

Financial Statements

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Directors' Report

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to subsidiary companies in the Group. The principal activities of the subsidiary companies are disclosed in Note 52 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Net profit for the financial year	67,093,761	51,633,367
Attributable to:		
Owners of the Parent	69,929,925	51,633,367
Non-controlling interests	(2,836,164)	-
	67,093,761	51,633,367

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.

Directors' Report

(cont'd)

DIVIDENDS

Since the end of the last financial year, the Company paid the following dividends:

	RM
Interim single-tier dividend of 1.5 sen on 498,435,057 ordinary shares of RM1.00 each, in respect of the financial year ended 31 December 2013 on 23 May 2014	7,476,525
Final single-tier dividend of 1.5 sen on 508,803,157 ordinary shares of RM1.00 each, in respect of the financial year ended 31 December 2013 on 24 September 2014	7,632,047
Special single-tier dividend of 6 sen on 530,057,957 ordinary shares of RM1.00 each, in respect of the financial year ended 31 December 2014 on 6 February 2015	31,803,477
	<hr/> 46,912,049 <hr/>

On 3 April 2015, the board of directors have proposed a first and final single-tier dividend of 3.25 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2014. The proposed dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up share capital from 479,651,357 to 538,298,257 through the creation of 58,646,900 ordinary shares of RM1.00 each as follows:

- (a) 1,609,900 new ordinary shares of RM1.00 each for cash arising from the exercise of employee's share options at a weighted average exercise price of RM1.15 per ordinary share;
- (b) 37,037,000 new ordinary shares of RM1.00 each for cash arising from the conversion of warrants; and
- (c) 20,000,000 new ordinary shares of RM1.00 each for cash arising from Private Placement.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

There were no debentures issued during the financial year.

Directors' Report

(cont'd)

TREASURY SHARES

The shareholders of the Company, by a resolution passed in the last Annual General Meeting held on 26 June 2014, renewed their approval for the Company's plan to repurchase its own shares. 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 interest of the Company and its shareholders.

During the financial year, the Company repurchased 3,315,300 of its issued shares from the open market. The average price paid for the shares repurchased was RM1.55 per share. The total consideration paid for the repurchase including transaction costs was RM5,137,247. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

As at 31 December 2014, the total number of treasury shares held by the Company is 10,830,000 of its issued ordinary shares and further relevant details are disclosed in Note 25 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to the Employees Share Option Scheme ("ESOS").

WARRANT RESERVES

The warrants 2008/2018 were constituted under the Deed Poll dated 30 April 2008.

As at 31 December 2014, the total number of warrants that remain unexercised were 56,267,578 (2013: 93,304,578).

EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

The Company has established a new Employees' Share Option Scheme ("ESOS") of not more than 15% of the issued share capital of the Company at the point of time throughout the duration of the scheme to eligible directors and employees of the Group, which was approved by shareholders at an Extraordinary General Meeting ("EGM") held on 28 June 2012 to replace the Company's previous ESOS which was implemented on 16 September 2002 and expired on 15 September 2012.

The ESOS became effective for a period of 10 years from 18 September 2012 to 17 September 2022. The salient features and other terms of the ESOS are disclosed in Note 40 to the financial statements.

The movement of options over unissued shares of the Company granted under the ESOS during the financial year are disclosed in Note 40 to the financial statements.

Details of the options granted to directors are disclosed in the section of directors' interests in this report.

Directors' Report

(cont'd)

EMPLOYEES' SHARE OPTION SCHEME ("ESOS") (CONT'D)

The Company has been granted an exemption by the Companies Commission of Malaysia from having to disclose in this report the names of option holders, other than directors, who have been granted options during the financial year to subscribe for less than 95,200 ordinary shares of RM1.00 each and detail of their holdings as required by S169(11) of the Companies Act 1965. This information has been separately filed with the Companies Commission of Malaysia.

The list of employees who have been granted option to subscribe for ordinary shares of RM1.00 each of 95,200 and more during the financial year are as follows:

No. of options over ordinary shares granted	
Wong Kah Yeen	357,000
Datin Sri Wang Swee Hong	238,000
Wong Mei Lan	144,500
Yeoh Keong Hoong	142,800
Chan Si Ming	119,000
Lim Lit Chek	119,000
Wang Hang Min	119,000
Lim Kim Hoe	95,200
Cheah Kah Foo	95,200
Tan Seng Teong	95,200
Ng Kian Lai	95,200
Wong Tack Leong	95,200
Chen Sau Hiong	95,200
Hwang Peng Weng	95,200

DIRECTORS

The directors in office since the date of the last report are as follows:

Dato' Seri Lim Bock Seng, SSSA, DPMS, AMN
 Dato' Sri Lim Hock San, SSAP, DSSA, JP
 Datuk Wira Lim Hock Guan, DCSM, DMSM, PJK, JP
 Maj (Hon) Dato' Sri Lim Hock Sing, SSAP, DIMP, JP
 Datuk Lim Hock Seong, DMSM
 Chia Lok Yuen
 Dato' Lim Mooi Pang, DIMP
 Lim Tong Lee
 Datuk Haji Baharum Bin Haji Mohamed, DMSM, AMN, PIS
 Datuk Lim Si Cheng, PJN, PIS

Directors' Report

(cont'd)

DIRECTORS' INTERESTS

Details of holdings and deemed interests in the share capital, options, warrants over the shares and debentures of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were directors at the end of the financial year, according to the register of directors' shareholdings required to be kept under Section 134 of the Companies Act, 1965, are as follows:

	No. of ordinary shares of RM1.00 each			
	At 1.1.2014	Acquired	Disposed	At 31.12.2014
Gaterich Sdn. Bhd.				
Direct interests				
Dato' Sri Lim Hock San	2,500,000	-	-	2,500,000
Datuk Wira Lim Hock Guan	1,000,000	-	-	1,000,000
Maj (Hon) Dato' Sri Lim Hock Sing	750,000	-	-	750,000
Datuk Lim Hock Seong	750,000	-	-	750,000
LBS Bina Group Berhad				
Direct interests				
Dato' Seri Lim Bock Seng	1,540,000	-	-	1,540,000
Dato' Sri Lim Hock San	10,576,100	985,200	-	11,561,300
Datuk Wira Lim Hock Guan	4,518,800	-	-	4,518,800
Maj (Hon) Dato' Sri Lim Hock Sing	2,125,000	-	-	2,125,000
Datuk Lim Hock Seong	2,309,500	-	-	2,309,500
Chia Lok Yuen	1,850,000	-	-	1,850,000
Dato' Lim Mooi Pang	1,716,900	-	-	1,716,900
LBS Bina Group Berhad				
Indirect interests				
Dato' Seri Lim Bock Seng ¹	2,651,000	20,000	20,000	2,651,000
Dato' Sri Lim Hock San ²	257,515,060	39,997,800	-	297,512,860
Datuk Wira Lim Hock Guan ²	256,710,060	40,729,100	-	297,439,160
Maj (Hon) Dato' Sri Lim Hock Sing ²	256,863,060	39,874,100	-	296,737,160
Datuk Lim Hock Seong ²	256,793,060	39,874,100	-	296,667,160

Directors' Report

(cont'd)

DIRECTORS' INTERESTS (CONT'D)

	No. of options over ordinary shares of RM1.00 each ("ESOS")			
	At 1.1.2014	Granted	Exercised	At 31.12.2014
LBS Bina Group Berhad				
Direct interests				
Datuk Wira Lim Hock Guan	1,625,000	-	-	1,625,000
Dato' Lim Mooi Pang	-	153,000	-	153,000
No. of warrants 2008/2018				
	At 1.1.2014	Acquired	Disposed	At 31.12.2014
LBS Bina Group Berhad				
Direct interests				
Dato' Seri Lim Bock Seng	140,000	-	-	140,000
Datuk Wira Lim Hock Guan	1,326,160	-	-	1,326,160
Indirect interests				
Dato' Seri Lim Bock Seng ¹	404,000	-	-	404,000
Dato' Sri Lim Hock San ³	45,378,946	-	37,000,000	8,378,946
Datuk Wira Lim Hock Guan ³	45,378,946	-	37,000,000	8,378,946
Maj (Hon) Dato' Sri Lim Hock Sing ²	45,433,746	-	37,000,000	8,433,746
Datuk Lim Hock Seong ³	45,378,946	-	37,000,000	8,378,946

Note:

¹ Deemed interests pursuant to Section 134(12)(c) of the Companies Act, 1965 in compliance with the Companies (Amendment) Act, 2007 by virtue of their spouse and/or child direct interests in the Company.

² Deemed interests pursuant to Section 134(12)(c) of the Companies Act, 1965 in compliance with the Companies (Amendment) Act, 2007 by virtue of their spouse and/or child direct interests in the Company and Section 6A of the Companies Act, 1965 by virtue of their direct interests in Gaterich Sdn. Bhd.

³ Deemed interests pursuant to Section 6A of the Companies Act, 1965 by virtue of their direct interests in Gaterich Sdn. Bhd.

Directors' Report

(cont'd)

DIRECTORS' INTERESTS (CONT'D)

By virtue of their interests in the shares of the Company, Dato' Sri Lim Hock San, Datuk Wira Lim Hock Guan, Maj (Hon) Dato' Sri Lim Hock Sing and Datuk Lim Hock Seong are also deemed to have interests in the shares of all the subsidiary companies to the extent that the Company has an interest under Section 6A of the Companies Act, 1965.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company 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) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, other than certain directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 43 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate, other than those arising from warrants and the share options granted under the ESOS.

OTHER STATUTORY INFORMATION

- (a) Before the statements of financial position and statements of profit or loss and other comprehensive income of the Group and of the Company were made out, the directors took reasonable steps:
 - (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance for doubtful debts had been made; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

Directors' Report

(cont'd)

OTHER STATUTORY INFORMATION (CONT'D)

- (b) At the date of this report, the directors are not aware of any circumstances:
- (i) 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
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) 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
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year other than those arising in the normal course of business of the Group and of the Company.
- (d) In the opinion of the directors:
- (i) no contingent liability or other liability of the Group or of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due;
 - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, except as disclosed in the notes to the financial statements; and
 - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely 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.

Directors' Report

(cont'd)

SIGNIFICANT EVENTS

The significant events are disclosed in Note 47 to the financial statements.

SUBSEQUENT EVENTS

The subsequent events are disclosed in Note 48 to the financial statements.

HOLDING COMPANY

Gaterich Sdn. Bhd., a company incorporated in Malaysia, is the Company's holding company.

AUDITORS

The Auditors, Messrs UHY, have expressed their willingness to continue in office.

Signed on behalf of the board of directors in accordance with a resolution of the directors dated 3 April 2015.

.....
DATO' SRI LIM HOCK SAN

KUALA LUMPUR

.....
MAJ (HON) DATO' SRI LIM HOCK SING

Statement by Directors

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

We, the undersigned, being two of the directors of the Company, do hereby state that, in the opinion of the directors, the financial statements set out on pages 128 to 248 are drawn up in accordance with 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 31 December 2014 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 55 to the financial statements on page 249 have been compiled in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the board of directors in accordance with a resolution of the directors dated 3 April 2015.

.....
DATO' SRI LIM HOCK SAN

KUALA LUMPUR

.....
MAJ (HON) DATO' SRI LIM HOCK SING

Statutory Declaration

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

I, Dato' Lim Mooi Pang, being the director primarily responsible for the financial management of LBS Bina Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 128 to 249 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provision of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the)
Federal Territory on 3 April 2015)

.....
DATO' LIM MOOI PANG

Before me,

NO. W521
MOHAN A.S. MANIAM

.....
COMMISSIONER FOR OATHS

Independent Auditors' Report

to the members of LBS Bina Group Berhad

(Company No. : 518482-H)(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of LBS Bina Group Berhad, which comprise statements of financial position as at 31 December 2014 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 128 to 248.

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 Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Independent Auditors' Report

to the members of LBS Bina Group Berhad

(Company No. : 518482-H)(Incorporated in Malaysia)

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiary companies 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 subsidiary companies of which we have not acted as auditors, which are indicated in Note 52 to the financial statements;
- (c) We are satisfied that the financial statements of the subsidiary companies 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; and
- (d) The audit reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 55 on page 249 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 Disclosures 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.

Independent Auditors' Report

to the members of LBS Bina Group Berhad

(Company No. : 518482-H)(Incorporated in Malaysia)

(cont'd)

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.

UHY
Firm Number: AF 1411
Chartered Accountants

CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR
3 April 2015

Statements of Financial Position

as at 31 December 2014

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
Non-Current Assets					
Property, plant and equipment	4	214,444,731	212,749,463	-	-
Capital work-in-progress	5	208,447	3,306,077	-	-
Land and property development costs	6	347,549,001	392,462,614	-	-
Investment properties	7	33,197,563	6,524,170	-	-
Investment in subsidiary companies	8	-	-	393,366,006	393,366,006
Investment in associated companies	9	13,868,068	2,993,256	9,754,704	-
Trade receivables	10	-	13,726,217	-	-
Promissory note	11	159,661,639	219,098,880	-	-
Other investments	12	136,869,815	138,449,101	-	-
Goodwill on consolidation	13	87,142,327	94,154,754	-	-
Deferred tax assets	14	2,989,265	855,372	-	-
Total Non-Current Assets		995,930,856	1,084,319,904	403,120,710	393,366,006
Current Assets					
Land and property development costs	6	383,729,714	237,730,432	-	-
Inventories	15	13,024,091	22,575,116	-	-
Amount owing by customers on contracts	16	3,693,953	-	-	-
Accrued billings in respect of property development costs		123,689,261	71,047,149	-	-
Trade receivables	10	181,575,618	174,316,241	-	-
Other receivables	17	63,631,041	23,496,646	34,104,763	7,088
Promissory note	11	85,866,581	100,573,440	-	-
Other investments	12	27,070,770	-	22,070,770	-
Amount owing by subsidiary companies	18	-	-	190,978,386	65,940,805
Tax recoverable		8,984,728	5,712,285	367,041	3,396,999
Fixed deposits with licensed banks	19	160,983,954	152,756,932	16,196,079	24,486,520
Cash held under Housing Development Accounts	20	89,132,344	57,977,521	-	-
Cash and bank balances	21	82,321,983	78,610,013	3,027,237	751,244
		1,223,704,038	924,795,775	266,744,276	94,582,656
Non-current assets classified as held for sale	22	-	696,991	-	-
Total Current Assets		1,223,704,038	925,492,766	266,744,276	94,582,656
Total Assets		2,219,634,894	2,009,812,670	669,864,986	487,948,662

Statements of Financial Position

as at 31 December 2014

(cont'd)

		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
Equity					
Share capital	23	538,298,257	479,651,357	538,298,257	479,651,357
Share premium	24	44,586,608	26,641,899	44,586,608	26,641,899
Treasury shares	25	(14,678,685)	(9,541,438)	(14,678,685)	(9,541,438)
Other reserves	26	(38,422,577)	(42,942,110)	15,170,918	15,196,581
Retained profits/ (Accumulated losses)		439,277,991	415,847,590	(100,208,020)	(105,153,326)
Equity attributable to owners of the Parent		969,061,594	869,657,298	483,169,078	406,795,073
Non-controlling interests		(7,207,160)	2,982,935	-	-
Total Equity		961,854,434	872,640,233	483,169,078	406,795,073
Non-Current Liabilities					
Islamic Securities	27	-	30,000,000	-	30,000,000
Bank borrowings	28	274,566,258	287,969,337	12,651,900	567,085
Trade payables	29	50,854,138	119,328,319	-	-
Other payables	30	48,591,303	47,432,572	-	-
Finance lease payables	31	3,688,384	3,303,044	-	-
Amount owing to a subsidiary company	18	-	-	41,442,423	-
Deferred tax liabilities	32	40,985,971	39,539,682	-	-
Total Non-Current Liabilities		418,686,054	527,572,954	54,094,323	30,567,085
Current Liabilities					
Amount owing to customers on contracts	16	5,093,951	3,612,851	-	-
Progress billings in respect of property development costs		116,799,940	77,221,417	-	-
Trade payables	29	277,401,479	199,457,872	-	-
Other payables	30	234,037,527	256,536,875	32,104,762	1,484,980
Bank overdrafts	33	13,263,668	761,587	7,771,560	120,561
Finance lease payables	31	1,025,908	1,019,477	-	-
Islamic Securities	27	10,000,000	-	10,000,000	-
Bank borrowings	28	173,964,415	60,035,307	57,572,442	-
Amount owing to subsidiary companies	18	-	-	25,152,821	48,980,963
Tax payable		7,507,518	10,954,097	-	-
Total Current Liabilities		839,094,406	609,599,483	132,601,585	50,586,504
Total Liabilities		1,257,780,460	1,137,172,437	186,695,908	81,153,589
Total Equity and Liabilities		2,219,634,894	2,009,812,670	669,864,986	487,948,662

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

Statements of Profit or Loss and Other Comprehensive Income

for the financial year ended 31 December 2014

	Note	Group		Company	
		2014 RM	2013 RM	2014 RM	2013 RM
Continuing operations					
Revenue	34	668,265,030	533,532,722	62,149,237	74,168,426
Cost of sales	35	(455,874,300)	(364,955,568)	-	-
Gross profit		212,390,730	168,577,154	62,149,237	74,168,426
Other income		29,795,333	359,117,909	7,292,393	4,618,973
Operating expenses		(116,014,319)	(85,596,945)	(11,416,786)	(8,794,630)
Profit from operations		126,171,744	442,098,118	58,024,844	69,992,769
Finance costs	36	(23,535,952)	(15,170,850)	(4,403,971)	(4,626,563)
Share of profit/(loss) in associated companies		1,493,262	(25,347)	-	-
Profit before taxation	37	104,129,054	426,901,921	53,620,873	65,366,206
Taxation	38	(37,035,293)	(32,886,164)	(1,987,506)	(8,621,200)
Profit from continuing operations		67,093,761	394,015,757	51,633,367	56,745,006
Discontinued operations					
Profit from discontinued operations	8(f)	-	3,307,897	-	-
Net profit for the financial year		67,093,761	397,323,654	51,633,367	56,745,006
Other comprehensive income					
Exchange translation differences for foreign operations		29,514,783	13,682,663	-	-
Transactions with non-controlling interests		-	271,036	-	-
Gain on revaluation of available-for-sale financial assets		4,646,143	-	54,074	-
Reclassification adjustment for disposal of available-for-sale financial assets		1,465,100	-	-	-
		35,626,026	13,953,699	54,074	-
Total comprehensive income for the financial year		102,719,787	411,277,353	51,687,441	56,745,006

Statements of Profit or Loss and Other Comprehensive Income

for the financial year ended 31 December 2014
(cont'd)

		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
Net profit for the financial year attributable to:					
Owners of the Parent		69,929,925	392,662,537	51,633,367	56,745,006
Non-controlling interests		(2,836,164)	4,661,117	-	-
		67,093,761	397,323,654	51,633,367	56,745,006
Total comprehensive income for the financial year attributable to:					
Owners of the Parent		106,711,661	399,978,862	51,687,441	56,745,006
Non-controlling interests		(3,991,874)	11,298,491	-	-
		102,719,787	411,277,353	51,687,441	56,745,006
Earnings per share attributable to owners of the Parent (sen)					
Basic earnings per share	39(a)				
Profit from continuing operations		14.06	95.40		
Profit from discontinued operations		-	0.69		
Total		14.06	96.09		
Diluted earnings per share	39(b)				
Profit from continuing operations		13.45	91.39		
Profit from discontinued operations		-	0.66		
Total		13.45	92.05		

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

Statements of Changes in Equity

for the financial year ended 31 December 2014

Group	Note	Attributable to owners of the Parent					Total RM	Non- Controlling Interests RM	Total Equity RM
		Share Capital RM	Share Premium RM	Other Reserves RM	Treasury Shares RM	Retained Profits RM			
At 1 January 2013		386,552,557	16,945,016	(21,280,284)	(4,406,841)	67,294,676	445,105,124	81,726,359	526,831,483
Net profit for the financial year		-	-	-	-	392,662,537	392,662,537	4,661,117	397,323,654
Transactions with non-controlling interests		-	-	271,036	-	-	271,036	-	271,036
Foreign currency translation		-	-	7,045,289	-	-	7,045,289	6,637,374	13,682,663
Total comprehensive income for the financial year		-	-	7,316,325	-	392,662,537	399,978,862	11,298,491	411,277,353
Transactions with owners:									
Net changes of non-controlling interests		-	-	-	-	-	-	(77,846,879)	(77,846,879)
Changes in ownership interest in subsidiary companies		-	-	(13,454,965)	-	-	(13,454,965)	(9,255,036)	(22,710,001)
Realisation of subsidiary company's reserve		-	-	(122,424)	-	122,424	-	-	-
Loss on revaluation of available-for-sale financial assets		-	-	(12,386,165)	-	-	(12,386,165)	-	(12,386,165)
Dividends paid	42	-	-	-	-	(44,362,406)	(44,362,406)	-	(44,362,406)
Dividends paid to non-controlling interests		-	-	-	-	-	-	(2,940,000)	(2,940,000)
Issuance of ordinary shares :									
- Conversion of warrants	23,24,26	60,772,000	6,077,200	(6,077,200)	-	-	60,772,000	-	60,772,000
- Exercise of ESOS	23,24	32,326,800	438,936	-	-	-	32,765,736	-	32,765,736
Own shares sold	24,25	-	3,180,747	-	8,168,867	-	11,349,614	-	11,349,614
Shares repurchased	25	-	-	-	(13,303,464)	-	(13,303,464)	-	(13,303,464)
Share-based payment	26	-	-	3,062,603	-	130,359	3,192,962	-	3,192,962
		93,098,800	9,696,883	(28,978,151)	(5,134,597)	(44,109,623)	24,573,312	(90,041,915)	(65,468,603)
At 31 December 2013		479,651,357	26,641,899	(42,942,110)	(9,541,438)	415,847,590	869,657,298	2,982,935	872,640,233

Statements of Changes in Equity

for the financial year ended 31 December 2014

(cont'd)

Group	Note	Attributable to owners of the Parent					Total RM	Non- Controlling Interests RM	Total Equity RM
		Share Capital RM	Share Premium RM	Other Reserves RM	Treasury Shares RM	Retained Profits RM			
At 1 January 2014		479,651,357	26,641,899	(42,942,110)	(9,541,438)	415,847,590	869,657,298	2,982,935	872,640,233
Net profit for the financial year		-	-	-	-	69,929,925	69,929,925	(2,836,164)	67,093,761
Foreign currency translation		-	-	30,670,493	-	-	30,670,493	(1,155,710)	29,514,783
Gain on revaluation of available-for-sale financial assets		-	-	4,646,143	-	-	4,646,143	-	4,646,143
Reclassification adjustment for disposal of available-for-sale financial assets		-	-	1,465,100	-	-	1,465,100	-	1,465,100
Total comprehensive income for the financial year		-	-	36,781,736	-	69,929,925	106,711,661	(3,991,874)	102,719,787
Transactions with owners:									
Net changes of non-controlling interests		-	-	-	-	-	-	537,850	537,850
Changes in ownership interest in subsidiary companies	8(d)	-	-	(31,993,929)	-	-	(31,993,929)	(2,606,071)	(34,600,000)
Realisation of subsidiary company's reserve		-	-	(188,537)	-	188,537	-	-	-
Dividends paid/payable	42	-	-	-	-	(46,912,049)	(46,912,049)	-	(46,912,049)
Dividends paid to non-controlling interests		-	-	-	-	-	-	(4,130,000)	(4,130,000)
Issuance of ordinary shares :									
- Conversion of warrants	23,24,26	37,037,000	3,703,700	(3,703,700)	-	-	37,037,000	-	37,037,000
- Exercise of ESOS	23,24	1,609,900	241,009	-	-	-	1,850,909	-	1,850,909
- Private Placement	23,24	20,000,000	14,000,000	-	-	-	34,000,000	-	34,000,000
Shares repurchased	25	-	-	-	(5,137,247)	-	(5,137,247)	-	(5,137,247)
Share-based payment	26	-	-	3,623,963	-	223,988	3,847,951	-	3,847,951
		58,646,900	17,944,709	(32,262,203)	(5,137,247)	(46,499,524)	(7,307,365)	(6,198,221)	(13,505,586)
At 31 December 2014		538,298,257	44,586,608	(38,422,577)	(14,678,685)	439,277,991	969,061,594	(7,207,160)	961,854,434

