Building a better working world

KIMLUN CORPORATION BERHAD

(867077-X)

(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements

31 December 2014

867077 X

Kimlun Corporation Berhad
(Incorporated in Malaysia)

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Kimlun Corporation Berhad
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Directors' report

The directors have pleasure in presenting 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 activity of the Company is investment holding.

The principal activities of the subsidiaries are as disclosed in Note 15 to the financial statements.

There have been no significant changes in the nature of the Group's activities during the financial year.

Results

	Group RM	Company RM
Profit net of tax, representing profit attributable to owners of Company	44,598,137	9,287,861

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

In the opinion of the directors, 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.

Dividend

The amount of dividend paid by the Company since 31 December 2013 was as follows:

	RM
In respect of the financial year ended 31 December 2013 as reported in the directors' report of that year:	
Final (single-tier) dividend of 3.00 sen, on 300,562,500 ordinary shares, declared on 19 June 2014 and paid on 22 August 2014	9,016,875

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Dividend (cont'd)

At the forthcoming Annual General Meeting, a final (single-tier) dividend in respect of the financial year ended 31 December 2014, of 3.80 sen per ordinary share will be proposed for shareholders' approval. 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.

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are :

Pang Tin @ Pang Yon Tin
Sim Tian Liang
Chin Lian Hing
Yam Tai Fong (f)
Pang Khang Hau
Kek Chin Wu
Dato' Paduka (Dr.) Ir. Hj. Keizrul Bin Abdullah @ Lim Teik Keat
Chua Kee Yat @ Koo Kee Yat
Phang Piow @ Pang Choo Ing (retired on 19 June 2014)

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 31 to the financial statements.

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Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company during the financial year were as follows:

(a) Shares in the Company

	Number of ordinary shares of RM0.50 each			
	1 January 2014	Bought	Sold	31 December 2014
Direct interest :				
Pang Tin @ Pang Yon Tin	12,471,200	3,117,800	-	15,589,000
Sim Tian Liang	6,490,000	1,672,500	-	8,162,500
Chin Lian Hing	6,158,900	1,751,500	-	7,910,400
Yam Tai Fong (f)	6,439,400	1,661,200	-	8,100,600
Pang Khang Hau	13,917,800	3,641,900	-	17,559,700
Kek Chin Wu	300,000	78,500	-	378,500
Dato' Paduka (Dr.) Ir. Hj. Keizrul Bin Abdullah @ Lim Teik Keat	50,000	13,000	-	63,000
Chua Kee Yat @ Koo Kee Yat	30,000	7,800	-	37,800
Indirect interest :				
Pang Tin @ Pang Yon Tin	88,023,900	26,478,100	-	114,502,000

By virtue of his interest in the shares of the Company, Pang Tin @ Pang Yon Tin is also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

(b) Warrants in the Company

	Number of warrants			
	1 January 2014	Granted	Disposed	31 December 2014
Direct interest :				
Pang Tin @ Pang Yon Tin	-	3,117,800	189,700	2,928,100
Sim Tian Liang	-	1,622,500	1,522,500	100,000
Chin Lian Hing	-	1,611,500	1,611,500	-
Yam Tai Fong (f)	-	1,661,200	1,211,200	450,000
Pang Khang Hau	-	3,641,900	-	3,641,900
Kek Chin Wu	-	78,500	-	78,500
Dato' Paduka (Dr.) Ir. Hj. Keizrul Bin Abdullah @ Lim Teik Keat	-	13,000	-	13,000
Chua Kee Yat @ Koo Kee Yat	-	7,800	-	7,800
Indirect interest :				
Pang Tin @ Pang Yon Tin	-	23,119,900	-	23,119,900

Issue of shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM120,225,000 to RM150,281,250 by way of issuance of 60,112,500 new ordinary shares of RM0.50 each together with 60,112,500 free detachable warrants on the basis of 1 warrant for 1 Rights Share subscribed at an issue price of RM1.10 per Rights Share.

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

Issue of warrants

During the financial year, the Company issued 60,112,500 free detachable warrants pursuant to the Rights Issue. The warrants are constituted by a Deed Poll dated 30 January 2014. The warrants have an exercise period of 10 years commencing 13 March 2014 and expiring on 12 March 2024. Each warrant entitles the registered holder to subscribe for 1 new ordinary share of RM0.50 in the Company at an exercise price of RM1.68 per ordinary share. Any warrants not exercised at the expiry date will lapse and cease to be valid for any purpose.

Purchase of treasury shares

During the financial year, the Company purchased 10,000 of its issued ordinary shares from the open market at an average price of RM1.21 per share. The total consideration paid for the purchase including the transaction costs was RM12,189. The shares purchased are being held as treasury shares in accordance with Secion 67A of the Companies Act, 1965.

As at 31 December 2014, the Company held 10,000 treasury shares at a carrying amount of RM12,189 with further details disclosed in Note 28(b) to the financial statements.

Other statutory information

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps :

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that were no known bad debts and that adequate provision has been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their value 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.

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Other statutory information (cont'd)

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group inadequate to any substantial extent; and

(ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

(e) As 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 liabilities of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors :

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet its obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant events

Details of significant events are disclosed in Note 39 to the financial statements.

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Other statutory information (cont'd)

(f) In the opinion of the directors :

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet its obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant events

Details of significant events are disclosed in Note 39 to the financial statements.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 APR 2015

Pang Tin @ Pang Yon Tin

Sim Tian Liang

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Kimlun Corporation Berhad
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Statement by directors
Pursuant to Section 169(15) of the Companies Act, 1965

We, Pang Tin @ Pang Yon Tin and Sim Tian Liang, being two of the directors of Kimlun Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 11 to 85 are drawn up in accordance with Financial Reporting Standards and 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 year then ended.

The information set out in Note 41 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 28 APR 2015

Pang Tin @ Pang Yon Tin

Sim Tian Liang

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

I, Yam Tai Fong, being the Director primarily responsible for the financial management of Kimlun Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 11 to 86 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
by the abovenamed Yam Tai Fong)
at Johor Bahru in the State of Johor)
Darul Ta'zim on)

28 APR 2015

Yam Tai Fong

Before me,

PESURUHJAYA SUMPAH MALAYSIA
No: 3253
Nama: HJ ZAHARI BIN HJ AHMAD

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80000 Johor Bahru
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Independent auditors' report to the members of Kimlun Corporation Berhad (Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Kimlun Corporation Berhad, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 11 to 85.

Directors' responsibility for the financial statements

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

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

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Independent auditors' report to the members of Kimlun Corporation Berhad (Incorporated in Malaysia)

Opinion

In our opinion, the financial statements have been properly 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 year then ended.

Report of other legal and regulatory requirement

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

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

(b) We have considered the financial statements and the auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in Note 15 to the financial statements, being financial statements that have been included in the consolidated financial statements.

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

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

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Independent auditors' report to the members of Kimlun Corporation Berhad (Incorporated in Malaysia)

Other matters

The supplementary information set out in Note 41 to the financial statements on page 86 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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.

