cikarang, Indonesia

10. Farewell Lunch for Managing Director, Mr. Yeoh Cheng Poh (Front Row Center)
11. Chemical Spillage Training
12. Prize Presentation for Lucky Draw at Farmer Talk
13. Working Attitude Training
14. Meeting with Fukuhara-san Mitsui, Japan
15. Safety & Health Awareness Training
16. Sumyzin Talk by Mr. Tan Hun Chong, Sumitomo Chemical
17. Course on Goods and Services Tax (GST)

18. Customer from Otani, Japan
19. Visit to Customer in China
20. Agroworld Exhibition in Melaka
21. Visitor from RISDA

BLOOD DONATION CAMPAIGN & VISIT TO POOR FAMILY

FIRE DRILL / FIRST AID TRAINING FOR EMPLOYEES

GROUP FINANCIAL SUMMARY

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000	2010 RM'000
Revenue	**94,539**	96,378	102,037	101,291	89,661
Profit before taxation	**3,119**	4,781	5,418	5,809	4,782
Profit attributable to owners of the Company	**2,172**	3,513	4,389	4,358	3,416
Other Comprehensive income	**(1)**	5	9,050	3	-
Total Comprehensive income	**2,171**	3,518	13,439	4,361	3,416
Total assets	**124,483**	111,281	107,501	102,605	99,723
Share capital	**53,000**	50,000	50,000	40,000	40,000
Reserves	**42,200**	40,540	40,081	39,523	37,562
Treasury shares	**(18)**	(17)	-	-	-
Equity attributable to owners of the Company	**95,182**	90,523	90,081	79,523	77,562
Total Liabilities	**29,301**	20,758	17,420	23,082	22,161
Total equity and liabilities	**124,483**	111,281	107,501	102,605	99,723

FINANCIAL STATISTICS

	2014	2013	2012	2011	2010
Basic earnings per share (sen)	**2.17**	3.51	5.47	5.45	4.27
Dividends per share (sen) – Net	**Nil**	2.50	3.00	3.50	3.00
Share price as at 30 September (RM)	**0.80**	0.63	0.62	0.56	0.58
Historical price earnings ratio (times)	**36.87**	17.95	11.33	10.28	13.58
Dividend yield – net %	**Nil**	3.97	4.84	6.25	5.17
Dividend cover (times)	**Nil**	1.40	1.82	1.56	1.42
Net assets per share attributable to Owners of the Company (RM)	**0.90**	0.91	0.90	0.99	0.97
Return on shareholders' equity (%)	**2.28**	3.88	4.87	5.48	4.40

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Halex Holdings Berhad ("The Board") endeavours to maintain the highest standard of Corporate Governance within the Group in accordance with the Principles and Recommendations as prescribed in the Malaysian Code on Corporate Governance 2012 ("the Code").

This Statement summarises how the Board has applied the principles and recommendations set out in the Code and the extent of its compliance during the financial year ended 30 September 2014. The Board considers that it has generally applied the principles and recommendations of the Code as described below :-

THE BOARD OF DIRECTORS

Board Charter

The Board Charter ("the Charter") sets out the roles, responsibilities, composition, operation and processes of the Board of Directors, and serves to guide the Board members in discharging their duties and responsibilities diligently and effectively at all times.

The Board will periodically review and update its Charter in accordance with the needs of the Company and to comply with any new regulations that may have an impact on the way in which the Directors and the Board as a whole discharges its duties.

Board Composition and Balance

The Board comprises a balanced mix of members who have the professional and business experience relevant to the Group's business. Presently the Board has seven (7) members, consisting two (2) Executive Directors and five (5) Independent Non-Executive Directors. Their biographies appear in the Profile of Directors and illustrate the Directors' range of backgrounds and experiences.

The Board believes that it has the right mix of skills, knowledge and experience to ensure that all matters tabled to the Board for consideration are well reviewed and deliberated.

The Executive Directors are tasked to implement the strategic plans and objectives set by the Board, and to manage the day-to-day operations of the business to ensure growth and sustainability of the businesses.

The independent non-executive Directors provide unbiased and independent view, advice and judgment in the decision making process of the Board and thus ensuring that the interests of the shareholders and stakeholders are well safeguarded.

The Chairman is an independent, non-executive member of the Board, and his main responsibilities are to ensure the smooth and effective working of the Board and that all Directors take up their full responsibilities and participate in the Board's activities constructively. In case the Chairman is not an independent, non-executive director, the Board must comprise a majority of independent directors.

Principal Responsibilities

The Board is primarily responsible for :

- Charting and setting the direction and objectives of the Group, as well as each individual business unit within the Group.
- Planning, adopting and implementation of strategic plans for the Group in line with these directions and objectives
- Overseeing the conduct of the Group's business to determine whether the business is properly managed and meets its objectives, and to recommend and implement changes where necessary.
- Reviewing and approving any new ventures, major acquisitions and disposals
- Identifying principal risks and ensuring the implementation of appropriate and adequate controls and systems to monitor and manage these risks
- Reviewing of performances, appointments, training and succession planning of senior management personnel in each individual business division within the Group

CORPORATE GOVERNANCE STATEMENT CONT'D

The following are specific responsibilities of the Board collectively which may vary from time to time as determined by the Board :

- Set and review limits of authority and clearly defined roles and terms of reference for the various Committees, the Executive Directors and any senior management personnel
- Formulate and review strategic business plans and budgets
- Review of the audited and quarterly financial statements
- Appointment and removal of external auditors and company secretary, and approve their remuneration
- Review and approve any corporate restructuring exercises, business and/or investment proposals, both for new and existing businesses, including setting up, dissolution, acquisition and/or disposal of subsidiaries, business segments and material assets.
- Identify and evaluate the various industry, business and organization risks. Implement and continually improve the risk management systems and controls to mitigate such risks.
- Review and approve any related party transactions ("RPTs"), mandated and non-mandated recurrent RPTs.

Code of Ethics and Conduct

The Code of Ethics and Conduct is to be observed by all Directors and employees of the Group at all times. The core areas of the Code are:

- Compliance at all times with the Code of Ethics and Conduct and the Board Charter
- To discharge fiduciary duties with utmost care, diligence, good faith and accountability, and in the best interests of the Group and Company
- Ensure the protection of the Group and Company's legitimate business interests, including existing and new potential businesses.
- Observe high standards of corporate governance at all times
- Not to misuse information and/or do any acts which may result in conflicts of interests
- Ensure full, true, fair, and timely disclosures and declarations of personal, or business interests which may result in conflicts of interests

The Board will review the Code of Ethics and Conduct regularly to ensure that it continues to remain relevant.

Sustainability

The Board of Directors regularly review the strategies and direction of the Group and each business unit within the Group. The Board takes into account the business, industry, and regulatory environment in which the Group's businesses operate in, to ensure that each of these business units are in compliance with statutory regulations on safety and health, and where possible, to promote environmentally friendly policies throughout the Group.

Board Meetings and Supply of Information to the Board

The Board meets at regular intervals during the financial year. The agendas for the Board meetings are circulated in advance to the Directors. The Directors are usually also supplied with the detailed reports and relevant supporting documents pertaining to the financial performance, investments and strategic direction prior to the meetings for their perusal and consideration to assist them in making well-informed decisions. All rationales of proposals, issues discussed and decisions made at the Board meetings were properly recorded to provide a historical record and reference of those decisions.

Senior management staff may be invited to the Board meetings to enlighten the Board on matters tabled to the Board and if required, to advise and provide clarification on matters of concern raised by the Board.

The Board is supported by the various Board committees as recommended by the Malaysian Code on Corporate Governance. These committees are the Audit Committee, Nomination Committee and Remuneration Committee. All Board committees discharged their duties within their terms of reference and make recommendations and report to the Board.

The Board members are given unrestricted access to all information pertaining to the Company; whether as a full Board or individually to assist them in carrying out their duties. Should it be deemed necessary, the Directors are allowed to engage independent professionals at the Company's expense on specialized issues to equip the Board with adequate knowledge on matters being deliberated.

CORPORATE GOVERNANCE STATEMENT CONT'D

The attendance of the Directors at Board meetings during the financial year are as shown below:

Current Directors :

No.	Name Of Members	Designation	Attendance	Percentage of Attendance
1	Chen Sen Loon	Executive Director *(Appointed on 18/04/2014)*	3/3	100%
2	Philip A/L S. Anthonysamy	Senior Independent Non-Executive Director *(Appointed on 18/04/2014)*	3/3	100%
3	Lim Pang Yan	Executive Director *(Appointed on 27/08/2014)*	1/1	100%
4	Leong Kah Mun	Independent Non-Executive Director *(Appointed on 16/10/2014)*	N/A	N/A
5	Sr. Teh Teik Bin	Independent Non-Executive Director *(Appointed on 16/10/2014)*	N/A	N/A
6	General Tan Sri Dato' Sri Abdul Rahman Bin Abdul Hamid (Rtd)	Independent Non-Executive Chairman *(Appointed on 28/01/2015)*	N/A	N/A
7	Leftenant General Dato' Wira Hj Masood Bin Hj Zainal Abidin (Rtd)	Independent Non-Executive Director *(Appointed on 28/01/2015)*	N/A	N/A

Directors who served during the financial year and resigned before the date of this Annual Report :

No.	Name Of Members	Designation	Attendance	Percentage of Attendance
1	Dato' Dr Yeang Hoong Yeet	Independent Non-Executive Chairman *(Resigned on 02/01/2015)*	7/7	100%
2	Yeoh Cheng Poh	Managing Director *(Resigned on 01/12/2014)*	7/7	100%
3	Low Ngak Tiow	Executive Director *(Resigned on 25/07/2014)*	5/5	100%
4	Ong E Jo @ Wong Ah Chuan	Executive Director *(Resigned on 25/04/2014)*	4/4	100%
5	Husaini B Md Sadli @ Md Sardili	Executive Director *(Retired during AGM on 31/03/2014)*	3/3	100%
6	Supian B Yussof	Executive Director (Resigned on 28/01/2015)	7/7	100%
7	Chiew Khwai @ Chiew Swee King	Independent Non-executive Director *(Retired during AGM on 31/03/2014)*	3/3	100%
8	Tham Kut Cheong	Independent Non-executive Director *(Resigned on 16/10/2014)*	5/5	100%
9	Song Kok Cheong	Senior Independent Non-executive Director *(Resigned on 16/10/2014)*	5/5	100%
10	Roy Ho Yew Kee	Non-Independent Non-Executive Director *(Appointed on 18/04/2014 and resigned on 28/01/2015)*	3/3	100%

Appointments to the Board

The Articles of Association of the Company sets out the process for which its members are appointed to the Board. The Nomination Committee is responsible for evaluating any proposed candidate before recommending the candidate to the Board for appointment.

Annual Assessment

The Nomination Committee is also tasked to conduct an annual appraisal of each Director, as well as the Board as a whole, to review the effectiveness and contribution of each Board member and the entire Board. The Nomination Committee met once during the financial year ended 30 September 2014. Based on the review of the Nomination Committee, the Board is satisfied that its members have performed satisfactorily, and that the composition of the Board is effective.

CORPORATE GOVERNANCE STATEMENT CONT'D

Annual Assessment of Independence

During the annual assessments, the Board will assess the independence of its Independent Directors, based on the criteria prescribed under the Listing Requirements of Bursa Malaysia Securities Berhad.

During the financial year, the Board conducted the annual appraisal on the independence of the Independent Directors using a peer evaluation questionnaire for assessing the performance of the Independent Directors. Based on the results of the appraisals, the Board concluded that the Independent Directors remained objective and independent throughout the financial year, when expressing their views and in participating in the Board and Board Committees deliberations and decision making processes.

Each individual Independent Director has provided an annual declaration of their independence to the Board.

Re-election

One third of the Board shall retire from office and eligible for re-election at each Annual General Meeting and all directors shall retire from office once in every three (3) years but shall be eligible for re-election.

Directors over seventy (70) years of age are subject to re-appointment by shareholders on an annual basis in accordance with Section 129(6) of the Companies Act, 1965.

Directors appointed by the Board during the financial year shall be subject to retirement and re-election by shareholders in the next Annual General Meeting held following their appointments.

Directors' Training

All members of the Board have completed the Mandatory Accreditation Programme (MAP), prescribed by Bursa Malaysia Securities Berhad, except for Leftenant General Dato' Wira Hj Masood Bin Hj Zainal Abidin (Rtd), who is expected to complete the MAP within the prescribed period.

The Directors view continuous learning and training as an integral part of the directors' development. The Directors are informed of the various directors' development programmes and are encouraged to attend these programmes to keep abreast with developments in the industry and relevant regulatory requirements in furtherance of their duties.

The following are the training, seminars and education programmes attended by the current serving directors during the financial year:

1. Chen Sen Loon	
- Mandatory Accreditation Program	4 & 5 June 2014
- Goods and Services Tax (GST) Implementation In Malaysia	25 & 26 August 2014
2. Lim Pang Yan	
- Cost Reduction Strategies for Manufacturing Industry	5 & 6 June 2014
- Getting Ready for GST	13 June 2014
- Goods and Services Tax (GST) Implementation In Malaysia	25 & 26 August 2014
3. Philip A/L S. Anthonysamy	
- Mandatory Accreditation Program	6 & 7 August 2014
4. Leong Kah Mun	
- Tax and Business Seminar	28 October 2014
- MIA International Accountants Conference 2014	4 & 5 November 2014
- Mandatory Accreditation Program	19 & 20 November 2014
5. Sr. Teh Teik Bin	
- Mandatory Accreditation Program	19 & 20 November 2014
6. General Tan Sri Dato' Sri Abdul Rahman Bin Abdul Hamid (Rtd)	
- Risk Management and Internal Control	
- Workshop for Audit Committee Members	13 October 2014
- GST Implications to Non-Executive Directors & Cybercriminals in the Financial Services Sector	2 December 2014
7. Leftenant General Dato' Wira Hj Masood Bin Hj Zainal Abidin (Rtd)	
- Train the Trainer	27 - 31 October 2014

CORPORATE GOVERNANCE STATEMENT CONT'D

Directors' Remuneration

The remuneration package of the Directors is designed to support the Company's strategy and to provide an appropriate incentive to maximise individual and corporate performance, whilst ensuring that overall rewards are competitive. The Executive Directors' package consists of basic salary, contribution to the national pension fund and benefits-in-kind such as medical care, car allowance and fuel whilst the Non-executive Directors' package primarily consists of fees only.

Remuneration Band	No. of Directors	
	Financial Year Ended 30 September 2014	Financial Year Ended 30 September 2013
Executive Directors:		
Below RM50,000	1	-
RM50,000 – RM100,000	1	-
RM100,001 – RM150,000	2	1
RM150,001 – RM200,000	2	1
RM250,000 – RM300,000	1	-
RM300,001 – RM350,000	-	1
RM350,001 – RM400,000	-	1
RM400,001 – RM450,000	1	-
RM550,001 – RM600,000	-	1
Non Executive Directors:		
Below RM50,000	5	4

BOARD COMMITTEES

The Board is assisted by a number of Board Committees to discharge its duties effectively. All Board Committees are responsible to carry out their duties and responsibilities in accordance with the terms of reference defined by the Board and to report their views and recommendations to the Board for further deliberation and approvals.

Presently, the Board Committees are :
- Audit Committee
- Remuneration Committee
- Nomination Committee

Audit Committee

The composition, terms of reference, attendance of meetings and a summary of activities of the Audit Committee during the financial year are summarised in this Annual Report under the Audit Committee Report.

Remuneration Committee

The Remuneration Committee comprises the following members:-

Current Remuneration Committee Members :

Chairman	Leftenant General Dato' Wira Hj Masood Bin Hj Zainal Abidin (Rtd)	Independent Non-Executive Director (Appointed on 28/01/2015)
Members	Leong Kah Mun	Independent Non-Executive Director (Appointed on 16/10/2014)
	Philip A/L S. Anthonysamy	Senior Independent Non-Executive Director (Appointed on 16/10/2014)

CORPORATE GOVERNANCE STATEMENT CONT'D

Remuneration Committee Members who served during the financial year and resigned before the date of this Annual Report :

Chairman	Yeoh Cheng Poh	Managing Director (Resigned on 01/12/2014)
Members	Tham Kut Cheong	Independent Non-Executive Director (Resigned on 16/10/2014)
	Song Kok Cheong	Senior Independent Non-Executive Director (Resigned on 16/10/2014)

The Remuneration Committee reviews, assesses and recommends to the Board the remuneration packages of the executive directors in all forms. None of the executive directors participated in any way in determining their individual remuneration. The Board as a whole determines the remuneration of the independent non-executive directors with individual directors abstaining from decisions in respect of their individual remuneration.

In carrying out its duties and responsibilities, the Remuneration Committee have full, free and unrestricted access to any information, record, properties and personnel of the Company. The Remuneration Committee may obtain the advice of external consultants on the appropriateness of remuneration package and other employment conditions if required.