Statements of Changes in Equity

for the financial year ended 31 December 2014

(cont'd)

Company	Note	Non-distributable					Assets		Total RM
		Share Capital RM	Share Premium RM	ESOS Reserve RM	Warrant Reserve RM	Treasury Shares RM	Revaluation Reserve RM	Accumulated Losses RM	
At 1 January 2013		386,552,557	16,945,016	3,258,606	14,952,572	(4,406,841)	-	(117,666,285)	299,635,625
Total comprehensive income for the financial year		-	-	-	-	-	-	56,745,006	56,745,006
Transactions with owners:									
Issuance of shares:									
- Conversion of warrants	23,24,26	60,772,000	6,077,200	-	(6,077,200)	-	-	-	60,772,000
- Exercise of ESOS	23,24	32,326,800	438,936	-	-	-	-	-	32,765,736
Shares repurchased	25	-	-	-	-	(13,303,464)	-	-	(13,303,464)
Own shares sold	24,25	-	3,180,747	-	-	8,168,867	-	-	11,349,614
Share-based payment	26	-	-	3,062,603	-	-	-	130,359	3,192,962
Dividends paid	42	-	-	-	-	-	-	(44,362,406)	(44,362,406)
		93,098,800	9,696,883	3,062,603	(6,077,200)	(5,134,597)	-	(44,232,047)	50,414,442
At 31 December 2013		479,651,357	26,641,899	6,321,209	8,875,372	(9,541,438)	-	(105,153,326)	406,795,073
At 1 January 2014		479,651,357	26,641,899	6,321,209	8,875,372	(9,541,438)	-	(105,153,326)	406,795,073
Net profit for the financial year		-	-	-	-	-	-	51,633,367	51,633,367
Gain on revaluation of available-for-sale financial assets		-	-	-	-	-	54,074	-	54,074
Total comprehensive income for the financial year		-	-	-	-	-	54,074	51,633,367	51,687,441
Transactions with owners:									
Issuance of shares:									
- Conversion of warrants	23,24,26	37,037,000	3,703,700	-	(3,703,700)	-	-	-	37,037,000
- Exercise of ESOS	23,24	1,609,900	241,009	-	-	-	-	-	1,850,909
- Private Placement	23,24	20,000,000	14,000,000	-	-	-	-	-	34,000,000
Shares repurchased	25	-	-	-	-	(5,137,247)	-	-	(5,137,247)
Share-based payment	26	-	-	3,623,963	-	-	-	223,988	3,847,951
Dividends paid / payable	42	-	-	-	-	-	-	(46,912,049)	(46,912,049)
		58,646,900	17,944,709	3,623,963	(3,703,700)	(5,137,247)	-	(46,688,061)	24,686,564
At 31 December 2014		538,298,257	44,586,608	9,945,172	5,171,672	(14,678,685)	54,074	(100,208,020)	483,169,078

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

Consolidated Statement of Cash Flows

for the financial year ended 31 December 2014

	2014 RM	2013 RM
Cash Flows From Operating Activities		
Profit before taxation from:		
- continuing operations	104,129,054	426,901,921
- discontinued operations	-	3,269,216
Adjustments for:		
Bad debts written off	26,853	82,447
Depreciation of investment properties	460,232	150,507
Depreciation of property, plant and equipment	15,091,813	5,737,291
Impairment of goodwill arising on consolidation	7,050,743	9,139,084
Impairment on investment in associated company	199,999	-
Impairment on investment properties	-	48,942
Impairment on trade and other receivables	-	26,036
Interest expense on financial liabilities measured at amortised cost	7,089,063	-
Interest expense	16,446,889	15,170,850
Property, plant and equipment written off	17,365	286,932
Share of (profit)/loss in associated companies	(1,493,262)	25,347
Share-based payment	3,847,951	3,192,962
Unquoted investment written off	-	5,000
Loss on disposal of quoted shares	1,912,925	-
Unrealised loss on foreign exchange	1,174,120	410,465
Negative goodwill written off	-	(3,297,169)
Gain on disposal of associated companies	-	(91,870)
Gain on disposal of property, plant and equipment	(65,126)	(199,213)
Gain on disposal of investment in mutual fund	(40,834)	-
Gain on disposal of subsidiary companies	-	(341,615,895)
Gain on disposal of non-current assets classified as held for sale	(70,200)	(2,384,963)
Interest income	(5,007,678)	(4,135,337)
Interest income from financial assets measured at amortised cost	(19,179,133)	(1,540,829)
Allowance for doubtful debts no longer required	(41,269)	(232,480)
Dividend income from quoted investment	(2,854,961)	-
Balance carried down	128,694,544	110,949,244

Consolidated Statement of Cash Flows

for the financial year ended 31 December 2014

(cont'd)

	2014 RM	2013 RM
Cash Flows From Operating Activities (Cont'd)		
Balance brought down	128,694,544	110,949,244
Changes in working capital		
Inventories	9,556,915	(9,001,266)
Land and property development costs	(90,553,595)	(214,521,767)
Amount owing by/to customers on contracts	(2,212,853)	1,955,649
Accrued/Progress billings in respect of property development costs	(13,063,589)	78,794,459
Trade receivables	(18,147,184)	(27,239,262)
Other receivables	(36,833,756)	9,617,384
Trade payables	1,944,542	(4,464,561)
Other payables	(17,002,475)	149,701,138
Foreign exchange reserve	2,627,098	2,642,461
	(163,684,897)	(12,515,765)
Cash (used in)/generated from operations	(34,990,353)	98,433,479
Dividends received	2,854,961	-
Interest received	5,007,678	4,135,337
Interest paid	(26,978,964)	(27,216,791)
Tax paid	(54,012,413)	(61,878,493)
Tax refund	2,418,593	1,460,526
	(70,710,145)	(83,499,421)
Net cash (used in)/ generated from operating activities	(105,700,498)	14,934,058
Cash Flows From Investing Activities		
Additional investment in subsidiary companies	(4,081,600)	-
Investment in an associated company	(9,754,704)	-
Proceeds from disposal of property, plant and equipment	504,644	502,785
Proceeds from disposal of non-current assets classified as held for sale	511,527	8,163,700
Investment in mutual fund	(46,000,000)	-
Proceeds from disposal of investment in mutual fund	19,024,137	-
Proceeds from disposal of investment in quoted shares	15,699,566	-
Proceeds from promissory note	112,700,000	-
Net cash inflow from disposal of subsidiary companies	8(f) -	191,182,185
Net cash (outflow)/inflow from acquisition of subsidiary companies	8(b) (285,690)	3,510,689
Capital work-in-progress incurred	5 (208,447)	(2,039,523)
Purchase of investment properties	(469,226)	(282,859)
Purchase of property, plant and equipment	4(v) (3,588,232)	(4,059,461)
Repayment of prior year investment in subsidiary and associated companies	(20,233,934)	(37,358,257)
Net cash generated from investing activities	63,818,041	159,619,259

Consolidated Statement of Cash Flows

for the financial year ended 31 December 2014

(cont'd)

	2014 RM	2013 RM
Cash Flows From Financing Activities		
(Increase)/Decrease in fixed deposits pledged	(27,337,595)	25,225,066
Increase in cash and bank balances pledged	(2,904,330)	(3,302,506)
Drawdown of bank borrowings	270,742,441	322,629,022
Repayment of bank borrowings	(186,428,156)	(297,108,183)
Dividends paid	(15,108,572)	(44,362,406)
Dividends paid to non-controlling interests	(4,130,000)	(2,940,000)
Purchase of treasury shares	(5,137,247)	(13,303,464)
Proceeds from issuance of shares	34,000,000	-
Proceeds from conversion of warrants	37,037,000	60,772,000
Proceeds from disposal of treasury shares	-	11,349,614
Proceeds from exercise of ESOS	1,850,909	32,765,736
Repayment of finance lease payables	(1,191,229)	(1,166,189)
Repayment of Islamic Securities	(20,000,000)	(45,000,000)
Repayment of loans	(48,532,095)	-
Net cash generated from financing activities	32,861,126	45,558,690
Net (decrease)/increase in cash and cash equivalents	(9,021,331)	220,112,007
Effects of exchange rate changes	9,371,140	1,426,509
Cash and cash equivalents at the beginning of the financial year	267,439,254	45,900,738
Cash and cash equivalents at the end of the financial year	267,789,063	267,439,254
Cash and cash equivalents at the end of the financial year comprise:		
Fixed deposits with licensed banks	160,983,954	152,756,932
Cash held under Housing Development Accounts	89,132,344	57,977,521
Cash and bank balances	82,321,983	78,610,013
Bank overdrafts	(13,263,668)	(761,587)
	319,174,613	288,582,879
Less: Fixed deposits pledged to licensed banks	(42,670,038)	(15,332,443)
Cash and bank balances pledged	(8,715,512)	(5,811,182)
	267,789,063	267,439,254

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

Statement of Cash Flows

for the financial year ended 31 December 2014

	2014 RM	2013 RM
Cash Flows From Operating Activities		
Profit before taxation	53,620,873	65,366,206
Adjustments for:		
Interest expense	4,403,971	4,626,563
Share-based payment	3,847,951	3,192,962
Unrealised loss on foreign exchange	6,239,844	10,219
Interest income	(7,292,209)	(2,855,033)
Gain on disposal of investment in mutual fund	(40,834)	-
Dividend income	(61,988,403)	(74,048,426)
Operating loss before working capital changes	(1,208,807)	(3,707,509)
Changes in working capital		
Other receivables	(114,315)	(2,588)
Other payables	(1,183,695)	(26,536)
Amount owing to/by subsidiary companies	(112,519,757)	48,340,020
	(113,817,767)	48,310,896
Cash (used in)/generated from operations	(115,026,574)	44,603,387
Dividends received	28,005,043	64,734,882
Interest received	7,292,209	2,855,033
Interest paid	(4,403,971)	(4,626,563)
Tax refund	1,594,350	1,134,895
Tax paid	(551,898)	-
	31,935,733	64,098,247
Net cash (used in)/generated from operating activities	(83,090,841)	108,701,634
Cash Flows From Investing Activities		
Investment in mutual fund	(41,000,000)	-
Investment in a associated company	(9,754,704)	-
Proceeds from disposal of investment in mutual fund	19,024,137	-
Net cash used in investing activities	(31,730,567)	-

Statement of Cash Flows

for the financial year ended 31 December 2014

(cont'd)

	2014 RM	2013 RM
Cash Flows From Financing Activities		
Dividends paid	(15,108,572)	(44,362,406)
(Increase)/decrease in fixed deposits pledged	(1,689,915)	28,543,433
Decrease in cash and bank balances pledged	76,176	299,611
Drawdown of bank borrowings	68,372,360	7,866,610
Purchase of treasury shares	(5,137,247)	(13,303,464)
Proceeds from issuance of shares	34,000,000	-
Proceeds from conversion of warrants	37,037,000	60,772,000
Proceeds from disposal of treasury shares	-	11,349,614
Proceeds from exercise of ESOS	1,850,909	32,765,736
Repayment of bank borrowings	(124,443)	(123,337,237)
Repayment of Islamic Securities	(20,000,000)	(45,000,000)
Net cash generated from /(used in) financing activities	99,276,268	(84,406,103)
Net (decrease)/increase in cash and cash equivalents	(15,545,140)	24,295,531
Effects of exchange rate changes	265,954	(1,470,836)
Cash and cash equivalents at beginning of the financial year	14,390,650	(8,434,045)
Cash and cash equivalents at end of the financial year	(888,536)	14,390,650
Cash and cash equivalents at end of the financial year comprise:		
Fixed deposits with licensed banks	16,196,079	24,486,520
Cash and bank balances	3,027,237	751,244
Bank overdrafts	(7,771,560)	(120,561)
	11,451,756	25,117,203
Less: Fixed deposits pledged with licensed banks	(11,792,193)	(10,102,278)
Cash and bank balances pledged	(548,099)	(624,275)
	(888,536)	14,390,650

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

Notes to the Financial Statements

1. CORPORATE INFORMATION

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

The registered office and principal place of business of the Company is located at Plaza Seri Setia, Level 1 - 4, No. 1, Jalan SS9/2, 47300 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are investment holding and provision of management services to subsidiary companies in the Group. The principal activities of its subsidiary companies are disclosed in Note 52 to the financial statements. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

Gaterich Sdn. Bhd., a company incorporated in Malaysia, is the Company's holding company.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") 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 convention, unless otherwise indicated in the significant accounting policies below.

Adoption of new and amended standards and IC Interpretation

During the financial year, the Group and the Company have adopted the following Amendments to FRSs and IC Interpretation issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for the current financial year:

Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

The adoption of the above amendments to FRSs and IC Interpretation did not have any significant impact on the financial statements of the Group and of the Company.

Notes to the Financial Statements

(cont'd)

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following new FRSs and amendments to FRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to FRS 119	Defined Benefits Plans: Employee Contributions	1 July 2014
Annual Improvements to FRSs 2010 – 2012 Cycle		1 July 2014
Annual Improvements to FRSs 2011 – 2013 Cycle		1 July 2014
FRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Annual Improvements to FRSs 2012–2014 Cycle		1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018

The Group and the Company intend to adopt the above FRSs when they become effective.

Notes to the Financial Statements

(cont'd)

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

The initial application of the abovementioned FRSs is not expected to have any significant impact on the financial statements of the Group and of the Company except as mentioned below:

FRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)

FRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of FRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. FRS 9 when effective will replace FRS 139 *Financial Instruments: Recognition and Measurement*.

FRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial assets. Investment in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. FRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under FRS 139.

The adoption of FRS 9 will result in a change in accounting policy. The Group and the Company are currently examining the financial impact of adopting FRS 9.

New Malaysian Financial Reporting Standards ("MFRS Framework") issued but not yet effective

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 *Agriculture* and IC Interpretation 15 *Agreements for Construction of Real Estate*, including its parent, significant investor and venturer (hereinafter called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework and continue to use the existing FRS Framework. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017.

Notes to the Financial Statements

(cont'd)

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

New Malaysian Financial Reporting Standards ("MFRS Framework") issued but not yet effective (cont'd)

The Group and the Company fall within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in their first MFRS financial statements for the financial year ending 31 December 2017. In presenting their first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group and the Company have not completed its assessment of the financial effects of the differences between FRSs and accounting standards under the MFRS Framework. Accordingly, the consolidated and separate financial performance and financial position as disclosed in these financial statements for the financial year ended 31 December 2014 could be different if prepared under the MFRS Framework.

(b) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Group's and the Company's functional currency and all values have been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, 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 amounts of the assets or liabilities affected in the future.

Judgments

There are no significant areas of critical judgement in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

Notes to the Financial Statements

(cont'd)

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (cont'd)

Key sources of estimation uncertainty

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

(i) Useful lives of property, plant and equipment and investment properties

The Group regularly review the estimated useful lives of property, plant and equipment and investment properties based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and investment properties would increase the recorded depreciation and decrease the value of property, plant and equipment and investment properties. The carrying amount at the reporting date for property, plant and equipment and investment properties are disclosed in Notes 4 and 7 respectively.

(ii) Property development costs

The Group recognises property development revenue and expenses in the statements of profit or loss and other comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred, for work performed to date bear to the estimated total property development costs. Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(iii) Impairment of investment in subsidiary companies

The Company carried out the impairment test based on the estimation of the higher of the value-in-use or the fair value less costs of disposal of the cash-generating units to which the investments in subsidiary companies belong to. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows. An impairment loss is recognised immediately in the profit or loss if the recoverable amount is less than the carrying amount. The carrying amount at the reporting date for investment in subsidiary companies is disclosed in Note 8.

(iv) Impairment of investment in associated companies

The carrying values of investment in associated companies are reviewed for impairment at reporting date. In the determination of the value in use of the investment, the Group is required to estimate the expected cash flows to be generated by the associated companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount at the reporting date for investment in associated companies is disclosed in Note 9.

Notes to the Financial Statements

(cont'd)

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (cont'd)

Key sources of estimation uncertainty (cont'd)

(v) Impairment of loans and receivables

The Group assesses at end of each reporting period whether there is any objective evidence that a receivables 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 receivables 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 of assets with similar credit risk characteristics. The carrying amount at the reporting date for loan and receivables are disclosed in Notes 10, 11, 17 and 18 respectively.

(vi) Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The impairment assessment of goodwill is disclosed in Note 13.

(vii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Details of deferred tax assets are disclosed in Note 14.

(viii) Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 15.

Notes to the Financial Statements

(cont'd)

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (cont'd)

Key sources of estimation uncertainty (cont'd)

(ix) Construction contracts

The Group recognises construction contracts revenue and expenses in statements of profit or loss based on stage of completion method. Revenue recognised from construction contracts reflects management's best estimate about each contract's outcome and stage of completion. The Group assesses the profitability of on-going construction contracts and the order backlog at least monthly, using project management procedures. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty. Details of construction contracts costs are disclosed in Note 16.

(x) Income taxes

Judgment is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of income taxes expense are disclosed in Note 38.

(xi) Employees' Share Option Scheme

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also require determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. Details of assumptions made in respect of the share-based payment scheme are disclosed in Note 40.

(xii) Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting internal and external experts to the Group, for matters in the ordinary course of business. Details of contingent liabilities are disclosed in Note 51.

Notes to the Financial Statements

(cont'd)

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (cont'd)

Key sources of estimation uncertainty (cont'd)

(xiii) Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the Note 45(c) regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interests in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

If the business combination is achieved in stages, previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

Notes to the Financial Statements

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(i) Subsidiary companies (cont'd)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with FRS 139: *Financial Instruments: Recognition and Measurement* either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

Notes to the Financial Statements

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired.

(b) Investments associated companies

An associate is an entity over which the Group and the Company have significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

On acquisition of an investment in an associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associate's profit or loss for the period in which the investment is acquired.

An associate or a joint venture is equity accounted for from the date on which the investee becomes an associate. Under the equity method, on initial recognition the investment in an associate is recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate exceeds the carrying amount of the investment, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits or losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Notes to the Financial Statements

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Investments associated companies (cont'd)

After application of the equity method, the Group applies FRS 139 to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with FRS 136 *Impairment of Assets* as a single assets, by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investments in associates are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

(c) Foreign currency

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

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

Notes to the Financial Statements

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Foreign currency (cont'd)

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2012 (the date of transition to MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary company, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed off such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy for the recognition and measurement of impairment is in accordance with Note 3(m)(i).

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of 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. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

Notes to the Financial Statements

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, plant and equipment (cont'd)

(i) Recognition and measurement (cont'd)

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

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss. On disposal of a revalued asset, the amounts in revaluation reserve relating to those assets are transferred to retained profits.

(ii) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property and accounted for in accordance with Note 3(g).

(iii) Subsequent costs

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

(iv) Depreciation

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Leasehold land	Over the remaining period of the lease
Buildings	20 to 50 years
Motor vehicles	5 years
Office equipment, furniture and fittings	2 to 10 years
Renovations	5 to 10 years
Plant, machinery and equipment	5 to 10 years
Motor racing circuit	20 years

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

Notes to the Financial Statements

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Capital work-in-progress

Capital work-in progress consists of expenditure incurred on construction of property, plant and equipment and investment properties which takes a substantial period of time to be ready for their intended use.

Capital work-in-progress is stated at cost during the period of construction. No depreciation is provided on capital work-in-progress and upon completion of construction, the cost will be transferred to property, plant and equipment or investment properties.

(f) Land and property development costs

(i) Land held for property development

Land held for property development consists of land held for future development activities where no development activities has been undertaken or where development activities are not expected to be completed within normal operating cycle. Such land is classified as non-current asset and is stated at cost less any accumulated impairment losses. The policy of recognition and measurement of impairment is in accordance with Note 3(m)(i).

Land held for property development is reclassified as current asset when the development activities have commenced or development activities are expected to commence within the period of twelve months after the end of financial year and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

(ii) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Property development costs shall be classified as non-current asset where no development activities have been carried out or development activities are not expected to commence within the period of twelve months after the end of financial year or where development activities are not expected to be completed within the normal operating cycle.

Property development costs shall be reclassified to current asset when the development activities have been commenced or development activities are expected to commence within the period of twelve months after the end of financial year or where the activities are expected to be completed within the normal operating cycle.

Notes to the Financial Statements

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Land and property development costs (cont'd)

(ii) Property development costs (cont'd)

When the financial outcome of development activity can be reliably estimated, property development revenue and expenses are recognised in the profit or loss by using the stage of completion. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

When the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on units sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project including costs to be incurred over the defects liability period shall be recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which measured at the lower of cost and net realisable value.

When the revenue recognised in the profit or loss exceeds billings to purchasers, the balance is shown as accrued billings under current assets. When the billings to purchasers exceed the revenue recognised in the profit or loss, the balance is shown as progress billings under current liabilities.

(g) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rate is as follows:

Buildings

50 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Notes to the Financial Statements

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Investment properties (cont'd)

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(m)(i) to the financial statements on impairment of non-financial assets.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. Upon disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss.

(h) Financial assets

Financial assets are recognised on 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.

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The Group and the Company classify their financial assets depends on the purpose for which the financial assets were acquired at initial recognition, into the following categories:

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

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets that are designated into this category upon initial recognition. A financial asset is classified in this category if it is acquired principally for the purpose of selling it in the near term. Derivatives, including separated embedded derivatives, are also categorised as held for trading unless they are designated as effective hedging instruments. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

After initial recognition, financial assets in this category are measured at fair value with any gains or losses arising from changes in the fair values recognised in profit or loss in the period in which the changes arise.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

Notes to the Financial Statements

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial assets (cont'd)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing later than 12 months after the end of the reporting period which are classified as non-current assets.

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group and the Company have the positive intention and ability to hold to maturity. They are classified as non-current assets, except for those having maturity within 12 months after the end of the reporting period which are classified as current.

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

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the end of the reporting period.

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 asset 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 from an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised and derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

Notes to the Financial Statements

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial assets (cont'd)

A financial asset is derecognised when the contractual rights to receive cash flows from the financial assets has expired or have been transferred and the Group and the Company has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or loss that had been recognised in equity is recognised in the profit or loss.

(i) Non-current assets (or disposal groups) held for sale and discontinued operation

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group). Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

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

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-represented as if the operation had been discontinued from the start of the comparative period.

Notes to the Financial Statements

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Construction costs

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of contract as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion method is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract cost.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable recoverable and contract costs are recognised as expenses in the period in which they are incurred.

Irrespective whether the outcome of a construction contract can be estimated reliably, when it is probable that contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the year end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is presented as amounts due from contract customers. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as amounts due to contract customers.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts 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 purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude fixed deposits, sinking funds account and cash collateral account pledged to secure banking facilities, if any.

(l) Inventories

Raw materials, work-in-progress, finished goods and completed properties are stated at the lower of cost and net realisable value.

Cost of raw material is determined on a first-in-first out (or weighted average) basis. Cost of finished goods and work-in-progress consists of direct material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity).

Notes to the Financial Statements

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Inventories (cont'd)

The cost of completed properties includes costs of land and related development cost or its purchase costs and incidental cost of acquisition.

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

(m) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, amount due from contract customers, deferred tax assets, assets arising from employee benefits, investment property measured at fair value and non-current assets (or disposal groups) classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

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

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

Notes to the Financial Statements

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Impairment of assets (cont'd)

(i) Non-financial assets (cont'd)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed 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. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

All financial assets, other than those categorised as fair value through profit or loss, investment in subsidiary companies and investment in associated companies, are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

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 considers 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 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 defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in the profit or loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

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 (such as an improvement in the receivable's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

Notes to the Financial Statements

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Impairment of assets (cont'd)

(ii) Financial assets (cont'd)

Available-for-sale financial assets

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. A significant or prolonged decline in the fair value of investments in equity instruments below its cost is also an objective evidence of impairment.

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

(n) Share capital

(i) Ordinary shares

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. Ordinary shares are recorded at the nominal value of shares issued. Ordinary shares are classified as equity.

Dividends on ordinary shares are accounted for in equity as appropriation of retained earnings and recognised as a liability in the period in which they are declared.