Ernst & Young
AF 0039
Chartered Accountants

Wun Mow Sang
1821/12/16(J)
Chartered Accountant

Johor Bahru, Malaysia
Date: 28 APR 2015

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Kimlun Corporation Berhad
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Statements of comprehensive income
For the financial year ended 31 December 2014

	Note	Group		Company	
		2014 RM	2013 RM Restated	2014 RM	2013 RM
Revenue	4	1,206,398,768	946,112,773	11,184,348	12,501,334
Cost of sales		(1,103,781,639)	(867,335,143)	-	-
Gross profit		102,617,129	78,777,630	11,184,348	12,501,334
Other item of income					
Other operating income	5	8,068,815	6,165,521	-	-
Other items of expenses					
Administration expenses		(43,564,649)	(33,734,459)	(1,130,388)	(725,033)
Share of profit/(loss) of a joint venture		4,686,320	(1,221,124)	-	-
Finance costs	6	(11,967,949)	(11,451,443)	(17,993)	-
Profit before tax	7	59,839,666	38,536,125	10,035,967	11,776,301
Income tax expense	10	(15,241,529)	(2,821,150)	(748,106)	(395,523)
Profit net of tax		44,598,137	35,714,975	9,287,861	11,380,778
Other comprehensive (loss)/income:					
Foreign currency translation		(8,995)	4,986	-	-
Other comprehensive (loss)/income for the year, net of tax		(8,995)	4,986	-	-
Total comprehensive income for the year		44,589,142	35,719,961	9,287,861	11,380,778
Profit attributable to:					
Owners of the Company		44,598,137	35,714,975	9,287,861	11,380,778
Total comprehensive income attributable to:					
Owners of the Company		44,589,142	35,719,961	9,287,861	11,380,778
Earnings per share attributable to owners of the Company (sen per share)					
Basic	11	15.22	14.85		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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Statements of financial position
As at 31 December 2014

	Note	Group 31.12.2014 RM	31.12.2013 RM Restated	1.1.2013 RM Restated
Non-current assets				
Property, plant and equipment	12	160,853,075	156,539,980	128,269,563
Investment properties	13	327,445	327,445	327,445
Other investments	14	90,000	90,000	90,000
Investment in a joint venture	16	3,424,998	-	258,859
Deferred tax assets	27	5,793,233	4,546,372	-
		170,488,751	161,503,797	128,945,867
Current assets				
Properties held for sale	17	1,829,232	388,938	850,060
Property development costs	18	14,268,265	35,394,512	33,543,364
Inventories	19	21,118,836	16,977,187	22,153,252
Trade and other receivables	20	349,390,742	366,102,123	310,959,575
Other current assets	21	249,116,362	207,647,579	178,904,911
Cash and bank balances	23	84,671,335	31,669,830	44,610,025
		720,394,772	658,180,169	591,021,187
Total assets		890,883,523	819,683,966	719,967,054
Equity and liabilities				
Current liabilities				
Income tax payable		5,557,519	88,303	2,367,827
Loans and borrowings	24	111,236,859	140,580,601	103,780,784
Trade and other payables	25	314,985,508	301,126,656	267,298,211
Other current liability	26	8,805,366	8,618,112	15,406,827
		440,585,252	450,413,672	388,853,649
Net current assets		279,809,520	207,766,497	202,167,538
Non-current liabilities				
Loans and borrowings	24	49,781,847	69,334,133	54,991,270
Other non-current liability	26	-	834,665	-
Deferred tax liabilities	27	-	-	1,199,000
		49,781,847	70,168,798	56,190,270
Total liabilities		490,367,099	520,582,470	445,043,919
Net assets		400,516,424	299,101,496	274,923,135

Kimlun Corporation Berhad
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Statements of financial position
As at 31 December 2014
(cont'd)

	Note	Group 31.12.2014 RM	31.12.2013 RM Restated	1.1.2013 RM Restated
Equity attributable to owners of the Company				
Share capital	28	150,281,250	120,225,000	120,225,000
Share premium	28	37,794,538	37,797,764	37,797,764
Treasury shares	28	(12,189)	-	-
Retained earnings	29	177,586,873	141,069,035	116,895,660
Other reserves	30	34,865,952	9,697	4,711
Total equity		400,516,424	299,101,496	274,923,135
Total equity and liabilities		890,883,523	819,683,966	719,967,054

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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Statements of financial position
As at 31 December 2014
(cont'd)

	Note	Company 2014 RM	2013 RM
Non-current asset			
Investments in subsidiaries	15	142,159,999	112,499,999
Current assets			
Trade and other receivables	20	51,340,749	43,664,707
Other current assets	21	13,350	312,906
Cash and bank balances	23	30,356,036	2,037,986
		81,710,135	46,015,599
Total assets		223,870,134	158,515,598
Equity and liabilities			
Current liabilities			
Income tax payable		276,250	92,532
Trade and other payables	25	45,995	52,248
		322,245	144,780
Net current assets		81,387,890	45,870,819
Total liabilities		322,245	144,780
Net assets		223,547,889	158,370,818
Equity attributable to owners of the Company			
Share capital	28	150,281,250	120,225,000
Share premium	28	37,794,538	37,797,764
Treasury shares	28	(12,189)	-
Retained earnings	29	619,040	348,054
Warrant reserve	30	34,865,250	-
Total equity		223,547,889	158,370,818
Total equity and liabilities		223,870,134	158,515,598

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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Statements of changes in equity
For the financial year ended 31 December 2014

		← Attributable to owners of the Company →								
			← Non-Distributable →			Distributable	← Non-Distributable →			
Group	**Note**	**Equity, total** RM	**Equity attributable to owners of the Company, total** RM	**Share capital (Note 28)** RM	**Share premium (Note 28)** RM	**Treasury shares (Note 28)** RM	**Retained earnings (Note 29)** RM	**Other reserves, total** RM	**Warrant reserve (Note 30)** RM	**Foreign currency translation reserve (Note 30)** RM
Opening balance at 1 January 2014		299,101,496	299,101,496	120,225,000	37,797,764	-	141,069,035	9,697	-	9,697
Effect of adopting FRS 11		936,576	936,576	-	-	-	936,576	-	-	-
At 1 January 2014, restated		300,038,072	300,038,072	120,225,000	37,797,764	-	142,005,611	9,697	-	9,697
Foreign currency translation		(8,995)	(8,995)	-	-	-	-	(8,995)	-	(8,995)
Profit for the year		44,598,137	44,598,137	-	-	-	44,598,137	-	-	-
Total comprehensive income for the year		44,589,142	44,589,142	-	-	-	44,598,137	(8,995)	-	(8,995)
Transactions with owners										
Issuance of right issue shares		66,123,750	66,123,750	30,056,250	1,202,250	-	-	34,865,250	34,865,250	-
Share issuance expenses		(1,205,476)	(1,205,476)	-	(1,205,476)	-	-	-	-	-
Purchase of treasury shares		(12,189)	(12,189)	-	-	(12,189)	-	-	-	-
Dividends on ordinary shares	38	(9,016,875)	(9,016,875)	-	-	-	(9,016,875)	-	-	-
Total transactions with owners		55,889,210	55,889,210	30,056,250	(3,226)	(12,189)	(9,016,875)	34,865,250	34,865,250	-
Closing balance at 31 December 2014		400,516,424	400,516,424	150,281,250	37,794,538	(12,189)	177,586,873	34,865,952	34,865,250	702

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Statements of changes in equity
For the financial year ended 31 December 2014