Nomination Committee

The Nomination Committee comprises the following :-

Current Nomination Committee Members :

Chairman	Philip A/L S. Anthonysamy	Senior Independent Non-Executive Director (Appointed on 17/12/2014)
Members	Leong Kah Mun	Independent Non-Executive Director (Appointed on 16/10/2014)
	Sr. Teh Teik Bin	Independent Non-Executive Director (Appointed on 16/10/2014)

Nomination Committee Members who served during the financial year and resigned before the date of this Annual report :

Chairman	Song Kok Cheong	Senior Independent Non-Executive Director (Resigned on 16/10/2014)
Members	Dato' Dr Yeang Hoong Yeet	Independent Non-Executive Chairman (Resigned on 02/01/2015)
	Tham Kut Cheong	Independent Non-Executive Director (Resigned on 16/10/2014)

The Nomination Committee considers and recommends to the Board suitable candidates complementing to the current Board composition. The appointment of the Directors remains the responsibility of the Board after taking into consideration the recommendations of the Nomination Committee. The assessment of the effectiveness of the Board collectively and individually is an on-going continuous process undertaken by the Nomination Committee. The Nomination Committee also reviews the independence of each director during the annual assessments. Whenever deemed necessary, the Committee would forward the relevant recommendations for the Board's consideration.

In carrying out its duties and responsibilities, the Nomination Committee have full, free and unrestricted access to any information, record, properties and personnel of the Company. The Committee may seek external professional services to source for the right candidate for directorship or seek independent professional advice whenever necessary.

INVESTOR RELATIONS AND SHAREHOLDER COMMUNICATION

Relationship with Shareholders and Investors

The Board of Directors holds with utmost importance the act of keeping all shareholders and investors informed of the Company's business and corporate developments. Such information is disseminated through the Company's quarterly results and through various disclosures via the Bursa Malaysia Securities Berhad's website.

CORPORATE GOVERNANCE STATEMENT CONT'D

The forthcoming Annual General Meeting is the avenue of meeting between the Board of Directors, shareholders and investors.

The Code recommends that the Board should encourage poll voting for substantive resolutions. Based on the current level of shareholders' attendance at the AGM, the Board is of the view that it is still feasible and efficient to carry out voting by way of a show of hands. The Board will consider and evaluate the feasibility of adopting electronic polling at its future general meetings when the number of shareholders' attendance increases.

Besides these traditional channels of communication, the Company's corporate, financial and non-financial information could also be found in its corporate website at www.halex-group.com.

The Board has also designated Mr Philip A/L S. Anthonysamy as the Senior Independent Non-Executive Director and shareholders and investors are welcomed to raise their concerns, suggestions and/or comments by e-mail to philip.sa@halex-group.com.

Annual General Meeting

The Annual General Meeting (AGM) is the primary gathering for all shareholders to raise questions or to inquire more information on the Company's development and financial performance. Notice of the AGM is released to shareholders at least 21 days before the date of the meeting. The Chairman and Board members are present to address all shareholders' queries on issues relevant to the Company. When queries raised could not be answered immediately during the AGM, the Chairman will undertake to post his replies on the Company's website after the AGM.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board of Directors is responsible for the preparation and fair presentation of the financial statements for each financial year in accordance with applicable Financial Reporting Standards and requirements of the Companies Act, 1965 in Malaysia. The Board is satisfied that appropriate accounting policies have been consistently applied and supported by reasonable judgements and estimates.

A balanced and understandable assessment of the Company's position and prospects is released through annual financial statements and quarterly financial results.

Quarterly financial results are reviewed by the Audit Committee and approved by the Board of Directors before being released to Bursa Malaysia Securities Berhad.

The Statement of Directors' Responsibility in relation to the financial statements is presented on page 26 of this Annual Report.

Risk Management and Internal Control

The Board of Directors acknowledges that a sound risk management and system of internal controls is an integral part of an effective system of corporate governance and risk management. The Board has therefore incorporated risk management and review as part of the Group's management systems.

The Board has also established its internal audit function. This function is presently outsourced to an independent internal audit firm. The Audit Committee reviews and approves the internal audit plan, which has been developed based on the key risk areas of each major operating unit within the Group. Audit reviews were carried out on a quarterly basis and the audit findings were reported to the Audit Committee, and any important issues and recommendations were highlighted to the Board for further action to be taken.

The Statement of Risk Management and Internal Control set out in this Annual Report provides further elaboration of the Group's approach in maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets.

Relationship with Auditors

The Board, through the Audit Committee, maintains a formal and transparent relationship with the Company's External Auditors. The External Auditors are invited to discuss with the Audit Committee, the annual financial statements, audit findings and other special matters that require the Board's attention. The External Auditors report to the Audit Committee and the Board on their findings in the statutory financial statements.

The oversight role of the Audit Committee in relation to the external auditors is detailed in the Audit Committee Report in the Annual Report.

AUDIT COMMITTEE REPORT

Current Audit Committee Members

Chairman	Leong Kah Mun (Independent Non-Executive Director, Appointed on 16/10/2014)
Members	Sr. Teh Teik Bin (Independent Non-Executive Director, Appointed on 16/10/2014)
	General Tan Sri Dato' Sri Abdul Rahman Bin Abdul Hamid (Rtd) (Independent Non-Executive Chairman, Appointed on 28/01/2015)
Secretary	Laang Jhe How (Company Secretary)

Audit Committee Members who served during the financial year and resigned before the date of this Annual Report

Chairman	Tham Kut Cheong (Independent Non-Executive Director, Resigned on 16/10/2014)
Members	Dato' Dr Yeang Hoong Yeet (Independent Non-Executive Chairman, Resigned on 02/01/2015)
	Song Kok Cheong (Senior Independent Non-Executive Director, Resigned on 16/10/2014)

Audit Committee Summary of Terms Of Reference

1. Composition

(i) The Board shall elect an Audit Committee from amongst themselves (pursuant to a resolution of the Board of Directors) comprising not less than three (3) members where the majority of them shall be composed of independent non-executive members of the Board.

(ii) The Committee shall include at least one (1) person who is a member of the Malaysian Institute of Accountants or possessing such financial related qualification or experience as may be required by Bursa Malaysia Securities Berhad.

(iii) The term of office of the Audit Committee is two (2) years and may be re-nominated and appointed by the Board.

(iv) The members of the Audit Committee shall elect a Chairman from amongst themselves who shall be an independent director. The Chairman of the Audit Committee shall be approved by the Board.

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

(vi) No Alternate Director of the Board shall be appointed as a member of the Audit Committee.

(vii) If the number of members of the Audit Committee for any reason be reduced to below three (3), the Board of Directors shall within three (3) months of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

2. Objectives

The principal objectives of the Audit Committee is to assist the Board of Directors in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiaries. In addition, the Audit Committee shall:

- Evaluate the quality of the audits performed by the internal and external auditors;
- provide assurance that the financial information presented by management is relevant, reliable and timely;
- oversee compliance with laws and regulations and observance of a proper code of conduct; and
- determine the quality, adequacy and effectiveness of the Group's control environment.

AUDIT COMMITTEE REPORT CONT'D

3. Duties and Responsibilities

The duties and responsibilities of the Audit Committee are as follows: -

(a) To consider the appointment of the external auditor, the audit fee and any question of resignation or dismissal;

(b) To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;

(c) To review with the external auditor his evaluation of the system of internal controls and his audit report;

(d) To review the quarterly and year-end financial statements, focusing particularly on:–
- any change in accounting policies and practices;
- significant adjustments arising from the audit;
- the going concern assumption; and
- compliance with accounting standards and other legal requirements.

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

(f) To review the external auditor's management letter and management's response;

(g) To do the following, in relation to the internal audit function:-
- To review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
- To review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
- To review any appraisal or assessment of the performance of members of the internal audit function;
- To approve any appointment or termination of senior staff members of the internal audit function; and
- To take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

(h) To consider any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;

(i) To report its findings on the financial and management performance, and other material matters to the Board;

(j) To consider the major findings of internal investigations and management's response;

(k) To verify the allocation of employees' share option scheme ("ESOS") in compliance with the criteria as stipulated in the by-laws of ESOS of the Company, if any;

(l) To consider other topics as defined by the Board; and

(m) To consider and examine such other matters as the Audit Committee considers appropriate.

4. Authority

The Audit Committee shall, in accordance with a procedure to be determined by the Board of Directors and at the expense of the Company,

(a) Have explicit authority to investigate any activity within its terms of reference, the resources to do so, and full access to information. All employees shall be directed to co-operate as requested by members of the Audit Committee.

(b) Have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and senior management of the Company and the Group.

AUDIT COMMITTEE REPORT CONT'D

(c) Obtain, at the expense of the Company, other independent professional advice or other advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary.

(d) Have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any).

(e) Where the Audit Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Audit Committee shall promptly report such matter to Bursa Securities.

5. Meetings and Minutes

The Audit Committee shall meet regularly, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.

Upon the request of the external auditor, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matter the external auditor believes should be brought to the attention of the directors or shareholders.

Notice of Audit Committee meetings shall be given to all the Audit Committee members unless the Audit Committee waives such requirement.

The Chairman of the Audit Committee shall engage on a continuous basis with senior management, such as the Chairman, the Executive Directors, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company.

The Chairman, the head of internal audit and a representative of the external auditors should normally attend meetings. Other Board members and employees may attend meetings upon the invitation of the Audit Committee. The Audit Committee shall be able to convene meetings with the external auditors, the internal auditors or both, without executive Board members or employees present whenever deemed necessary and at least twice a year with the external auditors.

Questions arising at any meeting of the Audit Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Audit Committee shall have a second or casting vote.

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Audit Committee and also to the other members of the Board. The Audit Committee Chairman shall report on each meeting to the Board.

The minutes of the Audit Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

6. Internal Audit Function

The Company's internal audit function has been outsourced to an independent professional internal audit service provider, which reports directly to the Audit Committee. The Internal Auditors adopt a risk-based approach when preparing its annual audit plan and strategy. The principal role of the internal audit is to conduct independent and regular reviews of the various operations of the Company and to provide objective reports on the state of the internal controls to the Audit Committee. The internal audit reports presented are deliberated by the Audit Committee and the recommendations were duly acted upon by the management.

AUDIT COMMITTEE REPORT CONT'D

Summary of Audit Committee Activities

Summary Of Activities

During the financial year ended 30 September 2014, in line with the terms of reference, the Committee carried out the following activities:

1. Reviewed the unaudited quarterly financial statements and the Annual Audited Financial Statements of the Group and of the Company prior to submission to the Board for consideration and approval. Any significant issues resulting from the audit of the financial statements raised by the External Auditors were discussed and brought to the attention of the Board and resolved at the Board level;

2. Reviewed and deliberated on the audit plan, nature and scope of the external auditors and considering their audit fee;

3. Reviewed the Internal Audit Reports which highlighted the audit issues, recommendations and management's response;

4. Reviewed related party transactions of the Company; and

5. Reviewed the extent of application and compliance of principles and best practices set out in the Malaysian Code of Corporate Governance.

Meeting Attendance

The Committee held five (5) meetings during the year ended 30 September 2014. The details of the attendance are as follows:

Current Audit Committee Members

Directors	No. of meetings attended
Leong Kah Mun (Appointed on 16/10/2014)	N/A
Sr. Teh Teik Bin (Appointed on 16/10/2014)	N/A
General Tan Sri Dato' Sri Abdul Rahman Bin Abdul Hamid (Rtd) (Appointed on 28/01/2015)	N/A

Audit Committee Members who served during the financial year and resigned before the date of this Annual Report :

Directors	No. of meetings attended
Tham Kut Cheong (Resigned on 16/10/2014)	5/5
Song Kok Cheong (Resigned on 16/10/2014)	5/5
Dato' Dr Yeang Hoong Yeet (Resigned on 02/01/2015)	5/5

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board is pleased to present its Statement of Risk Management and Internal Control for the financial year ended 30 September 2014. This Statement is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements and guided by the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers".

Board Responsibilities

The Board acknowledges its overall responsibility for reviewing the adequacy and integrity of the Company's system of internal control, identifying principal risks and establishing an appropriate control environment and framework to manage risks and evaluating the Company's operational effectiveness and efficiency.

The Board confirms that there is a continuous process to identify, evaluate and manage the significant risks of the Group and this process is regularly reviewed by the Board. The Board derives its comfort from the following processes:

- Regular and comprehensive information is provided by management, covering financial performance and key business indicators;
- Periodic financial results are deliberated every quarter;
- Financial performance analysis are made and benchmarked against business objectives and targets;
- Review of the adequacy and effectiveness of the system of internal control from the inputs of both the Internal and External Auditors; and
- Management assurance that the Group's risk management and internal control systems have been operating adequately and effectively, in all material aspects.

Systems of Internal Control

The Board has a formalized reporting structure with clearly defined lines of accountability and delegated authority. It comprises the Executive Directors and senior management team and ensures communication of the Company's business objectives, operational and financial issues or risks through management meetings at various levels.

The Executive Directors and senior management team monitor the day-to-day affairs of the Company by attending scheduled meetings both at management and operational levels and review the performance and operation reports. These include technical and operations meetings and management review meetings.

Besides this, the other key elements of the internal control system are:

- A well defined organization structure with clear lines of accountability that sets out the authority delegated from the board to the management committees
- Documented operating policies and procedures for significant processes which serve as a general management guide for daily operations.
- Performance reports such as quarterly financial review, business development and other corporate matters are regularly provided to the directors and discussed at Board meetings

Internal Audit Function

The Company outsources the internal audit function to an independent professional internal audit service provider, which reports directly to the Audit Committee. The Internal Auditors adopt a risk-based approach when preparing its annual audit plan and strategy. The principal role of the internal audit is to conduct independent reviews on the key operating processes of the Group and to provide objective reports on the state of the internal controls to the Audit Committee. The internal audit reports presented are deliberated by the Audit Committee and the recommendations were duly acted upon by the management.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL CONT'D

Board Assurance and Limitation

For the financial year under review, the Board is satisfied that the existing level of systems of internal control and risk management are adequate and effective to enable the Group to achieve its business objectives and there were no material losses resulting from significant control weaknesses. The Board continues to be committed toward maintaining a sound system of internal controls and therefore will carry out measures to strengthen the effectiveness of the internal control systems.

Nonetheless, the Board wishes to point out that all risk management systems and systems of internal control could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems of internal control and risk management in the Group can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group's risk management and internal control systems.

The Board has received assurance from the Executive Directors and the Group Accountant that the Group's risk management and internal control systems have been operating adequately and effectively, in all material aspects during the financial year under review and up to the date of this Statement.

The Board is of the opinion that the system of internal controls in place for the financial year ended 30 September 2014 and up to the date of approval of this report is sound and sufficient to safeguard the shareholders' investment and the Group's assets.

This Statement is made in accordance with the resolution of the Board.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia.

The Directors are satisfied that the Financial Statements for the year ended 30 September 2014 have :

- prepared the financial statements in accordance with Financial Reporting Standards in Malaysia, the provisions of the Act and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- made judgements and estimates that are prudent and reasonable; and
- applied the appropriate and relevant accounting policies on a consistent basis.

The Directors are responsible to ensure that the Group maintains sufficient records to disclose a true and fair view of the state of affairs and cash flows of the Group.

These financial statements have been prepared on the going concern basis.

Financial Statements

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 September 2014.

PRINCIPAL ACTIVITIES

The Company is principally engaged as an investment holding company.

The principal activities of its subsidiary companies are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

FINANCIAL RESULTS

	GROUP RM	COMPANY RM
Profit after taxation attributable to owners of the parent	2,172,383	1,885,234

DIVIDENDS

A first and final single tier dividend of 5% amounting to RM2,499,312 in respect of the financial year ended 30 September 2013 was paid during the financial year.

The Directors do not recommend the payment of any dividend for the current year.

ISSUE OF SHARES AND DEBENTURES

The following ordinary shares of RM0.50 each were issued during the financial year ended 30 September 2014 at an exercise price of RM0.85 each and ranking pari passu with the existing ordinary shares:

Date of Issue	Class of Shares	Number of Shares	Term of Issue	Purpose of Issue
15.09.2014	Ordinary	6,000,000	Cash	Working capital

No debentures were issued during the financial year.

RESERVES AND PROVISIONS

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

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares in the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

INFORMATION ON THE FINANCIAL STATEMENTS

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

a. to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that all known bad debts have been written off and that adequate allowance had been made for doubtful debts; and

b. to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

a. which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

b. which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

c. 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.

No contingent or other liability 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 or of the Company to meet their obligations as and when they fall due.