(ii) Treasury shares

When issued share of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares in the statement of changes in equity. No gain or loss is recognised in the statement of profit or loss on the sale, re-issuance or cancellation of the treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is applied as a reduction of the share premium account or the distributable retained profits, or both.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

Notes to the Financial Statements

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Financial liabilities

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

Financial liabilities are recognised on 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.

The Group and the Company classify their financial liabilities at initial recognition, into the following categories:

(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 into this category upon initial recognition.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivatives financial instruments that are not designated as effective hedging instruments. Separated embedded derivatives are also categorised as held for trading unless they are designated as effective hedging instruments.

Gains or losses on financial liabilities held for trading are recognised in profit or loss.

(ii) Other financial liabilities measured at amortised cost

The Group's and the Company's other financial liabilities comprise trade and other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings 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.

Gains and losses on financial liabilities measured at amortised cost are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

(iii) Derecognition of financial liabilities

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Notes to the Financial Statements

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Offsetting of financial instruments

A financial asset and a financial liability is offset and the net amount reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(q) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

(i) Finance lease

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

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as a property, plant and equipment.

(ii) Operating lease

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

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

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

Notes to the Financial Statements

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the enterprise and the amount of the revenue can be measured reliably.

(i) Property development

Revenue derived from property development activities is recognised based on the percentage of completion method. The stage of completion is determined based on the total actual costs incurred to date over the estimated total property development costs.

(ii) Construction contracts

Revenue from work done on construction contracts is recognised based on the percentage of completion method. The stage of completion is determined based on the total actual costs incurred to date over the estimated total contract costs. Allowance for foreseeable losses is made in the financial statements when such losses can be determined.

(iii) Sales of goods and services rendered

Revenue from sales of goods and services measured at the fair value of the consideration receivable and is recognised when significant risk and rewards have been transferred to the buyer, if any, or upon performance of services, net of sales taxes and discounts.

(iv) Dividend income

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

(v) Rental income and interest income

Rental income and interest income are recognised as it accrues unless ability to collect is in doubt.

(vi) Motor car racing event income

Motor car racing event income is recognised when the event is completed and services rendered.

(vii) Motor racing sponsorship income

Motor racing sponsorship income is recorded on receipt.

Notes to the Financial Statements

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Contingencies

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

(t) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the 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. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

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

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

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(v) Income taxes

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

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

Notes to the Financial Statements

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Income taxes (cont'd)

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

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

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

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

(w) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. 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. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur. The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contributions to the state pension scheme, the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiary companies also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

Notes to the Financial Statements

(cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Employee benefits (cont'd)

(iii) Share-based compensation

LBS Bina Group Berhad Employees' Share Option Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Company and its subsidiary companies' employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date. At the end of each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognised the impact of the revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to retained earnings. The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

Notes to the Financial Statements

(cont'd)

4. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold land and buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Motor racing circuit RM	Total RM
Cost							
At 1 January 2014	272,734,874	8,769,411	12,810,755	4,579,509	3,038,209	73,763,132	375,695,890
Additions	750,000	1,996,621	1,800,660	198,811	986,140	-	5,732,232
Disposals	-	(1,518,848)	(135,897)	-	-	-	(1,654,745)
Written off	(4,047)	(8,367)	(63,177)	-	(51,400)	-	(126,991)
Exchange differences	16,815,342	-	398,341	-	-	4,696,003	21,909,686
At 31 December 2014	290,296,169	9,238,817	14,810,682	4,778,320	3,972,949	78,459,135	401,556,072
Accumulated depreciation							
At 1 January 2014	82,122,346	3,319,131	8,192,139	3,705,258	1,629,328	63,972,172	162,940,374
Charge for the financial year	8,586,256	1,032,053	1,193,091	232,969	607,902	3,439,542	15,091,813
Disposals	-	(1,083,733)	(131,494)	-	-	-	(1,215,227)
Written off	(3,643)	(4,288)	(50,296)	-	(51,399)	-	(109,626)
Exchange differences	5,769,430	-	304,538	-	-	4,323,986	10,397,954
At 31 December 2014	96,474,389	3,263,163	9,507,978	3,938,227	2,185,831	71,735,700	187,105,288
Accumulated impairment							
At 1 January 2014/ 31 December 2014	-	6,053	-	-	-	-	6,053
Carrying amount							
At 31 December 2014	193,821,780	5,969,601	5,302,704	840,093	1,787,118	6,723,435	214,444,731

Notes to the Financial Statements

(cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Leasehold land and buildings RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Renovations RM	Plant, machinery and equipment RM	Motor racing circuit RM	Total RM
Cost							
At 1 January 2013	8,486,411	7,750,622	4,304,197	4,058,666	3,341,986	-	27,941,882
Additions	115,514	2,713,754	2,696,480	520,843	244,870	-	6,291,461
Disposals	-	(1,693,165)	(39,471)	-	(1,239)	-	(1,733,875)
Written off	-	(1,800)	(205,263)	-	(547,408)	-	(754,471)
Exchange differences	1,963,881	-	39,571	-	-	548,483	2,551,935
Arising from acquisition of subsidiary companies	262,169,068	-	6,015,241	-	-	73,214,649	341,398,958
At 31 December 2013	272,734,874	8,769,411	12,810,755	4,579,509	3,038,209	73,763,132	375,695,890
Accumulated depreciation							
At 1 January 2013	984,470	3,749,099	3,069,853	3,485,010	1,314,003	-	12,602,435
Charge for the financial year	2,270,550	965,340	794,931	220,248	610,568	875,654	5,737,291
Disposals	-	(1,393,509)	(35,921)	-	(873)	-	(1,430,303)
Written off	-	(1,799)	(171,370)	-	(294,370)	-	(467,539)
Exchange differences	697,022	-	30,506	-	-	515,210	1,242,738
Arising from acquisition of subsidiary companies	78,170,304	-	4,504,140	-	-	62,581,308	145,255,752
At 31 December 2013	82,122,346	3,319,131	8,192,139	3,705,258	1,629,328	63,972,172	162,940,374
Accumulated impairment							
At 1 January 2013/ 31 December 2013	-	6,053	-	-	-	-	6,053
Carrying amount							
At 31 December 2013	190,612,528	5,444,227	4,618,616	874,251	1,408,881	9,790,960	212,749,463

Notes to the Financial Statements

(cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (i) Included in the property, plant and equipment of the Group are leasehold land and buildings with carrying amount of RM7,809,982 (2013: RM7,236,720) which have been pledged to licensed banks as securities for credit facilities granted to the Company and certain subsidiary companies as disclosed in Notes 28 and 33.
- (ii) The remaining period of the leasehold land and buildings ranges from 29 to 95 (2013: 30 to 96) years.
- (iii) Included in the property, plant and equipment of the Group is motor vehicles under finance lease arrangement with carrying amount of RM5,885,895 (2013: RM5,304,366).
- (iv) Included in the property, plant and equipment of the Group is leasehold buildings under term loan financing with carrying amount of RM4,530,865 (2013: RM3,860,163).
- (v) The aggregate additional cost for the property, plant and equipment of the Group during the financial year acquired under finance lease arrangement, term loan financing and cash payment are as follows:

	2014 RM	Group 2013 RM
Aggregate costs	5,732,232	6,291,461
Less: Finance lease	(1,583,000)	(2,232,000)
Less: Term loan financing	(561,000)	-
Cash payments	3,588,232	4,059,461

- (vi) Included in the property, plant and equipment of the Group is leasehold land and building with carrying amount of RM184,215,810 (2013: RM180,783,971) situated in mainland China and held under medium term lease.

5. CAPITAL WORK-IN-PROGRESS

	2014 RM	Group 2013 RM
At 1 January	3,306,077	1,746,404
Additions	208,447	2,039,523
Transfer to investment properties (Note 7)	(3,306,077)	-
Reclassified to non-current assets classified as held for sale (Note 22)	-	(479,850)
At 31 December	208,447	3,306,077

Notes to the Financial Statements

(cont'd)

6. LAND AND PROPERTY DEVELOPMENT COSTS

	2014 RM	Group 2013 RM
Non-Current		
Freehold land, at cost		
At 1 January	78,481,242	36,044,603
Additions	-	42,436,639
Transfer to current portion	(5,412,455)	-
At 31 December	73,068,787	78,481,242
Long term leasehold land, at cost		
At 1 January	109,716,815	58,455,160
Additions	-	58,597,412
Reclassification	(36,534,981)	15,139,586
Transfer to current portion	(12,828,249)	(22,475,343)
At 31 December	60,353,585	109,716,815
Property development costs		
At 1 January	204,264,557	243,186,071
Additions	43,316,699	53,327,903
Transfer to current portion	(69,989,608)	(77,109,831)
Reclassification	36,534,981	(15,139,586)
At 31 December	214,126,629	204,264,557
Total non-current land and property development costs	347,549,001	392,462,614

Notes to the Financial Statements

(cont'd)

6. LAND AND PROPERTY DEVELOPMENT COSTS (CONT'D)

	2014 RM	Group 2013 RM
Current		
Freehold land, at cost		
At 1 January	-	-
Transfer from non-current portion	5,412,455	-
At 31 December	5,412,455	-
Long term leasehold land, at cost		
At 1 January	51,850,577	14,118,506
Additions	34,745,577	10,527,779
Transfer from non-current portion	12,828,249	22,475,343
Transfer to profit or loss	(23,860,523)	(5,376,683)
Reclassification	5,263,910	10,105,632
At 31 December	80,827,790	51,850,577
Property development costs		
At 1 January	620,536,369	522,920,695
Additions	467,956,393	436,531,559
Reclassification	(5,263,910)	(10,105,632)
Transfer from non-current portion	69,989,608	77,109,831
Transfer to profit or loss	(318,556,962)	(395,798,954)
Transfer to inventories	(531,840)	(10,121,130)
At 31 December	834,129,658	620,536,369
Less: Costs recognised in profit or loss		
At 1 January	434,656,514	467,609,868
Recognised during the financial year	410,832,718	368,222,283
	845,489,232	835,832,151
Less: Portion related to completed projects	(308,849,043)	(401,175,637)
At 31 December	536,640,189	434,656,514
Total current land and property development costs	383,729,714	237,730,432

Notes to the Financial Statements

(cont'd)

6. LAND AND PROPERTY DEVELOPMENT COSTS (CONT'D)

- (a) Certain parcels of land are pledged to licensed banks as security for credit facilities granted to the Company and certain subsidiary companies as disclosed in Notes 27, 28 and 33.
- (b) Certain subsidiary companies entered into several agreements with third parties (the landowners) to develop their lands, solely at the cost of the subsidiary companies and based on the agreements, the landowners are entitled to the followings:
- (i) certain percentage of the respective development profits;
 - (ii) certain percentage of the respective development gross sales value;
 - (iii) agreed contract sum as specified in the agreement; and/or
 - (iv) certain units of completed properties erected thereon free from all encumbrances.
- (c) Certain subsidiary companies (developers) entered into several joint venture agreements with its subsidiary companies (the landowners) to develop several lands, solely at the cost of the developers and based on the agreements, the landowners are entitled to the followings:
- (i) certain units of completed properties erected thereon free from all encumbrance;
 - (ii) certain percentage of the respective development gross sales value; and/or
 - (iii) certain percentage of the respective development profits.
- (d) Included in the property development costs for the financial year are as follows:

		Group	
	Note	2014 RM	2013 RM
Finance costs	36	10,532,075	12,045,941
Landowners consideration		38,074,796	105,964,232
Rental of premises		22,400	-
Staff costs	41	-	155,425

Notes to the Financial Statements

(cont'd)

7. INVESTMENT PROPERTIES

	Group	
	2014 RM	2013 RM
Cost		
At 1 January	8,348,692	8,065,833
Additions	23,571,884	282,859
Transfer from capital work-in-progress (Note 5)	3,306,077	-
Transfer from non-current assets classified as held for sale (Note 22)	255,664	-
At 31 December	35,482,317	8,348,692
Accumulated depreciation		
At 1 January	1,148,787	998,280
Charge for the financial year	460,232	150,507
At 31 December	1,609,019	1,148,787
Accumulated impairment		
At 1 January	675,735	626,793
Impairment during the financial year	-	48,942
At 31 December	675,735	675,735
Carrying amount	33,197,563	6,524,170
Fair value	45,253,400	11,212,000

Investment properties with carrying amount of RM25,821,362 (2013: RM1,009,840) have been pledged to licensed banks as security for credit facilities granted to the Company and subsidiary companies as disclosed in Notes 28 and 33.

Certain investment properties have generated rental income during the financial year amounting to RM808,907 (2013: RM793,296).

Certain investment properties are leasehold properties with remaining lease periods range from 77 to 96 (2013: 78 to 86) years.

Investment properties comprise a number of freehold buildings, leasehold land and buildings and commercial properties that are leased to third parties. Each of the leases contains cancellable periods range from one to three years. Subsequent renewals are negotiated with the lessee on renewal periods range from one to two years.

Notes to the Financial Statements

(cont'd)

8. INVESTMENT IN SUBSIDIARY COMPANIES

(a) Investment in subsidiary companies

	Company	
	2014	2013
	RM	RM
Unquoted shares, at cost		
In Malaysia	393,554,395	393,554,395
Outside Malaysia	4,075	4,075
Less: Accumulated impairment	(192,464)	(192,464)
	393,366,006	393,366,006

The Group's subsidiary companies which have non-controlling interests are not material individually or in aggregate to the financial position, financial performance and cash flows of the Group except as disclosed in Note 8(e).

Details of the subsidiary companies are set out in Note 52.

(b) Acquisition of subsidiary companies during the financial year

- (i) On 25 July 2014, MITC Engineering Sdn. Bhd. ("MITCE"), a 75% subsidiary company of MITC Sdn. Bhd. ("MITC"), an indirectly wholly-owned subsidiary company of the Company has acquired 300 ordinary shares of RM1.00 each in Nuevo Attraction & Destination Sdn. Bhd. (formerly known as Debaran Emas Sdn. Bhd.) ("NADSB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia Three Hundred (RM300) only. Consequently, NADSB became a 60% subsidiary company of MITCE.
- (ii) On 23 October 2014, LBS Bina Holdings Sdn. Bhd. ("LBS") has acquired 255,000 ordinary shares of RM1.00 each in Taman Sempurna Sdn. Bhd. ("TSSB") for a total cash consideration of Ringgit Malaysia Two Hundred and Fifty Five Thousand (RM255,000) only. Consequently, TSSB became a 51% subsidiary company of LBS.
- (iii) On 14 November 2014, LBS has acquired 255,000 ordinary shares of RM1.00 each in Iringan Kejora Sdn. Bhd. ("IKSB") for a total cash consideration of Ringgit Malaysia Two Hundred and Fifty Five Thousand (RM255,000) only. Consequently, IKSB became a 51% subsidiary company of LBS. Out of the above 255,000 shares in IKSB, 150,000 shares was acquired from Sinaran Restu Sdn. Bhd. ("SRSB"). Consequently, IKSB has ceased to be direct associated company of SRSB.
- (iv) On 14 November 2014, an indirect 60% owned subsidiary company of the MITCE, NADSB has subscribed 999 ordinary shares of RM1.00 each in Nuevoprima Development Sdn. Bhd. ("NDSB"), for a total cash consideration of Ringgit Malaysia Nine Hundred and Ninety Nine (RM999) only. On 19 November 2014, NADSB has acquired additional 1 ordinary shares of RM1.00 each in NDSB, with a total cash consideration of RM1.00. Consequently, NDSB became a wholly-owned subsidiary company of NADSB.

Notes to the Financial Statements

(cont'd)

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) Acquisition of subsidiary companies during the financial year(cont'd)

The effect of the acquisition on the financial results of the Group in respect of the financial year is as follows:

	2014 RM	Group 2013 RM
Revenue	18,693	4,576,864
Cost of sales	(526,721)	(960,292)
Gross (loss)/profit	(508,028)	3,616,572
Other income	-	479,086
Operating expenses	(710,811)	(6,588,931)
Finance costs	-	(333,401)
Loss before taxation	(1,218,839)	(2,826,674)
Taxation	-	337,496
Net loss for the financial year	(1,218,839)	(2,489,178)
Exchange difference arising from translation of accounts of foreign subsidiary company	-	(331,823)
Total comprehensive loss for the financial year	(1,218,839)	(2,821,001)
Net loss for the financial year attributable to:		
Owners of the Parent	(548,690)	(1,600,797)
Non-controlling interests	(670,149)	(888,381)
	(1,218,839)	(2,489,178)

Notes to the Financial Statements

(cont'd)

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) Acquisition of subsidiary companies during the financial year (cont'd)

Net cashflows arising from acquisition of subsidiary companies are as follows:

	2014 RM	Group 2013 RM
Property, plant and equipment	-	196,143,206
Inventories	-	81,020
Trade and other receivables	850,379	2,126,210
Goodwill on consolidation	38,316	56,481
Cash and bank balances	75,610	3,563,199
Tax payable	-	(7,207)
Foreign exchange reserve	-	(121,397)
Deferred taxation	-	(39,139,044)
Trade and other payables	(355,258)	(171,510,182)
Net assets/(liabilities)	609,047	(8,807,714)
Non-controlling interests	-	12,157,393
Group's share of net assets	609,047	3,349,679
Excess of fair value of net assets acquired over cost of acquisition	(247,747)	(3,297,169)
Total cost of acquisition, discharged by cash	361,300	52,510
Purchase consideration satisfied by cash	361,300	52,510
Less: Cash and cash equivalents of subsidiary companies acquired	(75,610)	(3,563,199)
Net cash outflows/(inflows) from the acquisition of subsidiary companies	285,690	(3,510,689)

Impact of the acquisition on the statements of profit or loss and other comprehensive income

From the date of acquisition, acquired subsidiary companies have contributed RM18,693 to the Group's revenue and decreased the Group's profit for the financial year by RM1,218,839. If the combination had taken place at the beginning of the financial year, the Group's revenue for the financial year from its continuing operations would have been increased by RMNil and Group's profit for the financial year would have been decreased by RM46,410.

Notes to the Financial Statements

(cont'd)

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(c) Additional investment in subsidiary companies during the financial year

- (i) On 16 April 2014, Pelangi Homes Sdn. Bhd. ("PHSB"), a wholly-owned subsidiary company of LBS has increased its issued and paid-up share capital from 2,700,100 to 12,000,000 ordinary shares of RM1.00 each. LBS has subscribed for an additional 9,299,900 ordinary shares of RM1.00 each in PHSB by way of capitalization.
- (ii) On 24 April 2014, MITCE, a 65% subsidiary company of MITC, an indirectly wholly-owned subsidiary company of the Company has increased its paid-up share capital from 750,000 to 1,000,000 ordinary shares of RM1.00 each. MITC has subscribed for 162,500 ordinary shares of RM1.00 each in MITCE. MITCE remained as 65% subsidiary company of MITC.

(d) Acquisition of non-controlling interests during the financial year

- (i) On 7 May 2014, MITC acquired additional 100,000 ordinary shares of RM1.00 each in MITCE for a total cash consideration of Ringgit Malaysia Ten Million Six Hundred Thousand (RM10,600,000) only. Consequently, MITC's shareholding in MITCE has increased from 65% to 75%.
- (ii) On 18 July 2014, LBS has acquired additional 15,000 ordinary shares of RM1.00 each in Koleksi Sigma Sdn. Bhd. ("KSSB") for a total cash consideration of Ringgit Malaysia Twelve Million (RM12,000,000) only. Consequently, KSSB became a 75% subsidiary company of LBS.
- (iii) On 19 November 2014, LBS acquired additional 125,000 ordinary share of RM1.00 each in Pembangunan Primer Sdn. Bhd. ("PPSB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia Twelve Million (RM12,000,000) only. Consequently, PPSP became a 80% subsidiary company of LBS.

The effect of changes in the equity interest that is attributable to owners of the Parent is as follows:

	RM
Carrying amount of non-controlling interests acquired	2,606,071
Consideration paid to non-controlling interests	(34,600,000)
Decrease in Parent's equity	(31,993,929)

Notes to the Financial Statements

(cont'd)

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(e) Material partly owned subsidiary companies

The summarised financial information of the Group's subsidiary companies that have material non-controlling interests (amounts before inter-company elimination) is as follows:

Name of company	Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
	2014 %	2013 %	2014 RM	2013 RM	2014 RM	2013 RM
Zhuhai International Circuit Limited	40	40	(4,192,129)	(890,357)	(18,537,396)	(13,307,695)
Lamdeal Group *	-	-	-	1,373,636	-	-
Individually immaterial subsidiaries with non-controlling interests					11,330,236	16,290,630
Total non-controlling interests					(7,207,160)	2,982,935

* Lamdeal Group represents Lamdeal Golf & Country Club Limited ("LGCCL") and Lamdeal Consolidated Development Limited ("LCDL").

The summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company elimination.

	Zhuhai International Circuit Limited		Lamdeal Group	
	2014 RM	2013 RM	2014 RM	2013 RM
Total assets	226,223,770	215,749,937	-	568,171,567
Total liabilities	(265,302,168)	(241,916,412)	-	(156,709,474)
Net (liabilities)/assets	(39,078,398)	(26,166,475)	-	411,462,093
Equity attributable to :				
Owners of the Parent	(20,605,934)	(12,858,780)	-	411,462,093
Non-controlling interests	(18,472,464)	(13,307,695)	-	-
Total Equity	(39,078,398)	(26,166,475)	-	411,462,093

Notes to the Financial Statements

(cont'd)

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(e) Material partly owned subsidiary companies (cont'd)

The summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company elimination.(cont'd)

	Zhuhai International Circuit Limited		Lamdeal Group	
	2014	2013	2014	2013
	RM	RM	RM	RM
Revenue	18,183,533	4,560,066	-	14,863,471
(Loss)/ Profit before taxation	(11,889,365)	(2,563,387)	-	3,269,216
Taxation	1,409,042	337,496	-	38,681
Net (loss)/profit for the financial year	(10,480,323)	(2,225,891)	-	3,307,897
Other comprehensive income/(loss)	42,675	(331,823)	-	-
Total comprehensive (loss)/income	(10,437,648)	(2,557,714)	-	3,307,897
Net cash generated from/(used in) operating activities	4,040,967	952,057	-	(186,249)
Net cash used in investing activities	(224,693)	(47,299)	-	(1,253,074)
Net cash generated from/(used in) financing activities	4,581,126	15,241,089	-	(519,276)
Net increase/(decrease) in cash and cash equivalents	8,397,400	16,145,847	-	(1,958,599)

Notes to the Financial Statements

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8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(f) Disposal of subsidiary companies

On 12 August 2013, a subsidiary company, Dragon Hill Corporation Limited ("DHCL") completed the disposal of the entire equity interest in Lamdeal Consolidated Development Limited ("LCDL") and Lamdeal Golf & Country Club Limited ("LGCCCL") for an aggregate sale consideration of HKD1,650 million. Consequently, LCDL and LGCCCL together with its subsidiary companies have ceased to be subsidiary companies of the Group.

The effect of the disposal on the financial results of the Group in respect of the financial year is as follows:

	2014 RM	Group 2013 RM
Revenue	-	14,863,471
Cost of sales	-	(1,534,325)
Gross profit	-	13,329,146
Other income	-	529,738
Operating expenses	-	(10,589,668)
Profit before taxation	-	3,269,216
Taxation	-	38,681
Net profit for the financial year	-	3,307,897

The assets and liabilities arising from the disposal of subsidiary companies are as follows:

	2014 RM	Group 2013 RM
Property, plant and equipment	-	210,134,620
Capital work-in-progress	-	3,672,252
Land and property development costs	-	168,139,601
Inventories	-	976,861
Trade and other receivables	-	149,132,626
Cash and bank balances	-	20,017,816
Goodwill on consolidation	-	16,097,791
Foreign exchange reserve	-	(8,954,200)
Deferred tax liabilities	-	(75,346,375)
Trade and other payables	-	(81,363,099)
Net assets	-	402,507,893
Less: Non-controlling interests	-	(63,664,701)
	-	338,843,192
Gain on disposal of investment in subsidiary companies	-	341,615,895
	-	680,459,087

Notes to the Financial Statements

(cont'd)

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(f) Disposal of subsidiary companies (cont'd)

The cash inflows arising from the disposal is as follows:

	2014 RM	Group 2013 RM
Disposal proceeds settled by cash	-	680,459,087
Less: Cash and cash equivalents of subsidiary companies disposed	-	(20,017,816)
Less: Promissory note	-	(319,672,320)
Less: Quoted shares	-	(149,586,766)
Net cash inflows from disposal of investment in subsidiary companies	-	191,182,185

9. INVESTMENT IN ASSOCIATED COMPANIES

(a) Investment in associated companies

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
At cost				
Quoted shares in Malaysia	9,754,704	-	9,754,704	-
Unquoted shares in Malaysia	4,205,069	3,905,070	-	-
	13,959,773	3,905,070	9,754,704	-
Accumulated impairment				
At 1 January	-	-	-	-
Impairment during the financial year	199,999	-	-	-
At 31 December	199,999	-	-	-
Group's share of post acquisition reserves	108,294	(911,814)	-	-
	13,868,068	2,993,256	9,754,704	-

Details of the associated companies are set out in Note 53.