		← Attributable to owners of the Company →					
			← Non-Distributable →		Distributable	← Non-Distributable →	
	Note	Equity, total RM	Equity attributable to owners of the Company, total RM	Share capital RM	Share premium RM	Retained earnings RM	Other reserves, total RM	Foreign currency translation reserve RM
Opening balance at 1 January 2013		274,923,135	274,923,135	120,225,000	37,797,764	116,895,660	4,711	4,711
Foreign currency translation		4,986	4,986	-	-	-	4,986	4,986
Profit for the year		35,714,975	35,714,975	-	-	35,714,975	-	-
Total comprehensive income for the year		35,719,961	35,719,961	-	-	35,714,975	4,986	4,986
Transactions with owners								
Dividends on ordinary shares	38	(11,541,600)	(11,541,600)	-	-	(11,541,600)	-	-
Total transactions with owners		(11,541,600)	(11,541,600)	-	-	(11,541,600)	-	-
Closing balance at 31 December 2013		299,101,496	299,101,496	120,225,000	37,797,764	141,069,035	9,697	9,697

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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Statements of changes in equity (cont'd)
For the financial year ended 31 December 2014

		← Attributable to owners of the Company →					
			← Non-distributable →			Distributable	Non-distributable
Company	Note	Equity, total RM	Share capital (Note 28) RM	Share premium (Note 28) RM	Treasury shares (Note 28) RM	Retained earnings (Note 29) RM	Warrant reserves (Note 30) RM
Opening balance at 1 January 2014		158,370,818	120,225,000	37,797,764	-	348,054	-
Total comprehensive income		9,287,861	-	-	-	9,287,861	-
Transaction with owners							
Issuance of right issue shares		66,123,750	30,056,250	1,202,250	-	-	34,865,250
Share issuance expenses		(1,205,476)	-	(1,205,476)	-	-	-
Purchase of treasury shares		(12,189)	-	-	(12,189)	-	-
Dividends on ordinary shares	38	(9,016,875)	-	-	-	(9,016,875)	-
Total transaction with owners		55,889,210	30,056,250	(3,226)	(12,189)	(9,016,875)	34,865,250
Closing balance at 31 December 2014		223,547,889	150,281,250	37,794,538	(12,189)	619,040	34,865,250

Kimlun Corporation Berhad
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Statements of changes in equity (cont'd)
For the financial year ended 31 December 2014

	← Attributable to owners of the Company →			
		← Non-distributable →		Distributable
Company	**Equity, total** RM	**Share capital (Note 28)** RM	**Share premium (Note 28)** RM	**Retained earnings (Note 29)** RM
Opening balance at 1 January 2013	158,531,640	120,225,000	37,797,764	508,876
Total comprehensive income	11,380,778	-	-	11,380,778
Transaction with owners				
Dividends on ordinary shares	(11,541,600)	-	-	(11,541,600)
Total transaction with owners	(11,541,600)	-	-	(11,541,600)
Closing balance at 31 December 2013	158,370,818	120,225,000	37,797,764	348,054

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Kimlun Corporation Berhad
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Statements of cash flow
For the financial year ended 31 December 2014

	Group	
	2014 RM	2013 RM Restated
Operating activities		
Profit before tax	59,839,666	38,536,125
Adjustments for :		
Interest income	(1,258,185)	(825,597)
Finance costs	9,117,345	9,190,792
Bad debt written off	-	54,750
Allowance for impairment on trade receivables	1,879,562	-
Depreciation of property, plant and equipment	24,647,321	18,957,872
Gain on disposal of plant and equipment	(71,000)	(194,013)
Share of (profit)/loss of a joint venture	(4,686,320)	1,221,124
Transfer of plant and equipment at loss/(gain)	1	(20,267)
Plant and equipment written off	24,756	-
Unrealised foreign exchange loss/(gain)	207,011	(1,094,218)
Operating cash flows before changes in working capital	89,700,157	65,826,568
Property development costs	21,126,247	(1,851,148)
Inventories	(4,141,649)	5,176,065
Receivables	14,845,787	(48,885,209)
Other current assets	(40,510,640)	(28,338,789)
Payables	11,078,158	28,588,839
Other current liability	187,254	(6,788,715)
Cash flows generated from operations	92,285,314	13,727,611
Interest received	1,258,185	825,597
Income taxes paid	(9,117,345)	(10,973,989)
Interest paid	(9,655,941)	(9,190,792)
Net cash flows generated from/(used in) operating activities	74,770,213	(5,611,573)
Investing activities		
Purchase of property, plant and equipment	(18,283,222)	(37,419,919)
Proceeds from disposal of plant and equipment	181,600	273,248
Subsequent expenditure of property held for resale	(40,294)	(8,938)
Net cash flows used in investing activities	(18,141,916)	(37,155,609)

Kimlun Corporation Berhad
(Incorporated in Malaysia)

Statements of cash flow (cont'd)
For the financial year ended 31 December 2014

	Group	
	2014	**2013**
	RM	**RM**
		Restated
Financing activities		
Dividend paid on ordinary shares	(9,016,876)	(11,541,600)
Repayment of obligation under finance leases	(6,264,261)	(5,210,665)
Proceeds from issuance of shares	66,123,750	-
Share issuance expense	(1,205,476)	-
Purchase of treasury shares	(12,189)	-
(Repayment)/proceeds from loans and borrowings	(19,425,218)	31,840,622
(Repayment)/drawdown of advance against progressive claims	(17,002,058)	1,723,931
Net cash flows generated from financing activities	13,197,672	16,812,288
Net increase/(decrease) in cash and cash equivalents	69,825,969	(25,954,894)
Effect of exchange rate changes on cash and cash equivalents	192,579	93,247
Cash and cash equivalents at beginning of the year	8,055,216	33,916,863
Cash and cash equivalents at end of the year (Note 23)	78,073,764	8,055,216

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Kimlun Corporation Berhad
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Statements of cash flow (cont'd)
For the financial year ended 31 December 2014

	Company	
	2014	**2013**
	RM	**RM**
Operating activities		
Profit before tax	10,035,967	11,776,301
Adjustments for :		
Allowance for impairment on trade receivables	340,000	-
Finance cost	17,993	-
Operating cash flows before changes in working capital	10,393,960	11,776,301
Receivables	(7,676,041)	(7,135,066)
Payables	(6,253)	(8,709)
Other current assets	299,556	(306,081)
Cash flows generated from operating activities	3,011,222	4,326,445
Interest paid	(17,993)	-
Income taxes paid	(564,388)	(373,699)
Net cash flows generated from operations	2,428,841	3,952,746
Investing activity		
Subscription of shares in subsidiary, representing net cash flows used in investing activity	(30,000,000)	(4,000,000)
Financing activities		
Dividend paid on ordinary shares	(9,016,876)	(11,541,600)
Proceeds from issuance of shares	66,123,750	-
Share issuance expense	(1,205,476)	-
Purcahse of treasury shares	(12,189)	-
Net cash flows generated from/(used in) financing activities	55,889,209	(11,541,600)
Net increase/(decrease) in cash and cash equivalents	28,318,050	(11,588,854)
Cash and cash equivalents at beginning of the year	2,037,986	13,626,840
Cash and cash equivalents at end of the year (Note 23)	30,356,036	2,037,986

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Kimlun Corporation Berhad
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Notes to the financial statements
For the financial year ended 31 December 2014

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 principal place of business of the Company is located at Suite 19.06, Level 19, Johor Bahru City Square, 106 - 108, Jalan Wong Ah Fook, 80000 Johor Bahru, Johor Darul Ta'zim.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are as disclosed in Note 15. There have been no significant changes in the nature of the principal activities during the financial year.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial year beginning on or after 1 January 2014 as described fully in Note 2.2.