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

a. any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person: or

b. any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

DIRECTORS' REPORT CONT'D

DIRECTORS OF THE COMPANY

Directors who served on the Board of the Company since the date of the last report are as follows:

SUPIAN BIN YUSSOF	
LEONG KAH MUN	(APPOINTED ON 16.10.2014)
TEH TEIK BIN	(APPOINTED ON 16.10.2014)
LIM PANG YAN	(APPOINTED ON 27.08.2014)
ROY HO YEW KEE	(APPOINTED ON 18.04.2014)
CHEN SEN LOON	(APPOINTED ON 18.04.2014)
PHILIP A/L S. ANTHONYSAMY	(APPOINTED ON 18.04.2014)
DATO' DR. YEANG HOONG YEET	(RESIGNED ON 02.01.2015)
YEOH CHENG POH	(RESIGNED ON 01.12.2014)
THAM KUT CHEONG	(RESIGNED ON 16.10.2014)
SONG KOK CHEONG	(RESIGNED ON 16.10.2014)
LOW NGAK TIOW	(RESIGNED ON 25.07.2014)
ONG E JO @ WONG AH CHUAN	(RESIGNED ON 25.04.2014)
HUSAINI BIN MD SADLI @ MD SARDILI	(RETIRED ON 31.03.2014)
CHIEW KHWAI @ CHIEW SWEE KING	(RETIRED ON 31.03.2014)

In accordance with Article 86 of the Company's Articles of Association, Supian Bin Yussof retire at the forthcoming Annual General Meeting and being eligible, offer himself for re-election.

In accordance with Article 93 of the Company's Articles of Association, Lim Pang Yan, Chen Sen Loon, Roy Ho Yew Kee, Philip A/L S. Anthonysamy, Leong Kah Mun and Teh Teik Bin retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

The shareholdings in the Company of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 were as follows:

	Number of ordinary shares of RM0.50 each			
DIRECT INTEREST	Balance at 01.10.2013	Bought	Sold	Balance at 30.09.2014
YEOH CHENG POH	14,843,493	-	-	14,843,493
SUPIAN BIN YUSSOF	610,036	-	(130,000)	480,036
DATO' DR. YEANG HOONG YEET	61,250	-	-	61,250
CHEN SEN LOON	1,058,232	-	-	1,058,232
LIM PANG YAN	6,250	107,000	-	113,250
INDIRECT INTEREST				
DATO' DR. YEANG HOONG YEET*	6,250	-	-	6,250
YEOH CHENG POH**	572,125	21,000	-	593,125
CHEN SEN LOON***	242,225	-	-	242,225

* Deemed interest by virtue of the shares held by his spouse, Chew Chun Kang.
** Deemed interest by virtue of the shares held by his spouse, Tan Siew Ean.
*** Deemed interest by virtue of the shares held by his spouse, Ng Hui Lin.

Yeoh Cheng Poh by virtue of his interests in the shares of the Company is also deemed to have interests in the shares of all its subsidiary companies to the extent the Company has an interest.

No other Directors held any interest in the shares of the Company at the end of the financial year.

DIRECTORS' REPORT CONT'D

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the Directors or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except as recorded and disclosed in the notes to the financial statements.

During and at the end of the financial year, no arrangement subsisted to which the Company or its related companies was a party, whereby Directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

OTHER STATUTORY INFORMATION

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

In the opinion of the Directors:

a. the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

b. there has not arisen in the interval between the end of the financial year and the date of this report, any such item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Messrs. STYL Associates, have indicated their willingness to continue in office.

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

LIM PANG YAN

CHEN SEN LOON

DATE: 20 JANUARY 2015

STATEMENT BY DIRECTORS

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

We, **LIM PANG YAN** and **CHEN SEN LOON**, two of the Directors of HALEX HOLDINGS BERHAD state that, in the opinion of the Directors, the accompanying financial statements of the Group and of the Company, together with the notes thereto, 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 at 30 September 2014 and of their financial performance and cash flows for the year then ended.

The supplementary information set out in Note 41, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1 "Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements" as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

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

LIM PANG YAN

CHEN SEN LOON

DATE: 20 JANUARY 2015

STATUTORY DECLARATION

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

I, **LIM PANG YAN**, the Director primarily responsible for the financial management of HALEX HOLDINGS BERHAD, do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements of the Group and of the Company, together with the notes thereto, are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the }
abovenamed **LIM PANG YAN** }
at Johor Bahru in the State of Johor }
this day of 20 JANUARY 2015 }
}
}

Before me:

LIM PANG YAN

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HALEX HOLDINGS BERHAD

Report on the Financial Statements

We have audited the financial statements of HALEX HOLDINGS BERHAD, which comprise the statements of financial position as at 30 September 2014 of the Group and the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

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 controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, 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 controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2014 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 HALEX HOLDINGS BERHAD CONT'D

Report on Other Legal and Regulatory Requirements

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

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

b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.

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

d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 41 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

STYL ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM NO: AF–1929

SI CHAY BENG
APPROVED COMPANY AUDITOR
TREASURY APPROVAL NO. 1200/08/16 (J)

KUALA LUMPUR
DATE: 20 JANUARY 2015

STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014

ASSETS	Note	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
Non-current assets					
Property, plant and equipment	4	**49,297,583**	49,333,095	**-**	-
Investment properties	5	**290,000**	290,000	**-**	-
Investment in subsidiary companies	6	**-**	-	**55,823,050**	55,823,050
Investment in quoted securities	7	**177,932**	128,239	**-**	-
Other investments	8	**26,000**	26,000	**-**	-
Intangible assets	9	**120,207**	47,386	**-**	-
Development costs	10	**566,157**	647,036	**-**	-
Total non-current assets		**50,477,879**	50,471,756	**55,823,050**	55,823,050
Current assets					
Inventories	11	**20,580,676**	23,417,841	**-**	-
Trade receivables	12	**13,082,472**	15,695,809	**-**	-
Other receivables and deposits	13	**12,589,738**	1,070,966	**99,768**	33,122
Deposits with licensed financial institutions	14	**1,991,482**	12,955,632	**-**	-
Amount due from subsidiary companies	15	**-**	-	**19,467,320**	222,367
Tax recoverable		**169,096**	396,692	**41,435**	41,435
Cash and bank balances		**25,591,574**	7,272,282	**159,191**	23,358
Total current assets		**74,005,038**	60,809,222	**19,767,714**	320,282
TOTAL ASSETS		**124,482,917**	111,280,978	**75,590,764**	56,143,332

STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014 CONT'D

EQUITY AND LIABILITIES	Note	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
Equity attributable to owners of the parent					
Share capital	16	**53,000,000**	50,000,000	**53,000,000**	50,000,000
Revaluation reserves	16	**8,835,735**	8,835,735	**-**	-
Share premium	16	**1,987,582**	-	**1,987,582**	-
Treasury shares	16	**(17,997)**	(17,325)	**(17,997)**	(17,325)
Equity attributable to owners of the parent		**63,805,320**	58,818,410	**54,969,585**	49,982,675
Exchange reserves	16	**29,440**	30,450	**-**	-
Retained earnings		**31,347,169**	31,674,098	**5,507,670**	6,121,748
Shareholders' equity		**95,181,929**	90,522,958	**60,477,255**	56,104,423
Non-current liabilities					
Term loans	17	**12,993,698**	1,054,047	**12,936,472**	-
Finance lease payables	18	**180,365**	45,572	**-**	-
Deferred taxation	19	**408,602**	394,202	**-**	-
Total non-current liabilities		**13,582,665**	1,493,821	**12,936,472**	-
Current liabilities					
Trade payables	20	**4,157,308**	5,606,060	**-**	-
Other payables and accruals	21	**3,723,052**	4,376,973	**34,173**	37,843
Amount due to subsidiary company	15	**-**	-	**-**	1,066
Bills payable	22	**4,116,000**	7,578,018	**-**	-
Term loans	17	**3,134,879**	1,231,200	**2,142,864**	-
Finance lease payables	18	**52,040**	17,620	**-**	-
Provision for taxation		**59,541**	454,328	**-**	-
Bank overdraft	22	**475,503**	-	**-**	-
Total current liabilities		**15,718,323**	19,264,199	**2,177,037**	38,909
Total liabilities		**29,300,988**	20,758,020	**15,113,509**	38,909
TOTAL EQUITY AND LIABILITIES		**124,482,917**	111,280,978	**75,590,764**	56,143,332

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Note	GROUP		COMPANY	
		2014	2013	**2014**	2013
		RM	RM	**RM**	RM
Revenue	23	**94,538,517**	96,378,028	**2,544,000**	3,080,000
Cost of sales		**(73,244,378)**	(73,422,531)	**-**	-
Gross profit		**21,294,139**	22,955,497	**2,544,000**	3,080,000
Other income	24	**541,382**	589,169	**5,526**	522
Selling and marketing expenses		**(7,928,942)**	(8,004,081)	**-**	-
Administrative expenses		**(10,337,764)**	(10,342,472)	**(664,292)**	(479,306)
Profit from operations		**3,568,815**	5,198,113	**1,885,234**	2,601,216
Finance costs		**(449,934)**	(417,288)	**-**	-
Profit before taxation	25	**3,118,881**	4,780,825	**1,885,234**	2,601,216
Taxation	26	**(946,498)**	(1,268,158)	**-**	-
Profit after taxation		**2,172,383**	3,512,667	**1,885,234**	2,601,216
Other comprehensive income: - Foreign currency translation		**(1,010)**	5,712	**-**	-
Other comprehensive income for the year, net of tax		**(1,010)**	5,712	**-**	-
Total comprehensive income for the year		**2,171,373**	3,518,379	**1,885,234**	2,601,216
Profit after taxation attributable to: Owners of the parent		**2,172,383**	3,512,667		
Total comprehensive income attributable to: Owners of the parent		**2,171,373**	3,518,379		
Earnings per share attributable to owners of the parent					
- Basic (sen)	27	**2.17**	3.51		
- Diluted (sen)	27	**2.17**	3.51		

The accompanying Notes form an integral part of the Financial Statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2014

		← Attributable to Owners of the parent →						
			← Non distributable →			← Distributable →		
GROUP	Note	Share Capital RM	Revaluation Reserves RM	Share Premium RM	Exchange Reserves RM	Treasury Shares RM	Retained Earnings RM	Total RM
Balance at 1 October 2012		50,000,000	9,025,735	-	24,738	-	31,030,910	90,081,383
Share issuance expenses		-	-	-	-	-	(59,479)	(59,479)
Share repurchased		-	-	-	-	(17,325)	-	(17,325)
Profit after taxation		-	-	-	-	-	3,512,667	3,512,667
Other comprehensive income for the year								
- Foreign currency translation		-	-	-	5,712	-	-	5,712
- Transfer of revaluation surplus upon disposal of property, plant and equipment		-	(190,000)	-	-	-	190,000	-
Profit/Total comprehensive income for the year		-	(190,000)	-	5,712	-	3,702,667	3,518,379
Dividends paid	28	-	-	-	-	-	(3,000,000)	(3,000,000)
Balance at 30 September 2013		50,000,000	8,835,735	-	30,450	(17,325)	31,674,098	90,522,958
Share issued		**3,000,000**	**-**	**2,100,000**	**-**	**-**	**-**	**5,100,000**
Share issuance expenses		**-**	**-**	**(112,418)**	**-**	**-**	**-**	**(112,418)**
Allowance for diminution in value of treasury shares written back		**-**	**-**	**-**	**-**	**(672)**	**-**	**(672)**
Profit after taxation		**-**	**-**	**-**	**-**	**-**	**2,172,383**	**2,172,383**
Other comprehensive income for the year								
- Foreign currency translation		**-**	**-**	**-**	**(1,010)**	**-**	**-**	**(1,010)**
Profit/Total comprehensive income for the year		**-**	**-**	**-**	**(1,010)**	**-**	**2,172,383**	**2,171,373**
Dividends paid	28	**-**	**-**	**-**	**-**	**-**	**(2,499,312)**	**(2,499,312)**
Balance at 30 September 2014		**53,000,000**	**8,835,735**	**1,987,582**	**29,440**	**(17,997)**	**31,347,169**	**95,181,929**

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2014 CONT'D

			Non distributable	← Distributable →		
COMPANY	Note	Share Capital RM	Share Premium RM	Treasury Shares RM	Retained Earnings RM	Total RM
Balance at 1 October 2012		50,000,000	-	-	6,580,011	56,580,011
Share issuance expenses		-	-	-	(59,479)	(59,479)
Shares repurchased		-	-	(17,325)	-	(17,325)
Profit/Total comprehensive income for the year		-	-	-	2,601,216	2,601,216
Dividends paid	28	-	-	-	(3,000,000)	(3,000,000)
Balance at 30 September 2013		50,000,000	-	(17,325)	6,121,748	56,104,423
Shares issued		**3,000,000**	**2,100,000**	**-**	**-**	**5,100,000**
Share issuance expenses		**-**	**(112,418)**	**-**	**-**	**(112,418)**
Allowance for diminution in value of treasury shares written back		**-**	**-**	**(672)**	**-**	**(672)**
Profit/Total comprehensive income for the year		**-**	**-**	**-**	**1,885,234**	**1,885,234**
Dividends paid	28	**-**	**-**	**-**	**(2,499,312)**	**(2,499,312)**
Balance at 30 September 2014		**53,000,000**	**1,987,582**	**(17,997)**	**5,507,670**	**60,477,255**

The accompanying Notes form an integral part of the Financial Statements.

STATEMENT OF CONSOLIDATED CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Note	2014 RM	2013 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**3,118,881**	4,780,825
Adjustments for:			
Allowance for diminution in value of quoted securities written back		**(658)**	(25,797)
Allowance for diminution in value of treasury shares		**-**	672
Allowance for diminution in value of treasury shares written back		**(672)**	-
Allowance for impairment		**21,587**	103,559
Allowance for impairment written back		**(58,415)**	(45,286)
Amortisation		**80,879**	80,879
Bad debts written off		**6,660**	26,655
Depreciation		**1,678,084**	1,545,715
Gain on disposal of property, plant and equipment		**(39,060)**	(129,857)
Gain on investment in quoted shares - unrealised		**(49,035)**	-
Property, plant and equipment written off		**16,725**	39,085
Dividend income		**(1,560)**	(2,649)
Interest expenses		**449,934**	417,288
Interest income		**(352,201)**	(348,630)
Operating profit before working capital changes		**4,871,149**	6,442,459
Inventories		**2,837,165**	(1,488,123)
Receivables		**1,251,912**	2,523,616
Payables		**(5,564,691)**	4,890,439
Cash generated from operations		**3,395,535**	12,368,391
Tax paid		**(1,350,662)**	(1,010,138)
Tax refund		**251,373**	105,069
Interest paid		**(370,598)**	(417,288)
Net cash from operating activities		**1,925,648**	11,046,034
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		**352,201**	348,630
Dividend received		**1,560**	2,649
Proceeds from disposal of property, plant and equipment		**87,144**	480,050
Purchase of property, plant and equipment		**(1,467,381)**	(1,260,887)
Deposit for acquisition of unquoted shares		**(10,200,000)**	-
Placement of deposits with licensed financial institutions		**(51,203)**	(39,501)
Purchase of intangible assets		**-**	(3,373)
Net cash used in investing activities		**(11,277,679)**	(472,432)
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawndown from term loans		**15,000,000**	-
Proceeds from issuance of shares		**5,100,000**	-
Repurchase of treasury shares		**-**	(17,997)
Share issuance expenses		**(112,418)**	(59,479)
Repayment of bank borrowings		**(1,236,006)**	(1,236,275)
Repayment of hire purchase payables		**(70,787)**	(16,468)
Dividends paid		**(2,499,312)**	(3,000,000)
Net cash from/(used in) financing activities		**16,181,477**	(4,330,219)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**6,829,446**	6,243,383
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES		**(1,010)**	5,712
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**18,618,746**	12,369,651
CASH AND CASH EQUIVALENTS AT END OF YEAR	29	**25,447,182**	18,618,746

The accompanying Notes form an integral part of the Financial Statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Note	2014 RM	2013 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**1,885,234**	2,601,216
Adjustments for:			
Allowance for diminution in value of treasury shares		**-**	672
Allowance for diminution in value of treasury shares written back		**(672)**	-
Interest income		**(4,854)**	(522)
Operating profit before working capital changes		**1,879,708**	2,601,366
Receivables		**(66,646)**	(32,122)
Payables		**(3,670)**	6,031
Net cash from operating activities		**1,809,392**	2,575,275
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in subsidiary companies		**-**	(50,312,925)
Net cash used in investing activities		**-**	(50,312,925)
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawndown from term loans		**15,000,000**	-
Proceeds from issuance of shares		**5,100,000**	-
Repurchase of treasury shares		**-**	(17,997)
Interest received		**4,854**	522
Dividends paid		**(2,499,312)**	(3,000,000)
Share issuance expenses		**(112,418)**	(59,479)
Subsidiary companies		**(19,166,683)**	50,788,759
Net cash (used in)/from financing activities		**(1,673,559)**	47,711,805
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**135,833**	(25,845)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**23,358**	49,203
CASH AND CASH EQUIVALENTS AT END OF YEAR	29	**159,191**	23,358

The accompanying Notes form an integral part of the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is principally engaged as an investment holding company.