Notes to the Financial Statements

(cont'd)

9. INVESTMENT IN ASSOCIATED COMPANIES (CONT'D)

(b) The summarised financial information of the associated companies is as follows:

	2014 RM	Group 2013 RM
Assets and liabilities		
Non-current assets	24,500,527	92,116
Current assets	19,870,201	2,134,556
Total assets	44,370,728	2,226,672
Non-current assets classified as held for sale	9,385,884	-
Non-current liabilities	(1,156,582)	-
Current liabilities	(31,332,893)	(681,909)
Total net assets	21,267,137	1,544,763
Financial results		
Revenue	8,459,644	-
Net loss for the financial year	(280,146)	(156,421)

The unrecognised share of losses of the associated companies is as follows:

	2014 RM	Group 2013 RM
At 1 January	195,354	171,143
Additions during the financial year	11,322	24,211
At 31 December	206,676	195,354

(c) Investment in associated companies during the financial year

- (i) On 30 April 2014, LBS has acquired 150,000 ordinary shares of RM1.00 each in Bimbingan Sumber Sdn. Bhd. ("BSSB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia One Hundred and Fifty Thousand (RM150,000) only. Consequently, BSSB became a 30% associated company of LBS.
- (ii) On 22 May 2014, MITCE, a 75% subsidiary company of MITC, an indirectly wholly-owned subsidiary company of the Company has subscribed 300 ordinary shares of RM1.00 each in Debaran Emas Sdn. Bhd., a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia Three Hundred (RM300) only. Consequently, DESB became a 30% associated company of MITCE.

Notes to the Financial Statements

(cont'd)

9. INVESTMENT IN ASSOCIATED COMPANIES (CONT'D)

(c) Investment in associated companies during the financial year (cont'd)

- (iii) On 24 July 2014, the Company has successfully subscribed for 8,000,000 new ordinary shares of RM0.50 each ("Placement Shares") in VTI Vintage Berhad ("VVB") (now known as ML Global Berhad) at subscription price of RM0.50 per Placement Share together with 4,000,000 free detachable warrants ("warrants") on the basis of one (1) Warrant for every two (2) Placement Shares subscribed pursuant to the Private Placement of VVB, marking the completion of the first tranche of the Proposed Subscription of equity interest in VVB. Accordingly, the Company holds 21.9% equity interests in VVB.
- (iv) On 4 August 2014, LBS disposed 100,000 ordinary share of RM1.00 each in Tarikan Puncak Sdn. Bhd. ("TPSB") for a total cash consideration of Ringgit Malaysia One Hundred Thousand (RM100,000) only. Consequently, LBS's shareholding in TPSB has reduced from 40% to 20%.
- (v) On 25 August 2014, the Company's wholly-owned subsidiary, Pelangi Homes Sdn. Bhd. ("PHSB") has subscribed 200,000 ordinary shares of RM1.00 each in Biz Bena Development Sdn. Bhd. ("BBDSB") for a total cash consideration of Ringgit Malaysia Two Hundred Thousand (RM200,000) only. Consequently, BBDSB became a 40% associated company of PHSB.
- (d) The Group's associated companies are not material individually to the financial position, financial performance and cash flows of the Group except for ML Global Berhad (formerly known as VTI Vintage Berhad) ("ML Global")

The summarised financial information of the Group's material associated company is set out below:

Name of company	Proportion of ownership interests and voting rights held		Investment in associated companies	
	2014	2013	2014	2013
	%	%	RM	RM
ML Global	22	-	11,072,710	-
Individually immaterial associated companies			2,795,358	2,993,256
			13,868,068	2,993,256

Notes to the Financial Statements

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9. INVESTMENT IN ASSOCIATED COMPANIES (CONT'D)

The summarised financial information represents the amounts in the financial statements of ML Global and not the Group's share of those amounts.

	ML Global	
	2014 RM	2013 RM
Assets and liabilities		
Non-current assets	24,402,432	-
Current assets	18,000,237	-
Total assets	42,402,669	-
Non-current assets held for sales	9,385,884	-
Non-current liabilities	(1,156,582)	-
Current liabilities	(30,530,893)	-
Total net assets	20,101,078	-
Market value:		
Quoted shares in Malaysia	39,439,136	-
Financial results		
Revenue	8,459,644	-
Net profit for the financial year	117,936	-

10. TRADE RECEIVABLES

	Group	
	2014 RM	2013 RM
Non-current		
Trade receivables - Third party	-	13,726,217
Current		
Trade receivables		
- Third parties	180,287,126	163,119,615
- Related parties	2,652,696	12,556,194
	182,939,822	175,675,809
Less: Accumulated impairment		
- Third parties	(1,364,204)	(1,359,568)
	181,575,618	174,316,241
Total Trade Receivables	181,575,618	188,042,458

Notes to the Financial Statements

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10. TRADE RECEIVABLES (CONT'D)

- (i) In the previous year, included in the non-current trade receivables was an amount of RM13,726,217 in relation to disposal of land to a third party. During the financial year, this amount has been fully received.
- (ii) Included in the current trade receivables was an amount of RM17,481,494 (2013 :RMNil) in relation to construction contract. This amount has been fully received in January 2015.
- (iii) The current trade receivables were mainly related to sales of properties. Collection was pending loan approval and/or approval from relevant authorities.
- (iv) The Group's normal trade credit terms range from 14 to 60 days (2013: 14 to 60 days). Other credit terms are assessed and approved on a case by case basis.

The currency exposure profile of trade receivables after allowance for impairment losses is as follows:-

	2014 RM	Group 2013 RM
Chinese Renminbi	402,030	685,607

The movements in the allowance for impairment losses (individually assessed) during the financial year are as follows:

	2014 RM	Group 2013 RM
At 1 January	1,359,568	1,186,249
Impairment during the financial year	-	26,036
Arising from acquisition of subsidiary companies	-	376,393
Allowance for doubtful debts no longer required	(19,621)	(232,447)
Exchange differences	24,257	3,337
At 31 December	1,364,204	1,359,568

Notes to the Financial Statements

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10. TRADE RECEIVABLES (CONT'D)

Analysis of the trade receivables ageing are as follows:

	2014 RM	Group 2013 RM
Neither past due nor impaired	76,924,295	90,030,586
Past due less than 30 days not impaired	32,981,110	23,210,257
Past due for 31-60 days not impaired	9,887,956	16,020,958
Past due for more than 60 days not impaired	61,782,257	58,780,657
	181,575,618	188,042,458
Impaired	1,364,204	1,359,568
	182,939,822	189,402,026

The past due more than 60 days not impaired of the Group were mainly related to sales of properties. Collection was pending completion of loan documentation and/or approval from relevant authorities.

The Group has not made any significant impairment on its past due receivables as the receivables were mainly from sales of properties and the Group is confident of their recovery.

11. PROMISSORY NOTE

	2014 RM	Group 2013 RM
Non-current	159,661,639	219,098,880
Current	85,866,581	100,573,440
	245,528,220	319,672,320

The promissory note has a nominal amount of HKD600 million (equivalent to approximately RM245.53 million) (2013: HKD850 million (equivalent to approximately RM350.97 million) and are secured, interest free and receivable by four annual instalments. The first instalment of HKD250 million (equivalent to approximately RM112.7 million) has been received during the financial year. The remaining three instalments of HKD200 million each are receivable on or before 31 December 2015, 31 December 2016 and 31 December 2017 respectively. The promissory note is carried at amortised cost based on an effective interest rate of 5% per annum.

Notes to the Financial Statements

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12. OTHER INVESTMENTS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Non-Current				
Available-for-sale financial assets				
Transferable corporate club membership	1,248,500	1,248,500	-	-
Equity securities listed in Hong Kong measured at fair value on recurring basis and classified on level 1 fair value hierarchy	135,621,315	137,200,601	-	-
	136,869,815	138,449,101	-	-
Current				
Available-for-sale financial assets				
Investment in mutual fund	27,070,770	-	22,070,770	-
	163,940,585	138,449,101	22,070,770	-

The fair value of the listed equity securities was determined by reference to the quoted prices in an active market.

13. GOODWILL ON CONSOLIDATION

	Group	
	2014 RM	2013 RM
Costs		
At 1 January	134,606,578	134,550,097
Acquisition of subsidiary companies	38,316	56,481
At 31 December	134,644,894	134,606,578
Accumulated impairment		
At 1 January	40,451,824	31,312,740
Additions	7,050,743	9,139,084
At 31 December	47,502,567	40,451,824
Carrying amount	87,142,327	94,154,754

Notes to the Financial Statements

(cont'd)

13. GOODWILL ON CONSOLIDATION (CONT'D)

(a) Impairment test for goodwill on consolidation

Goodwill on consolidation has been allocated to Group's cash-generating units ("CGUs") identified according to business segments as property development.

(b) Key assumptions used to determine the recoverable amount

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a five-year period. The key assumptions used for value-in-use calculations are based on future projection of the Group in Malaysia as follows:

Gross margin	14% - 34%
Growth rate	N/A
Pre-tax discount rate	5.86% p.a.

The key assumptions that the directors have used in the cash flow projections to undertake impairment testing are as follows:

- (i) Gross margin - Budgeted value based on the average margins achieved in the year immediately before the budgeted year, increased for expected efficiency improvements and market development.
- (ii) Growth rate - Not applicable as the cash flow projections made is for a period of 5 years, in accordance with the expected life cycle of the CGU.
- (iii) Pre-tax discount rate - Rate that reflect specific risks relating to the relevant CGU.

(c) Impairment recognised during the financial year

The Group recognised an impairment of RM7,050,743 (2013: RM9,139,084) during the financial year in respect of the goodwill arising on consolidation. The goodwill relates to certain subsidiary companies which mainly undertake development projects which are expected to be completed within the next 5 years. As a decrease in development activities or other significant cash generating activities is expected from the subsidiary companies, the related goodwill has been impaired accordingly.

14. DEFERRED TAX ASSETS

	Group	
	2014 RM	2013 RM
At 1 January	855,372	112,500
Recognised in profit or loss	2,133,893	742,872
At 31 December	2,989,265	855,372

Notes to the Financial Statements

(cont'd)

14. DEFERRED TAX ASSETS (CONT'D)

The net deferred tax assets shown on the statement of financial position after appropriate offsetting are as follows:

	Group	
	2014 RM	2013 RM
Deferred tax assets	2,989,265	856,238
Deferred tax liabilities	-	(866)
	2,989,265	855,372

The components and movements of deferred tax assets of the Group are as follows:

	Unused tax losses RM	Accelerated capital allowances RM	Others RM	Total RM
At 1 January 2014	97,066	(866)	759,172	855,372
Recognised in profit or loss	21,486	866	2,111,541	2,133,893
At 31 December 2014	118,552	-	2,870,713	2,989,265
At 1 January 2013	112,500	-	-	112,500
Recognised in profit or loss	(15,434)	(866)	759,172	742,872
At 31 December 2013	97,066	(866)	759,172	855,372

The Group has recognised the deferred tax assets as it is probable that its existing construction contracts and development projects would generate sufficient taxable profits in future against which the deferred tax assets can be utilised.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following temporary differences:

	Group	
	2014 RM	2013 RM
Unutilised capital allowances	1,756,800	534,700
Unused tax losses	78,555,992	68,735,236
Deductible temporary differences	450,953	702,108
	80,763,745	69,972,044

Notes to the Financial Statements

(cont'd)

15. INVENTORIES

	2014 RM	Group 2013 RM
At cost:		
Stock of completed properties	10,683,238	20,191,114
Finished goods	44,453	87,602
At net realisable value:		
Stock of completed properties	2,296,400	2,296,400
	13,024,091	22,575,116

Included in the inventories above are carrying amount of RM3,170,900 (2013: RM3,170,900) which have been pledged to licensed banks as security for credit facilities granted to the Company and to the subsidiary companies as disclosed in Note 27.

16. AMOUNT OWING BY/(TO) CUSTOMERS ON CONTRACTS

	2014 RM	Group 2013 RM
Contract cost incurred to date	21,717,362	6,906,282
Attributable profits	1,600,221	355,166
	23,317,583	7,261,448
Less: Progress billings	(24,717,581)	(10,874,299)
	(1,399,998)	(3,612,851)
Presented by:		
Amount owing by customers on contracts	3,693,953	-
Amount owing to customers on contracts	(5,093,951)	(3,612,851)
	(1,399,998)	(3,612,851)

Included in progress billings is retention sum of RM1,748,149 (2013: RMNil).

Included in contract cost incurred to date is rental of premises amounting to RM45,850 (2013: RM41,539).

Notes to the Financial Statements

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17. OTHER RECEIVABLES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Other receivables				
- Third parties	23,362,007	22,916,651	-	-
- Related parties	650,234	210,622	33,983,360	-
	24,012,241	23,127,273	33,983,360	-
Less: Accumulated Impairment				
- Third parties	(9,864,904)	(9,886,552)	-	-
	14,147,337	13,240,721	33,983,360	-
Deposits				
- Third parties	48,978,328	9,874,498	4,500	4,500
- Related parties	29,728	29,528	-	-
Prepayments	475,648	351,899	116,903	2,588
Total other receivables	63,631,041	23,496,646	34,104,763	7,088

Included in other receivables of the Group mainly comprise of the followings:-

- (i) Deposits of RM37,546,938 (2013: RMNil) paid for development lands that have not been completed as at 31 December 2014.
- (ii) An amount of RM4,306,211 (2013: RM4,306,211) provided for settlement with the purchasers of a development project of a subsidiary company in accordance with the Workout Proposals of Instangreen Corporation Berhad. This amount will be settled upon receipt of claims from all the purchasers.
- (iii) An amount of RM673,768 (2013: RM665,952) arising from a project management agreement signed with a developer. The projects have been completed and collection is pending strata titles issuance and closure of housing development accounts by the developer.

Included in other receivables of the Company was an amount of RM33,983,360 (2013: RMNil) arising from the dividend receivable from subsidiary companies.

The currency exposure profile of other receivables after allowance for impairment losses is as follows:

	Group	
	2014 RM	2013 RM
Hong Kong Dollars	40,129,425	69,467
Chinese Renminbi	106,236	104,830

Notes to the Financial Statements

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17. OTHER RECEIVABLES (CONT'D)

The movements in the allowance for impairment losses (individually assessed) during the financial year are as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
At 1 January	9,886,552	13,901,053	-	-
Written off	-	(4,121,259)	-	-
Allowance for doubtful debts no longer required	(21,648)	(33)	-	-
Exchange differences	-	106,791	-	-
At 31 December	9,864,904	9,886,552	-	-

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

Analysis of the other receivables ageing are as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Neither past due nor impaired	199,886	3,194,606	33,983,360	-
Past due less than 30 days not impaired	1,928,767	-	-	-
Past due for more than 60 days not impaired	12,018,684	10,046,115	-	-
	14,147,337	13,240,721	33,983,360	-
Impaired	9,864,904	9,886,552	-	-
	24,012,241	23,127,273	33,983,360	-

The Group and the Company have not recognised any impairment on certain receivables that are past due at the end of financial year, as there has not been significant change in credit quality and these amounts are still considered receivable.

Included in the past due more than 60 days not impaired of the Group mainly comprise of the followings:

- (i) An amount of RM4,306,211 (2013: RM4,306,211) provided for settlement with the purchasers of a development project of a subsidiary company in accordance with the Workout Proposals of Instangreen Corporation Berhad. This amount will be settled upon receipt of claims from all the purchasers.
- (ii) An amount of RM673,768 (2013: RM665,952) arising from a project management agreement signed with a developer. The projects have been completed and collection is pending strata titles issuance and closure of housing development accounts by the developer.

Notes to the Financial Statements

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18.AMOUNT OWING BY/(TO) SUBSIDIARY COMPANIES

(a) Amount owing by subsidiary companies

These represent unsecured interest free advances and repayable on demand except for an amount of RM166,979,336 (2013: RM54,399,929) which bears interest at 5.86% (2013: 3.9% to 5.99%) per annum.

(b) Amount owing to subsidiary company

These represent unsecured, interest free advances and repayable on demand.

19. FIXED DEPOSITS WITH LICENSED BANKS

Included in the fixed deposits of the Group and of the Company are amount of RM42,670,038 and RM11,792,193 (2013: RM15,332,443 and RM10,102,278) respectively which are pledged to licensed banks as security for banking facilities granted to the Company and certain subsidiary companies as disclosed in Notes 27 and 28.

The interest rates and maturities of deposits at the reporting date ranging from 0.50% to 3.60% (2013: 0.06% to 3.32%) per annum and 1 to 365 days (2013: 1 to 365 days) respectively. All unpledged deposits have maturity periods of less than three months.

The currency exposure profile of fixed deposits with licensed banks is as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
United States Dollars	1,000,000	-	1,000,000	-
Chinese Renminbi	713,939	54,029,334	-	-
Hong Kong Dollar	140,812,788	15,197,513	175,761	175,761

20.CASH HELD UNDER HOUSING DEVELOPMENT ACCOUNTS

Cash held under the Housing Development Accounts which are not freely available for use represents monies received from purchasers of residential properties less payments or withdrawals in accordance with the Housing Development (Controls and Licensing) Act, 1966.

The interest rates of cash held under Housing Development Accounts at the reporting date ranging from 0.20% to 2.20 % (2013: 2.00%) per annum.

Notes to the Financial Statements

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21. CASH AND BANK BALANCES

Included in cash and bank balances of the Group and of the Company are as follows:

- (i) Sinking fund and Disbursement Accounts balances amounting to RM661,857 and RM23,849 (2013: RM1,371,398 and RM52,937) respectively maintained in accordance with the terms and conditions set out in Trust Deed dated 12 July 2010 as disclosed in Note 27 to meet redemption of maturing Islamic Securities and future disbursement.
- (ii) Deposits with licensed banks amounting to RM8,053,655 and RM524,250 (2013: RM4,439,784 and RM571,338) respectively have been pledged to licensed banks for credit facilities granted to the Group and to the Company as disclosed in Note 28.

The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
United States Dollars	191,714	36,396	152,853	-
Hong Kong Dollars	1,892,656	1,204,849	17,884	18,234
Euro	1,184,301	1,237,631	-	-
Chinese Renminbi	28,742,211	18,327,664	-	-

22. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

Investment properties that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale.

The Group has entered into agreements to dispose of the investment properties.

	Group	
	2014 RM	2013 RM
At 1 January	696,991	4,679,036
Reclassified to investment properties (Note 7)	(255,664)	-
Reclassified from capital work-in progress (Note 5)	-	479,850
Additions	-	1,316,842
Disposals during the financial year	(441,327)	(5,778,737)
At 31 December	-	696,991

Notes to the Financial Statements

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23.SHARE CAPITAL

	Group/Company		Amount	
	2014 Unit	2013 Unit	2014 RM	2013 RM
Ordinary shares of RM1.00 each				
Authorised	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Issued and fully paid				
At 1 January	479,651,357	386,552,557	479,651,357	386,552,557
Issuance of shares:				
Exercise of ESOS	1,609,900	32,326,800	1,609,900	32,326,800
Conversion of warrants	37,037,000	60,772,000	37,037,000	60,772,000
Private Placement	20,000,000	-	20,000,000	-
At 31 December	538,298,257	479,651,357	538,298,257	479,651,357

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

During the financial year, the Company increased its issued and paid-up share capital from 479,651,357 to 538,298,257 through the creation of 58,646,900 ordinary shares of RM1.00 each as follows:

- 1,609,900 new ordinary shares of RM1.00 each for cash arising from the exercise of employee's share options at a weighted average exercise price of RM1.15 per ordinary share;
- 37,037,000 new ordinary shares of RM1.00 each for cash arising from the conversion of warrants; and
- 20,000,000 new ordinary shares of RM1.00 each for cash arising from Private Placement.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

24.SHARE PREMIUM

	Group/Company	
	2014 RM	2013 RM
Non-distributable		
At 1 January	26,641,899	16,945,016
Exercise of ESOS	241,009	438,936
Conversion of warrants	3,703,700	6,077,200
Private Placement	14,000,000	-
Disposal of treasury shares	-	3,180,747
At 31 December	44,586,608	26,641,899

Notes to the Financial Statements

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25. TREASURY SHARES

	Group/Company			
	Number of shares		Amount	
	2014	2013	2014	2013
	Unit	Unit	RM	RM
At 1 January	7,514,700	5,336,700	9,541,438	4,406,841
Shares repurchased	3,315,300	9,548,000	5,137,247	13,303,464
Own shares sold	-	(7,370,000)	-	(8,168,867)
At 31 December	10,830,000	7,514,700	14,678,685	9,541,438

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 shareholders of the Company, by a resolution passed in the last Annual General Meeting held on 26 June 2014, renewed their approval for the Company's plan to repurchase its own shares. The directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

During the financial year, the Company repurchased 3,315,300 (2013: 9,548,000) of its issued shares from the open market. The average price paid for the shares repurchased was RM1.55 (2013: RM1.39) per share. The total consideration paid for the repurchase including transaction costs was RM5,137,247 (2013: RM13,303,464). The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

The share repurchase transactions were retained as treasury shares. The Company has the right to resell these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participating in other distribution are superseded.

Details of the repurchase and resale of treasury shares during current financial year are as follows:

	Number of shares repurchased Unit	Highest price paid per share RM	Lowest price paid per share RM	Average price per share RM	Total consideration paid RM
2014					
January	1,588,900	1.61	1.48	1.55	2,460,088
February	160,000	1.49	1.47	1.49	237,960
June	20,000	1.73	1.73	1.74	34,852
October	300,000	1.59	1.55	1.56	469,321
December	1,246,400	1.62	1.46	1.55	1,935,026
	3,315,300				5,137,247

Notes to the Financial Statements

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25. TREASURY SHARES (CONT'D)

Details of the repurchase and resale of treasury shares during current financial year are as follows: (cont'd)

	Number of shares repurchased Unit	Highest price paid per share RM	Lowest price paid per share RM	Average price per share RM	Total consideration paid RM
2013					
April	2,409,900	0.95	0.89	0.91	2,202,084
May	839,900	0.94	0.89	0.91	771,027
June	10,000	1.29	1.29	1.29	12,994
July	4,250,500	1.81	1.58	1.65	7,029,868
August	774,500	1.71	1.56	1.61	1,254,189
September	1,263,200	1.67	1.56	1.60	2,033,302
	<u>9,548,000</u>				<u>13,303,464</u>

	Number of treasury shares resold Unit	Highest price resold per share RM	Lowest price resold per share RM	Average price resold per share RM	Total consideration received RM
2013					
June	2,170,000	1.30	1.24	1.27	2,744,710
December	5,200,000	1.66	1.66	1.66	8,604,904
	<u>7,370,000</u>				<u>11,349,614</u>

26. OTHER RESERVES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Non-distributable				
Revaluation reserve	-	188,537	-	-
Foreign exchange reserve	47,986,864	17,316,371	-	-
ESOS reserve	9,945,172	6,321,209	9,945,172	6,321,209
Warrant reserve	5,171,672	8,875,372	5,171,672	8,875,372
Assets revaluation reserve	(6,274,922)	(12,386,165)	54,074	-
Other reserve	(95,251,363)	(63,257,434)	-	-
	<u>(38,422,577)</u>	<u>(42,942,110)</u>	<u>15,170,918</u>	<u>15,196,581</u>

Notes to the Financial Statements

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26. OTHER RESERVES (CONT'D)

Revaluation reserve

The revaluation reserve represents increases in the fair value of leasehold land and decrease to the extent that such decreases relate to an increase on the same asset previously recognised in other comprehensive income.