The financial statements have been prepared on the historical cost basis and presented in Ringgit Malaysia (RM).

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2014, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2014.

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

The adoption of the standards and interpretations above did not have any effect on the financial performance or position of the Group and of the Company.

2. Summary of significant accounting policies (cont'd)

2.3 Standards and interpretations issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to FRS 119: Defined Benefit 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
Annual Improvements to FRSs 2012 - 2014 Cycle	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	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
Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 101: Disclosure Initiatives	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 14 Regulatory Deferral Accounts	1 January 2016
FRS 9 Financial Instruments	1 January 2018

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify that:

- gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and

- gains and losses resulting from transactions involving the sale or contribution to an associate of a joint venture of assets that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after 1 January 2016. Earlier application is permitted.

2. Summary of significant accounting policies (cont'd)

2.3 Standards and interpretations issued but not yet effective (cont'd)

Amendments to FRS 127: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associate in their separate financial statements. Entities already applying FRS and electing to change to the equity method in its separate financial statements will have to apply this change retrospectively. For first-time adopters of FRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to FRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Group's and the Company's financial statements.

Amendments to FRS 11 Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations

The amendments to FRS 11 require that a joint operator which acquires an interest in a joint operations which constitute a business to apply the relevant FRS 3 Business Combinations principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to FRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

These amendments are to be applied prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's consolidated financial statements.

FRS 9 Financial Instruments

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's and the Company's financial assets, but no impact on the classification and measurement of the Group's and the Company's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (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 (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities are allowed to defer the adoption of the new MFRS Framework and may in the alternative, apply Financial Reporting Standards (FRS) as its financial reporting framework for annual periods beginning on or after 1 January 2014.

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

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

2. Summary of significant accounting policies (cont'd)

2.4 Current versus non-current classification

Assets and liabilities in the statement of financial position are presented based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

2.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

2. Summary of significant accounting policies (cont'd)

2.5 Fair value measurement (cont'd)

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available, are used to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Policies and procedures are determined by senior management for both recurring fair value measurement and for non-recurring measurement.

External valuers are involved for valuation of significant assets and significant liabilities. Involvement of external valuers is decided by senior management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The senior management decides, after discussions with the external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, classes of assets and liabilities are determined based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2. Summary of significant accounting policies (cont'd)

2.6 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Group controls an investee if and only if the Group has all the following:

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting rights of an investee, the Group considers the following in assessing whether or not the Group's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) Potential voting rights held by the Group, other vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

2. Summary of significant accounting policies (cont'd)

2.6 Basis of consolidation (cont'd)

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Business combinations

Business combinations involving entities under common control are accounted for by applying the merger method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as merger reserve. The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of FRS 139, it is measured in accordance with the appropriate FRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

2. Summary of significant accounting policies (cont'd)

2.6 Basis of consolidation (cont'd)

Business combinations (cont'd)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

2.7 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.8 Investment in joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

On acquisition of an investment in associate or joint venture, 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 the joint venture's profit or loss for the period in which the investment is acquired.

A joint venture is equity accounted for from the date on which the investee becomes a joint venture.

2. Summary of significant accounting policies (cont'd)

2.8 Investment in joint venture (cont'd)

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

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

The financial statements of the joint venture 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.

After application of the equity method, the Group applies MFRS 139 Financial Instruments: Recognition and Measurement to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 Impairment of Assets as a single asset, 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.

2.9 Foreign currency

(a) Functional and presentation currency

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

2. Summary of significant accounting policies (cont'd)

2.9 Foreign currency (cont'd)

(b) Foreign currency transactions

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

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

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

(c) Foreign operation

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

The principal exchange rate used for every unit of foreign currency ruling at the reporting date is as follows:

	2014 RM	2013 RM
Singapore Dollar	2.6448	2.5934

2. Summary of significant accounting policies (cont'd)

2.10 Property, plant and equipment

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

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

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	1.25%
Buildings	3% - 10%
Plant, machinery and motor vehicles	10% - 33.33%
Furniture and equipment	10% - 12.5%

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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

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

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

2. Summary of significant accounting policies (cont'd)

2.11 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and any accumulated impairment loss.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

2.12 Properties held for sale

Properties are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject to terms that are usual and customary.

Immediately before classification as properties held for sale, the measurement of the non-current asset is brought up-to-date in accordance with applicable FRSs. Then, on initial classification as held for sale, non-current asset is measured in accordance with FRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

2.13 Impairment of non-financial assets

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

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

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.13 Impairment of non-financial assets (cont'd)

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

2.14 Financial assets

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

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

The Group and the Company determine the classification of its financial assets at initial recognition and categorise its financial assets as loans and receivables.

Loans and receivables

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

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

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

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

2. Summary of significant accounting policies (cont'd)

2.15 Impairment of financial assets

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

(a) Trade and other receivables and other financial assets carried at amortised cost

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

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

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

(b) Unquoted and other investments carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2. Summary of significant accounting policies (cont'd)

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, fixed deposits, and short term deposits which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.17 Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be reliably estimated, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expenses in the year in which they are incurred.

When it is probable that total 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.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

2.18 Land held for property development and property development costs

(a) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

2. Summary of significant accounting policies (cont'd)

2.18 Land held for property development and property development costs (cont'd)

(b) 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.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the profit or loss 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.

Where 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 properties 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, is recognised as an expense immediately.

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

The excess of revenue recognised in profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within trade payables.

2.19 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in first-out basis.

- Finished goods: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

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

2. Summary of significant accounting policies (cont'd)

2.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.21 Financial liabilities

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

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

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

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

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

2. Summary of significant accounting policies (cont'd)

2.21 Financial liabilities (cont'd)

(b) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, 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.

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

A financial liability is derecognised when the obligation under the liability is extinguished. 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.

2.22 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period 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.

2. Summary of significant accounting policies (cont'd)

2.23 Employee benefits

(a) Short term 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. 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 leave are recognised when the absences occur.

(b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.24 Leases

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the 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 charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.25 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.17.

2. Summary of significant accounting policies (cont'd)

2.25 Revenue (cont'd)

(b) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(c) Sales of properties

Revenue from sales of development properties is accounted for by the stage of completion method as described in Note 2.18(b).

(d) Interest income

Interest income is recognised on a time proportion basis that reflects the effective yield on the asset.

(e) Rental income

Rental income is recognised on accrual basis.

(f) Dividend income

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

2.26 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. Summary of significant accounting policies (cont'd)

2.26 Income taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2. Summary of significant accounting policies (cont'd)

2.26 Income taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.27 Segment reporting

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

2.28 Share capital and share issuance expenses

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

2.29 Contingencies

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

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

3. Significant accounting judgements and estimates

The preparation of the Group's and of the Company's financial statements require 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 amount of the asset or liability affected in the future.

3. Significant accounting judgements and estimates (cont'd)

3.1 Judgements made in applying accounting policies

There are no critical judgements made by the management in the process of applying the Group's and the Company's accounting policies that have significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

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

(a) Useful lives of property, plant and equipment

The cost of plant and equipment of the Group is depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be between 3 to 33 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's plant and equipment at the reporting date is disclosed in Note 12.