The principal activities of its subsidiary companies are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of the activities of the Company and its subsidiary companies during the financial year.

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

The registered office and principal place of business is located at No. 9, Jalan Taruka, Tampoi Industrial Estate, 81200 Johor Bahru, Johor Darul Takzim.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 20 JANUARY 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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 ("IFRSs") and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis except as disclosed in the significant accounting policies below.

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

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires Directors to exercise their judgment in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(a) Basis of preparation (Cont'd)

On 1 October 2013, the Group and the Company have adopted where applicable the following new and revised MFRSs and Issues Committee ("IC") Interpretations, Amendments to MFRSs and IC Interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB"):

Effective for financial periods beginning on or after 1 July 2012:

- Amendments to MFRS 101 — Presentation of Items of Other Comprehensive Income

Effective for financial periods beginning on or after 1 January 2013:

- MFRS 3 — Business Combinations (IFRS 3 Business Combinations issued by IASB in March 2014)
- MFRS 10 — Consolidated Financial Statements
- MFRS 11 — Joint Arrangements
- MFRS 12 — Disclosure of Interests in Other Entities
- MFRS 13 — Fair Value Measurement
- MFRS 119 — Employee Benefits (revised)
- MFRS 127 — Consolidated and Separate Financial Statements (revised)
- MFRS 128 — Investments in Associates and Joint Ventures (revised)
- IC Interpretation 20 — Stripping Costs in the Production Phase of a Surface Mine
- Amendments to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Annual Improvements 2009 – 2011 Cycle)
- Amendments to MFRS 1 — First-time Adoption of Malaysian Financial Reporting Standards – Government Loans
- Amendments to MFRS 1 — First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009 – 2011 Cycle)
- Amendments to MFRS 7 — Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 10 — Consolidated Financial Statements: Transition Guidance
- Amendments to MFRS 11 — Joint Arrangements: Transition Guidance
- Amendments to MFRS 12 — Disclosure of Interest in Other Entities: Transition Guidance
- Amendments to MFRS 101 — Presentation of Financial Statements (Annual Improvements 2009 2011 Cycle)
- Amendments to MFRS 116 — Property, Plant and Equipment (Annual Improvements 2009 – 2011 Cycle)
- Amendments to MFRS 132 — Financial Instruments: Presentation (Annual Improvements 2009 – 2011 Cycle)
- Amendments to MFRS 134 — Interim Financial Reporting (Annual Improvements 2009 – 2011 Cycle)

The adoption of the above MFRSs, Amendments to MFRSs and IC Interpretations did not have any significant financial impact to the Group and Company.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Basis of preparation (Cont'd)

Standards, amendments and interpretations issued but not yet effective

As at the date of authorisation of these financial statements, the following MFRSs, Amendments to MFRSs and IC Interpretations have been issued but not yet effective and have not been adopted by the Group and the Company:

Effective for financial periods beginning on or after 1 January 2014:
- Amendments to MFRS 10, MFRS 12 and MFRS 127 Investment Entities
- Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136 Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to MFRS 139 Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21 Levies

Effective for financial periods beginning on or after 1 July 2014:
- Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions
- Annual Improvements to MFRSs 2010 –2012 Cycle
- Annual Improvements to MFRSs 2011 –2013 Cycle

Effective for financial periods beginning on or after 1 January 2016:
- Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between and Investor and its Associate or Joint Venture
- Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations
- Amendments to MFRS 116 and MFRS 138 Agriculture: Bearer Plants
- Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation
- Annual Improvements to MFRSs 2012 –2014 Cycle

Effective for financial periods beginning on or after 1 January 2017:
- MFRS 15 Revenue from Contracts with Customers

Effective for financial periods beginning on or after 1 January 2018:
- MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)

The Group and the Company plan to apply the abovementioned standards, amendments and interpretations when they become effective in the respective financial periods.

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

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Basic of consolidation

(i) Subsidiary companies
Subsidiary companies are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

Investments in subsidiary companies are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is held for sale or distribution. The transaction costs of the investments shall be recognised as expense in the profit or loss in the period in which the costs are incurred.

The accounting policies of subsidiary companies are changed when necessary to align them with the policies adopted by the Group.

(ii) Accounting for business combinations
The consolidated financial statements include the financial statements of the Company and its subsidiary companies made up to the end of the financial year.

The financial statements of the Company and its subsidiary companies are all drawn up to the same reporting date.

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.

Acquisition on or after 1 October 2011

For acquisition on or after 1 October 2011, the Group measures 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.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, 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.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Acquisitions prior to 1 October 2006

For acquisition prior to 1 October 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Basic of consolidation (Cont'd)

(iii) Loss of control

The Group treats all changes in its ownership interest in subsidiary companies that do not result in a loss of control as equity transactions between the Group and its non-controlling interests holders. Any difference between the Group's share of net assets before and after the change and any consideration received or paid is adjusted to or against the Group's reserves.

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

(iv) Transactions eliminated on consolidation

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

Unrealised gains arising from transactions with equity accounted associate companies are eliminated against the investment to the extent of the Group's interest in the associate companies. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(c) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses or revalued carrying amount. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Leasehold land and factory, office premises, freehold land and building and building and structures are stated at revalued amount, being its fair value at the revaluation less any subsequent impairment losses. Revaluation is carrying out by external independent valuers every five years and whenever the fair value of the revalued asset is expected to differ materially from its carrying value.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, except to the extent it offsets an existing surplus on the same asset carried in the asset revaluation reserve. Any accumulated depreciation as at the revaluation date is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to the retained earnings on retirement or disposal of the asset.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Property, plant and equipment and depreciation (Cont'd)

Freehold land has an unlimited useful life therefore is not depreciated. Other property, plant and equipment are depreciated on the straight-line method at rates based on their estimated useful lives. The principal annual rates used are as follows:

	Rate
Buildings and structures	2 - 10 %
Plant and machinery	6 2/3 - 10 %
Forklifts	20 %
Motor vehicles	20 %
Tools, equipment, furniture, fixtures and fittings	10 – 50 %

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(d) Investment properties

(i) *Investment properties carried at fair value*
Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in the profit or loss for the period in which they arise.

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

(ii) *Reclassifications to/from investment properties carried at fair value*
When an item of property, plant and equipment is transferred to investment properties following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through the profit or loss.

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

(iii) *Determination of fair value*
An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Investment properties (Cont'd)

(iii) Determination of fair value (Cont'd)
The fair value is based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and, without compulsion.

(e) Revaluation of land and buildings

Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the reporting date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

Any revaluation increase in property, plant and equipment is recognised in other comprehensive income as an asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in asset revaluation reserve of that asset; and other decreases are recognised in the profit or loss.

A revaluation decrease in property, plant and equipment is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised as an expense.

Upon the disposal or retirement of revalued property, plant and equipment, the revaluation surplus included in equity is transferred directly to retained earnings.

(f) Subsidiary companies

A subsidiary company is a company in which the Group owns, directly or indirectly, more than 50% of the equity share capital and has control over its financial and operating policies so as to obtain benefits from its activities.

Investments in subsidiary companies are stated at cost less impairment losses. The policy for recognition and measurement of impairment losses is in accordance with Note 2 (j).

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in profit or loss.

(g) Investments in quoted shares

Investments in quoted shares are stated at cost less impairment losses. The policy for recognition and measurement of impairment losses is in accordance with Note 2 (o).

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in profit or loss.

(h) Other investments

Other investments held on a long term basis are stated at cost and an allowance for diminution in value is made where, in the opinion of the Directors, there is a decline other than temporary in value of such investments. Where there has been a decline other than temporary in value of an investment, such a decline is recognised as expense in the period in which the decline is identified.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Intangible assets

Trademarks
All expenses incurred in connection with the registration of the Group's trademarks are deferred and charged to this account. Trademarks registered is valid for ten years from the date of application and renewable every ten years therefore have indefinite useful lives and are stated at costs less impairment losses. The policy for the recognition and measurement of impairment loss is in accordance with Note 2 (j).

(j) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(k) Development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Expenditure on development activities is also recognised as an expense in the period incurred except when the expenditure meet the following criteria where it will be capitalised as intangible assets:

(i) the product or process is clearly defined and costs are separately identified and measured reliably;
(ii) the technical feasibility of the product is demonstrated;
(iii) the product or process will be sold or used in-house;
(iv) the assets will generate future economic benefits (e.g. a potential market exists for the product or its usefulness, in case of internal use, is demonstrated); and
(v) adequate technical, financial and other resources required for completion of the project are available.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(k) Development costs (Cont'd)

Development costs initially recognised as an expense are not recognised as an asset in subsequent periods.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2 (j).

Capitalised development expenditure relating to any research activities which are commercialised are amortised over 10 years.

(l) Leases

Finance leases
A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership.

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum hire purchase or lease payments at the inception of the hire purchase or lease, less accumulated depreciation and impairment losses. The corresponding liability is included in the financial statements as borrowings. In calculating the present value of the minimum hire purchase or lease payments, the discount factor used in the interest rate implicit in the hire purchase or lease when it is practicable to determine, otherwise, the Group's incremental borrowing rate is used.

Hire purchase or lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total hire purchase or leasing commitments and the fair value of the assets acquired, are charged to the financial statements over the term of the relevant hire purchase or lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for hire purchase or leased assets is consistent with that for depreciable property, plant and equipment as described in Note 2 (c).

(m) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out (FIFO) basis. Cost of materials represents direct material cost and all direct expenditure incurred in bringing the inventories to their present location and condition. The cost of finished goods and work-in-progress comprise raw materials, direct labour, other direct costs and an appropriate proportion of production overheads.

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

(n) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(n) Financial assets (Cont'd)

(i) *Financial assets at fair value through profit or loss*
Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

The Group and the Company have not designated any financial assets as at fair value through profit or loss.

(ii) *Loans and receivables*
Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

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

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

(iii) *Held-to-maturity investments*
Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

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

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

The Group and the Company have not designated any financial assets as at held-to-maturity investments.

(iv) *Available-for-sale financial assets*
Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(n) Financial assets (Cont'd)

(iv) *Available-for-sale financial assets (Cont'd)*
Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when and only when the contractual rights to the cash flows from the financial asset have expired or all the risks and rewards of ownership have been substantially transferred. On derecognition of a financial asset the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(o) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) *Trade and other receivables and other financial assets carried at amortised cost*
To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) *Available-for-sale financial assets*
Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(p) Foreign currency

(i) Functional and presentation currency
The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in RM, which is also the Company's functional currency.

(ii) Foreign currency transactions
Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange difference arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations
The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the translations. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

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

(q) Provisions for liabilities

Provisions for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(r) Borrowing costs

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, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(s) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(i) Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(ii) Other financial liabilities
The Group's and the Company's other financial liabilities include trade payables, other payables and accruals, amount due to subsidiary company, bills payable, term loans, finance lease payables and bank overdraft.

Trade payables, other payables and accruals and amount due to subsidiary company are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Bills payable, term loans, finance lease payables and bank overdraft are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

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

(t) Income tax

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

Deferred tax is accounted for using the liability method in respect of temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases used in the computation of taxable profit.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(t) Income tax (Cont'd)

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on the tax rates that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(u) Revenue recognition

Revenue is recognised upon delivery of products and customer acceptance, net of discounts, and after eliminating sales within the Group.

Other revenues earned by the Group are recognised on the following bases:

Dividend income - when the right to receive payment has been established.

Interest income - as it accrues unless recoverability is in doubt.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purposes of statement of consolidated cash flows, cash and cash equivalents are presented net of bank overdraft and pledged deposits.

(w) Employee benefits

(i) Short term benefits
Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which employees of the Group rendered the associated services. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans
As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(x) Segment reporting

For management purposes, the Group is organised into operating segments based on their business segment and geographical location which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 37, including the factors used to identify the reportable segments and the measurement basis of segment information.

(y) Share capital

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

(i) Ordinary shares
Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(ii) Treasury shares
When issued shares of the Company are repurchased, the consideration paid, including any attributable transaction cost is presented as a change in equity. Repurchased shares that have not been cancelled are classified as treasury shares and presented as a deduction from equity. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of treasury shares. When treasury shares are resold, the difference between the sale consideration and the carrying amount of the treasury shares is shown as a movement in equity.

(z) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

(aa) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified receivable fails to make payment when due. Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs.

Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the receivable fails to make payment relating to financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle.

(ab) Fair value measurement

From 1 October 2013, the Group and the Company adopted MFRS 13, Fair Value Measurement which prescribe that the 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.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(ab) Fair value measurement (Cont'd)

For non-financial asset, the fair value measurement take 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.

In accordance with the transitional provision of MFRS 13, the Group and the Company applied the new fair value measurement guidance prospectively, and has not provided any comparative fair value information for new disclosures. The adoption of MFRS 13 has not significantly affected the measurement of the Group and the Company's assets or liabilities.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. There is no significant judgment involved in the preparation of the Group's financial statements.

(a) Judgments made in applying accounting policies

The management did not make any critical judgment in the process of applying the Group's accounting policies that have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

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

<u>Impairment of intangible assets</u>
The Group reviews the carrying amount of its intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. Significant judgment is required to determine the extent and amount of the impairment loss (if any).

<u>Fair value of properties</u>
The Directors use their judgment in selecting and applying an appropriate valuation technique, by relying on the work of independent valuers, for properties stated at fair value. Fair value is determined using open-market value based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset.

<u>Impairment of loans and receivables</u>
The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the reporting date is disclosed in Notes 12 and 13.

<u>Depreciation of property, plant and equipment</u>
Property, plant and equipment are depreciated in a straight-line basis over their estimated useful life. Management estimated the useful life of these assets to be within 2 to 16 years. Changes in the expected level of usage and technological developments could impact the economic useful life and the residual values of these assets, therefore future depreciation charges could be revised.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

(b) Key sources of estimation uncertainty (Cont'd)

Impairment of investment in subsidiary companies
The Company carried out the impairment test based on a variety estimation of including the value-in-use ("VIU") of the cash-generating unit ("CGU"). Estimating a VIU amount requires the Company to make an estimation of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

The management determined the recoverable amount of the investment in subsidiary companies based on the individual assets' VIU and the probability of the realisation of assets. The present value of the future cash flows to be generated by the asset is the asset's VIU, and it is assumed to be same as the net worth of the asset as at the reporting date. An impairment loss is recognised immediately in profit or loss of the recoverable amount is less than carrying amount.