Foreign exchange reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

ESOS reserve

	Group/Company	
	2014	2013
	RM	RM
Non-distributable		
At 1 January	6,321,209	3,258,606
Share-based payment	3,847,951	3,192,962
Realisation of ESOS reserve	(223,988)	(130,359)
At 31 December	9,945,172	6,321,209

Employees' share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

Warrant reserve

	Group/Company			
	Number of shares		Amount	
	2014	2013	2014	2013
	Unit	Unit	RM	RM
Non-distributable				
At 1 January	93,304,578	154,076,578	8,875,372	14,952,572
Realisation of Warrants reserve	(37,037,000)	(60,772,000)	(3,703,700)	(6,077,200)
At 31 December	56,267,578	93,304,578	5,171,672	8,875,372

Warrant reserve represents reserve allocated to free detachable warrants issued with right issue.

Notes to the Financial Statements

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26. OTHER RESERVES (CONT'D)

Warrant reserve (cont'd)

In the financial year 2008, the Company issued renounceable rights issue of 154,076,578 warrants on the basis of two (2) new warrants for every five (5) existing ordinary shares of RM1.00 each. The Company executed a Deed Poll constituting the warrants and the issue price and exercise price of the warrants have been fixed at RM0.10 and RM1.00 each respectively.

The warrants may be exercised at any time commencing on the date of issue of warrants on 12 June 2008 but not later than 11 June 2018. Any warrants which have not been exercised at date of maturity will lapse and cease to be valid for any purpose.

The new ordinary shares allotted and issued upon exercise of the warrants shall rank pari passu in all respects with the then existing ordinary shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new ordinary shares arising from exercise of the warrants.

As at 31 December 2014, the total number of warrants that remain unexercised were 56,267,578 (2013: 93,304,578).

Assets revaluation reserve

Assets revaluation reserve represents the cumulative net change in the fair value of available-for-sale financial assets until they derecognised or impaired.

Other reserve

Other reserve represents the difference between the Group's share of net assets before and after the acquisition of equity interest from its non-controlling interests, and any consideration paid.

27. ISLAMIC SECURITIES

	Group/Company	
	2014	2013
	RM	RM
Secured		
Nominal value		
4.15% Islamic Securities 2010/2015	-	10,000,000
4.05% Islamic Securities 2011/2016	10,000,000	20,000,000
	10,000,000	30,000,000
Analysed as:		
Repayable within twelve months	10,000,000	-
Repayable after twelve months	-	30,000,000

Notes to the Financial Statements

(cont'd)

27. ISLAMIC SECURITIES (CONT'D)

Maturities of Islamic Securities are as follows:

	Group/Company	
	2014	2013
	RM	RM
Within one year	10,000,000	-
Between one and two years	-	10,000,000
Between two and three years	-	20,000,000
	10,000,000	30,000,000

The Company, under Kafalah Facility Agreement dated 30 June 2010 and Trust Deed dated 12 July 2010, issued the above Islamic Securities (ICP/IMTN/Sukuk) and the main features are as follows:

- (a) The Islamic Securities in multiples of RM1,000; and
- (b) The tenure of the Islamic Securities is up to seven (7) years from the date of first issuance.

The Islamic Securities are secured against the followings:

- (a) A charge on certain subsidiary companies' development lands and inventories as disclosed in Note 6 and Note 15;
- (b) An assignment of residual proceeds in the Housing Development Accounts of certain subsidiary companies of the Company;
- (c) A charge and/or assignment over the following accounts:
 - (i) Disbursement Account ("DA")
 - (ii) Sinking Fund Account ("SFA")
- (d) A pledge of the Company's fixed deposits as disclosed in Note 19;
- (e) Specific debentures by certain subsidiary companies of the Company;
- (f) Corporate guarantees by certain subsidiary companies of the Company; and
- (g) Irrevocable power of attorney by certain subsidiary companies of the Company.

During the financial year, the Company has early redeemed RM20 million Islamic Securities, thus gave rise to a total interest savings of approximately RM1.71 million.

On 12 February 2015, the Company has early redeemed RM10 million Islamic Securities, thus gave rise to a total interest savings of approximately RM0.80 million.

Notes to the Financial Statements

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28.BANK BORROWINGS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Secured				
Floating rates:				
Bridging loans	71,986,534	70,484,756	-	567,085
Term loans	175,894,565	141,250,349	19,781,700	-
Revolving credits	200,649,574	136,269,539	50,442,642	-
Total bank borrowings	448,530,673	348,004,644	70,224,342	567,085
Analysed as:				
Repayable within twelve months				
Floating rates:				
Bridging loans	26,488,093	13,034,119	-	-
Term loans	32,636,748	4,971,649	7,129,800	-
Revolving credits	114,839,574	42,029,539	50,442,642	-
	173,964,415	60,035,307	57,572,442	-
Repayable after twelve months				
Floating rates:				
Bridging loans	45,498,441	57,450,637	-	567,085
Term loans	143,257,817	136,278,700	12,651,900	-
Revolving credits	85,810,000	94,240,000	-	-
	274,566,258	287,969,337	12,651,900	567,085
Total bank borrowings	448,530,673	348,004,644	70,224,342	567,085

The credit facilities of the Group and of the Company obtained from licensed banks are secured on the followings:

- fixed charge over certain property, plant and equipment as disclosed in Note 4;
- fixed charge over certain land held for property development and property development costs as disclosed in Note 6;
- fixed charge over certain investment properties as disclosed in Note 7;
- fixed charge and assignment of cash flows in relation to projects developed by subsidiary companies;
- fixed charge over the assets of certain subsidiary companies; and
- corporate guarantees provided by the Company and subsidiary companies.

Notes to the Financial Statements

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28.BANK BORROWINGS (CONT'D)

Maturities of bank borrowings are as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Within one year	173,964,415	60,035,307	57,572,442	-
Between one and two years	117,875,280	87,829,605	7,129,800	567,085
Between two and three years	67,812,970	33,112,196	5,522,100	-
Between three and four years	45,356,218	11,480,986	-	-
Between four and five years	7,859,767	121,533,734	-	-
After five years	35,662,023	34,012,816	-	-
	448,530,673	348,004,644	70,224,342	567,085

The range of interest rates at the reporting date are as follows:

	Group		Company	
	2014 %	2013 %	2014 %	2013 %
Bridging loans	7.35 - 8.35	7.85 - 8.10	-	8.10
Term loans	2.67 - 8.35	3.81 - 8.10	2.67	8.10
Revolving credits	3.88 - 7.35	7.10	7.10	7.60

The currency exposure profile of bank borrowings is as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Hong Kong Dollars	113,345,857	105,600,000	-	-
United States Dollars	19,781,700	-	19,781,700	-

Notes to the Financial Statements

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29. TRADE PAYABLES

	2014 RM	Group 2013 RM
Non-current		
Trade payables	50,854,138	119,328,319
Current		
Trade payables		
- Third parties	223,389,877	155,617,413
- Related parties	1,499,667	3,412,785
	224,889,544	159,030,198
Retention sum		
- Third parties	50,294,638	38,369,443
- Related parties	2,217,297	2,058,231
	52,511,935	40,427,674
	277,401,479	199,457,872
Total trade payables	328,255,617	318,786,191

- (a) The non-current trade payables represents an amount payable to joint venture partner for certain development lands. Payment will be made as stipulated in the agreements.
- (b) The normal trade credit terms granted to the Group range from 30 to 60 days (2013: 30 to 60 days). Other credit terms are assessed and approved on a case by case basis.
- (c) The currency exposure profile of trade payables is as follows:

	2014 RM	Group 2013 RM
Chinese Renminbi	6,850,038	6,248,246
United States Dollars	249,594	233,807

Notes to the Financial Statements

(cont'd)

30. OTHER PAYABLES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Non-current				
Other payables				
- Third parties	-	1,749,597	-	-
- Related parties	48,591,303	45,682,975	-	-
	48,591,303	47,432,572	-	-
Current				
Other payables				
- Third parties	63,542,377	109,541,527	25,130	66,773
- Related parties	14,512,175	25,563,676	155,061	-
	78,054,552	135,105,203	180,191	66,773
Accruals	121,614,703	118,214,686	121,094	1,418,207
Deposits	2,564,795	3,216,986	-	-
Dividend payable	31,803,477	-	31,803,477	-
	234,037,527	256,536,875	32,104,762	1,484,980
Total other payables	282,628,830	303,969,447	32,104,762	1,484,980

- (a) Included in non-current other payables represents an amount of RM48,591,303 (2013: RM47,432,572) owing to certain former shareholders of subsidiary companies and joint venture partner which was not expected to be repaid within the next twelve months.
- (b) Included in current other payables represents an amount of RM24,577,915 (2013: RM29,848,094) owing to certain former shareholders of subsidiary and associated companies. During the financial year, an amount of RM37,736,484 has been settled.
- (c) The currency exposure profile of other payables is as follows:

	Group	
	2014 RM	2013 RM
Hong Kong Dollars	51,861,364	11,422,936
Chinese Renminbi	50,054,959	137,777,953
United States Dollars	-	3

Notes to the Financial Statements

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31. FINANCE LEASE PAYABLES

	Group	
	2014 RM	2013 RM
(a) Minimum lease payments		
Within one year	1,245,290	1,199,929
Between one and five years	3,617,069	2,944,822
After five years	478,692	725,841
	5,341,051	4,870,592
Less: Future finance charges	(626,759)	(548,071)
Present value of minimum lease payments	4,714,292	4,322,521
(b) Present value of finance lease payables		
Within one year	1,025,908	1,019,477
Between one and five years	3,243,669	2,614,673
After five years	444,715	688,371
Present value of finance lease payables	4,714,292	4,322,521
Analysed as:		
Repayable within twelve months	1,025,908	1,019,477
Repayable after twelve months	3,688,384	3,303,044
Present value of finance lease payables	4,714,292	4,322,521

Interest is charged at rates ranging from 2.18% to 4.00% (2013: 2.18% to 4.00%) per annum.

The Group leases motor vehicles under finance lease as disclosed in Note 4. At the end of the lease term, the Group has the option to acquire the assets at a nominal price deemed to be a bargain purchase option. There are no restrictive covenants imposed by the lease agreement and no arrangements have been entered into for contingent rental payments.

Notes to the Financial Statements

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32. DEFERRED TAX LIABILITIES

	2014 RM	Group 2013 RM
At 1 January	39,539,682	113,770
Recognised in profit or loss	(938,522)	(212,687)
Exchange differences	2,384,811	1,889,436
Acquisition of subsidiary company	-	37,749,163
At 31 December	40,985,971	39,539,682

The net deferred tax liabilities shown in the statement of financial position after appropriate offsetting are as follows:

	2014 RM	Group 2013 RM
Deferred tax liabilities	40,985,971	39,659,682
Deferred tax assets	-	(120,000)
	40,985,971	39,539,682

The components and movements of deferred tax liabilities of the Group are as follows:

	Property, plant and equipment RM
At 1 January 2014	39,539,682
Recognised in profit or loss	(938,522)
Exchange differences	2,384,811
At 31 December 2014	40,985,971
At 1 January 2013	113,770
Recognised in profit or loss	(731,339)
Exchange differences	1,018,207
Acquisition of a subsidiary company	39,139,044
At 31 December 2013	39,539,682

Notes to the Financial Statements

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33. BANK OVERDRAFTS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Secured				
Repayable within twelve months	13,263,668	761,587	7,771,560	120,561

The bank overdrafts obtained from licensed banks are secured as follows:

- (a) fixed charge over certain property, plant and equipment as disclosed in Note 4;
- (b) fixed charge over certain land held for property development and property development costs as disclosed in Note 6;
- (c) fixed charge over certain investment properties as disclosed in Note 7;
- (d) fixed charge over the assets of certain subsidiary companies; and
- (e) corporate guarantees provided by the Company.

The interest rates at the reporting date are ranging from 6.85% to 8.35% (2013: 8.10%) per annum.

34. REVENUE

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Property development	615,023,718	518,500,225	-	-
Construction contracts	16,214,280	-	-	-
Trading and others	18,843,499	10,362,633	40,834	-
Motor racing event	18,183,533	4,576,864	-	-
Management fees from:				
- subsidiary companies	-	-	120,000	120,000
- third parties	-	93,000	-	-
Dividend from				
- subsidiary companies	-	-	61,988,403	74,048,426
	668,265,030	533,532,722	62,149,237	74,168,426

Notes to the Financial Statements

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35. COST OF SALES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Property development	417,254,589	354,436,785	-	-
Construction contracts	14,969,225	-	-	-
Trading and others	18,044,650	9,558,491	-	-
Motor racing event	5,605,836	960,292	-	-
	455,874,300	364,955,568	-	-

36. FINANCE COSTS

		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
Interest expenses on:					
Term loans		8,282,716	9,595,460	363,194	2,034,999
Bank overdrafts		336,705	1,317,752	278,816	614,056
Bridging loans		6,505,459	8,825,847	3,974	3,466,619
Revolving credit		9,901,485	2,675,835	1,317,985	270,482
Finance lease		210,541	181,883	-	-
Islamic Securities		895,319	2,636,997	895,319	2,636,997
Financial liabilities measured at amortised cost		7,089,063	-	-	-
Inter-company advances		-	-	1,508,855	277,164
Others		846,739	1,983,017	35,828	-
		34,068,027	27,216,791	4,403,971	9,300,317
Less:					
Interest capitalised in property development costs	6	(10,532,075)	(12,045,941)	-	-
Cost sharing with subsidiary companies		-	-	-	(4,673,754)
		23,535,952	15,170,850	4,403,971	4,626,563

Notes to the Financial Statements

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37. PROFIT BEFORE TAXATION

Profit before taxation is derived after charging/(crediting):

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Auditors' remuneration				
- statutory	336,981	295,794	50,000	50,000
- others	145,139	208,815	23,000	38,300
- under provision in prior years	77,990	29,877	10,000	-
Bad debts written off	26,853	82,447	-	-
Director remuneration:				
Company's directors				
- fees	893,156	381,600	174,891	237,600
- salaries and other emoluments	6,972,897	7,945,704	447,460	1,030,337
- EPF	955,200	985,500	-	-
- benefit-in-kind	340,133	382,019	-	-
Other directors				
- fees	292,461	227,000	-	-
- salaries and other emoluments	1,702,902	796,634	-	-
- EPF	95,271	55,716	-	-
Depreciation :				
- property, plant and equipment	15,091,813	5,737,291	-	-
- investment properties	460,232	150,507	-	-
Impairment on trade and other receivables	-	26,036	-	-
Interest expense on financial liabilities				
measured at amortised cost	7,089,063	-	-	-
Impairment of goodwill arising on consolidation	7,050,743	9,139,084	-	-
Impairment on investment in an associated company	199,999	-	-	-
Impairment on investment properties	-	48,942	-	-
Loss on disposal of an associated company	291	-	-	-
Loss on disposal of investment in quoted shares	1,912,925	-	-	-
Property, plant and equipment written off	17,365	286,932	-	-

Notes to the Financial Statements

(cont'd)

37. PROFIT BEFORE TAXATION (CONT'D)

Profit before taxation is derived after charging/(crediting): (cont'd)

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Rental expense on :				
- premises	651,809	161,550	-	-
- office equipment	86,024	53,933	-	-
Share-based payment	3,847,951	3,192,962	3,847,951	3,192,962
Unquoted investment written off	-	5,000	-	-
Net loss/(gain) on foreign exchange				
- realised	552,944	851,394	(2,552,050)	1,086,392
- unrealised	1,174,120	410,465	6,239,844	10,219
Gain on disposal of property, plant and equipment	(65,126)	(199,213)	-	-
Gain on disposal of subsidiary companies	-	(341,615,895)	-	-
Gain on disposal of non-current assets classified as held for sale	(70,200)	(2,384,963)	-	-
Gain on disposal of an associated company	-	(91,870)	-	-
Gain on disposal of investment in mutual fund	(40,834)	-	(40,834)	-
Negative goodwill written off	-	(3,297,169)	-	-
Interest income on advances to subsidiary companies	-	-	(6,881,177)	(1,765,569)
Dividend income from quoted shares	(2,854,961)	-	-	-
Interest income	(5,007,678)	(4,135,337)	(411,032)	(1,089,464)
Interest income from financial assets measured at amortised cost	(19,179,133)	(1,540,829)	-	-
Receipt on unclaimed monies	-	(1,291)	-	-
Rental income from:				
- investment properties	(808,907)	(793,296)	-	-
- others	(411,662)	(394,030)	-	-
Allowance for doubtful debts no longer required on:				
- trade receivables	(19,621)	(232,447)	-	-
- other receivables	(21,648)	(33)	-	-

Notes to the Financial Statements

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38. TAXATION

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Continuing operations:				
Current income tax				
Current year tax provision	38,280,738	32,256,597	1,464,000	8,621,200
Under provision in prior years	1,826,970	1,360,906	523,506	-
	40,107,708	33,617,503	1,987,506	8,621,200
Deferred taxation				
Relating to origination and reversal of temporary differences	(3,638,589)	(751,881)	-	-
Under provision in prior years	566,174	20,542	-	-
	(3,072,415)	(731,339)	-	-
Tax expense attributable to continuing operations	37,035,293	32,886,164	1,987,506	8,621,200
Tax credit attributable to discontinued operations	-	38,681	-	-

Income tax is calculated at the statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the financial year.

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

	Group	
	2014 RM	2013 RM
Profit before taxation	104,129,054	426,901,921
Taxation at statutory rate of 25%	26,032,264	106,725,480
Subsidiary companies domiciled in tax heaven country	1,491,221	342,505
Income not subject to tax	(6,876,887)	(87,254,471)
Expenses not deductible for tax purposes	12,394,283	10,081,755
Deferred tax assets not recognised	2,697,925	2,117,817
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(1,093,952)	(63,439)
Under provision of taxation in prior years	1,826,970	1,366,680
Under/(over) provision of deferred tax in prior years	566,174	(85,558)
Others	(2,705)	(344,605)
	37,035,293	32,886,164

Notes to the Financial Statements

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38. TAXATION (CONT'D)

	Company	
	2014 RM	2013 RM
Profit before taxation	53,620,873	65,366,206
Taxation at statutory rate of 25%	13,405,218	16,341,552
Expenses not deductible for tax purposes	4,187,486	1,478,211
Income not subject to tax	(16,128,704)	(9,198,563)
Under provision of taxation in prior years	523,506	-
	1,987,506	8,621,200

The Group has estimated unused tax losses and unutilised capital allowances of RM79,030,200 (2013: RM69,123,500) and RM1,756,800 (2013 : RM534,700) respectively available for set-off against future taxable profit.

39. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share has been calculated by dividing the consolidated profit for the financial year attributable to the owners of the Parent by the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2014	2013
Net profit for the financial year attributable to owners of the Parent (RM)		
- continuing operations	69,929,925	389,839,892
- discontinued operations	-	2,822,645
	69,929,925	392,662,537
Weighted average number of ordinary shares in issue		
Ordinary shares in issue as at 1 January	479,651,357	386,552,557
Effect of ordinary shares issued during the year	27,097,602	29,858,404
Effect of treasury shares held	(9,335,085)	(7,792,808)
Weighted average number of ordinary shares as at 31 December	497,413,874	408,618,153
Basic earnings per share (sen)		
- continuing operations	14.06	95.40
- discontinued operations	-	0.69
	14.06	96.09

Notes to the Financial Statements

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39. EARNINGS PER SHARE (CONT'D)

(b) Fully diluted earnings per share

Fully diluted earnings per share has been calculated by dividing the consolidated profit for the financial year attributable to the owners of the Parent by the adjusted weighted average number of ordinary shares issued and issuable during the year as follows:

	2014	Group 2013
Net profit for the financial year attributable to owners of the Parent (RM)		
- continuing operations	69,929,925	389,839,892
- discontinued operations	-	2,822,645
	69,929,925	392,662,537
Weighted average number of ordinary shares used in the calculation of basic earnings per share	497,413,874	408,618,153
Adjusted for:		
Assumed exercise of ESOS at no consideration	3,174,295	2,001,177
Assumed conversion of warrants	19,513,222	15,941,486
Weighted average number of ordinary shares as at 31 December	520,101,391	426,560,816
Diluted earnings per share (sen)		
- continuing operations	13.45	91.39
- discontinued operations	-	0.66
	13.45	92.05

40. EMPLOYEES' SHARE OPTION SCHEME

The Company has established a new Employees' Share Option Scheme ("ESOS") of not more than 15% of the issued share capital of the Company at the point of time throughout the duration of the scheme to eligible directors and employees of the Group, which was approved by shareholders at an Extraordinary General Meeting ("EGM") held on 28 June 2012 to replace the Company's previous ESOS which was implemented on 16 September 2002 and expired on 15 September 2012.

The ESOS became effective for a period of 10 years from 18 September 2012 to 17 September 2022.

Notes to the Financial Statements

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40.EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

The salient features of the ESOS are as follows:

- (a) Eligible employees include directors of the Company and confirmed full time employees of the Company and its eligible subsidiary companies or under a fixed term employment contract, the contract should be for a duration of at least one (1) year, whom must be a Malaysian citizen, shall have attained the age of eighteen (18) years old and have served for at least one years of full continuous service in the Group.
- (b) The maximum number of new ordinary shares which may be available under the ESOS shall not exceed 15% of the total issued and paid-up share capital of the Company at the point in time during the tenure of the ESOS.
- (c) The new Company's shares of RM1.00 each ("new Shares") to be allotted and issued upon the exercise of the ESOS Option shall, upon allotment and issue, rank pari passu in all respects with the existing Company's ordinary shares of RM1.00 each save and except that the said new Shares so allotted will not be entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid prior to the date of allotment of the said new Shares.
- (d) The ESOS shall be in force for a period of ten years.
- (e) The option is personal to the grantee and is non-assignable.
- (f) The option price shall be determined at a discount of not more than 10% from the weighted average market price of the Company's ordinary shares of RM1.00 each for five (5) market days preceding the date of offer, or the par value of the shares, whichever is higher.
- (g) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of 100 shares.
- (h) The options granted may be exercised, subject to the maximum limit of options exercisable in each particular year, at any time within a period of ten years from the date of offer of the option or such period as may be specifically stated in the offer upon giving notice in writing.
- (i) The persons to whom the options have been granted shall not participate in more than one employee share option scheme implemented by any company within the Group.