(b) Revenue recognition

(i) Construction and property development revenue

The Group recognises construction and property development revenues and expenses in the statement of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that construction and property development cost incurred for work performed to date bear to the estimated total construction and property development costs.

Significant judgement is required in determining the stage of completion, the extent of the construction and property development cost incurred, the estimated total construction and property development revenue and costs, as well as the recoverability of the construction and property development projects. In making the judgement, the Group evaluates based on past experience and internal budgeting.

(ii) Contract manufacturing revenue

The Group recognises revenues in the statement of comprehensive income by progress claims to main contractors pursuant to the terms of the supply agreement.

Significant judgement is required in determining the point of revenue recognition pursuant to the terms of the supply agreements. In making the judgement, the Group evaluates based on the interpretation of the respective terms and conditions by each supply agreement.

3. Significant accounting judgements and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(c) Income taxes

Judgement is involved in determining the Group's and the Company's provision for income taxes as there are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognised liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matter 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.

(d) Impairment of loans and receivables

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factor such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

When there is objective evidence of impairment, the amount and the timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's and of the Company's loans and receivable at the reporting date is disclosed in Note 20.

(e) Deferred tax assets

Deferred tax assets are recognised for all unused tax credit to the extent that it is probable that taxable profit will be available against which the investment allowances and capital allowances 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.

4. Revenue

	Group		Company	
	2014 RM	2013 RM Restated	2014 RM	2013 RM
Sales of goods	192,468,081	187,107,381	-	-
Sales of properties	46,462,348	-	-	-
Construction revenue	967,195,134	758,869,579	-	-
Dividend income from subsidiaries	-	-	8,100,000	10,880,000
Interest income from subsidiaries	-	-	2,811,143	1,485,521
Interest income from fixed deposits	273,205	135,813	273,205	135,813
	1,206,398,768	946,112,773	11,184,348	12,501,334

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5. Other operating income

	Group	
	2014 RM	2013 RM Restated
Interest income from loans and receivables	1,258,185	825,597
Amortisation of retention sum due from construction contract works	5,247,146	4,301,658
Rental income from machineries	484,697	328,672
Rental income from premises	57,855	-
Rental income from subletting of office	57,600	33,600
Rental income from subletting of land	600,938	297,563
Insurance claim	-	126,498
Gain on disposal of plant and equipment	71,000	194,013
Miscellaneous income	291,394	57,920
	8,068,815	6,165,521

6. Finance costs

	Group		Company	
	2014 RM	2013 RM Restated	2014 RM	2013 RM
Interest expense on:				
- bank loan, bank overdrafts and bankers' acceptance	7,783,841	9,021,484	-	-
- obligation under finance leases	1,378,883	1,108,293	-	-
- revolving credits	27,857	19,130	-	-
- advance from subsidiary	-	-	17,993	-
Unwinding of discount on payables	10,681	-	-	-
Amortisation of retention sum due to construction contract work	2,850,604	2,260,651	-	-
	12,051,866	12,409,558	17,993	-
Less : Interest expenses capitalised in property development costs (Note 18)	(83,917)	(958,115)	-	-
	11,967,949	11,451,443	17,993	-

7. Profit before tax

The following items have been included in arriving at profit before tax:

	Group		Company	
	2014 RM	2013 RM Restated	2014 RM	2013 RM
Auditors' remuneration				
- statutory audits	107,910	104,642	26,000	26,000
- other services	5,000	5,000	5,000	5,000
Bad debt written off	-	54,750	-	-
Allowance for impairment on trade receivables (Note 20)	1,879,562	-	-	-
Employee benefits expense (Note 8)	50,253,441	45,588,167	-	-
Non-executive directors' remuneration (Note 9)	254,835	304,530	229,410	253,770
Hire of plant and machinery	34,073,810	28,930,490	-	-
Transfer of plant and equipment at loss/(gain)	1	(20,267)	-	-
Depreciation of property, plant and equipment (Note 12)	24,647,321	18,957,872	-	-
Gain on disposal of plant and equipment	(71,000)	(194,013)	-	-
Plant and equipment written off	24,756	-	-	-
Operating leases:				
- minimum lease payments on land and building	2,359,431	1,979,684	-	-
- minimum lease payments on machineries	93,640	-	-	-
Foreign exchange loss/(gain)				
- realised	894,855	240,832	-	-
- unrealised	207,011	(1,094,218)	-	-

8. Employee benefits expenses

	Group	
	2014 RM	2013 RM Restated
Wages, salaries and bonus	45,672,412	41,399,328
Contributions to defined contribution plan	4,260,184	3,889,791
Social security contributions	320,845	299,048
	50,253,441	45,588,167

Included in employee benefits expenses of the Group are executive directors' remuneration amounting to RM3,726,915 (2013 : RM3,528,360).

9. Directors' remuneration

The details of remuneration receivable by directors of the Group and the Company during the year are as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Directors of the Company				
Executive:				
Salaries and other emoluments	2,673,600	2,532,000	-	-
Bonus	653,400	618,000	-	-
Defined contribution plan	399,915	378,360	-	-
Total executive directors' remuneration (excluding benefits-in-kind) (Note 8)	3,726,915	3,528,360	-	-
Estimated money value of benefits-in-kind	83,895	83,704	-	-
Total executive directors' remuneration (including benefits-in-kind)	3,810,810	3,612,064	-	-
Non-Executive:				
Fees	212,400	240,000	212,400	240,000
Other emoluments	42,435	64,530	17,010	13,770
Total non-executive directors' remuneration (Note 7)	254,835	304,530	229,410	253,770
Total directors' remuneration	4,065,645	3,916,594	229,410	253,770

9. Directors' remuneration (cont'd)

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2014	2013
Executive directors:		
RM650,001 - RM700,000	-	1
RM700,001 - RM750,000	2	4
RM750,001 - RM800,000	3	-
Non-Executive directors:		
RM50,000 - RM100,000	4	3
RM100,001 - RM150,000	-	1

10. Income tax expense

The major components of income tax expense for the years ended 31 December 2014 and 2013 are:

	Group		Company	
	2014 RM	2013 RM Restated	2014 RM	2013 RM
Statement of comprehensive income:				
Current income tax:				
- Malaysian income tax	15,164,000	8,972,649	748,000	396,000
- Share of tax of a joint venture	1,363,233	(127,600)	-	-
- (Over)/underprovision in respect of previous year	(38,843)	(278,527)	106	(477)
	16,488,390	8,566,522	748,106	395,523
Deferred income tax (Note 27):				
- Origination and reversal of temporary differences	(1,716,813)	(5,797,372)	-	-
- Underprovision in respect of previous year	469,952	52,000	-	-
	(1,246,861)	(5,745,372)	-	-
Income tax expense recognised in profit or loss	15,241,529	2,821,150	748,106	395,523

10. Income tax expense (cont'd)

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2014 and 2013 are as follows :

	Group		Company	
	2014 RM	2013 RM Restated	2014 RM	2013 RM
Profit before tax	59,839,666	38,536,125	10,035,967	11,776,301
Taxation at Malaysian statutory tax rate of 25% (2013 : 25%)	14,959,917	9,634,031	2,508,992	2,944,075
Different tax rates in other country	38,330	3,072	-	-
Expenses not deductible for tax purposes	1,203,498	1,187,413	179,008	171,925
Income not subject to tax	(225)	-	(2,025,000)	(2,720,000)
Controlled transfer assets	(71,140)	-	-	-
Deferred tax assets recognised for unabsorbed capital allowances and unutilised tax losses	(127,737)	(6,985,895)	-	-
Deferred tax assets not recognised for unabsorbed capital allowances and unutilised tax losses	50,030	71,399	85,000	-
Utilisation of current year's reinvestment allowances and business loss	(1,433,907)	(1,040,024)	-	-
(Over)/underprovision of income tax in respect of previous year	(38,843)	(278,527)	106	(477)
Share of results of a joint venture	191,654	177,681	-	-
Underprovision of deferred tax in respect of previous year	469,952	52,000	-	-
Income tax expense recognised in profit or loss	15,241,529	2,821,150	748,106	395,523

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the year. The domestic statutory tax rate will be reduced to 24% effective year of assessment 2016. The corporate tax rate applicable to the Singapore subsidiary of the Group was 17% for the year of assessment 2014 and 2013.