4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

GROUP VALUATION/COST	Balance at 01.10.2013 RM	Additions RM	Disposals/ Written off RM	Balance at 30.09.2014 RM
At valuation				
Leasehold factory	**8,534,101**	**-**	**-**	**8,534,101**
Leasehold land	**1,613,334**	**-**	**-**	**1,613,334**
Office premises	**120,000**	**-**	**-**	**120,000**
Freehold land	**15,984,000**	**-**	**(48,081)**	**15,935,919**
Freehold land and building	**12,027,950**	**-**	**-**	**12,027,950**
Building and structures	**2,842,941**	**103,185**	**-**	**2,946,126**
At cost				
Plant and machinery	**15,788,915**	**919,619**	**-**	**16,708,534**
Forklifts	**319,720**	**-**	**-**	**319,720**
Motor vehicles	**950,028**	**240,000**	**(53,189)**	**1,136,839**
Tools, equipment, furniture, fixtures and fittings	**7,521,595**	**444,577**	**(105,915)**	**7,860,257**
	65,702,584	**1,707,381**	**(207,185)**	**67,202,780**

ACCUMULATED DEPRECIATION	Balance at 01.10.2013 RM	Charge for the year RM	Disposals/ Written off RM	Balance at 30.09.2014 RM
At valuation				
Leasehold factory	**375,048**	**-**	**-**	**375,048**
Building and structures	**678,146**	**74,542**	**-**	**752,688**
At cost				
Plant and machinery	**9,322,714**	**810,171**	**-**	**10,132,885**
Forklifts	**219,512**	**22,734**	**-**	**242,246**
Motor vehicles	**764,652**	**119,838**	**(53,189)**	**831,301**
Tools, equipment, furniture, fixtures and fittings	**5,009,417**	**650,799**	**(89,187)**	**5,571,029**
	16,369,489	**1,678,084**	**(142,376)**	**17,905,197**

NOTES TO THE FINANCIAL STATEMENTS CONT'D

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

VALUATION/COST	Balance at 01.10.2012 RM	Additions RM	Disposals/ Written off RM	Balance at 30.09.2013 RM
At valuation				
Leasehold factory	8,388,101	146,000	-	8,534,101
Leasehold land	1,613,334	-	-	1,613,334
Office premises	120,000	-	-	120,000
Apartment	350,000	-	(350,000)	-
Freehold land	15,984,000	-	-	15,984,000
Freehold land and building	12,027,950	-	-	12,027,950
Building and structures	2,702,959	139,982	-	2,842,941
At cost				
Condominium apartment	221,520	-	(221,520)	-
Plant and machinery	15,253,034	549,529	(13,648)	15,788,915
Forklifts	319,720	-	-	319,720
Motor vehicles	950,028	-	-	950,028
Tools, equipment, furniture, fixtures and fittings	7,278,735	425,376	(182,516)	7,521,595
	65,209,381	1,260,887	(767,684)	65,702,584

ACCUMULATED DEPRECIATION	Balance at 01.10.2012 RM	Charge for the year RM	Disposals/ Written off RM	Balance at 30.09.2013 RM
At valuation				
Leasehold factory	375,048	-	-	375,048
Building and structures	609,826	68,320	-	678,146
At cost				
Condominium apartment	8,860	-	(8,860)	-
Plant and machinery	8,572,541	750,173	-	9,322,714
Forklifts	204,902	24,104	(9,494)	219,512
Motor vehicles	692,763	71,889	-	764,652
Tools, equipment, furniture, fixtures and fittings	4,525,581	631,229	(147,393)	5,009,417
	14,989,521	1,545,715	(165,747)	16,369,489

IMPAIRMENT LOSS	Balance at 01.10.2012 RM	Charge for the year RM	Disposals/ Written off RM	Balance at 30.09.2013 RM
Condominium apartment	212,659	-	(212,659)	-
	212,659	-	(212,659)	-

NOTES TO THE FINANCIAL STATEMENTS CONT'D

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

NET BOOK VALUE	2014 RM	2013 RM
At valuation		
Leasehold factory	**8,159,053**	8,159,053
Leasehold land	**1,613,334**	1,613,334
Office premises	**120,000**	120,000
Freehold land	**15,935,919**	15,984,000
Freehold land and building	**12,027,950**	12,027,950
Building and structures	**2,193,438**	2,164,795
At cost		
Plant and machinery	**6,575,649**	6,466,201
Forklifts	**77,474**	100,208
Motor vehicles	**305,538**	185,376
Tools, equipment, furniture, fixtures and fittings	**2,289,228**	2,512,178
	49,297,583	49,333,095

The Group's properties were revalued by independent valuers, CB Richard Ellis (Johor) Sdn. Bhd. in April 2012 on the "Open Market Value" basis of valuation. Upon revaluation, the surplus was transferred to the Revaluation Reserve Account (Note 16).

Had the revalued property, plant and equipment been carried under the cost model, the carrying amounts of each class of property, plant and equipment that would have been included in the financial statements of the Group as at 30 September are as follows:

	GROUP 2014 RM	GROUP 2013 RM
Leasehold factory	**6,979,849**	6,979,849
Leasehold land	**958,400**	968,400
Office premises	**70,400**	70,400
Freehold land	**10,148,945**	10,171,933
Freehold land and building	**10,301,905**	10,301,905
Building and structures	**2,090,226**	2,269,215
	30,549,725	30,761,702

Certain freehold land, freehold land and building, leasehold factory and leasehold land of the Group with an aggregate carrying value of RM30,461,907 (2013 – RM30,478,161) have been charged to banks for banking facilities granted to the subsidiaries (Notes 17 and 22).

Included in property, plant and equipment of the Group are motor vehicles acquired under finance lease arrangements at cost of RM345,244 (2013 – RM105,244) (Note 18).

NOTES TO THE FINANCIAL STATEMENTS CONT'D

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

Included in property, plant and equipment of the Group are the costs of the following fully depreciated assets which are still in use:

	2014 RM	2013 RM
Building and structures	**305,604**	264,642
Plant and machinery	**3,878,101**	2,337,322
Forklifts	**130,720**	-
Motor vehicles	**405,274**	406,665
Tools, equipment, furniture, fixtures and fittings	**2,534,490**	3,841,001
	7,254,189	6,849,630

The Company has no property, plant and equipment as at 30 September 2014.

5. INVESTMENT PROPERTIES

	GROUP	
	2014 RM	2013 RM
At fair value		
At beginning and end of year	**290,000**	290,000
Include in the above is:		
Freehold land	**290,000**	290,000

The fair value of the investment properties of the Group was recommended by the Directors as at the end of reporting period based on an indicative market value from the valuation exercise carried out by an independent professional valuer, CB Richard Ellis (Johor) Sdn. Bhd. in April 2012 on an open market value basis.

No rental income received from the investment properties.

Direct operating expenses arising from investment properties during the financial year are quit rent amounting to RM90 (2013 – RM89).

6. INVESTMENT IN SUBSIDIARY COMPANIES

	COMPANY	
	2014 RM	2013 RM
Unquoted shares at cost	**55,823,050**	5,510,125
Add: Acquisition during the year	**-**	50,312,925
	55,823,050	55,823,050

NOTES TO THE FINANCIAL STATEMENTS CONT'D

6. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

Details of the subsidiary companies are as follows:

NAME OF COMPANY	% EQUITY HELD 2014	2013	COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES
Direct				
Halex (M) Sdn. Bhd.	**100**	100	Malaysia	Manufacturing, distributions and agency of agrochemicals
Halex Woolton (M) Sdn. Bhd.	**100**	100	Malaysia	Manufacturing and distributions of disposable healthcare products
Indirect through Halex (M) Sdn. Bhd.				
Halex Industries (M) Sdn. Bhd.	**100**	100	Malaysia	Manufacturing and importing agrochemicals and fertilisers
Halex Realty Sdn. Bhd.	**100**	100	Malaysia	Investment in landed property
Halex Chemicals (S) Pte. Ltd. #	**100**	100	Singapore	Trading of fertilisers and agrochemicals
Halex Engineering Sdn. Bhd. *(Formerly known as Halex Trading Sdn Bhd.)*	**100**	100	Malaysia	Trading of agricultural chemicals and fertilisers. Ceased business operation since July 2010
Halex Biotechnologies Sdn. Bhd.	**100**	100	Malaysia	Horticulture and agro-biotechnology

Audited by other firm of auditors

7. INVESTMENT IN QUOTED SECURITIES

	GROUP 2014 RM	2013 RM
Quoted securities - at cost	**128,897**	128,897
Add: Gain on investment in quoted shares - unrealised	**49,035**	-
Less: Allowance for diminution in value of investment	**-**	(658)
Carrying amount	**177,932**	128,239
- at market value	**177,932**	128,239

NOTES TO THE FINANCIAL STATEMENTS CONT'D

8. OTHER INVESTMENTS

	GROUP	
	2014	2013
	RM	RM
Club membership - at cost	**26,000**	26,000

Club membership is stated at cost as their fair values cannot be reliably measured using valuation techniques due to the lack of marketability of the club membership.

9. INTANGIBLE ASSETS

	GROUP	
	2014	2013
Trademark - at cost	**RM**	RM
At beginning of year	**47,386**	44,013
Add: Addition during the year	**72,821**	3,373
At end of year	**120,207**	47,386

10. DEVELOPMENT COSTS

	GROUP	
	2014	2013
	RM	RM
Cost		
At beginning and end of year	**808,794**	808,794
Amortisation		
At beginning of year	**161,758**	80,879
Amortisation for the financial year	**80,879**	80,879
At end of year	**242,637**	161,758
Net carrying amount	**566,157**	647,036

Development costs principally comprise internally generated expenditure on development on major projects where it is reasonably anticipated that the costs will be recovered through future commercial activities.

Amortisation charge for the financial year of RM80,879 (2013 – RM80,879) has been expensed in the profit or loss under cost of sales.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

11. INVENTORIES

	GROUP	
	2014	2013
	RM	RM
At cost:		
Raw materials	**7,006,695**	10,256,648
Work-in-progress	**541,235**	661,219
Finished goods	**3,653,865**	3,087,908
Tissue culture	**172,322**	285,771
Goods for resale	**8,230,919**	8,201,939
Consumables	**975,640**	924,356
	20,580,676	23,417,841

12. TRADE RECEIVABLES

	GROUP	
	2014	2013
	RM	RM
Trade receivables	**13,252,429**	15,902,594
Less: Allowance for impairment	**(169,957)**	(206,785)
	13,082,472	15,695,809

The Group's normal trade credit term ranges from 30 to 90 days (2013 – 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

The ageing analysis of the Group's trade receivables is as follows:

	GROUP	
	2014	2013
	RM	RM
Neither past due nor impaired	**10,600,430**	12,652,517
1 to 30 days past due not impaired	**1,388,207**	1,578,411
31 to 60 days past due not impaired	**746,817**	1,116,102
61 to 90 days past due not impaired	**81,294**	195,697
More than 91 days past due not impaired	**435,681**	359,867
	13,252,429	15,902,594
Less: Allowance for impairment	**(169,957)**	(206,785)
	13,082,472	15,695,809

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group and mostly are regular customers that have been transacting with the Group.

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

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM2,482,042 (2013 – RM3,043,292) that are past due at the reporting date but not impaired. The Directors are of the opinion that the receivables are collectible in view of long term business relationships with the customers. These receivables are unsecured in nature.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

12. TRADE RECEIVABLES (Cont'd)

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

Movements in the allowance accounts:

	GROUP	
	2014	2013
	RM	RM
At beginning of year	**(206,785)**	(148,512)
Add: Charge during the year	**(21,587)**	(103,559)
Less: Reversal during the year	**58,415**	45,286
At end of year	**(169,957)**	(206,785)

Trade receivables that are individually determined to be impaired at the reporting date relate to receivables are in significant financial difficulties and have defaulted on payments.

13. OTHER RECEIVABLES AND DEPOSITS

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	RM	RM	**RM**	RM
Other receivables	**221,221**	203,476	**-**	-
Deposits	**1,221,671**	191,011	**1,000**	1,000
Prepayments - investment	**10,200,000**	-	**-**	-
Prepayments - others	**946,846**	676,479	**98,768**	32,122
	12,589,738	1,070,966	**99,768**	33,122

The amount due from other receivables is unsecured, interest-free and repayable on demand.

The prepayments of the Group of RM10,200,000 (2013 – Nil) represent part payment of the total RM22 million in respect of the acquisition of 1,250,000 shares in Kensington Development Sdn. Bhd. (Note 39).

14. DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

The effective interest rate for deposits with licensed financial institutions at the end of the financial year is between 2.08% and 3.25% (2013 – 3.00% and 3.25%) per annum.

Deposits with licensed financial institutions amounting to RM1,660,371 (2013 – RM1,609,168) are pledged for banking facilities granted to the Group (Note 22).

15. AMOUNT DUE FROM/TO SUBSIDIARY COMPANIES

Included in amount due from subsidiary companies is an amount of RM79,336 (2013 – Nil), represents term loan interest borne by a subsidiary company for utilisation of the loan facility granted to the Company. Other amounts are interest-free, unsecured and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

16. CAPITAL AND RESERVES

(a) Share capital

	GROUP AND COMPANY			
	Amount 2014 RM	**Number of shares 2014**	Amount 2013 RM	Number of shares 2013
Authorised:				
Ordinary shares of RM0.50 each	**100,000,000**	**200,000,000**	100,000,000	200,000,000
Issued and fully paid:				
Ordinary shares of RM0.50 each				
At beginning of year	**50,000,000**	**100,000,000**	50,000,000	100,000,000
Shares issued during the year	**3,000,000**	**6,000,000**	-	-
At end of year	**53,000,000**	**106,000,000**	50,000,000	100,000,000

On 15 September 2014, the Company's issued and paid up share capital was increased from RM50,000,000 to RM53,000,000 through an allotment of 6,000,000 ordinary shares of RM0.50 each at an exercise price of RM0.85 each and ranking pari passu with the existing ordinary shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All the ordinary shares rank equally with regard to the Company's residual assets.

(b) Revaluation reserves

The revaluation reserve is used to record increases in the fair value of freehold and leasehold land and buildings and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

(c) Share premium

	GROUP AND COMPANY	
	2014 RM	2013 RM
Shares issued during the year	**2,100,000**	-
Less: shares issuance expenses	**(112,418)**	-
	1,987,582	-

The share premium represents premium arising from the issuance of ordinary shares of the Company at an exercise price above par value.

(d) Treasury shares

	GROUP AND COMPANY	
	2014 RM	2013 RM
At beginning of year	**17,325**	-
Shares repurchased during the year	**-**	17,325
Allowance for diminution in value of treasury shares written back	**672**	-
At end of year	**17,997**	17,325

16. CAPITAL AND RESERVES (Cont'd)

(d) Treasury shares (Cont'd)

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

The Directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

As at 30 September 2014, the Company has 27,500 (2013 – 27,500) ordinary shares held as treasury shares.

(e) Exchange reserves

The exchange reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM.

17. TERM LOANS

	GROUP		COMPANY	
	2014 RM	2013 RM	**2014 RM**	2013 RM
Current				
- Due within one year	**3,134,879**	1,231,200	**2,142,864**	-
Non-current				
- Due after one year and not later than five years	**8,628,682**	1,054,047	**8,571,456**	-
- Due after five years	**4,365,016**	-	**4,365,016**	-
	12,993,698	1,054,047	**12,936,472**	-
Total	**16,128,577**	2,285,247	**15,079,336**	-

The term loans of the Group and of the Company are repayable by between 84 and 120 monthly instalments and interests are chargeable from 1.50% to 2.00% per annum above the bank's effective cost of funds. The term loans facilities granted to the Group and to the Company are secured by the following:

(i) Legal charge over certain freehold land, freehold land and building, leasehold factory and leasehold land of the Group (Note 4); and
(ii) Corporate guarantees of the Company.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

18. FINANCE LEASE PAYABLES

	GROUP 2014 RM	2013 RM
Minimum lease payments		
- not later than one year	**65,196**	20,928
- later than one year and not later than five years	**201,282**	48,797
	266,478	69,725
Less: Amount representing finance charges	**(34,073)**	(6,533)
Present value of minimum lease payment	**232,405**	63,192
Represented by:		
Current		
- not later than one year	**52,040**	17,620
Non-current		
- later than one year and not later than five years	**180,365**	45,572
	232,405	63,192

The finance lease payables bear effective interest rate of 6.09% to 6.18% (2013 – 6.09%) per annum.

19. DEFERRED TAXATION

	GROUP 2014 RM	2013 RM
At beginning of year	**394,202**	393,302
Recognised in profit or loss (Note 26)	**14,400**	900
At end of year	**408,602**	394,202

The deferred taxation is in respect of tax effect on timing differences arising from capital allowances claimed in advance of depreciation charged on the property, plant and equipment.

20. TRADE PAYABLES

The normal trade credit terms granted to the Group ranges from 30 to 90 days (2013 – 30 to 90 days).

21. OTHER PAYABLES AND ACCRUALS

	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
Other payables	**1,703,263**	1,814,065	**-**	-
Accruals	**2,019,789**	2,562,908	**34,173**	37,843
	3,723,052	4,376,973	**34,173**	37,843

NOTES TO THE FINANCIAL STATEMENTS CONT'D

22. BILLS PAYABLE AND BANK OVERDRAFT

The bills payable bear interest between 1.85% per annum and 1.50% above the bank's Base Lending Rate per annum whilst the bank overdraft bears interest between 1.00% - 1.25% per annum above the bank's Base Lending Rate. These banking facilities are secured by the following:

(i) Legal charge over certain freehold land, freehold land and building, leasehold factory and leasehold land of the Group (Note 4);
(ii) Pledge of deposits with licensed financial institutions (Note 14);
(iii) Corporate guarantees of the Company.