Notes to the Financial Statements

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40.EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

Movements in the number of share options outstanding and their related weighted average exercise prices ("WAEP") are as follows:

	Number of share options over ordinary shares of RM1.00 each				Exercisable at	
	At 1 January	Granted	Forfeited	Exercised	At 31 December	at 31 December
2013						
ESOS						
First Grant	34,197,750	-	(1,921,750)	(27,375,050)	4,900,950	4,900,950
Second Grant	-	8,087,050	(40,100)	(4,739,350)	3,307,600	3,307,600
Third Grant	-	453,700	-	(175,500)	278,200	278,200
Fourth Grant	-	275,250	-	(36,900)	238,350	238,350
Fifth Grant	-	400,200	-	-	400,200	400,200
Sixth Grant	-	194,500	-	-	194,500	194,500
Seventh Grant	-	121,400	-	-	121,400	121,400
	34,197,750	9,532,100	(1,961,850)	(32,326,800)	9,441,200	9,441,200
WAEP	1.00	1.14	1.08	1.01	1.10	1.10
2014						
ESOS						
First Grant	4,900,950	-	(4,750)	(559,100)	4,337,100	4,337,100
Second Grant	3,307,600	-	(18,500)	(603,350)	2,685,750	2,685,750
Third Grant	278,200	-	(15,300)	(73,700)	189,200	189,200
Fourth Grant	238,350	-	(26,000)	(29,750)	182,600	182,600
Fifth Grant	400,200	-	(62,050)	-	338,150	338,150
Sixth Grant	194,500	-	(44,150)	-	150,350	150,350
Seventh Grant	121,400	-	(2,500)	(15,300)	103,600	103,600
Eighth Grant	-	257,450	(7,600)	-	249,850	249,850
Ninth Grant	-	157,200	-	(128,300)	28,900	28,900
Tenth Grant	-	704,750	(20,000)	(45,900)	638,850	638,850
Eleventh Grant	-	124,050	-	-	124,050	124,050
Twelfth Grant	-	315,200	(15,300)	-	299,900	299,900
Thirteenth Grant	-	596,650	(8,700)	(95,000)	492,950	492,950
Fourteenth Grant	-	130,000	-	-	130,000	130,000
Fifteenth Grant	-	1,111,900	(29,800)	-	1,082,100	1,082,100
Sixteenth Grant	-	367,200	-	-	367,200	367,200
Seventeenth Grant	-	409,000	-	(59,500)	349,500	349,500
Eighteenth Grant	-	160,600	-	-	160,600	160,600
Nineteenth Grant	-	111,300	-	-	111,300	111,300
	9,441,200	4,445,300	(254,650)	(1,609,900)	12,021,950	12,021,950
WAEP	1.10	1.53	1.52	1.15	1.24	1.24

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40.EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

Details of share options outstanding at the end of the financial year are as follows:

Share Options	Exercise prices		Exercise periods	Fair value of share options at grant date	
	2014 RM	2013 RM		2014 RM	2013 RM
First Grant	-	1.00	18.09.2012 - 17.09.2022	-	0.06 - 0.17
Second Grant	-	1.08	01.07.2013 - 17.09.2022	-	0.29 - 0.36
Third Grant	-	1.22	01.08.2013 - 17.09.2022	-	0.35 - 0.43
Fourth Grant	-	1.46	01.09.2013 - 17.09.2022	-	0.45 - 1.08
Fifth Grant	-	1.69	01.10.2013 - 17.09.2022	-	1.07
Sixth Grant	-	1.61	01.11.2013 - 17.09.2022	-	1.10
Seventh Grant	-	1.50	01.12.2013 - 17.09.2022	-	1.03
Eighth Grant	1.43	-	01.01.2014 - 17.09.2022	0.96	-
Ninth Grant	1.35	-	01.02.2014 - 17.09.2022	0.91	-
Tenth Grant	1.55	-	01.03.2014 - 17.09.2022	1.04	-
Eleventh Grant	1.55	-	01.04.2014 - 17.09.2022	1.09	-
Twelfth Grant	1.61	-	01.05.2014 - 17.09.2022	1.07	-
Thirteenth Grant	1.56	-	01.06.2014 - 17.09.2022	1.03	-
Fourteenth Grant	1.54	-	01.07.2014 - 17.09.2022	0.70	-
Fifteenth Grant	1.54	-	01.08.2014 - 17.09.2022	0.74	-
Sixteenth Grant	1.52	-	01.09.2014 - 17.09.2022	0.70	-
Seventeenth Grant	1.53	-	01.10.2014 - 17.09.2022	0.71	-
Eighteenth Grant	1.48	-	01.11.2014 - 17.09.2022	0.68	-
Nineteenth Grant	1.51	-	01.12.2014 - 17.09.2022	0.59	-

The fair value of share options granted during the year was estimated by the management using Black-Scholes-Merton model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

	2014 RM	2013 RM
Weighted average fair value at grant date	0.85	0.69
Weighted average share price at grant date	1.68	1.65
Weighted average exercise price	1.53	1.14
Expected volatility (%)	30.11 - 34.77	30.57 - 52.34
Expected option life (years)	10	10
Risk-free interest rate, p.a. (%)	4.07 - 4.64	3.22 - 4.41
Expected dividend yield (%)	1.69 - 2.00	1.69 - 8.33

Notes to the Financial Statements

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40.EMPLOYEES' SHARE OPTION SCHEME (CONT'D)

The expected life of the share options is based on historical data and is not necessarily indicative of exercise patterns that may occur in the future. The expected volatility is based on the historical volatility, adjusted for unusual or extraordinary volatility arising from certain economic or business occurrences which is not reflective of its long term average level. While the expected volatility is assumed to be indicative of future trends, it may not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

Executive directors of the Group and of the Company and other members of key management have been granted the following number of options under the ESOS:

	Group	
	2014 RM	2013 RM
ESOS		
At 1 January	5,807,800	20,103,000
Additions *	70,000	2,961,000
Granted	1,541,900	3,904,000
Forfeited	-	(1,890,000)
Exercised	(605,000)	(19,270,200)
At 31 December	6,814,700	5,807,800

* Unexercised share options previously granted to new key management personnel during the financial year ended 31 December 2014.

The share options were granted on the same terms and conditions as those offered to other employees of the Group.

41.STAFF COSTS

		Group	
	Note	2014 RM	2013 RM
Staff costs (excluding directors) comprise:			
- charged to profit or loss		29,180,113	22,956,653
- capitalised in property development costs	6	-	155,425
Total staff costs for the financial year		29,180,113	23,112,078

Included in the total staff costs above are contributions made to the Employees Provident Fund for employees in Malaysia under a defined contribution plan for the Group amounting to RM2,534,761 (2013: RM2,263,205).

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42.DIVIDENDS

	Group/Company	
	2014	2013
	RM	RM
Interim single-tier dividend of 1.5 sen on 498,435,057 ordinary shares of RM1.00 each, in respect of the financial year ended 31 December 2013 paid on 23 May 2014	7,476,525	-
Final single-tier dividend of 1.5 sen on 508,803,157 ordinary shares of RM1.00 each, in respect of the financial year ended 31 December 2013 paid on 24 September 2014	7,632,047	-
Special single-tier dividend of 6 sen on 530,057,957 ordinary shares of RM1.00 each, in respect of the financial year ended 31 December 2014 paid on 6 February 2015	31,803,477	-
First and final dividend of 2.5 sen less 25% taxation on 412,377,707 ordinary shares of RM1.00 each, in respect of the financial year ended 31 December 2012 paid on 27 September 2013	-	7,732,090
Special tax exempt dividend of 8 sen on 457,878,957 ordinary shares of RM1.00 each, in respect of the financial year ended 31 December 2013 paid on 18 October 2013	-	36,630,316
	46,912,049	44,362,406

On 3 April 2015, the board of directors have proposed a first and final single-tier dividend of 3.25 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2014. The proposed dividend is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

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43. RELATED PARTY DISCLOSURES

(a) Identity of related parties

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

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

The Group and the Company have related party relationship with its subsidiary companies, key management personnel and directors' related companies.

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

	2014 RM	2013 RM
Group		
Holding company:		
Dividends paid/payable	25,921,361	24,660,531
Other related parties:		
Income		
Sales of development properties	8,459,997	9,152,232
Rendering of insurance services	39,235	31,300
Rental income	16,800	8,800
Expense		
Contractors fee	18,682,174	15,169,816
Equity instrument	10,600,000	12,152,501
Project consultancy fee	-	4,000
Rental expenses	134,300	123,600
Legal fees	431,180	589,713
Dividends paid/payable	2,384,315	2,692,482

Notes to the Financial Statements

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43. RELATED PARTY DISCLOSURES (CONT'D)

- (b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year: (cont'd)

	2014 RM	2013 RM
Company		
Holding company:		
Dividends paid/payable	25,921,361	24,660,531
Subsidiary companies:		
Income		
Management fee	120,000	120,000
Dividend income	61,988,403	74,048,426
Interest income	6,881,177	1,765,569
Expense		
Interest expenses	1,508,855	277,164
Other related parties:		
Dividends paid/payable	2,309,748	2,537,991
Legal fees	4,000	3,000

The nature and relationship between the Group and the other related parties are as follows:-

- (i) A firm or companies in which a close family member of certain directors of the Company or a subsidiary company have financial interest;
 - (ii) A firm or companies in which certain directors of the Company or its subsidiaries have financial interest;
 - (iii) Person who have financial interest in subsidiary companies; and
 - (iv) Directors and key management personnel of the Company or its subsidiaries and their close family members.
- (c) Information regarding outstanding balances arising from related party transactions as at 31 December 2014 is disclosed in Notes 10, 17, 18, 29 and 30.
- (d) Information regarding compensation of key management personnel is as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Short-term employee benefits	15,595,632	14,733,353	500,131	518,623
Share-based payments	1,330,464	935,632	1,330,464	935,632

Notes to the Financial Statements

(cont'd)

44.SEGMENT INFORMATION

The Group has five major reporting segments, as described below, which are the Group's strategic business units. Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure. For each of the strategic business units, the Group's managing director reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

The main business segments of the Group comprise the followings:

Property development	Development of residential, industrial and commercial properties.
Management and investment	Investment holding and provision of management services.
Trading and others	Trading in building material, insurance agent, selling of insurance membership cards and tourism development.
Construction	Building, project planning cum implementation contractor.
Motor racing circuit	Motor racing circuit development and management.

Other business segments include selling of membership cards covering personal insurance and insurance agent, none of which are of a sufficient size to be reported separately. The accounting policies of the segments are consistent with the accounting policies of the Group.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's managing director. Segment total assets is used to measure the return of assets of each segment.

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Group's managing director. Hence no disclosure is made on segment liabilities.

Geographical segments

In determining the Group segment revenue is based on the geographical location of customers as follows:

	2014 RM	2013 RM
Malaysia	650,081,497	528,955,858
People's Republic of China	18,183,533	4,576,864

Information about major customers

There is no significant concentration of revenue from any major customers as the Group sells its development properties to individual purchasers.

Notes to the Financial Statements

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44.SEGMENT INFORMATION (CONT'D)

	Property Development RM	Management and Investment RM	Trading and Others RM	Construction RM	Motor Racing Circuit RM	Total RM
2014						
Revenue						
Sales	615,905,983	184,403,128	47,652,452	295,097,620	18,183,533	1,161,242,716
Less: Inter-segment sales	-	(184,362,293)	(29,732,054)	(278,883,339)	-	(492,977,686)
Total revenue	615,905,983	40,835	17,920,398	16,214,281	18,183,533	668,265,030
Financial results						
Segment results	111,981,937	(13,487,942)	(788,263)	15,753,395	(11,474,194)	101,984,933
Interest income	6,043,818	17,939,927	-	110,641	92,425	24,186,811
Finance costs	(15,346,062)	(6,978,171)	-	(720,527)	(491,192)	(23,535,952)
Share of profit in associated companies	-	-	1,493,262	-	-	1,493,262
Profit/(Loss) before taxation	102,679,693	(2,526,186)	704,999	15,143,509	(11,872,961)	104,129,054
Taxation	(31,984,880)	(2,216,344)	(152,800)	(4,090,311)	1,409,042	(37,035,293)
Net profit/(loss) for the financial year	70,694,813	(4,742,530)	552,199	11,053,198	(10,463,919)	67,093,761
Assets						
Additional investment in associated companies	350,000	9,754,704	-	-	-	10,104,704
Additions to non-current assets	48,494,532	-	793,798	2,259,842	317,830	51,866,002
Segment assets	1,239,961,710	652,834,184	2,762,855	101,832,030	222,244,115	2,219,634,894

Notes to the Financial Statements

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44.SEGMENT INFORMATION (CONT'D)

	Property Development RM	Management and Investment RM	Trading and Others RM	Construction RM	Motor Racing Circuit RM	Total RM
2014						
Other non-cash expenses						
Bad debts written off	5,205	-	-	21,648	-	26,853
Depreciation of property, plant and equipment	1,593,692	536	28,597	1,301,638	12,167,350	15,091,813
Depreciation of investment properties	244,147	3,050	-	213,035	-	460,232
Impairment on goodwill arising on consolidation	7,050,743	-	-	-	-	7,050,743
Impairment on investment in an associated company	199,999	-	-	-	-	199,999
Property, plant and equipment written off	12,625	-	-	1,288	3,452	17,365
Unrealised loss on foreign exchange	-	1,049,717	-	-	124,403	1,174,120
Loss on disposal of quoted shares	-	1,912,925	-	-	-	1,912,925
Interest expense on financial liabilities measured at amortised cost	7,089,063	-	-	-	-	7,089,063
Share-based payment	-	3,847,951	-	-	-	3,847,951
Other non-cash income						
Gain on disposal of non-current assets classified as held for sale	-	-	-	(70,200)	-	(70,200)
Gain on disposal of property, plant and equipment	(77,797)	-	-	10,620	2,051	(65,126)
Gain on disposal of investment in mutual fund	-	(40,834)	-	-	-	(40,834)
Interest income from financial assets measured at amortised cost	(2,108,783)	(17,070,350)	-	-	-	(19,179,133)
Allowance for doubtful debts no longer required	(41,269)	-	-	-	-	(41,269)

Notes to the Financial Statements

(cont'd)

44.SEGMENT INFORMATION (CONT'D)

	Property Development RM	Management and Investment RM	Trading and Others RM	Construction RM	Motor Racing Circuit RM	Total RM	Discontinued Operations RM	Total RM
2013								
Revenue								
Sales	518,500,225	154,503,623	36,776,685	218,621,477	4,576,864	932,978,874	14,863,471	947,842,345
Less:								
Inter-segment sales	-	(154,410,623)	(26,414,052)	(218,621,477)	-	(399,446,152)	-	(399,446,152)
Total revenue	518,500,225	93,000	10,362,633	-	4,576,864	533,532,722	14,863,471	548,396,193
Financial results								
Segment results	101,713,959	338,440,226	173,921	(76,942)	(2,250,446)	438,000,718	3,231,279	441,231,997
Interest income	2,863,045	1,218,073	-	-	16,282	4,097,400	37,937	4,135,337
Finance costs	(10,013,987)	(4,810,742)	(12,720)	-	(333,401)	(15,170,850)	-	(15,170,850)
Share of loss in associated companies	-	-	(25,347)	-	-	(25,347)	-	(25,347)
Profit/(Loss)								
before taxation	94,563,017	334,847,557	135,854	(76,942)	(2,567,565)	426,901,921	3,269,216	430,171,137
Taxation	(33,674,769)	692,344	(59,216)	(182,019)	337,496	(32,886,164)	38,681	(32,847,483)
Net profit/(loss) for the financial year	60,888,248	335,539,901	76,638	(258,961)	(2,230,069)	394,015,757	3,307,897	397,323,654
Assets								
Additional investment in associated companies	-	300,020	-	-	-	300,020	-	300,020
Additions to non-current assets	155,381,502	137,200,601	-	1,814,370	494,565,591	788,962,064	-	788,962,064
Segment assets	1,126,628,983	611,630,291	1,576,744	54,319,634	215,657,018	2,009,812,670	-	2,009,812,670

Notes to the Financial Statements

(cont'd)

44.SEGMENT INFORMATION (CONT'D)

	Property Development RM	Management and Investment RM	Trading and Others RM	Construction RM	Motor Racing Circuit RM	Total RM	Discontinued Operations RM	Total RM
2013								
Other non-cash expenses								
Bad debts written off	82,447	-	-	-	-	82,447	-	82,447
Depreciation of property, plant and equipment	1,378,721	517	-	1,302,650	3,055,403	5,737,291	-	5,737,291
Depreciation of investment properties	118,043	3,050	-	29,414	-	150,507	-	150,507
Impairment on investment properties	-	48,942	-	-	-	48,942	-	48,942
Impairment on trade and other receivables	24,749	-	-	-	1,287	26,036	-	26,036
Property, plant and equipment written off	20,069	14,909	-	251,954	-	286,932	-	286,932
Unrealised loss on foreign exchange	-	2,108,142	-	-	22,460	2,130,602	228,392	2,358,994
Unquoted investment written off	5,000	-	-	-	-	5,000	-	5,000
Impairment of goodwill arising on consolidation	9,139,084	-	-	-	-	9,139,084	-	9,139,084
Share-based payment	-	3,192,962	-	-	-	3,192,962	-	3,192,962

Notes to the Financial Statements

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44.SEGMENT INFORMATION (CONT'D)

	Property Development RM	Management and Investment RM	Trading and Others RM	Construction RM	Motor Racing Circuit RM	Total RM	Discontinued Operations RM	Total RM
2013								
Other non-cash income								
Gain on disposal of property, plant and equipment	(190,689)	-	-	(873)	-	(191,562)	(7,651)	(199,213)
Gain on disposal of non-current assets classified as held for sale	-	-	-	(2,384,963)	-	(2,384,963)	-	(2,384,963)
Gain on disposal of subsidiary companies	-	(341,615,895)	-	-	-	(341,615,895)	-	(341,615,895)
Gain on disposal of associated companies	-	(91,870)	-	-	-	(91,870)	-	(91,870)
Negative goodwill written off	-	(3,297,169)	-	-	-	(3,297,169)	-	(3,297,169)
Unrealised gain on foreign exchange	-	(1,059,435)	-	-	(485,400)	(1,544,835)	(403,694)	(1,948,529)
Allowance for doubtful debts no longer required	(232,480)	-	-	-	-	(232,480)	-	(232,480)
Interest income from financial assets measured at amortised cost	(1,540,829)	-	-	-	-	(1,540,829)	-	(1,540,829)

Notes to the Financial Statements

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45. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Carrying amount RM	Loans and receivables RM	Available- for-sale RM	Held-to- maturity RM	Financial liabilities at amortised cost RM
Group 2014					
Financial Assets					
Trade receivables	181,575,618	181,575,618	-	-	-
Other receivables	63,631,041	63,631,041	-	-	-
Promissory note	245,528,220	-	-	245,528,220	-
Other investments	163,940,585	-	163,940,585	-	-
Fixed deposits with licensed banks	160,983,954	160,983,954	-	-	-
Cash held under Housing Development Accounts	89,132,344	89,132,344	-	-	-
Cash and bank balances	82,321,983	82,321,983	-	-	-
Total undiscounted financial assets	987,113,745	577,644,940	163,940,585	245,528,220	-
Financial Liabilities					
Trade payables	328,255,617	-	-	-	328,255,617
Other payables	282,628,830	-	-	-	282,628,830
Finance lease payables	4,714,292	-	-	-	4,714,292
Islamic Securities	10,000,000	-	-	-	10,000,000
Bank borrowings and overdrafts	461,794,341	-	-	-	461,794,341
Total undiscounted financial liabilities	1,087,393,080	-	-	-	1,087,393,080

Notes to the Financial Statements

(cont'd)

45. FINANCIAL INSTRUMENTS (CONT'D)

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

	Carrying amount RM	Loans and receivables RM	Available- for-sale RM	Held-to- maturity RM	Financial liabilities at amortised cost RM
Group					
2013					
Financial Assets					
Trade receivables	188,042,458	188,042,458	-	-	-
Other receivables	23,496,646	23,496,646	-	-	-
Promissory note	319,672,320	-	-	319,672,320	-
Other investments	138,449,101	-	138,449,101	-	-
Fixed deposits with licensed banks	152,756,932	152,756,932	-	-	-
Cash held under Housing Development Accounts	57,977,521	57,977,521	-	-	-
Cash and bank balances	78,610,013	78,610,013	-	-	-
Total undiscounted financial assets	959,004,991	500,883,570	138,449,101	319,672,320	-
Financial Liabilities					
Trade payables	318,786,191	-	-	-	318,786,191
Other payables	303,969,447	-	-	-	303,969,447
Finance lease payables	4,322,521	-	-	-	4,322,521
Islamic Securities	30,000,000	-	-	-	30,000,000
Bank borrowings and overdrafts	348,766,231	-	-	-	348,766,231
Total undiscounted financial liabilities	1,005,844,390	-	-	-	-1,005,844,390

Notes to the Financial Statements

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45. FINANCIAL INSTRUMENTS (CONT'D)

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

	Carrying amount RM	Loans and receivables RM	Available- for-sale RM	Held-to- maturity RM	Financial liabilities at amortised cost RM
Company					
2014					
Financial Assets					
Other receivables	34,104,763	34,104,763	-	-	-
Other investments	27,070,770	-	27,070,770	-	-
Amount owing by					
subsidiary companies	190,978,386	190,978,386	-	-	-
Fixed deposits with licensed banks	16,196,079	16,196,079	-	-	-
Cash and bank balances	3,027,237	3,027,237	-	-	-
Total undiscounted financial assets	271,377,235	244,306,465	27,070,770	-	-
Financial Liabilities					
Other payables	32,104,762	-	-	-	32,104,762
Amount owing to					
subsidiary companies	66,595,244	-	-	-	66,595,244
Islamic Securities	10,000,000	-	-	-	10,000,000
Bank borrowings and overdrafts	77,995,902	-	-	-	77,995,902
Total undiscounted financial liabilities	186,695,908	-	-	-	186,695,908
2013					
Financial Assets					
Other receivables	7,088	7,088	-	-	-
Amount owing by subsidiary companies	65,940,805	65,940,805	-	-	-
Fixed deposits with licensed banks	24,486,520	24,486,520	-	-	-
Cash and bank balances	751,244	751,244	-	-	-
Total undiscounted financial assets	91,185,657	91,185,657	-	-	-
Financial Liabilities					
Other payables	1,484,980	-	-	-	1,484,980
Amount owing to					
subsidiary companies	48,980,963	-	-	-	48,980,963
Islamic Securities	30,000,000	-	-	-	30,000,000
Bank borrowings and overdrafts	687,646	-	-	-	687,646
Total undiscounted financial liabilities	81,153,589	-	-	-	81,153,589

Notes to the Financial Statements

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45. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and the Company's operations whilst managing its financial risks, including foreign currency exchange risk, interest rate risk, credit risk, liquidity risk and cash flows risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

The Group and the Company have exposure to the following risks from its use of financial instruments:

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from its trade and other receivables, fixed deposits with licensed bank, cash held under Housing Development Accounts and cash at bank. Fixed deposits with licensed banks, Cash held under Housing Development Account and cash at banks are placed with credit worthy financial institutions.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Receivables are monitored on an ongoing basis via Company's management reporting procedures and action will be taken for long outstanding debts. Majority of the receivables are from property development segment. The credit risk is limited as the ownership and rights to the properties revert to the Group in the event of default.

The Company provides unsecured loans and advances to subsidiary companies. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represents the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks for banking facilities granted to certain subsidiary companies. The Company's maximum exposure in this respect is RM383,798,439 (2013: RM347,437,559), representing the outstanding banking facilities of the subsidiary companies as at the end of the reporting period. There was no indication that any subsidiary company would default on repayment as at the end of the reporting period.

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credits risks except for loans to its subsidiary companies where risks of default have been assessed to be low.

Notes to the Financial Statements

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45. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(ii) Liquidity risk

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

The Group's and the Company's funding requirements and liquidity risks is managed with the objective of meeting business obligations on a timely basis. The Group and the Company monitors its cash flows and ensures that sufficient funding is in place to meet the obligations as and when they fall due.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM
Group 2014						
Trade payables	328,255,617	328,255,617	277,401,479	-	-	50,854,138
Other payables	282,628,830	282,628,830	36,358,946	197,678,581	-	48,591,303
Finance lease payables	4,714,292	5,341,051	1,245,290	1,100,575	2,329,478	665,708
Islamic securities	10,000,000	10,033,750	10,033,750	-	-	-
Bank borrowings and overdrafts	461,794,341	531,138,718	208,189,956	142,667,143	142,298,021	37,983,598
	1,087,393,080	1,157,397,966	533,229,421	341,446,299	144,627,499	138,094,747
2013						
Trade payables	318,786,191	318,786,191	199,457,872	50,012,498	54,600,000	14,715,821
Other payables	303,969,447	303,969,447	256,536,875	1,409,597	340,000	45,682,975
Finance lease payables	4,322,521	4,870,592	1,199,929	987,180	1,957,642	725,841
Islamic securities	30,000,000	32,464,583	10,844,583	810,000	20,810,000	-
Bank borrowings and overdrafts	348,766,231	409,241,229	69,078,364	127,790,974	175,992,705	36,379,186
	1,005,844,390	1,069,332,042	537,117,623	181,010,249	253,700,347	97,503,823

Notes to the Financial Statements

(cont'd)

45. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(ii) Liquidity risk (cont'd)

	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM
Company 2014						
Other payables	32,104,762	32,104,762	32,104,762	-	-	-
Amount owing to subsidiary companies	66,595,244	66,595,244	25,152,821	41,442,423	-	-
Islamic securities	10,000,000	10,000,000	10,000,000	-	-	-
Bank borrowings and overdrafts	77,995,902	82,600,237	69,458,547	7,470,769	5,670,921	-
	186,695,908	191,300,243	136,716,130	48,913,192	5,670,921	-
2013						
Other payables	1,484,980	1,484,980	1,484,980	-	-	-
Amount owing to subsidiary companies	48,980,963	48,980,963	48,980,963	-	-	-
Islamic securities	30,000,000	32,464,583	10,844,583	810,000	20,810,000	-
Bank borrowings and overdrafts	687,646	699,219	699,219	-	-	-
	81,153,589	83,629,745	62,009,745	810,000	20,810,000	-

Notes to the Financial Statements

(cont'd)

45. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risk

Foreign currency exchange risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Hong Kong Dollar ("HKD"), Euro and Chinese Renminbi ("RMB").