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

11. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

The following reflect the profit and share data used in the computation of basic earnings per share for the years ended 31 December:

	Group	
	2014	**2013**
Profit net of tax attributable to owners of the Company (RM)	44,598,137	35,714,975
Weighted average number of ordinary shares in issue	293,092,081	240,450,000
Basic earnings per share (sen)	15.22	14.85

The diluted earnings per share is not presented as there were no potential dilutive ordinary shares outstanding at reporting date.

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12. Property, plant and equipment

Group	Freehold land RM	Leasehold land RM	Buildings RM	Plant, machinery and motor vehicles RM Restated	Furniture and equipment RM Restated	Construction in progress RM	Total RM
Cost							
At 1 January 2013, previously stated	5,186,536	15,500,000	20,516,579	93,449,298	6,430,477	23,926,296	165,009,186
Effect of adopting FRS 11	-	-	-	-	(5,443)	-	(5,443)
At 1 January 2013, restated	5,186,536	15,500,000	20,516,579	93,449,298	6,425,034	23,926,296	165,003,743
Additions	-	-	1,703,265	18,223,785	853,962	26,506,245	47,287,257
Disposals	-	-	-	(1,304,755)	-	-	(1,304,755)
Transfer	-	-	-	50,668	-	-	50,668
Reclassification	-	894,806	38,745,005	12,854,967	(2,062,237)	(50,432,541)	-
At 31 December 2013 and 1 January 2014, restated	5,186,536	16,394,806	60,964,849	123,273,963	5,216,759	-	211,036,913
Additions	-	-	3,710,813	23,525,841	1,412,975	446,144	29,095,773
Disposals	-	-	-	(478,674)	(95,490)	-	(574,164)
Write off	-	-	-	(166,437)	(110,708)	-	(277,145)
Transfer	-	-	-	(186,062)	-	-	(186,062)
At 31 December 2014	5,186,536	16,394,806	64,675,662	145,968,631	6,423,536	446,144	239,095,315
Accumulated depreciation							
At 1 January 2013, previously stated	-	129,167	2,039,707	33,073,112	1,492,331	-	36,734,317
Effect of adopting FRS 11	-	-	-	-	(137)	-	(137)
At 1 January 2013, restated	-	129,167	2,039,707	33,073,112	1,492,194	-	36,734,180
Charge for the year (Note 7)	-	212,399	1,716,274	16,586,016	443,183	-	18,957,872
Disposals	-	-	-	(1,225,520)	-	-	(1,225,520)
Transfer	-	-	-	30,401	-	-	30,401
Reclassification	-	-	-	30,922	(30,922)	-	-
At 31 December 2013 and 1 January 2014, restated	-	341,566	3,755,981	48,494,931	1,904,455	-	54,496,933
Charge for the year (Note 7)	-	205,138	2,054,423	21,788,118	599,642	-	24,647,321
Disposals	-	-	-	(412,880)	(50,684)	-	(463,564)
Write off	-	-	-	(164,404)	(87,985)	-	(252,389)
Transfer	-	-	-	(186,061)	-	-	(186,061)
At 31 December 2014	-	546,704	5,810,404	69,519,704	2,365,428	-	78,242,240
Net carrying amount							
At 1 January 2013	5,186,536	15,370,833	18,476,872	60,376,186	4,932,840	23,926,296	128,269,563
At 31 December 2013	5,186,536	16,053,240	57,208,868	74,779,032	3,312,304	-	156,539,980
At 31 December 2014	5,186,536	15,848,102	58,865,258	76,448,927	4,058,108	446,144	160,853,075

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

Assets held under the name of a joint venture company

Included in the carrying amount of motor vehicles is an amount of RM80,167 (2013: RM Nil) held under the name of a joint venture company.

Assets held under finance leases

During the financial year, the Group acquired property plant and equipment with an aggregate cost of RM10,812,551 (2013 : RM9,867,338) by means of finance leases. The cash outflow on acquisition of property, plant and equipment amounted to RM18,283,222 (2013 : RM37,419,919).

The carrying amount of property, plant and equipment held under finance leases at the reporting date were as follows:

	Group	
	2014	2013
	RM	RM
Plant, machinery and motor vehicles	25,548,936	18,969,282

Leased assets are pledged as security for the related finance lease liabilities (Note 24).

Leasehold land is pledged as security for bank loans and borrowing (Note 24).

13. Investment properties

	Group	
	2014	2013
	RM	RM
Freehold land and building, at cost		
At 1 January/31 December	327,445	327,445

Fair value of the investment properties as at 31 December 2014 was RM540,000 (2013 : RM400,000).

14. Other investments

	Group	
	2014	2013
	RM	RM
Club memberships, at cost		
At 1 January and 31 December	90,000	90,000

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15. Investment in subsidiaries

	Company		
	31.12.2014	31.12.2013	1.1.2013
	RM	RM	RM
Unquoted shares, at cost	142,159,999	112,499,999	112,499,999

Details of the subsdiaries are as follows :

Name	Country of incorporation	Principal activities	Proportion (%) of ownership interest 2014	2013
Held by the Company:				
Kimlun Sdn. Bhd. [i]	Malaysia	Building and infrastructure contractors	100	100
SPC Industries Sdn. Bhd. [i]	Malaysia	Ready mix concrete production and manufacturing of pre-cast concrete products	100	100
Kimlun Land Sdn. Bhd. [i]	Malaysia	Investment holding and property investment	100	100
I-Buildtech Solutions Pte Ltd[ii]	Singapore	Provision of industrial building systems and the supply of construction and building materials	100	100
Held through Kimlun Land Sdn Bhd:				
Kimlun Medini Sdn. Bhd. [i]	Malaysia	Property development and property investment	100	100

i Audited by Ernst & Young, Malaysia
ii Audited by a firm other than Ernst & Young

Allotment of shares

During the financial year, the Company was allotted 30,000,000 ordinary shares or RM1 each by its subsidiary, Kimlun Sdn. Bhd.. The consideration of the shares allotted amounting to RM30,000,000 was fully satisfied by cash.

16. Investment in a joint venture

	Group		
	31.12.2014 RM	31.12.2013 RM Restated	1.1.2013 RM Restated
Unquoted shares, at cost	510,000	510,000	510,000
Share of post-acquisiton reserves	2,914,998	(1,344,665)	(251,141)
	3,424,998	(834,665)	258,859
Represented by:			
Share of net assets	3,424,998	-	258,859
Share of net liabilities (Note 26)	-	(834,665)	-
	3,424,998	(834,665)	258,859

The joint venture company is Posh Atlantic Sdn. Bhd. which is 51% (31.12.2013: 51%; 1.1.2013 : 51%) owned and incorporated in Malaysia. Its principal activities are property development and property investment. The accounting model applied is equity model.