23. REVENUE

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	RM	RM	**RM**	RM
Sales of goods	**94,538,517**	96,378,028	**-**	-
Gross dividends from subsidiary company	**-**	-	**2,544,000**	3,080,000
	94,538,517	96,378,028	**2,544,000**	3,080,000

24. OTHER INCOME

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	RM	RM	**RM**	RM
Allowance for diminution in value of quoted securities written back	**658**	25,797	**-**	-
Allowance for diminution in value of treasury shares written back	**672**	-	**672**	-
Allowance for impairment written back	**58,415**	45,286	**-**	-
Gain on disposal of property, plant and equipment	**39,060**	129,857	**-**	-
Gain on investment in quoted shares - unrealised	**49,035**	-	**-**	-
Gain on foreign exchange - realised	**12,926**	16,796	**-**	-
Gross dividends received from quoted investments	**1,560**	2,649	**-**	-
Insurance claim received	**20,850**	15,855	**-**	-
Insurance commission received	**4,320**	2,249	**-**	-
Interest on fixed deposits	**322,259**	308,717	**-**	-
Interest received	**29,942**	39,913	**4,854**	522
Rental income	**1,685**	1,650	**-**	-
Sundry income	-	400	**-**	-
	541,382	589,169	**5,526**	522

NOTES TO THE FINANCIAL STATEMENTS CONT'D

25. PROFIT BEFORE TAXATION

This has been determined after charging the following items:

	GROUP		COMPANY	
	2014 RM	2013 RM	**2014 RM**	2013 RM
Allowance for diminution in value of treasury shares	**-**	672	**-**	672
Allowance for impairment	**21,587**	103,559	**-**	-
Amortisation	**80,879**	80,879	**-**	-
Audit fees	**100,867**	95,693	**32,000**	32,000
Bad debts written off	**6,660**	26,655	**-**	-
Bank overdraft interest	**60,036**	17,402	**-**	-
BA discounting charges	**121,031**	134,435	**-**	-
Depreciation	**1,678,084**	1,545,715	**-**	-
Directors' remuneration				
- directors' fees	**283,000**	283,693	**288,000**	256,000
- salaries and other emoluments	**1,865,714**	1,750,023	**47,000**	28,000
Hire purchase interest	**3,832**	4,459	**-**	-
LC and trust receipt charges	**98,876**	113,246	**-**	-
Loss on foreign exchange - realised	**15,571**	32,981	**-**	-
- unrealised	**-**	6,400	**-**	-
Property, plant and equipment written off	**16,725**	39,085	**-**	-
Rental	**184,462**	157,072	**-**	-
Rental of equipment and warehouse	**20,000**	33,440	**-**	-
Rental of land	**18,720**	18,720	**-**	-
Term loan interest	**166,159**	147,746	**-**	-
and crediting:				
Allowance for diminution in value of quoted securities written back	**658**	25,797	**-**	-
Allowance for diminution in value of treasury shares written back	**672**	-	**672**	-
Allowance for impairment written back	**58,415**	45,286	**-**	-
Gain on disposal of property, plant and equipment	**39,060**	129,857	**-**	-
Gain on investment in quoted shares - unrealised	**49,035**	-	**-**	-
Gain on foreign exchange - realised	**12,926**	16,796	**-**	-
Gross dividends received from quoted investments	**1,560**	2,649	**-**	-
Insurance claim received	**20,850**	15,855	**-**	-
Insurance commission received	**4,320**	2,249	**-**	-
Interest on fixed deposits	**322,259**	308,717	**-**	-
Interest received	**29,942**	39,913	**4,854**	522
Rental income	**1,685**	1,650	**-**	-

26. TAXATION

The provision for taxation for the financial year is computed at the prevailing tax rates.

	GROUP		COMPANY	
	2014 RM	2013 RM	**2014 RM**	2013 RM
Provision for current year	**932,098**	1,123,684	**-**	-
Underprovision in prior years	**-**	143,574	**-**	-
Deferred taxation (Note 19)	**14,400**	900	**-**	-
	946,498	1,268,158	**-**	-

Income tax is calculated at the Malaysian statutory tax rate of 25% (2013 – 25%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

A reconciliation of income tax expenses applicable to profit before taxation at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group and of the Company is as follows:

GROUP	**2014 RM**	2013 RM
Profit before taxation	**3,118,881**	4,780,825
Taxation at the Malaysian statutory tax rate of 25% (2013 - 25%)	**779,720**	1,195,206
Expenses not deductible for tax purposes	**715,319**	508,127
Income not subjected to tax	**(99,946)**	(166,722)
Utilisation of reinvestment allowance	**(81,052)**	-
Effect on double tax deductions	**-**	(21,897)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**(367,543)**	(390,130)
Underprovision of income tax in prior years	**-**	143,574
Tax expense for the year	**946,498**	1,268,158

COMPANY	**2014 RM**	2013 RM
Profit before taxation	**1,885,234**	2,601,216
Taxation at the Malaysian statutory tax rate of 25% (2013 - 25%)	**471,309**	650,304
Expenses not deductible for tax purposes	**164,859**	119,696
Income not subject to tax	**(636,168)**	(770,000)
Tax expense for the year	**-**	-

NOTES TO THE FINANCIAL STATEMENTS CONT'D

27. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

Basic earnings per share are calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue during the financial year.

	GROUP	
	2014	2013
Profit for the year (RM)	**2,172,383**	3,512,667
Weighted average number of ordinary shares in issue	**100,218,402**	100,000,000
Basic earnings per share (sen)	**2.17**	3.51

(b) Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share is the same with basic earnings per ordinary share as the Group has no dilutive potential ordinary shares.

28. DIVIDENDS

	GROUP AND COMPANY	
	2014 RM	2013 RM
Dividends paid		
A first and final single tier dividend of 5% in respect of the year ended 30 September 2013	**2,499,312**	-
A first and final single tier dividend of 6% in respect of the year ended 30 September 2012	**-**	3,000,000
	2,499,312	3,000,000

29. CASH AND CASH EQUIVALENTS

For the purpose of the statement of consolidated cash flows, cash and cash equivalents comprise the following at the reporting date:

	GROUP		COMPANY	
	2014 RM	2013 RM	**2014 RM**	2013 RM
Deposits with licensed financial institutions	**1,991,482**	12,955,632	**-**	-
Cash and bank balances	**25,591,574**	7,272,282	**159,191**	23,358
Bank overdraft (Note 22)	**(475,503)**	-	**-**	-
	27,107,553	20,227,914	**159,191**	23,358
Less: Deposits with licensed financial institutions pledged to banks (Note 14)	**(1,660,371)**	(1,609,168)	**-**	-
	25,447,182	18,618,746	**159,191**	23,358

NOTES TO THE FINANCIAL STATEMENTS CONT'D

30. EMPLOYEE INFORMATION

	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
Salaries and allowances	**13,127,842**	12,260,209	**47,000**	28,000
E.P.F. and Socso contributions	**1,391,643**	1,307,750	**-**	-
Other staff related expenses	**677,705**	1,040,730	**-**	-
	15,197,190	14,608,689	**47,000**	28,000

Included in staff of the Group are Executive Directors' remuneration amounting to RM1,819,530 (2013 – RM1,695,155) and of the Company's Executive Director's remuneration amounting to RM10,000 (2013 – Nil) as disclosed in Note 31.

31. DIRECTORS' REMUNERATION

	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
Executive:				
Fees	**129,000**	143,000	**134,000**	120,000
Salaries and other emoluments	**1,819,530**	1,695,155	**10,000**	-
	1,948,530	1,838,155	**144,000**	120,000
Non-Executive:				
Fees	**154,000**	140,693	**154,000**	136,000
Salaries and other emoluments	**46,184**	54,868	**37,000**	28,000
	200,184	195,561	**191,000**	164,000
Total	**2,148,714**	2,033,716	**335,000**	284,000

32. RELATED PARTY TRANSACTIONS

(a) The related party transactions consist of the following:

	GROUP 2014 RM	GROUP 2013 RM	COMPANY 2014 RM	COMPANY 2013 RM
Dividend received from subsidiary companies				
- Halex (M) Sdn. Bhd.	**-**	-	**2,544,000**	-
- Halex Woolton (M) Sdn. Bhd.	**-**	-	**-**	3,080,000
Sales to related party which certain Directors of a subsidiary have interests				
- Pesticides & Fertiliser Sdn. Bhd.	**287,510**	372,190	**-**	-
- Kota Tinggi Estate Supplies Sdn. Bhd.	**14,720**	9,060	**-**	-

NOTES TO THE FINANCIAL STATEMENTS CONT'D

32. RELATED PARTY TRANSACTIONS (Cont'd)

(b) Compensation of key management personnel ("KMP")

Key management personnel are those persons having authority and responsibility for planning, directly and controlling the activities of the entity either directly or indirectly.

The remuneration of key management personnel during the year was as follows:

	GROUP		COMPANY	
	2014	2013	**2014**	2013
	RM	RM	**RM**	RM
Total	**1,948,530**	1,838,155	**144,000**	120,000

For the details of Board of Directors' remuneration, please refer to Note 31.

33. CONTINGENT LIABILITIES

	COMPANY	
	2014	2013
	RM	RM
Guarantees given to financial institutions for credit facilities granted to the subsidiary companies	44,873,000	42,873,000

34. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The table below provides analysis of financial instruments of the Group and of the Company. The Group and the Company categorised financial assets as available for sales (AFS) and loans and receivables (L&R), and financial liabilities as other financial liabilities measured at amortised cost (AC).

Group	AFS	L&R	AC	TOTAL
	RM	**RM**	**RM**	**RM**
At 30 September 2014				
Financial Assets				
Investment in quoted securities	**177,932**	**-**	**-**	**177,932**
Other investments	**26,000**	**-**	**-**	**26,000**
Trade receivables	**-**	**13,082,472**	**-**	**13,082,472**
Other receivables and deposits	**-**	**12,589,738**	**-**	**12,589,738**
Deposits with licensed financial institutions	**-**	**1,991,482**	**-**	**1,991,482**
Cash and bank balances	**-**	**25,591,574**	**-**	**25,591,574**
	203,932	**53,255,266**	**-**	**53,459,198**

NOTES TO THE FINANCIAL STATEMENTS CONT'D

34. FINANCIAL INSTRUMENTS (Cont'd)

(a) Classification of financial instruments (Cont'd)

Group	AFS RM	L&R RM	AC RM	TOTAL RM
At 30 September 2014				
Financial Liabilities				
Trade payables	**-**	**-**	**4,157,308**	**4,157,308**
Other payables and accruals	**-**	**-**	**3,723,052**	**3,723,052**
Term loans	**-**	**-**	**16,128,577**	**16,128,577**
Finance lease payables	**-**	**-**	**232,405**	**232,405**
Bills payable	**-**	**-**	**4,116,000**	**4,116,000**
Bank overdraft	**-**	**-**	**475,503**	**475,503**
	-	**-**	**28,832,845**	**28,832,845**
At 30 September 2013				
Financial Assets				
Investment in quoted securities	128,239	-	-	128,239
Other investments	26,000	-	-	26,000
Trade receivables	-	15,695,809	-	15,695,809
Other receivables and deposits	-	1,070,966	-	1,070,966
Deposits with licensed financial institutions	-	12,955,632	-	12,955,632
Cash and bank balances	-	7,272,282	-	7,272,282
	154,239	36,994,689	-	37,148,928
Financial Liabilities				
Trade payables	-	-	5,606,060	5,606,060
Other payables and accruals	-	-	4,376,973	4,376,973
Term loans	-	-	2,285,247	2,285,247
Finance lease payables	-	-	63,192	63,192
Bills payable	-	-	7,578,018	7,578,018
	-	-	19,909,490	19,909,490

Company	AFS RM	L&R RM	AC RM	TOTAL RM
At 30 September 2014				
Financial Assets				
Other receivables and deposits	**-**	**99,768**	**-**	**99,768**
Amount due from subsidiary companies	**-**	**19,467,320**	**-**	**19,467,320**
Cash and bank balances	**-**	**159,191**	**-**	**159,191**
	-	**19,726,279**	**-**	**19,726,279**
Financial liabilities				
Other payables and accruals	**-**	**-**	**34,173**	**34,173**
Term loans	**-**	**-**	**15,079,336**	**15,079,336**
	-	**-**	**15,113,509**	**15,113,509**

34. FINANCIAL INSTRUMENTS (Cont'd)

(a) Classification of financial instruments (Cont'd)

	AFS	L&R	AC	TOTAL
	RM	**RM**	**RM**	**RM**
Company				
At 30 September 2013				
Financial Assets				
Other receivables and deposits	-	33,122	-	33,122
Amount due from subsidiary companies	-	222,367	-	222,367
Cash and bank balances	-	23,358	-	23,358
	-	278,847	-	278,847
Financial liabilities				
Other payables and accruals	-	-	37,843	37,843
Amount due to subsidiary companies	-	-	1,066	1,066
	-	-	38,909	38,909

(b) Financial risk management objective and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, foreign currency risk, liquidity risk, credit risk and market price risk.

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing these risks. The Group's risk management approach seeks to minimise the potential material adverse impact of those exposures.

The following section provides details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Interest rate risk

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

The Group's interest risk arises primarily from interest-bearing financial assets and financial liabilities. The Group's interest-bearing financial assets include fixed deposits that are short term in nature and are held to earn a better yield than cash at banks. The fixed deposits placed with licensed banks at floating rates expose the Group to fair value interest rate risk. Deposits with licensed banks with floating rates are monitored closely by the Group to ensure it is maintained at favourable rates.

The Group's interest-bearing financial liabilities include term loans, bills payables and finance lease payables. Borrowings at floating rates expose the Group to cash flow interest rate risk whilst finance lease payables at fixed rate expose the Group to fair value interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

34. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objective and policies (Cont'd)

(i) *Interest rate risk (Cont'd)*

The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at the reporting date and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk:

	Note	WAEIR %	Within 1 year RM	2-5 years RM	More than 5 years RM	Total RM
Group						
At 30 September 2014						
Floating rate						
Deposits with licensed financial institutions	14	3.11%	**1,991,482**	**-**	**-**	**1,991,482**
Term loans	17	1.97%+ ECOF	**3,134,879**	**8,628,682**	**4,365,016**	**16,128,577**
Bills payable	22	4.74%	**4,116,000**	**-**	**-**	**4,116,000**
			9,242,361	**8,628,682**	**4,365,016**	**22,236,059**
Fixed rate						
Finance lease payables	18	6.16%	**52,040**	**180,365**	**-**	**232,405**
At 30 September 2013						
Floating rate						
Deposits with licensed financial institutions	14	2.61%	12,955,632	-	-	12,955,632
Term loans	17	1.50%+ ECOF	1,231,200	1,054,047	-	2,285,247
Bills payable	22	4.23%	7,578,018	-	-	7,578,018
			21,764,850	1,054,047	-	22,818,897
Fixed rate						
Finance lease payables	18	6.09%	17,620	45,572	-	63,192
Company						
At 30 September 2014						
Floating rate						
Term loans	17	2.00%+ ECOF	**2,142,864**	**8,571,456**	**4,365,016**	**15,079,336**

NOTES TO THE FINANCIAL STATEMENTS CONT'D

34. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objective and policies (Cont'd)

(i) Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis

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

	GROUP		COMPANY	
	2014 Increase/ (Decrease) RM	2013 Increase/ (Decrease) RM	**2014 Increase/ (Decrease) RM**	2013 Increase/ (Decrease) RM
Effect on profit after taxation				
Increase of 100 Basis Point (bp)	**(184,855)**	30,292	**(150,793)**	-
Decrease of 100 Basis Point (bp)	**184,855**	(30,292)	**150,793**	-
Effect on equity				
Increase of 100 Basis Point (bp)	**(184,855)**	30,292	**(150,793)**	-
Decrease of 100 Basis Point (bp)	**184,855**	(30,292)	**150,793**	-

(ii) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade receivables, corporate guarantees to financial institutions for banking facilities granted to subsidiary companies and amount due from subsidiary companies. For other financial assets (including investment in quoted securities, deposits with licensed financial institutions and cash and bank balances), the Group minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

i. The carrying amount of each class of financial assets recognised in the statements of financial position.
ii. A nominal amount of RM44,873,000 (2013 – RM42,873,000) relating to corporate guarantees to financial institutions for banking facilities granted to subsidiary companies.

Financial assets that are neither past due nor impaired

Information regarding trade receivables that are neither past due nor impaired is disclosed in Note 13. Deposits with banks and other financial institutions and quoted securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default. As at the end of the reporting period, there was no indication that any subsidiary companies would defaulted on repayment.