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	USD RM	HKD RM	EURO RM	RMB RM	Total RM
Group 2014					
Financial Assets					
Fixed deposits with licensed banks	1,000,000	175,761	-	713,939	1,889,700
Cash and bank balances	191,714	90,484	1,184,301	94,300	1,560,799
	1,191,714	266,245	1,184,301	808,239	3,450,499
Financial Liabilities					
Trade and other payables	249,594	-	-	-	249,594
Bank borrowings	19,781,700	-	-	-	19,781,700
	20,031,294	-	-	-	20,031,294

Notes to the Financial Statements

(cont'd)

45. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risk (cont'd)

Foreign currency exchange risk (cont'd)

	USD RM	HKD RM	EURO RM	RMB RM	Total RM
2013					
Financial Assets					
Fixed deposits with licensed banks	-	10,790,595	-	54,029,334	64,819,929
Cash and bank balances	36,396	44,084	1,237,631	55,071	1,373,182
	36,396	10,834,679	1,237,631	54,084,405	66,193,111
Financial Liabilities					
Trade and other payables	233,810	-	-	8,059	241,869
Company					
2014					
Financial Assets					
Fixed deposits with licensed banks	1,000,000	175,761	-	-	1,175,761
Cash and bank balances	152,853	17,884	-	-	170,737
	1,152,853	193,645	-	-	1,346,498
Financial Liabilities					
Bank borrowings	19,781,700	-	-	-	19,781,700
2013					
Financial Assets					
Fixed deposits with licensed banks	-	175,761	-	-	175,761
Cash and bank balances	-	18,234	-	-	18,234
	-	193,995	-	-	193,995

Notes to the Financial Statements

(cont'd)

45. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risk (cont'd)

Foreign currency risk sensitivity

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

A 10% strengthening of Ringgit Malaysia against the following foreign currencies at the end of the reporting period would increase/(decrease) the profit before taxation and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain unchanged.

	USD RM	HKD RM	EURO RM	RMB RM
Group				
2014				
Profit before taxation and other comprehensive income	1,883,958	(26,625)	(118,430)	(80,824)
2013				
Profit before taxation and other comprehensive income	19,741	(1,083,468)	(123,763)	(5,407,635)
Company				
2014				
Profit before taxation and other comprehensive income	1,862,885	(19,365)	-	-
2013				
Profit before taxation and other comprehensive income	-	(19,400)	-	-

A 10% weakening of Ringgit Malaysia against the above foreign currencies at the end of the reporting period would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain unchanged.

Notes to the Financial Statements

(cont'd)

45. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risk (cont'd)

Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The carrying amounts of the Group's and of the Company's financial instruments that are exposed to interest rate risk are as follows:

	2014 RM	2013 RM
Group		
Financial Assets		
Fixed deposits with licensed banks	160,983,954	152,756,932
Cash Held under Housing Development Accounts	89,132,344	57,977,521
	250,116,298	210,734,453
Financial Liabilities		
Bank borrowings and bank overdrafts	461,794,341	348,766,231
Company		
Financial Asset		
Fixed deposits with licensed banks	16,196,079	24,486,520
Financial Liabilities		
Bank borrowings and bank overdrafts	77,995,902	687,646

The Group and the Company are exposed to interest rate risk arising from its short and long term debts obligations, and its fixed deposits. Fixed deposits interest rate is insignificant and any fluctuations in the rate would have no material impact on the results of the Group and of the Company.

Notes to the Financial Statements

(cont'd)

45. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (cont'd)

(iii) Market risk (cont'd)

Interest rate risk sensitivity

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

A change in 1% interest rate at the end of the reporting period would have increased or decreased the Group's and the Company's profit before tax by RM2,116,780 and RM617,998 (2013: RM1,380,318 and RM237,989) respectively, arising mainly as a result of lower or higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(c) Fair value of financial instruments

The carrying amounts of short term receivables and payables, cash and cash equivalents and short term borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

It was not practicable to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

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

Notes to the Financial Statements

(cont'd)

45. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value of financial instruments (cont'd)

2014 Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	RM	RM
Financial assets										
Transferrable corporate club memberships	-	-	1,248,500	1,248,500	-	-	-	-	1,248,500	1,248,500
Investment in mutual fund	-	27,070,770	-	27,070,770	-	-	-	-	27,070,770	27,070,770
Promissory note	-	-	159,661,639	159,661,639	-	-	-	-	159,661,639	159,661,639
Equity securities	135,621,315	-	-	135,621,315	-	-	-	-	135,621,315	135,621,315
	135,621,315	27,070,770	160,910,139	323,602,224	-	-	-	-	323,602,224	323,602,224
Financial liabilities										
Trade payables	-	-	-	-	-	-	50,854,138	50,854,138	50,854,138	50,854,138
Other payables	-	-	-	-	-	-	48,591,303	48,591,303	48,591,303	48,591,303
Finance lease payables	-	-	-	-	-	-	3,189,754	3,189,754	3,189,754	3,688,384
Bank borrowings	-	-	-	-	-	-	230,211,090	230,211,090	230,211,090	274,566,258
Contingent liabilities	-	-	-	-	-	-	@	-	-	15,425,745
	-	-	-	-	-	-	332,846,285	332,846,285	332,846,285	393,125,828
Company										
Financial assets										
Investment in mutual fund	-	22,070,770	-	22,070,770	-	-	-	-	22,070,770	22,070,770
Financial liabilities										
Bank borrowings	-	-	-	-	-	-	11,859,163	11,859,163	11,859,163	12,651,900
Contingent liabilities	-	-	-	-	-	-	@	-	-	432,026,705
	-	-	-	-	-	-	11,859,163	11,859,163	11,859,163	444,678,605

Notes to the Financial Statements

(cont'd)

45. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value of financial instruments (cont'd)

2013 Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	RM	RM
Financial assets										
Transferrable										
corporate club										
memberships	-	-	1,248,500	1,248,500	-	-	-	-	1,248,500	1,248,500
Promissory note	-	-	219,098,880	219,098,880	-	-	-	-	219,098,880	219,098,880
Equity securities	137,200,601	-	-	137,200,601	-	-	-	-	137,200,601	137,200,601
	137,200,601	-	220,347,380	357,547,981	-	-	-	-	357,547,981	357,547,981
Financial liabilities										
Trade payables	-	-	-	-	-	-	119,328,319	119,328,319	119,328,319	119,328,319
Other payables	-	-	-	-	-	-	47,432,572	47,432,572	47,432,572	47,432,572
Finance lease										
payables	-	-	-	-	-	-	2,998,985	2,998,985	2,998,985	3,303,044
Bank borrowings	-	-	-	-	-	-	224,449,658	224,449,658	224,449,658	287,969,337
Islamic securities	-	-	-	-	-	-	28,102,924	28,102,924	28,102,924	30,000,000
Contingent liabilities	-	-	-	-	-	-	@	-	-	13,241,265
	-	-	-	-	-	-	422,312,458	422,312,458	422,312,458	501,274,537
Company Financial liabilities										
Bank borrowings	-	-	-	-	-	-	490,134	490,134	490,134	567,085
Islamic securities	-	-	-	-	-	-	28,102,924	28,102,924	28,102,924	30,000,000
Contingent liabilities	-	-	-	-	-	-	@	-	-	424,336,498
	-	-	-	-	-	-	28,593,058	28,593,058	28,593,058	454,903,583

@ It is not practicable to estimate the fair value of contingent liabilities reliably due to the uncertainties of timing, cost and eventual income.

Notes to the Financial Statements

(cont'd)

45. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value of financial instruments (cont'd)

(i) Policy on transfer between levels

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

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

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

(iii) Level 2 fair value

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

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

46. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants.

The Group's and the Company's gearing ratio are measured using total external borrowings over shareholders' equity. As at reporting date, the Group's and the Company's gearing ratio are 0.50 and 0.18 (2013: 0.44 and 0.08) respectively.

The increase in gearing ratio as at 31 December 2014 was primarily due to increase in bank borrowings.

There were no changes in the Group's approach to capital management during the financial year.

The Group maintains a debt to equity ratio that complies with debt covenant and regulatory requirements in countries where the Group operates. This includes minimum capital requirements and the requirements to maintain legal reserves which are non-distributable.

The Group is required to maintain a maximum gearing ratio of 1.50 to comply with the debt covenant under Islamic securities, failing which, the bank may call an event of default.

Notes to the Financial Statements

(cont'd)

47. SIGNIFICANT EVENTS

During the financial year, the following significant events took place for the Company and its subsidiary companies:

- (a) On 7 April 2014, RHB Investment Bank Berhad ("RHBIB") announced for and on behalf of the Company that Bursa Malaysia Securities Berhad ("Bursa Securities") has vide its letter dated 4 April 2014 approved the listing and quotation for up to 58,349,303 new ordinary shares of RM1.00 each ("Placement Shares") pursuant to Section 132D of the Companies Act, 1965 ("Private Placement").

On 2 May 2014, RHBIB announced that a total of 20,000,000 Placement Shares were listed and quoted on the Main Market of Bursa Securities. Accordingly, the total issued and paid-up share capital of the Company has increased by additional 20,000,000 ordinary shares of RM1.00 each.

On 18 September 2014, RHBIB announced on behalf of the Company that an application to Bursa Securities for an extension of time of six (6) months from the Private Placement implementation deadline of 3 October 2014 to 2 April 2015 ("Extension of Time"). Bursa Securities has vide its letter dated 26 September 2014 approved the Extension of Time.

- (b) On 27 October 2014, the Company has fully subscribed for its entitlement rights of 8 million Rights Shares of RM0.50 each under the Renounceable Rights Issue of 36,497,200 new Ordinary Shares of RM0.50 each in ML Global at an issue price of RM0.50 per Rights Share on the basis of 1 Rights Share for every 1 Existing Ordinary Share of RM0.50 each in ML Global held by the shareholders of ML Global on 1 October 2014, together with 18,248,600 Free Detachable Warrants on the Basis of 1 Warrant for every 2 Rights Shares Subscribed.

The Company has also subscribed for 2,331,023 excess Rights Shares based on the Additional Undertaking provided by the Company to subscribe for the unsubscribed Rights Shares. Consequently, the Company holds 18,331,023 shares representing 20.45% of total issued and paid-up capital of ML Global and 9,165,514 warrants representing 34.27% of total warrants issued of ML Global.

48. SUBSEQUENT EVENTS

Subsequent to the financial year, the following subsequent events took place for the Company and its subsidiary companies:

- (a) On 1 January 2015, a total of 261,800 shares options under ESOS were granted at the subscription price of RM1.44 to the eligible employees under the Twentieth Grant of the ESOS.
- (b) On 9 January 2015, MITCE, a 75% subsidiary company of MITC, an indirectly wholly-owned subsidiary company of the Company has acquired 25,000 ordinary shares of RM1.00 each in Prisma Kasturi Sdn. Bhd. ("PKSB"), a company incorporated in Malaysia for a total cash consideration of Ringgit Malaysia Two (RM2) only. Consequently, PKSB became a wholly-owned subsidiary company of MITCE.
- (c) On 23 January 2015, LBS has subscribed for 550 ordinary shares of RM1.00 each in Megah Solaris Sdn. Bhd. ("MSSB") for a total cash consideration of Ringgit Malaysia Five Hundred and Fifty (RM550) only. Consequently, MSSB became a 55% subsidiary company of LBS.

Notes to the Financial Statements

(cont'd)

48.SUBSEQUENT EVENTS (CONT'D)

Subsequent to the financial year, the following subsequent events took place for the Company and its subsidiary companies: (cont'd)

- (d) On 1 February 2015, a total of 135,100 shares options under ESOS were granted at the subscription price of RM1.40 to the eligible employees under the Twenty-First Grant of the ESOS.
- (e) On 1 March 2015, a total of 148,700 shares options under ESOS were granted at the subscription price of RM1.40 to the eligible employees under the Twenty-Second Grant of the ESOS.
- (f) On 25 March 2015, LBS has acquired 45,000 ordinary shares of RM1.00 each in Iringan Kejora Sdn. Bhd. ("IKSB") for a total cash consideration of Ringgit Malaysia Seven Million and Five Hundred Thousand (RM7,500,000) only. Consequently, IKSB became a 60% subsidiary company of LBS.
- (g) On 1 April 2015, RHBIB announced on behalf of the Company that the Extension of Time will lapse on 2 April 2015 and the Company does not intend to seek for any further extension of time for the implementation of the Private Placement.

49.MATERIAL LITIGATION

As at date of this report, there is no material litigation against the Company and its subsidiary companies.

50.CAPITAL COMMITMENTS

	2014 RM	2013 RM
Approved and contracted for property development:		
- Cost Sharing Agreements	-	9,879,332
- Joint Venture Agreements	226,583,800	89,337,796
- Sales and Purchase Agreements	148,115,549	-
- Privatisation Agreements	60,000,000	-
	434,699,349	99,217,128

Notes to the Financial Statements

(cont'd)

51. CONTINGENT LIABILITIES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Corporate guarantees given to the licensed banks for credit facilities granted to subsidiary companies - secured	-	-	383,798,439	347,437,559
Corporate guarantees given to the suppliers of goods and for development purpose for credit terms/ facilities granted to subsidiary companies - unsecured	-	-	48,228,266	76,898,939
Bankers' guarantees in favour of the local authorities for development purpose - secured	15,425,745	13,241,265	-	-

52. LIST OF SUBSIDIARY COMPANIES

Name of company	Country of incorporation	Effective interest		Principal activities
		2014 %	2013 %	
Direct holding				
Intellplace Holdings Limited	British Virgin Islands	100	100	Investment holding
LBS Landscape Sdn. Bhd.	Malaysia	100	100	Turfing and landscape contractor
LBS Bina Holdings Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Linkway Property Co., Ltd.	British Virgin Islands	100	100	Dormant
Maju Kepunyaan Sdn. Bhd.	Malaysia	100	100	Property development
Saga Serata Sdn. Bhd.	Malaysia	100	100	Insurance agent
SPJ Construction Sdn. Bhd.	Malaysia	60	60	Dormant

Notes to the Financial Statements

(cont'd)

52. LIST OF SUBSIDIARY COMPANIES (CONT'D)

Name of company	Country of incorporation	Effective interest		Principal activities
		2014 %	2013 %	
Indirect holding				
Subsidiary companies of				
LBS Bina Holdings Sdn. Bhd. :				
Adil Restu Sdn. Bhd.	Malaysia	100	100	Property development
Alunan Prestasi Sdn. Bhd.	Malaysia	70	70	Property development
Angsana Abadi Sdn. Bhd.	Malaysia	100	100	Property development
Astana Modal (M) Sdn. Bhd.	Malaysia	100	100	Property development
Azam Perspektif Sdn. Bhd.	Malaysia	100	100	Property development
Casa Inspirasi Sdn. Bhd.	Malaysia	58	58	Property development
Cergas Asal (M) Sdn. Bhd.	Malaysia	100	100	Property development
Dataran Enigma Sdn. Bhd.	Malaysia	61	61	Property development
Equal Alliance Sdn. Bhd.	Malaysia	100	100	Property development
Equal Sign Sdn. Bhd.	Malaysia	100	100	Property development
Focal Remedy Sdn. Bhd.	Malaysia	100	100	Property development
Fokus Awana Sdn. Bhd.	Malaysia	70	70	Property development
Galeri Cekap Sdn. Bhd.	Malaysia	100	100	Property development
Generasi Nostalgia Sdn. Bhd.	Malaysia	100	100	Property development
Generasi Simbolik Sdn. Bhd.	Malaysia	71	71	Property development
Getstyle Sdn. Bhd.	Malaysia	100	100	Property development
Inderaloka Impian Sdn. Bhd.	Malaysia	100	100	Property development
Intellview Sdn. Bhd.	Malaysia	100	100	Property development and implementation contractor
Iringan Kejora Sdn. Bhd.	Malaysia	51	-	Property development
Jatidiri Gigih Sdn. Bhd.	Malaysia	100	100	Property development
Jauhari Unggul Sdn. Bhd.	Malaysia	100	100	Property development
Johan Anggun Sdn. Bhd.	Malaysia	70	70	Property development
Kalimah Jaya Sdn. Bhd.	Malaysia	100	100	Investment holding
Kilatlima Sdn. Bhd.	Malaysia	100	100	Property development
Koleksi Sigma Sdn. Bhd.	Malaysia	75	60	Property development
LBS Capital Sdn. Bhd.	Malaysia	100	100	Dormant
LBS Maju Sdn. Bhd.	Malaysia	70	70	Property development
LBS Properties Sdn. Bhd.	Malaysia	100	100	Property management and investment holding
Maju Kamabisa Sdn. Bhd.	Malaysia	100	100	Property development
Mayang Jelatek Sdn. Bhd.	Malaysia	51	51	Property development
Misi Aktif Sdn. Bhd.	Malaysia	100	100	Property development
MITC Sdn. Bhd.	Malaysia	100	100	Building, project planning cum implementation contractor, property development and investment holding

Notes to the Financial Statements

(cont'd)

52. LIST OF SUBSIDIARY COMPANIES (CONT'D)

Name of company	Country of incorporation	Effective interest		Principal activities
		2014 %	2013 %	
Indirect holding				
Subsidiary companies of				
LBS Bina Holdings Sdn. Bhd. : Pelangi Homes Sdn. Bhd.	Malaysia	100	100	Property development, investment holding and provision of project consultancy services
Pembangunan Primer Sdn. Bhd.	Malaysia	80	55	Dormant
Prima Utuh Sdn. Bhd.	Malaysia	80	80	Dormant
Puncak Gama Sdn. Bhd.	Malaysia	51	51	Dormant
Saga Megah Sdn. Bhd.	Malaysia	100	100	Trading in building materials and general construction
Sepadan Maju Sdn. Bhd.	Malaysia	90	90	Property development
Seribu Baiduri Sdn. Bhd.	Malaysia	100	100	Property development
Sinaran Restu Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Taman Sempurna Sdn. Bhd.	Malaysia	51	-	Dormant
Utuh Aspirasi Sdn. Bhd.	Malaysia	100	100	Property development
Wirama Era Baru Sdn. Bhd.	Malaysia	51	51	Property development
Subsidiary companies of				
Sinaran Restu Sdn. Bhd. : Kenderong Sdn. Bhd.	Malaysia	100	100	Property development
KerANJI Bina Sdn. Bhd.	Malaysia	100	100	Property development
Lingkar Semangat Sdn. Bhd.	Malaysia	100	100	Dormant
Nilam Mewah Sdn. Bhd.	Malaysia	55	55	Dormant
Pacific Grant Sdn. Bhd.	Malaysia	100	100	Property development
Silibin Jaya Sdn. Bhd.	Malaysia	100	100	Property development
Juaraplex Sdn. Bhd.	Malaysia	100	100	Dormant
Subsidiary companies of				
MITC Sdn. Bhd. : MITC Engineering Sdn. Bhd.	Malaysia	75	65	Civil engineering, design and build and property development
Prisma Kasturi Sdn. Bhd.	Malaysia	51	51	Dormant
Subsidiary company of				
Intellplace Holdings Limited : * Dragon Hill Corporation Limited	Hong Kong	100	100	Investment holding

Notes to the Financial Statements

(cont'd)

52. LIST OF SUBSIDIARY COMPANIES (CONT'D)

Name of company	Country of incorporation	Effective interest		Principal activities
		2014 %	2013 %	
Indirect holding				
Subsidiary company of Dragon Hill Corporation Limited : * Lamdeal Investments Limited	Hong Kong	100	100	Project investment through a subsidiary in PRC
Subsidiary company of Lamdeal Investments Limited : * Zhuhai International Circuit Limited	PRC	60	60	Racing circuit development and management
Subsidiary company of Zhuhai International Circuit Limited: * Zhuhai International Circuit Promotion (HK) Limited	Hong Kong	100	100	Providing handling services for its holding company
Subsidiary company of Saga Serata Sdn. Bhd. : HealthGuard Medicare Sdn. Bhd.	Malaysia	60	60	Selling of membership cards covering personal insurance
Subsidiary company of Kalimah Jaya Sdn. Bhd. : Utuh Sejagat Sdn. Bhd.	Malaysia	100	100	Property development
Subsidiary company of MITC Engineering Sdn. Bhd. : Nuevo Attraction & Destination Sdn. Bhd. (f.k.a. Debaran Emas Sdn. Bhd.)	Malaysia	60	-	Tourism development, property development and investment holding
Subsidiary company of Nuevo Attraction & Destination Sdn. Bhd. (f.k.a. Debaran Emas Sdn. Bhd.) : Nuevoprima Development Sdn. Bhd.	Malaysia	100	-	Property development, property management, project advisory, turnkey construction and investment holding

* Subsidiary companies not audited by UHY.

Notes to the Financial Statements

(cont'd)

53. LIST OF ASSOCIATED COMPANIES

Name of company	Country of incorporation	Effective interest		Principal activities
		2014 %	2013 %	
Bayu Cergas Sdn. Bhd.	Malaysia	40	40	Dormant
Bimbingan Sumber Sdn. Bhd.	Malaysia	30	-	Dormant
Biz Bena Development Sdn. Bhd.	Malaysia	40	-	Dormant
# Iringan Kejora Sdn. Bhd.	Malaysia	-	30	Dormant
* ML Global Berhad (formerly known as VTI Vintage Berhad)	Malaysia	22	-	Investment holding and provision of management services
Pristine Sunrise (M) Sdn. Bhd.	Malaysia	30	30	Dormant
Sambungan Aktif Sdn. Bhd.	Malaysia	30	30	Dormant
Setara Armada Sdn. Bhd.	Malaysia	30	30	Dormant
Tarikan Puncak Sdn. Bhd.	Malaysia	20	40	Dormant
* Usaha Semarak Sdn. Bhd.	Malaysia	35	35	Property development
Warnasari Idaman Sdn. Bhd.	Malaysia	30	30	Dormant

* Associated companies not audited by UHY.

Became subsidiary company during the financial year.

54. DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company for the financial year ended 31 December 2014 were authorised for issue in accordance with a resolution of the board of directors on 3 April 2015.