The summarised financial information of the joint venture is as follows:

(i) Summarised statement of financial position

	31.12.2014 RM	31.12.2013 RM	1.1.2013 RM
Non-current assets	54,610	409,587	5,326
Current assets	63,503,275	44,555,617	17,645,413
Total assets	63,557,885	44,965,204	17,650,739
Current liabilities	36,963,761	23,680,488	5,903,086
Non-current liabilities	18,051,656	21,084,889	11,060,342
Total liabilities	55,015,417	44,765,377	16,963,428
Net assets	8,542,468	199,827	687,311

(ii) Summarised statements of comprehensive income

	31.12.2014 RM	31.12.2013 RM	1.1.2013 RM
Revenue	52,090,219	19,504,566	4,754
Profit/(loss) before tax	11,015,648	(737,681)	(236,200)
Net profit/(loss) and total comprehensive income/(loss) for the year	8,342,641	(487,484)	(236,200)

16. Investment in a joint venture (cont'd)

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in the joint venture

	31.12.2014 RM	31.12.2013 RM	1.1.2013 RM
Opening net assets	199,827	687,311	923,511
Profit/(loss) for the year	8,342,641	(487,484)	(236,200)
Closing net assets	8,542,468	199,827	687,311
Interest in joint venture	51%	51%	51%
Carrying value of Group's interest in a joint venture	4,356,658	101,911	350,528
Effect on adopting FRS 11	-	(936,576)	(91,669)
Unrealised profit adjustments	(931,660)	-	-
	3,424,998	(834,665)	258,859

17. Properties held for sale

	Group	
	2014 RM	2013 RM
Cost:		
At 1 January	388,938	850,060
Additions	1,440,294	8,938
Disposal	-	(470,060)
At 31 December	1,829,232	388,938

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18. Property development costs

	Freehold land RM	Group Development costs RM	Total RM
Property development costs			
Cumulative property development costs:			
At 1 January 2013, previously stated	46,878,082	3,524,540	50,402,622
Effect of adopting FRS 11	(14,536,919)	(2,322,339)	(16,859,258)
At 1 January 2013, restated	32,341,163	1,202,201	33,543,364
Costs incurred during the year	-	1,851,148	1,851,148
At 31 December 2013 and 1 January 2014, restated	32,341,163	3,053,349	35,394,512
Costs incurred during the year	-	9,944,922	9,944,922
Disposal	(28,254,883)	(2,816,286)	(31,071,169)
At 31 December 2014	4,086,280	10,181,985	14,268,265
Property development costs :			
At 1 January 2013	32,341,163	1,202,201	33,543,364
At 31 December 2013	32,341,163	3,053,349	35,394,512
At 31 December 2014	4,086,280	10,181,985	14,268,265

Included in property development costs incurred during the financial year are:

	31.12.2014 RM	31.12.2013 RM Restated	1.1.2013 RM Restated
Interest expenses (Note 6)	83,917	958,115	853,673

19. Inventories

	Group	
	2014 RM	2013 RM
Cost		
Raw materials	8,524,887	6,639,076
Finished goods	12,467,818	10,220,934
	20,992,705	16,860,010
Net realisable value		
Finished goods	126,131	117,177
	21,118,836	16,977,187

20. Trade and other receivables

	Group		
	31.12.2014	31.12.2013	1.1.2013
	RM	RM	RM
		Restated	Restated
Trade receivables			
Third parties	273,895,234	310,139,040	292,487,176
Amount due from a joint venture	23,914,729	5,802,625	8,380
Amounts due from company related to certain directors	25,803,196	33,533,785	8,633,397
	323,613,159	349,475,450	301,128,953
Less: Allowance for impairment - Third parties	(2,134,065)	(254,503)	(254,503)
Trade receivables, net	321,479,094	349,220,947	300,874,450
Other receivables			
Refundable deposit	15,312,543	8,147,499	4,924,796
Amount due from a joint venture	8,471,670	6,713,922	4,048,132
Sundry receivables	4,127,435	2,019,755	1,112,197
	27,911,648	16,881,176	10,085,125
Total trade and other receivables (current)	349,390,742	366,102,123	310,959,575
Add: Cash and bank balances (Note 23)	84,671,335	31,669,830	44,610,025
Total loans and receivables	434,062,077	397,771,953	355,569,600

	Company	
	2014	2013
Other receivables		
Refundable deposit	4,500	4,500
Amount due from subsidiaries	51,336,249	43,660,207
	51,340,749	43,664,707
Total other receivables (current)	51,340,749	43,664,707
Add: Cash and bank balances (Note 23)	30,356,036	2,037,986
Total loans and receivables	81,696,785	45,702,693

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (31.12.2013: 30 to 90 days; 1.1.2013 : 30 to 90 days) terms, although in practice, this may extend to 120 days. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original certificated or invoiced amounts which represent their fair values on initial recognition.

20. Trade and other receivables (cont'd)

Ageing analysis of trade receivables

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

	31.12.2014 RM	31.12.2013 RM Restated	1.1.2013 RM Restated
Neither past due nor impaired	268,749,613	296,380,049	220,796,683
1 to 30 days past due not impaired	4,921,339	15,236,166	22,561,968
31 to 60 days past due not impaired	1,943,840	4,540,574	7,246,119
61 to 90 days past due not impaired	1,379,983	915,906	5,488,051
91 to 120 days past due not impaired	682,565	973,101	9,402,728
More than 120 days past due not impaired	43,801,754	31,175,151	35,378,901
	52,729,481	52,840,898	80,077,767
Impaired	2,134,065	254,503	254,503
	323,613,159	349,475,450	301,128,953

Receivables that are neither past due nor impaired

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

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

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM52,729,481 (31.1.2013 : RM52,840,898, 1.1.2013 : RM80,077,767) that are past due at the reporting date but not impaired and are not secured by any collateral or credit enhancements.

The management is confident that the balance of receivables that are past due but not impaired are recoverable as these accounts are still active.

20. Trade and other receivables (cont'd)

Receivables that are impaired

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

	Individually impaired	
	2014	2013
	RM	RM
Trade receivables - nominal amounts	2,134,065	254,503
Less: Allowance for impairment	(2,134,065)	(254,503)
	-	-
Movement in allowance accounts :		
At 1 January	254,503	254,503
Charge for the year (Note 7)	1,879,562	-
At 31 December	2,134,065	254,503

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Related party balances

Amount due from subsidiaries are unsecured, interest bearing at 3.50% (2013 : 3.50%) per annum and is repayable on demand.