Financial assets that are either past due or impaired

Information regarding trade receivables that are either past due or impaired is disclosed in Note 12.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

34. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objective and policies (Cont'd)

(iii) Foreign currency risk

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollar (USD), Singapore Dollar (SGD), Japanese Yen (JPY) and Indonesia Rupiah (IDR). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

	Net financial assets/(financial liabilities) held in non-functional currency				
	United States Dollar RM	Singapore Dollar RM	Japanese Yen RM	Indonesia Rupiah RM	Total RM
Group					
At 30 September 2014					
Trade receivables	**657,790**	**623,684**	**166,794**	**-**	**1,448,268**
Cash and bank balances	**3,244,560**	**360,039**	**-**	**-**	**3,604,599**
Trade payables	**(1,503,918)**	**-**	**-**	**-**	**(1,503,918)**
	2,398,432	**983,723**	**166,794**	**-**	**3,548,949**
At 30 September 2013					
Trade receivables	1,846,517	538,990	248,998	-	2,634,505
Cash and bank balances	1,199,499	435,145	-	647	1,635,291
Trade payables	(2,097,065)	-	-	-	(2,097,065)
	948,951	974,135	248,998	647	2,172,731

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the USD, SGD, JPY and IDR exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

			GROUP	
			2014 RM	2013 RM
USD/RM	-	Strengthened 5%	**119,922**	47,448
	-	Weakened 5%	**(119,922)**	(47,448)
SGD/RM	-	Strengthened 5%	**49,186**	48,707
	-	Weakened 5%	**(49,186)**	(48,707)
JPY/RM	-	Strengthened 5%	**8,340**	12,450
	-	Weakened 5%	**(8,340)**	(12,450)
IDR/RM	-	Strengthened 5%	**-**	32
	-	Weakened 5%	**-**	(32)

NOTES TO THE FINANCIAL STATEMENTS CONT'D

34. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objective and policies (Cont'd)

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations when they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

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

Analysis of financial instruments by remaining contractual maturities

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

	GROUP			
At 30 September 2014	**On demand or within 1 year RM**	**2 - 5 years RM**	**More than 5 years RM**	**Total RM**
Trade payables	**4,157,308**	**-**	**-**	**4,157,308**
Other payables and accruals	**3,723,052**	**-**	**-**	**3,723,052**
Bills payable	**4,116,000**	**-**	**-**	**4,116,000**
Term loans	**3,134,879**	**8,628,682**	**4,365,016**	**16,128,577**
Finance lease payables	**52,040**	**180,365**	**-**	**232,405**
Bank overdraft	**475,503**	**-**	**-**	**475,503**
	15,658,782	**8,809,047**	**4,365,016**	**28,832,845**
At 30 September 2013				
Trade payables	5,606,060	-	-	5,606,060
Other payables and accruals	4,376,973	-	-	4,376,973
Bills payable	7,578,018	-	-	7,578,018
Term loans	1,231,200	1,054,047	-	2,285,247
Finance lease payables	17,620	45,572	-	63,192
	18,809,871	1,099,619	-	19,909,490

	COMPANY			
At 30 September 2014	**On demand or within 1 year RM**	**2 - 5 years RM**	**More than 5 years RM**	**Total RM**
Other payables and accruals	**34,173**	**-**	**-**	**34,173**
Term loans	**2,142,864**	**8,571,456**	**4,365,016**	**15,079,336**
	2,177,037	**8,571,456**	**4,365,016**	**15,113,509**
At 30 September 2013				
Other payables and accruals	37,843	-	-	37,843

34. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management objective and policies (Cont'd)

(v) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Groups' financial instruments will fluctuate because of changes in market prices.

The Group is exposed to securities price risk from its investment in quoted securities. These quoted securities are listed on the Bursa Malaysia Securities Berhad.

The Group's objective is to manage investment returns and the price risk by investing in investment grade securities with steady dividend yield.

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial assets (except investment in quoted securities) and liabilities are reasonable approximation of their fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date except for the following:

	CARRYING AMOUNT		FAIR VALUE	
	2014 RM	2013 RM	**2014 RM**	2013 RM
Group				
Finance lease payables	**232,405**	63,192	**224,945**	56,897
Term loans	**16,128,577**	2,285,247	**16,128,577**	2,285,247

The fair value of investment in quoted securities is determined by reference to the market price at the reporting date, and is disclosed in Note 7.

The Group does not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be received or settled.

36. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 September 2014 and 30 September 2013.

The Group monitors capital using net gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the Group's net gearing ratio at a level deemed appropriate considering business, economic and investment conditions.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

36. CAPITAL MANAGEMENT (Cont'd)

The gearing ratio for the Group as at 30 September 2014 and 30 September 2013 are as follows:

	GROUP	
	2014	2013
	RM	RM
Trade payables	**4,157,308**	5,606,060
Other payables and accrual	**3,723,052**	4,376,973
Bills payable	**4,116,000**	7,578,018
Term loans	**16,128,577**	2,285,247
Finace lease payables	**232,405**	63,192
Less: Cash and cash equivalents	**(25,447,182)**	(18,618,746)
Net debt	**2,910,160**	1,290,744
Equity attributable to owners of the parent	**95,181,929**	90,522,958
Capital and net debt	**98,092,089**	91,813,702
Gearing ratio	**0.03**	0.01

37. SEGMENT INFORMATION – GROUP

(a) Business segments

The Group is organised on a worldwide basis into four major segments:

(i) Investment holding
(ii) Agrochemical
(iii) Healthcare disposables
(iv) Horticulture and Agro-biotechnology

The Directors are of the opinion that the inter-segment transactions have been entered into in the normal course of business.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

37. SEGMENT INFORMATION – GROUP (Cont'd)

(a) Business segments (Cont'd)

At 30 September 2014

REVENUE AND EXPENSES	Investment Holding RM	Agro-Chemical RM	Healthcare Disposables RM	Horticulture and Agro-Biotechnology RM	Elimination RM	Consolidated RM
Revenue						
External sales	-	52,796,609	36,887,505	4,854,403	-	94,538,517
Dividend income	2,544,000	-	-	-	(2,544,000)	-
Inter-segment sales	-	10,179,630	76,782	3,980	(10,260,392)	-
Total revenue	2,544,000	62,976,239	36,964,287	4,858,383	(12,804,392)	94,538,517
Results						
Segment results	1,873,914	3,868,301	513,353	(486,031)	(2,552,923)	3,216,614
Finance costs	(79,336)	(183,731)	(186,867)	-	-	(449,934)
Finance income	4,854	317,581	24,825	4,941	-	352,201
Profit before taxation	1,799,432	4,002,151	351,311	(481,090)	(2,552,923)	3,118,881
Taxation						(946,498)
Profit for the financial year						2,172,383
Attributable to:						
Owners of the parent						2,172,383
ASSETS AND LIABILITIES						
Segment assets #	10,750,074	46,307,394	55,333,676	11,922,677	-	124,313,821
Segment liabilities @	15,117,009	7,192,807	6,218,854	304,175	-	28,832,845
OTHER INFORMATION						
Capital expenditure						
- Property plant and equipment	-	463,959	1,124,246	119,176		1,707,381
- Intangible assets	-	-	72,821	-		72,821
						1,780,202
Amortisation	-	-	-	80,879		80,879
Depreciation	-	311,495	1,122,258	244,331		1,678,084
						1,758,963

NOTES TO THE FINANCIAL STATEMENTS CONT'D

37. SEGMENT INFORMATION - GROUP (Cont'd)

(a) Business segments (Cont'd)

At 30 September 2013

REVENUE AND EXPENSES	Investment Holding RM	Agro-Chemical RM	Healthcare Disposables RM	Horticulture and Agro-Biotechnology RM	Elimination RM	Consolidated RM
Revenue						
External sales	-	50,600,426	40,154,365	5,623,237	-	96,378,028
Dividend income	3,080,000	-	-	-	(3,080,000)	-
Inter-segment sales	-	10,540,148	80,746	54,154	(10,675,048)	-
Total revenue	3,080,000	61,140,574	40,235,111	5,677,391	(13,755,048)	96,378,028
Results						
Segment results	2,596,372	13,881,578	899,500	(451,331)	(12,076,114)	4,850,005
Finance costs	-	(155,861)	(261,427)	-	-	(417,288)
Finance income	-	306,135	38,700	3,273	-	348,108
Profit before taxation	2,596,372	14,031,852	676,773	(448,058)	(12,076,114)	4,780,825
Taxation						(1,268,158)
Profit for the financial year						3,512,667
Attributable to:						
Owners of the parent						3,512,667
ASSETS AND LIABILITIES						
Segment assets #	347,153	40,976,622	58,114,262	11,446,249	-	110,884,286
Segment liabilities @	41,943	9,769,250	9,660,649	437,648	-	19,909,490
OTHER INFORMATION						
Capital expenditure						
- Property plant and equipment	-	449,491	626,868	184,528		1,260,887
- Intangible assets	-	3,373	-	-		3,373
						1,264,260
Amortisation	-	-	-	80,879		80,879
Depreciation	-	250,756	1,054,199	240,760		1,545,715
						1,626,594

Segment assets comprise total current and non-current assets less tax recoverable.
@ Segment liabilities comprise total current and long-term liabilities less tax liabilities and deferred taxation.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

37. SEGMENT INFORMATION - GROUP (Cont'd)

(b) Geographical segments

Analysis by geographical segment has been presented in respect of revenue only as the Group operates principally in Malaysia.

	GROUP	
	2014	2013
	RM	RM
Africa	**3,390,756**	2,849,569
Australia	**28,512**	7,544
East Asia	**5,208,341**	6,652,515
Europe	**787,951**	615,764
Middle East	**82,602**	-
South America	**230,542**	84,807
South Asia	**1,713,781**	790,032
South East Asia	**9,342,013**	11,138,089
Malaysia	**73,754,019**	74,239,708
	94,538,517	96,378,028

(c) Major customers

There is no significant concentration of revenue from any major customers.

38. LITIGATIONS

In December 2012, the Group was served with a Shah Alam Session Court Writ of Summons and Statement of Claim by Loscam (Malaysia) Sdn. Bhd. for claims of overdue outstanding amount of RM89,386.96 for the rental of pallets as at 31 January 2012.

On 18 February 2013, the Group in its Statement of Defence had counter claimed the same supplier, Loscam (Malaysia) Sdn. Bhd. for overcharging of rental fee amounting to RM204,890.52 for the years from 2007 to 2010.

On 21 August 2014, the Court has dismissed the claim by Loscam (Malaysia) Sdn. Bhd. and Loscam (Malaysia) Sdn. Bhd. has filed an appeal to the High Court for the ruling.

On 27 August 2014, the Company have filed a cross appeal for the appeal by Loscam (Malaysia) Sdn. Bhd.

The date of hearing is set on 29 January 2015.

39. SIGNIFICANT EVENT

On 25 April 2014, Halex Realty Sdn. Bhd. ("HRSB"), a wholly-owned subsidiary company of the Group has entered into a Share Acquisition Agreement with Bestempire Limited ("BL") to acquire a total of 1,250,000 ordinary shares of RM1 each, representing 25% of the issued and paid up share capital of Kensington Development Sdn. Bhd. ("KDSB"), for a total cash consideration of RM22 million. However, the said acquisition is pending completion as at 30 September 2014. The acquisition was completed on 17 October 2014.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

40. SUBSEQUENT EVENT

On 1 October 2014, HRSB has accepted a conditional offer made by BL to acquire another 2,500,000 ordinary shares of RM1 each, representing 50% of the issued and paid up share capital of KDSB, for a total cash consideration of RM32 million. Upon completion of the acquisition, HRSB will hold 75% of the equity interest of KDSB. Accordingly, KDSB will become a subsidiary company of HRSB.

41. DISCLOSURE OF REALISED AND UNREALISED RETAINED PROFITS

On 25 March 2010, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the retained earnings or accumulated losses as at the end of the reporting period, into realised and unrealised profits and losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and format required. The breakdown of the retained profits of the Group and of the Company as at 30 September 2014, into realised and unrealised profits, pursuant to the directive, is as follows:

	GROUP 2014 RM	COMPANY 2014 RM
Total retained earnings of the Company and its subsidiaries		
- Realised	**31,646,529**	5,507,670
- Unrealised	**(457,935)**	-
	31,188,594	5,507,670
Add: Consolidated adjustments	**158,575**	-
Retained earnings as per financial statements	**31,347,169**	5,507,670

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

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

ADDITIONAL COMPLIANCE INFORMATION

(a) Addition on Statement on Compliance with the best practices in Corporate Governance

The Company has complied throughout the full financial year with the principles of Best Practices in Corporate Governance as set out in Part 2 of the Malaysian Code on Corporate Governance.

(b) Utilisation of Proceeds from Corporate Proposals

On 15 September 2014, the Company issued 6,000,000 ordinary shares of RM0.50 each at an exercise price of RM0.85 each and rank pari passu with the existing ordinary shares. The proceeds raised were used for working capital.

(c) Share Buybacks

During the financial year, the Company did not repurchase nor dispose of any treasury shares. The Company is seeking a renewal of shareholders' mandate for the Share Buy-Back at the forthcoming Annual General Meeting.0

(d) Options, Warrants or Convertible Securities

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

(e) American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme

During the financial year, the Company did not sponsor any ADR or GDR programme.

(f) Sanctions and Penalties

There were no material sanctions and penalties imposed on the Company, Directors or management by the relevant regulatory bodies.

(g) Non-Audit Fees

The Company did not pay any non-audit fees to its external auditors for the financial year ended 30 September 2014.

(h) Profit Estimates, Forecast or Projection

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

(i) Variation in Results

There were no variances of 10% or more between the unaudited and the audited results for the financial year ended 30 September 2014.

(j) Profit Guarantee

No profit guarantee was given by the Company in respect of the financial year.

(k) Material Contracts

During the financial year, there were no material contracts of the Company involving its Directors' and major shareholders' interest.

(l) Recurrent Related Party Transactions of Revenue Nature ("RRPT")

The Group did not enter into any significant RRPT's during the financial year ended 30 September 2014.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility ("CSR")

The Company views seriously, the impact of our activities on our customers, employees, shareholders, communities and the environment in all aspects of our operations. The Company is fully aware that our obligation extends beyond the statutory obligation to comply with legislation and therefore voluntarily takes further steps to improve the quality of life for employees and their families as well as for the local community and society at large.

Various activities were planned and implemented by the Company to fulfil its CSR obligations as follows:

(a) The Workforce

The Company organizes outings, gatherings and recreational events at regular intervals for its staff and family members to foster and cultivate a happy and productive workforce with a strong sense of belonging.

(b) The Community

The Company makes donations annually in the form of cash and tangible goods to various welfare bodies and Non-Governmental Organisations ("NGO") for welfare and disaster relief purposes. The Company also provides employment opportunities where possible, to people with special needs.

(c) The Environment

The Company has adopted eco-friendly practices in its day-to-day work in order to minimize the impact on the environment, such as:-

(i) Paperless environment

Staff and clients are working towards fully maximizing the benefits of ICT (eg email, instant messaging, etc.) for communications, operations and documentation.

(ii) Recycling

Both sides of papers are used for printing where possible to minimize paper usage, while unwanted papers are segregated for recycling.

(iii) Energy Savings

The Company encourages staff to consciously switch off lights and air-conditioners for rooms and areas which are unutilised to help reduce energy consumption. The Company allows some flexibility on working hours for sales staff. This has helped to minimise the time, effort and petrol which would have otherwise been wasted and spent manoeuvring through the rush hour traffic.

ANALYSIS OF SHAREHOLDINGS

Shareholding Structure as at 29 January 2015

Share Capital

Authorised Share Capital	RM100,000,000 (200,000,000 ordinary shares of RM0.50 each)
Issued and fully paid-up capital	RM53,000,000 (106,000,000 ordinary shares of RM0.50 each)
Adjusted issued & paid-up capital	RM53,000,000 (106,000,000 ordinary shares of RM0.50 each)
Class of shares	Ordinary Shares of RM0.50 each
Voting Rights	One vote per share

Distribution of Shareholdings as at 29 January 2015

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	52	4.62	2,214	0.00
100 – 1,000	207	18.38	77,625	0.07
1,001 – 10,000	380	33.75	1,949,049	1.84
10,001 – 100,000	386	34.28	13,079,803	12.34
100,001 - 1,000,000	85	7.55	25,689,379	24.24
Over 1,000,000	16	1.42	65,174,430	61.50
TOTAL	**1,126**	**100.00**	**105,972,500***1	100.00

**1 Net of treasury shares*

Substantial Shareholders as at 29 January 2015

Name	Direct Interest	%	Deemed interest	%
1. Kenanga Nominees (Tempatan) Sdn Bhd Beneficiary : For Olive Park Development Sdn Bhd	13,659,606	12.89	-	0.00
2. Kenanga Nominees (Tempatan) Sdn Bhd Beneficiary : For Solaris Cemerlang Sdn Bhd	12,843,493	12.12	-	0.00
3. Farmcochem Sdn Bhd	7,609,150	7.18	-	0.00
4. Citigroup Nominees (Asing) Sdn Bhd Beneficiary : Exempt Ac for UBS AG Singapore (Foreign)	6,785,596	6.40	-	-
5. Koo Cheng Lian	-	-	7,609,150*1	7.18
6. Voon Chee Kheong	93,750	0.09	7,825,150*2	8.04
7. Chey Hiong Moi	216,000	0.22	7,609,150*1	7.82
8. Chey That Woon	1,050	7.82	7,609,150*3	7.82
9. Corporate Vision Sdn Bhd	-	-	7,609,150*4	7.82

**1 Deemed interested by virtue of his/ her shareholding in Corporate Vision Sdn Bhd, a major shareholder of Farmcochem Sdn Bhd*
**2 Deemed interested by virtue of the direct interest of his spouse in Halex and his shareholding in Corporate Vision Sdn Bhd, a major shareholder of Farmcochem Sdn Bhd*
**3 Deemed interested by virtue of the shareholding of his spouse in Corporate Vision Sdn Bhd, a major shareholder of Farmcochem Sdn Bhd*
**4 Deemed interested by virtue of its shareholding in Farmcochem Sdn Bhd*