Notes to the Financial Statements

(cont'd)

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

The following analysis of realised and unrealised retained earnings / (accumulated losses) of the Group and of the Company as at the reporting date is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The retained profits/(accumulated losses) of the Group and of the Company as at 31 December 2014 is analysed as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Retained Profits/ (Accumulated Losses)				
- Realised	717,603,842	698,834,816	(93,968,177)	(105,143,107)
- Unrealised	(2,927,677)	(1,375,775)	(6,239,843)	(10,219)
	714,676,165	697,459,041	(100,208,020)	(105,153,326)
Total share of retained profits/ (accumulated losses) from associated companies				
- Realised	963,349	(287,813)	-	-
	715,639,514	697,171,228	(100,208,020)	(105,153,326)
Less: Consolidation adjustments	(276,361,523)	(281,323,638)	-	-
	439,277,991	415,847,590	(100,208,020)	(105,153,326)

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

List of Major Properties

held as at 31 December 2014

Location	Description	Tenure	Net Book Value RM'000	Land Area (acres)	Date of Acquisition
Lot 13961, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan	Land under development and held for development	Leasehold (expiring on 06.10.2108)	193,081	143.52	26.02.2004
Jinding, Zhuhai, The People's Republic of China	Leasehold land, buildings (Age: 15 years) and racing circuit	Land use right term expiring on 23.10.2043	190,939	263.34	02.10.2013
Lot 62606, 62608 & 62609 Mukim Tanjung Duabelas Daerah Kuala Langat, Selangor Darul Ehsan	Land held for development	Leasehold (expiring on 05.02.2094)	79,609	113.94	28.02.2013/ 15.04.2013/ 30.07.2013
Lot 353, Mukim of Tanah Rata, District of Cameron Highlands, Pahang Darul Makmur	Land under development and held for development	Leasehold (expiring on 10.04.2104)	70,093	50.32	19.09.2004
Lot 20952, Johor Bahru, District of Johor Bahru, Johor Darul Takzim	Land held for development	Freehold	44,317	1.18	21.10.2013
Mukim Linau, Daerah Batu Pahat, Negeri Johor Darul Takzim	Land under development and held for development	Freehold	40,235	462.02	27.07.2007
Lot 26102, 62610 & 62613, Mukim Tanjung Duabelas Daerah Kuala Langat, Selangor Darul Ehsan	Land under development	Leasehold (expiring on 05.02.2094)	35,519	65.82	02.05.2013/ 30.07.2013
PT 14809, Mukim Dengkil, Daerah Sepang, Selangor Darul Ehsan	Land held for development	Leasehold (expiring on 09.08.2106)	29,434	100	15.05.2007
Mukim of Tanah Rata, District of Cameron Highlands, Pahang Darul Makmur	Land under development and held for development	Leasehold (expiring on 19.08.2101)	9,637	10.07	29.11.2002
Mukim Linau, Daerah Batu Pahat, Negeri Johor Darul Takzim	Land under development and held for development	Freehold	7,840	66.36	25.09.2002

Analysis of Shareholdings

as per Record of Depository as at 31 March 2015

SHARE CAPITAL

Types of Shares	: Ordinary of RM1.00 each
Authorised Capital	: RM1,000,000,000.00
Issued and fully paid-up capital	: RM530,066,257 *
No. of Shareholders	: 6,127
Voting Rights	: One (1) vote per shareholder on show of hands. One (1) vote per ordinary share on a poll, in the meeting of shareholders.

* The issued and paid-up share capital is as per Record of Depositors as at 31 March 2015 exclusive of 11,010,000 treasury shares.

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings			No. of Shareholders	Percentage (%) of Shareholders	No. of Shares Held	Percentage (%) of Issued Shares
1	-	99	130	2.121	4,973	0.000
100	-	1,000	1,968	32.120	777,324	0.146
1,001	-	10,000	2,755	44.964	14,109,156	2.661
10,001	-	100,000	1,030	16.810	34,871,259	6.578
100,001	-	26,503,311	240	3.917	303,266,723	57.212
26,503,312	-	AND ABOVE	4	0.065	177,036,822	33.398
(5% of Issued Securities)						
			6,127	100.000	530,066,257	100.000

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Direct	No. of Shares		Indirect	%
		%			
Gaterich Sdn Bhd	294,579,160	55.57	-	-	-
Dato' Sri Lim Hock San	12,141,700	2.29	294,579,160 ⁽¹⁾	55.57	55.57
Datuk Wira Lim Hock Guan	4,917,200	0.93	294,579,160 ⁽¹⁾	55.57	55.57
Maj (Hon) Dato' Sri Lim Hock Sing	2,125,000	0.40	294,579,160 ⁽¹⁾	55.57	55.57
Datuk Lim Hock Seong	2,309,500	0.44	294,579,160 ⁽¹⁾	55.57	55.57

Analysis of Shareholdings

as per Record of Depository as at 31 March 2015

(cont'd)

DIRECTORS' INTEREST IN SHARES

Directors	Direct	No. of Shares		%
		%	Indirect	
Dato' Seri Lim Bock Seng	1,540,000	0.29	2,651,000 ⁽²⁾	0.50
Dato' Sri Lim Hock San	12,141,700	2.29	297,512,860 ⁽³⁾	56.13
Datuk Wira Lim Hock Guan	4,917,200	0.93	297,439,160 ⁽³⁾	56.11
Maj (Hon) Dato' Sri Lim Hock Sing	2,125,000	0.40	296,737,160 ⁽³⁾	55.98
Datuk Lim Hock Seong	2,309,500	0.44	296,667,160 ⁽³⁾	55.96
Chia Lok Yuen	1,850,000	0.35	-	-
Dato' Lim Mooi Pang	1,716,900	0.32	-	-
Datuk Haji Baharum bin Haji Mohamed	-	-	-	-
Datuk Lim Si Cheng	-	-	-	-
Lim Tong Lee	-	-	-	-

Notes:

- (1) Deemed interested by virtue of their substantial shareholdings in Gaterich Sdn Bhd pursuant to Section 6A of the Companies Act, 1965 ("the Act").
- (2) Shares held by virtue of Section 134(12)(c) of the Act.
- (3) Deemed interested by virtue of his shareholdings in Gaterich Sdn Bhd pursuant to Section 6A of the Act and by virtue of Section 134(12)(c) of the Act.

List of the Thirty (30) Largest Shareholders

(without aggregating securities from different securities accounts belonging to the same person)

	HOLDER NAME	SHARES HELD	PERCENTAGE (%)
1	MAYBANK NOMINEES (TEMPATAN) SDN BHD QUALIFIER: KUWAIT FINANCE HOUSE (MALAYSIA) BERHAD FOR GATERICH SDN BHD (377214)	65,000,000	12.262
2	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	45,000,000	8.489
3	GATERICH SDN BHD	40,058,022	7.557
4	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD (8120976)	26,978,800	5.089
5	KENANGA NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD	25,531,385	4.816
6	HSBC NOMINEES (ASING) SDN BHD QUALIFIER: HSBC-FS I FOR LIM ASIA ARBITRAGE FUND INC.	17,744,500	3.347
7	MAYBANK NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD (51401138105A)	16,758,572	3.161
8	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD (MGN-ISB0002M)	16,746,881	3.159
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD (51401138104A)	16,170,000	3.050
10	AMSEC NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR GATERICH SDN BHD	16,000,000	3.018
11	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD (MARGIN)	15,396,400	2.904
12	KOPERASI PERMODALAN FELDA MALAYSIA BERHAD	9,900,000	1.867
13	HSBC NOMINEES (ASING) SDN BHD QUALIFIER: HSBC-FS FOR LIM ASIA SPECIAL SITUATIONS MASTER FUND LIMITED	7,366,600	1.389

List of the Thirty (30) Largest Shareholders

(without aggregating securities from different securities accounts belonging to the same person)

(cont'd)

	HOLDER NAME	SHARES HELD	PERCENTAGE (%)
14	CITIGROUP NOMINEES (TEMPATAN) SDN BHD QUALIFIER: EXEMPT AN FOR AIA BHD.	5,855,800	1.104
15	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR KOK CHEE KHUNG (8106941)	5,750,000	1.084
16	DATO' SRI LIM HOCK SAN	5,732,100	1.081
17	TMF TRUSTEES MALAYSIA BERHAD QUALIFIER: LBS BINA GROUP BERHAD	4,958,947	0.935
18	DATUK WIRA LIM HOCK GUAN	4,917,200	0.927
19	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD QUALIFIER: CIMB ISLAMIC TRUSTEE BERHAD FOR PACIFIC DANA AMAN (3717 TRO1)	4,367,700	0.823
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD (51401138106A)	4,170,000	0.786
21	M & A NOMINEE (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD (PNG)	3,989,100	0.752
22	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR LIM MIOW LEONG (8106939)	3,635,000	0.685
23	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR DATO' SRI LIM HOCK SAN (8071190)	3,573,700	0.674
24	DB (MALAYSIA) NOMINEE (ASING) SDN BHD QUALIFIER: DEUTSCHE BANK AG SINGAPORE FOR GREYHOUND ASIA FUND LIMITED	3,496,200	0.659
25	CITIGROUP NOMINEES (ASING) SDN BHD QUALIFIER: CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	3,436,600	0.648
26	NG SIM TIN	3,150,000	0.594
27	CITIGROUP NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR DATO' SRI LIM HOCK SAN (474173)	2,835,900	0.535

List of the Thirty (30) Largest Shareholders

(without aggregating securities from different securities
accounts belonging to the same person)
(cont'd)

	HOLDER NAME	SHARES HELD	PERCENTAGE (%)
28	MAYBANK NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR GATERICH SDN BHD (51401138107A)	2,780,000	0.524
29	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	2,640,000	0.498
30	KOPERASI PERMODALAN FELDA MALAYSIA BERHAD	2,579,000	0.486
		386,518,407	72.918

Analysis of Warrants Holdings

as per Record of Depository as at 31 March 2015

WARRANTS

Type of Securities	: Warrants 2008/2018
No. of Warrants Issued	: RM53,887,178
No. of Warrants Holders	: 1,160
Voting Rights	: One (1) vote per warrant holder on a show of hands.
	: One (1) vote per warrant on poll, in the meeting of warrants holders.

DISTRIBUTION OF WARRANTS HOLDINGS

Size of Warrants Holdings			No. of Warrants Holders	Percentage (%) of Warrants Holders	No. of Warrants Held	Percentage (%)
1	-	99	15	1.293	471	0.000
100	-	1,000	102	8.793	73,570	0.136
1,001	-	10,000	543	46.810	3,335,582	6.189
10,001	-	100,000	415	35.775	15,599,589	28.948
100,001	-	2,694,357	83	7.155	23,699,020	43.978
2,694,358		AND ABOVE	2	0.172	11,178,946	20.745
(5% of Issued Securities)						
			1,160	100.000	53,887,178	100.000

SUBSTANTIAL WARRANT HOLDERS

Name of Shareholders	Direct	No. of Warrants %	Indirect	%
Gaterich Sdn Bhd	8,378,946	15.55	-	-
Dato' Sri Lim Hock San	-	-	8,378,946 ⁽¹⁾	15.55
Datuk Wira Lim Hock Guan	1,326,160	2.46	8,378,946 ⁽¹⁾	15.55
Maj (Hon) Dato' Sri Lim Hock Sing	-	-	8,378,946 ⁽¹⁾	15.55
Datuk Lim Hock Seong	-	-	8,378,946 ⁽¹⁾	15.55

Analysis of Warrants Holdings

as per Record of Depository as at 31 March 2015
(cont'd)

DIRECTORS' INTEREST IN WARRANTS

Directors	Direct	No. of Warrants		%
		%	Indirect	
Dato' Seri Lim Bock Seng	140,000	0.26	404,000 ⁽¹⁾	0.75
Dato' Sri Lim Hock San	-	-	8,378,946 ⁽²⁾	15.55
Datuk Wira Lim Hock Guan	1,326,160	2.46	8,378,946 ⁽²⁾	15.55
Maj (Hon) Dato' Sri Lim Hock Sing	-	-	8,433,746 ⁽³⁾	15.65
Datuk Lim Hock Seong	-	-	8,378,946 ⁽²⁾	15.55
Chia Lok Yuen	-	-	-	-
Dato' Lim Mooi Pang	-	-	-	-
Datuk Haji Baharum bin Haji Mohamed	-	-	-	-
Datuk Lim Si Cheng	-	-	-	-
Lim Tong Lee	-	-	-	-

Notes:

(1) Warrants held by virtue of Section 134(12)(c) of the Act.

(2) Deemed interested by virtue of their substantial interests in Gaterich Sdn Bhd pursuant to Section 6A of the Act.

(3) Deemed interested by virtue of his substantial interests in Gaterich Sdn Bhd pursuant to Section 6A of the Act and by virtue of Section 134(12)(c) of the Act.

List of the Thirty (30) Largest Warrants Holders

(without aggregating securities from different securities accounts belonging to the same person)

	HOLDER NAME	WARRANTS HELD	PERCENTAGE (%)
1	GATERICH SDN BHD	8,378,946	15.549
2	MAYBANK NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR SEOW LIEW WEE	2,800,000	5.196
3	DATUK WIRA LIM HOCK GUAN	1,326,160	2.460
4	CHIM KIAN CHAI	1,081,600	2.007
5	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR LIM CHOW LEE (MARGIN)	1,064,000	1.974
6	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD QUALIFIER: CIMB ISLAMIC TRUSTEE BHD FOR BIMB I DIVIDEND FUND	905,200	1.679
7	TAN OOI HONG	800,000	1.484
8	CIMSEC NOMINEES (TEMPATAN) SDN BHD QUALIFIER: CIMB BANK FOR BEH HANG KONG (M28015)	780,760	1.448
9	RHB NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR SEOW LIEW WEE	660,000	1.224
10	LING SING TIONG	613,100	1.137
11	HLIB NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR GOH TIONG SHENG	568,000	1.054
12	TAN HONG LAI	550,000	1.020
13	KHO SOON FAN	511,000	0.948
14	KONG CHOU KEH	500,000	0.927
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR YEOH KOK KEAT	474,000	0.879
16	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR ONG SIEW ENG @ ONG CHAI (8040800)	416,000	0.771
17	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD QUALIFIER: PLEDGED SECURITIES ACCOUNT FOR TAN YU HOCK (MARGIN)	403,200	0.748

List of the Thirty (30) Largest Warrants Holders

(without aggregating securities from different securities accounts belonging to the same person)
(cont'd)

	HOLDER NAME	WARRANTS HELD	PERCENTAGE (%)
18	LOW MENG CHEE	389,900	0.723
19	LIM CHAUR KUAN	385,000	0.714
20	KEE KU HUAK	380,000	0.705
21	SEOW LIEW WEE	362,000	0.671
22	LEE SEOK BEE	357,700	0.663
23	WONG KAR CHUAN	350,000	0.649
24	MA PIN LING	332,700	0.617
25	CIMSEC NOMINEES (TEMPATAN) SDN BHD QUALIFIER: CIMB BANK FOR CHEW KIM HWA (MY1207)	329,400	0.611
26	LOW BOON ANN	290,000	0.538
27	TAN SOH LANG	282,800	0.524
28	WONG TZE PENG	280,100	0.519
29	LOW MENG SIANG	280,000	0.519
30	LIM CHAUR KUAN	260,000	0.482
		26,111,566	48.455

Notice of Fifteenth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fifteenth Annual General Meeting of the Company will be held at Greens II, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 29 May 2015 at 10.00 a.m. for the following purposes:-

AGENDA

- | | |
|---|---------------------|
| 1. To receive and adopt the Audited Financial Statements for the financial year ended 31 December 2014 together with the Reports of the Directors and Auditors thereon. | Resolution 1 |
| 2. To approve the payment of a First and Final Single-Tier Dividend of 3.25 sen per ordinary share of RM1.00 each for the financial year ended 31 December 2014. | Resolution 2 |
| 3. To approve the payment of Directors' Fees of RM130,680.00 for the financial year ended 31 December 2014. | Resolution 3 |
| 4. To re-elect Dato' Seri Lim Bock Seng as the Director who retires pursuant to Section 129(6) of the Companies Act, 1965. | Resolution 4 |
| 5. To re-elect the following Directors who retire in accordance with Article 100 of the Company's Articles of Association:- | |
| i) Dato' Sri Lim Hock San | Resolution 5 |
| ii) Dato' Lim Mooi Pang | Resolution 6 |
| iii) Mr. Lim Tong Lee | Resolution 7 |
| 6. To re-appoint Messrs. UHY as Auditors and to authorise the Directors to fix their remuneration. | Resolution 8 |
| 7. As Special Business | |
| To consider and, if thought fit, to pass with or without any modifications, the following Ordinary Resolutions:- | |

(a) ORDINARY RESOLUTION

AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

"THAT, subject always to the Companies Act, 1965 and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may deem fit provided that the

Notice of Fifteenth Annual General Meeting

(cont'd)

aggregate number of shares issued in any one financial year of the Company pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being and THAT the Directors be also empowered to obtain the approval for the listing and quotation of the additional shares so issued on the Bursa Malaysia Securities Berhad ("Bursa Securities") and THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

Resolution 9

(b) ORDINARY RESOLUTION

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE INVOLVING LBGB AND ITS SUBSIDIARIES ("LBGB GROUP" OR "GROUP") AND SYARIKAT JATI PEMBORONG AM SDN BHD

"THAT approval be and is hereby given pursuant to Chapter 10.09 of the Main Market Listing Requirements of Bursa Securities for the Company, its subsidiaries or any one of them to enter into the specified recurrent transactions of a revenue or trading nature with the related parties specified as stated in Section 2.3, Part A of the Circular to Shareholders dated 7 May 2015 (the "Circular") which is necessary for its day-to-day operations, in its ordinary course of business, made on an arm's length basis and on normal commercial terms of the Group and on such terms which are no more favourable to the related party than those generally available to the public and which are not detrimental to the minority shareholders of the Company;

AND THAT the approval given in the aforesaid paragraph, unless revoked or varied by the shareholders of the Company in its general meeting, shall continue to be in force until the conclusion of the next Annual General Meeting of the Company, following this general meeting at which this mandate is passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed or the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 143 (1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143 (2) of the Act), whichever is earlier;

AND THAT the aggregate value of the transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year of the Company be disclosed in the annual report by providing a breakdown of the aggregate value of the transaction, amongst others, based on the following information:-

- (a) the type of transactions made; and
- (b) the names of the related parties involved in each type of transactions made and their relationship with the Company and its subsidiaries.

Notice of Fifteenth Annual General Meeting

(cont'd)

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required or approved or permitted by the relevant authorities) as they may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Shareholders' Mandate described in the Circular and/or this Resolution."

Resolution 10

(c) ORDINARY RESOLUTION

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE INVOLVING LBGB GROUP AND DIRECTORS AND MAJOR SHAREHOLDERS OF LBGB GROUP AND PERSONS CONNECTED TO THEM

"THAT approval be and is hereby given pursuant to Chapter 10.09 of the Main Market Listing Requirements of Bursa Securities for the Company, its subsidiaries or any one of them to enter into the specified recurrent transactions of a revenue or trading nature with the related parties stated in Section 2.3, Part A of the Circular which is necessary for its day-to-day operations, in its ordinary course of business, made on an arm's length basis and on normal commercial terms of the Group and on such terms which are no more favourable to the related party than those generally available to the public and which are not detrimental to the minority shareholders of the Company;

AND THAT the approval given in the aforesaid paragraph, unless revoked or varied by the shareholders of the Company in its general meeting, shall continue to be in force until the conclusion of the next Annual General Meeting of the Company, following this general meeting at which this mandate is passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed or the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 143 (1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143 (2) of the Act), whichever is earlier;

AND THAT the aggregate value of the transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial year of the Company be disclosed in the annual report by providing a breakdown of the aggregate value of the transaction, amongst others, based on the following information:-

- (a) the type of transactions made; and
- (b) the names of the related parties involved in each type of transactions made and their relationship with the Company and its subsidiaries.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required or approved or permitted by the relevant authorities) as they may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Shareholders' Mandate described in the Circular and/or this Resolution."

Resolution 11

Notice of Fifteenth Annual General Meeting

(cont'd)

(d) ORDINARY RESOLUTION

PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

"THAT, subject always to the provisions under the Act, the Companies Regulations 1966, the Memorandum and Articles of Association of the Company, Main Market Listing Requirements of Bursa Securities and the approvals of all relevant authorities (if any), the Company be and is hereby authorised to purchase such number of ordinary shares of RM1.00 each in the Company ("LBGB Shares") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company as at point of purchase ("Proposed Renewal of Shares Buy-Back Authority").

THAT the maximum amount of funds to be utilized for the purpose of the Proposed Renewal of Share Buy-Back Authority shall not exceed the Company's aggregate retained profits and/or share premium account.

THAT authority be and is hereby given to the Directors of the Company to decide at their discretion as may be permitted and prescribed by the Act and/or any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities for the time being in force to deal with any LBGB Shares so purchased ("Purchased Shares") by the Company in the following manners:-

- i) to cancel the Purchased Shares; or
- ii) to retain the Purchased Shares as treasury shares held by the Company; or
- iii) to distribute the treasury shares as dividend to shareholders; or
- iv) to resell the treasury shares on Bursa Securities in accordance with the relevant rules of Bursa Securities; or
- v) any combination of the above.

THAT the authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution 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;
- ii) the expiration of the period within which the next AGM after that date is required to be held; or

Notice of Fifteenth Annual General Meeting

(cont'd)

- iii) revoked or varied by ordinary resolution passed by the shareholders in a general meeting,

whichever occurs first.

AND THAT the Directors of the Company be and are hereby authorised to take such steps to give full effect to the Proposed Renewal of Shares Buy-Back Authority with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and/or to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company."

Resolution 12

8. To consider any other business of which due notice shall have been given.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that, subject to the approval of the shareholders at the Fifteenth Annual General Meeting, a First and Final Single-Tier Dividend of 3.25 sen per ordinary share of RM1.00 each in respect of the financial year ended 31 December 2014 will be paid on 10 August 2015 to depositors registered in the Record of Depositors on 13 July 2015.

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

- (a) shares transferred into the Depositor's Securities Account before 4.00 p.m. on 13 July 2015 in respect of transfer; and
- (b) shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board,

LEE CHING CHING
PHANG AI TEE
Company Secretaries

Petaling Jaya, Selangor
7 May 2015

Notice of Fifteenth Annual General Meeting

(cont'd)

Notes:

- (1) A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Act, shall not apply to the Company.
- (2) In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of a duly authorised officer or attorney.
- (3) Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- (4) Any alteration to the instrument appointing a proxy must be initialled. The instrument appointing a proxy must be deposited at the Company's Registered Office at Plaza Seri Setia, Level 1-4, No. 1, Jalan SS9/2, 47300 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time fixed for the meeting.
- (5) Shareholders' attention is hereby drawn to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, which allow a member of the Company which is an exempt authorised nominee, as defined under the Securities Industry (Central Depositories) Act, 1991, who holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account") to appoint multiple proxies in respect of each omnibus account it holds.
- (6) The date of Record of Depositors for the purpose of determining members' entitlement to attend, vote and speak at the meeting is Wednesday, 20 May 2015.

Explanatory Notes on Special Business

(7) Ordinary Resolution 9

The Ordinary Resolution proposed under Resolution 9 above for the renewal of general mandate in relation to the authorisation for issuance of shares by the Directors, if passed, will enable the Directors to issue up to 10% of the issued and paid-up share capital of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority unless revoked or varied at a General Meeting will expire at the next Annual General Meeting.

As at the date of this Notice, no new share of the Company was issued pursuant to the mandate granted to the Directors at the Fourteenth Annual General Meeting held on 26 June 2014.

The renewed 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, working capital and/or acquisition.

(8) Ordinary Resolutions 10 & 11

Ordinary Resolutions 10 & 11 if passed, will allow the Group to enter into the recurrent related party transactions in the ordinary course of business and the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur would not arise. This would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group. The shareholders' mandate is subject to renewal on an annual basis.

Further information on Recurrent Related Party Transactions is set out in the Circular/ Statement to Shareholders dated 7 May 2015 which is despatched together with the 2014 Annual Report of the Company.

(9) Ordinary Resolution 12

Ordinary Resolution 12, if passed, will give the Directors of the Company authority to purchase its own shares up to ten per centum (10%) of the issued and paid-up share capital of the Company. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next Annual General Meeting.

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FORM OF PROXY



I/We NRIC No. / Company No.

of

being a member/members of **LBS BINAGROUP BERHAD**, hereby appoint

of

or failing him/her

of

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at Fifteenth Annual General Meeting of the Company will be held at Greens II, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 29 May 2015 at 10.00 a.m. or at any adjournment thereof.

RESOLUTIONS	For	Against
Ordinary Resolution 1		
Ordinary Resolution 2		
Ordinary Resolution 3		
Ordinary Resolution 4		
Ordinary Resolution 5		
Ordinary Resolution 6		
Ordinary Resolution 7		
Ordinary Resolution 8		
Ordinary Resolution 9		
Ordinary Resolution 10		
Ordinary Resolution 11		
Ordinary Resolution 12		

Please indicate with (X) how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

No. of Shares Held	
CDS Account No.	

Dated this day of 2015

Signature/ Common Seal of Shareholder(s)

Notes:

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STAMP

The Company Secretary

LBS BINA GROUP BERHAD (518482-H)

Plaza Seri Setia Level 1-4

No. 1 Jalan SS9/2

47300 Petaling Jaya

Selangor Darul Ehsan

Malaysia

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