Directors' Shareholding as at 29 January 2015

Name	Direct Interest	%	Deemed interest	%
1. General Tan Sri Dato' Sri Abdul Rahman Bin Abdul Hamid (Rtd)	-	-	-	-
2. Leftenant General Dato' Wira Hj Masood Bin Hj Zainal Abidin (Rtd)	-	-	-	-
3. Chen Sen Loon	1,058,232	1.00	242,225*1	0.23
4. Lim Pang Yan	113,250	0.11	-	-
5. Sr. Teh Teik Bin	-	-	-	-
6. Leong Kah Mun	-	-	-	-
7. Philip A/L S. Anthonysamy	-	-	-	-

**1 Deemed interested by virtue of the direct interest of his spouse in Halex*

ANALYSIS OF SHAREHOLDINGS CONT'D

Thirty Largest Registered Shareholders As At 29 January 2015

No.	Name	Shareholdings	%
1	Kenanga Nominees (Tempatan) Sdn Bhd Beneficiary : For Olive Park Development Sdn Bhd	13,659,606	12.89
2	Kenanga Nominees (Tempatan) Sdn Bhd Beneficiary : For Solaris Cemerlang Sdn Bhd	12,843,493	12.12
3	Citigroup Nominees (Tempatan) Sdn Bhd Beneficiary : Exempt Ac for UBS AG Singapore (Foreign)	6,785,596	6.40
4	Malaysia Nominees (Tempatan) Sendirian Berhad Beneficiary : Pledged securities account for Farmcochem Sdn Bhd	5,077,750	4.79
5	Maybank Securities Nominees (Tempatan) Sdn Bhd Beneficiary : Pledged Securities Account for Chua Sai Men	4,100,000	3.87
6	Quantum Expansion Sdn Bhd	3,253,182	3.07
7	Hew Sen Kian	3,223,350	3.04
8	Sundat (S) Pte Ltd	2,569,677	2.42
9	HLIB Nominees (Tempatan) Sdn Bhd Beneficiary : Pledged Securities Account for Teng Kam Kheong	2,415,900	2.28
10	Chiew Khwai @ Chiew Swee King	2,035,000	1.92
11	Yeoh Cheng Poh	2,000,000	1.89
12	Farmcochem Sdn Bhd	1,744,950	1.65
13	Kow Song Tong	1,550,300	1.46
14	Mohd Said Bin Ibrahim	1,394,608	1.32
15	Chang Yun Sang	1,274,000	1.20
16	Fong Hoo Meng	1,247,018	1.18
17	Ng Boon Siang	900,000	0.85
18	Yew Tuck Kai	896,700	0.85
19	Wong Klin Chai @ Wong Kum Heng	881,300	0.83
20	Ng Boon Sin	859,000	0.81
21	Yap Kon Meng	801,000	0.76
22	Farmcochem Sdn Bhd	786,450	0.74
23	Teh Seng Kim	775,925	0.73
24	Kwok Hon Wun	753,500	0.71
25	Maybank Nominees (Tempatan) Sdn Bhd Beneficiary : Pledged Securities Account for Chen Sen Loon	710,725	0.67
26	Ng Boon Hong	666,000	0.63
27	Hui Soon Oi @ Sun Oi	600,000	0.57
28	Tan Siew Ean	593,125	0.56
29	Lim Mui Miaw	541,000	0.51
30	Alliancegroup Nominees (Tempatan) Sdn Bhd Beneficiary : Pledged Securities Account for Ng Yoke Yen	530,000	0.50
		75,469,155	**71.22**

LIST OF PROPERTIES
AS AT 30 SEPTEMBER 2014

Property	Description/ Existing use	Approximate age of building	Tenure	Land area (Sq m)	Built-up area (Sq m)	Net Book Value as at 30/09/2014 (RM)	Date of Acquisition (or CFO)* / Valuation^
Geran No. 28855 Parent title under QT(R) No. 2851/2 TLO 2969/70 Township of Johor Bahru, Johor	Office unit/ vacant	32 years	Freehold	–	32	120,000	12.04.2012^
HS(D) 215977 PTD No. 19116 Town & District of Johor Bahru, Johor	3 storey factory cum office building, for Halex Woolton and Group Corporate office	14 years	60 years lease expiring on 26.12.2053	4,860	4,768	6,000,000	4.11.2012^
Lot 142, GM 826 Mukim Plentong District of Johor Bahru, Johor	Single storey detached factory with an annexed double storey office building, a single storey warehouse, workshop and a canteen, for Halex Woolton	5 years	Freehold	45,033	13,656	22,697,950	06.08.2012^
HS(D) 8111 PTB No. 264 Mukim of Hulu Sungai, Johor District of Kota Tinggi, Johor	Single storey detached factory with an annexed double storey office building and open shed, for Halex Industries	15 years	60 years lease expiring on 21.01.2050	12,237	3,562	2,630,843	06.04.2012^ 15.08.1998*
	Single storey detached factory, for Halex Industries	2 years			1,717	1,356,057	30.12.2011*
Lot 1167, GM 227, EMR 870 Mukim Senai 81000 Kulai, Johor	Nursery for Halex Biotechnologies	N/A	Freehold	27,746	–	1,900,000	06.04.2012^
Lot 650 & 651 GM 547 & 361 Ban Foo Village Mukim Plentong 81800 Ulu Tiram Johor	Nursery for Halex Biotechnologies (including a tissue culture facility and microbiology lab)	N/A	Freehold	54,576	1,820	2,000,000	04.04.2012^
		7 years				1,830,000	04.04.2012^
Geran 98315 Lot 369 Mukim Ulu Sungai Johor District of Kota Tinggi, Johor	Nursery for Halex Biotechnologies	N/A	Freehold	47,702	–	1,414,000	06.04.2012^
Lot 249, GM 202 EMR 124, Mukim of Ulu Sungei Sedili Besar District of Kota Tinggi, Johor	Agriculture land / investment owned by Halex Realty	N/A	Freehold	26,279	–	290,000	18.04.2012^

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty Fourth Annual General Meeting of Halex Holdings Berhad will be held at 10:30am at Meeting Room 2, Renaissance Johor Bahru Hotel, Johor Bahru, on Thursday, 26 March 2015 for the following businesses:

1. To receive the Audited Financial Statements for the financial year ended 30 September 2014 and the Directors' and Auditors' Reports thereon. (Resolution 1)

2. To approve the payment of Directors' fees amounting to RM288,000.00 for the financial year ended 30 September 2014. (Resolution 2)

3. To re-appoint General Tan Sri Dato' Sri Abdul Rahman Bin Abdul Hamid (Rtd) who retires pursuant to Section 129 of the Companies Act, 1965 as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company. (Resolution 3)

4. To re-elect the following Directors, who retire in accordance with Article 93 of the Company's Articles of Association as follows : -

   a. Leftenant General Dato' Wira Hj Masood Bin Hj Zainal Abidin (Rtd) (Resolution 4)
   b. Chen Sen Loon (Resolution 5)
   c. Lim Pang Yan (Resolution 6)
   d. Philip A/L S. Anthonysamy (Resolution 7)
   e. Sr. Teh Teik Bin (Resolution 8)
   f. Leong Kah Mun (Resolution 9)

5. To re-appoint Messrs STYL Associates as auditors of the Company and to authorize the Directors to fix their remuneration. (Resolution 10)

AS SPECIAL BUSINESS
To consider and, if deemed fit, to pass the following resolutions :

6. **Ordinary Resolution**
   Authority to Allot Shares Pursuant to Section 132D of the Companies Act, 1965. (Resolution 11)

   "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company, at any time until the conclusion of the next Annual General Meeting 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 issued does not exceed ten per cent (10%) of the issued capital of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotments and issues."

7. **Ordinary Resolution**
   Proposed Renewal of Authority for Share Buy-Back (Resolution 12)

   "THAT subject to the Companies Act, 1965 ("Act"), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant governmental authorities, the Company be and is hereby authorised to purchase and/or hold such amount of ordinary shares of RM0.50 each in the Company's issued and paid-up share capital through Bursa Securities from time to time, upon such terms and conditions as the Directors may deem fit in the interest of the Company PROVIDED THAT:-

   a. The maximum aggregate number of ordinary shares which may be purchased and/or held by the Company shall not exceed ten per cent (10%) of the issued and paid-up share capital of the Company at any one time;
   b. The maximum amount of funds to be allocated for the purpose of purchasing its own shares shall not exceed the aggregate amount of the share premium and retained profits of the Company;

NOTICE OF ANNUAL GENERAL MEETING CONT'D

c. The authority conferred by this resolution shall commence immediately upon passing of this ordinary resolution and will continue to be in force until :-
   (i) the conclusion of the next AGM of the Company, at which time the said authority will lapse unless by an ordinary resolution passed at a general meeting of the Company, the authority is renewed, either unconditionally or subject to conditions; or
   (ii) the expiration of the period within which the next AGM after that date is required to be held; or
   (iii) Revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

   whichever occurs first.

AND THAT the Board of Directors ("Board") be and are hereby authorised to decide at their discretion either to retain the Purchased Shares as treasury shares (as defined in Section 67A of the Act) and/or to cancel the Purchased Shares and/or to retain the Purchased Shares as treasury shares for distribution as share dividends to the shareholders of the Company and/or resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or cancelled subsequently and/or to retain part of the Purchased Shares as treasury shares in such other manner as may be permitted by the Act, rules, regulations, guidelines, requirements and/or orders of Bursa Securities and other relevant authorities for the time being in force;

AND THAT the Board be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to effect the aforesaid share buy-back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Board may deem fit and expedient in the best interests of the Company."

8. To transact any other business for which due notice shall have been given.

By order of the Board,

LAANG JHE HOW (MIA 25193)
(Company Secretary)
Kuala Lumpur
Dated: 5 March 2015

NOTICE OF ANNUAL GENERAL MEETING CONT'D

Notes:

1. A member shall be entitled to appoint two (2) proxies to attend, vote and speak at the Meeting and a member who appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
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 shall not apply to the Company.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorized in writing or, if the appointer is a corporation, either under its Common Seal or under the hand of an officer or its attorney duly authorized.
5. The proxy form must be deposited at the registered office, No. 9, Jalan Taruka, Tampoi Industrial Estate, 81200 Johor Bahru, Johor D.T not less than 48 hours before the time appointed the holding of the Meeting.
6. In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 March 2015 ("General Meeting Record of Depositors") shall be entitled to attend, vote and speak at the Meeting or appoint a proxy or proxies to attend, vote and speak in his/her stead.

1. Explanatory Notes on Ordinary Business:-
Ordinary Resolution 1
Audited Financial Statement for the financial year ended 30 September 2014

The item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, the Agenda will not be put forward for voting.

2. Explanatory notes on Special Business
a. Ordinary Resolution 11
Proposed authority to Allot Shares Pursuant to Section 132D of the Companies Act, 1965

The Company wishes to renew the mandate on the authority to issue shares pursuant to Section 132D of the Companies Act, 1965 at the Twenty Fourth AGM of the Company (hereinafter referred to as the "General Mandate").

The Company had been granted a general mandate by its shareholders at the Twenty Third AGM of the Company held on 31 March 2014 (hereinafter referred to as the "Previous Mandate").

On 15 September 2014, under the Previous Mandate, the Company issued 6,000,000 ordinary shares of RM0.50 each at an exercise price of RM0.85 each. The proceeds raised were used for working capital.

The purpose to seek the General Mandate is to enable the Directors of the Company to issue and allot shares any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next Annual General Meeting. The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

b. Ordinary Resolution 12
Proposed Renewal of Authority for Share Buy-Back
The proposed Ordinary Resolution 12, if passed, will empower the Company to purchase and/or hold up to 10% of the issued and paid-up share capital of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expire at the next Annual General Meeting. For further information, please refer to the Statement to Shareholders dated 5 March 2015 which is circulated together with this Annual Report.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Date, Time and Venue of the Twenty Fourth Annual General Meeting ("AGM")

The Twenty Fourth AGM of the Company will be held as follows:

Date	:	26 March 2015
Time	:	10:30 am
Venue	:	Meeting Room 2, Renaissance Johor Bahru Hotel 2 Jalan Permas 11, Bandar Baru Permas Jaya, 81750, Masai, Johor

2. Directors' who are standing for re-election/re-appointment at the Twenty Fourth AGM

Directors standing for re-appointment pursuant to Section 129(6) of the Companies Act, 1965 are :

a. General Tan Sri Dato' Sri Abdul Rahman Bin Abdul Hamid (Rtd)

Directors standing for re-election pursuant to Article 93 of the Company's Articles of Association are:

a. Leftenant General Dato' Wira Hj Masood Bin Hj Zainal Abidin (Rtd)
b. Chen Sen Loon
c. Lim Pang Yan
d. Philip A/L S. Anthonysamy
e. Sr. Teh Teik Bin
f. Leong Kah Mun

The profiles of the above seven (7) Directors are presented in the "Directors' Profile" section on pages 3 to 6. Their securities holdings in the Group are presented in the "Directors' Interest" section on page 89.

3. Board Meetings held in the financial year ended 30 September 2014

Seven (7) Board Meetings were held during the financial year ended 30 September 2014. A record of the Directors' attendances at the Board Meetings is presented in the "Corporate Governance Statement" appearing on pages 13 to 19 of the Annual Report.

4. General Meeting Record of Depositors

For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Article 61 of the Articles of Association of the Company and Paragraph 7.16(2) of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, a Record of Depositors as of 19 March 2015, and a depositor whose name appears on such Record of Depositors shall be entitled to attend this meeting or appoint proxy to attend and/or vote in his stead.

NOTES

PROXY FORM

(Before completing this form please refer to the notes below)

*I/ We ____ (BLOCK LETTERS) NRIC/Company No. ____________________

of ____

being a * Member/Members of Halex Holdings Berhad hereby appoint the following__________person(s):

Name of Proxy, NRIC No. & Address	**No. of Shares to be represented by proxy**
1.	
2.	

or failing * him/her, the CHAIRMAN of the Meeting, as * my/our proxy/proxies to vote and act for * me/us on * my/our behalf at the Twenty Fourth Annual General Meeting of the Company to be held at **Meeting Room 2, Renaissance Johor Bahru Hotel,** on **Thursday, 26 March 2015** at **10:30am** and at any adjournment thereof, and to vote as indicated below :

RESOLUTIONS	**For**	**Against**
1. To receive the Audited Financial Statements for the financial year ended 30 September 2014 and the Directors' and Auditors' Reports thereon.		
2. To approve the payment of Directors' fees for the financial year ended 30 September 2014.		
3. To re-appoint the Director, General Tan Sri Dato' Sri Abdul Rahman Bin Abdul Hamid (Rtd) who retires in accordance with Section 129(6) of the Companies Act, 1965.		
4. To re-elect the Director, Leftenant General Dato' Wira Hj Masood Bin Hj Zainal Abidin (Rtd) who retires in accordance with Article 93 of the Company's Articles of Association.		
5. To re-elect the Director, Mr Chen Sen Loon who retires in accordance with Article 93 of the Company's Articles of Association.		
6. To re-elect the Director, Mr Lim Pang Yan who retires in accordance with Article 93 of the Company's Articles of Association.		
7. To re-elect the Director, Mr Philip A/L S. Anthonysamy who retires in accordance with Article 93 of the Company's Articles of Association.		
8. To re-elect the Director, Sr. Teh Teik Bin who retires in accordance with Article 93 of the Company's Articles of Association.		
9. To re-elect the Director, Mr Leong Kah Mun who retires in accordance with Article 93 of the Company's Articles of Association.		
10. To appoint Messrs. STYL Associates as Auditors and to authorize the Board of Directors to fix their remuneration.		
AS SPECIAL BUSINESS		
11. To approve the Ordinary Resolution pursuant to Section 132D of the Companies Act, 1965.		
12. To approve the Ordinary Resolution on the Proposed Renewal of Authority for Share Buy-Back.		

Please indicate with an "X" in the appropriate space how you wish your votes to be cast. If you do not indicate how you wish your proxy to vote on any Resolution, the proxy will vote as he/ she thinks fit, or, at his/her discretion, abstain from the voting.

As witness* my/our hand this _________ day of __________________ 2015

No. of ordinary share held

____
Signature of Member/Common Seal

* Delete whichever not applicable

Notes:

1. A member shall be entitled to appoint two (2) proxies to attend, vote and speak at the Meeting and a member who appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
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 shall not apply to the Company.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing or, if the appointer is a corporation, either under its Common Seal or under the hand of an officer or its attorney duly authorized.
5. The proxy form must be deposited at the registered office, No. 9, Jalan Taruka, Tampoi Industrial Estate, 81200 Johor Bahru, Johor D.T. not less than 48 hours before the time appointed for the holding of the Meeting.
6. In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 March 2015 ("General Meeting Record of Depositors") shall be entitled to attend, vote and speak at the Meeting or appoint a proxy or proxies to attend, vote and speak in his/her stead.

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STAMP

HALEX HOLDINGS BERHAD (206220-U)
9, Jalan Taruka, Tampoi Industrial Estate,
81200 Johor Bahru, Locked Bag No. 765,
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