21. Other current assets

	Group		
	31.12.2014	31.12.2013	1.1.2013
	RM	RM	RM
		Restated	Restated
Prepayments	2,670,057	2,716,809	1,187,037
Accrued billing from customers	61,667,110	34,524,858	20,031,575
Gross amount due from customers for contract work (Note 22)	184,779,195	170,405,912	157,686,299
	249,116,362	207,647,579	178,904,911

	Company	
	2014	2013
	RM	RM
Prepayments	13,350	312,906

22. Gross amount due from/(to) customers for contract work-in-progress

	Group		
	31.12.2014 RM	31.12.2013 RM Restated	1.1.2013 RM Restated
Construction contract costs incurred to date	3,499,322,115	2,862,845,683	2,363,757,606
Attributable profits	507,841,442	455,917,858	398,293,044
	4,007,163,557	3,318,763,541	2,762,050,650
Less: Progress billings	(3,831,189,728)	(3,156,975,741)	(2,619,771,178)
	175,973,829	161,787,800	142,279,472
Presented as:			
Gross amount due from customers for contract work (Note 21)	184,779,195	170,405,912	157,686,299
Gross amount due to customers for contract work (Note 26)	(8,805,366)	(8,618,112)	(15,406,827)
	175,973,829	161,787,800	142,279,472
Retention sums on construction contract, included in trade receivables	140,178,344	128,384,393	101,536,981

The cost incurred to date on construction contracts include the following charges made during the financial year:

	Group		
	31.12.2014 RM	31.12.2013 RM	1.1.2013 RM
Hire of plant and machinery	34,073,810	28,930,490	31,971,799
Depreciation of plant and equipment	9,515,373	8,304,390	5,118,716
Rental expense for land and building	269,180	298,560	27,848
Rental expense for plant and equipment	-	-	3,267

23. Cash and bank balances

	Group		
	31.12.2014 RM	31.12.2013 RM Restated	1.1.2013 RM Restated
Cash on hand and at banks	66,242,211	9,885,928	14,548,569
Short term deposits with licensed banks	18,429,124	21,783,902	30,061,456
Cash and bank balances	84,671,335	31,669,830	44,610,025

	Company	
	2014 RM	2013 RM
Cash on hand and at banks	30,356,036	2,037,986

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one to three months (31.12.2013 : one to three months; 1.1.2013 : one day to twelve months) depending on the immediate cash requirements of the Group and earn interests at respective short-term deposit rates. The weighted average effective interest rates as at 31 December 2014 for the Group was 2.95% (31.12.2013 : 2.85%; 1.1.2013 : 2.92%).

Short-term deposits with licensed banks of the Group amounting to RM18,422,937 (31.12.2013 : RM20,959,914; 1.1.2013 : RM22,400,353) are pledged as securities for borrowings (Note 24).

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

	Group		
	31.12.2014 RM	31.12.2013 RM Restated	1.1.2013 RM Restated
Cash and short term deposits	84,671,335	31,669,830	44,610,025
Less: Bank overdrafts (Note 24)	(6,597,571)	(23,614,614)	(10,693,162)
Cash and cash equivalents	78,073,764	8,055,216	33,916,863

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24. Loans and borrowings

	Maturity	Group 31.12.2014 RM	31.12.2013 RM Restated	1.1.2013 RM Restated
Current				
Secured:				
Bank overdrafts (Note 23)	On demand	6,597,571	23,614,614	10,693,162
Advance against progressive claims	2015	-	17,002,057	15,278,125
Bankers' acceptances	2015	77,044,661	79,250,306	72,885,672
Term loans	2015	20,385,280	14,740,547	1,219,638
Obligations under finance leases (Note 32 (c))	2015	7,209,347	4,973,077	3,704,187
Revolving credit	2015	-	1,000,000	-
		111,236,859	140,580,601	103,780,784
Non-current				
Secured:				
Term loans	2016 - 2019	33,221,347	55,085,653	44,130,574
Obligations under finance leases (Note 32 (c))	2016 - 2018	16,560,500	14,248,480	10,860,696
		49,781,847	69,334,133	54,991,270
Total loans and borrowings		161,018,706	209,914,734	158,772,054

The remaining maturities of the loans and borrowings as at 31 December 2014 are as follows:

	Group 31.12.2014 RM	31.12.2013 RM Restated	1.1.2013 RM Restated
On demand or within one year	111,236,859	140,580,601	103,780,784
More than 1 year and less than 2 years	20,306,494	17,470,461	5,589,434
More than 2 years and less than 5 years	28,613,975	50,100,983	44,168,534
5 years and more	861,378	1,762,689	5,233,302
	161,018,706	209,914,734	158,772,054

Obligations under finance leases

These obligations are secured by a pledge over the leased assets (Note 12). The discount rate implicit in the leases is between 2.32% to 4.20% (31.12.2013 : 2.32% to 4.20%; 1.1.2013 : 2.32% to 4.50%) per annum.

24. Loans and borrowings (cont'd)

Bank overdrafts, advance against progressive claims, bankers' acceptance, revolving credit and term loans

The interest rate at the reporting date were as follows:

	Group		
	31.12.2014	31.12.2013	1.1.2013
	%	%	%
Bank overdrafts	5.35 to 8.35	7.10 to 8.10	7.60 to 8.10
Advance against progressive claims	7.35 to 8.35	7.10 to 8.10	7.60 to 8.10
Bankers' acceptances	4.20 to 5.22	3.54 to 4.82	3.54 to 5.01
Term loans	4.85 to 7.60	4.85 to 6.60	4.85 to 6.60
Revolving credit	-	4.83	-

The bank overdrafts, advance against progressive claims, bankers' acceptance and term loans together with bank guarantee facilities are secured by :

(a) First party first legal charge over a parcel of leasehold land as disclosed in Note 12;

(b) Fixed deposits pledged as disclosed in Note 23;

(c) Corporate guarantee by the Company.

25. Trade and other payables

	Group		
	31.12.2014	31.12.2013	1.1.2013
	RM	RM	RM
		Restated	Restated
Trade payables			
Third parties	244,901,476	230,659,836	211,839,910
Amount due to company related to certain directors	4,662,079	9,861,383	10,237,304
	249,563,555	240,521,219	222,077,214
Other payables			
Accrued operating expenses	22,714,055	20,131,753	13,658,421
Other payables	21,669,870	21,408,104	23,516,076
Deposits payable	21,038,028	19,065,580	8,046,500
	65,421,953	60,605,437	45,220,997
Total trade and other payables	314,985,508	301,126,656	267,298,211
Add: Loans and borrowings (Note 24)	161,018,706	209,914,734	158,772,054
Total financial liabilities carried at amortised cost	476,004,214	511,041,390	426,070,265

25. Trade and other payables (cont'd)

	Company	
	2014	2013
	RM	RM
Other payables		
Accrued operating expenses	34,879	48,350
Other payables	5,900	-
Amount due to a subsidiary company	5,216	3,898
Total financial liabilities carried at amortised cost	45,995	52,248

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 90 days (31.12.2013: 30 to 90 days; 1.1.2013 : 30 to 90 days) terms.

(b) Other payables

These amounts are non-interest bearing.

(c) Amount due to a subsidiary company

This amount is unsecured, non-interest bearing and is repayable on demand.

26. Other liabilities

		Group	
	31.12.2014	31.12.2013	1.1.2013
	RM	RM	RM
		Restated	Restated
Non-current liability			
Share of net liabilities of investment in a joint venture (Note 16)	-	834,665	-
Current liability			
Gross amount due to customers for contract work (Note 22)	8,805,366	8,618,112	15,406,827

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27. Deferred taxation

Deferred income tax as at 31 December relates to the following:

Group	As at 1 January 2013	Recognised in profit or loss (Note 10)	As at 31 December 2013, restated	Recognised in profit or loss (Note 10)	As at 31 December 2014
	RM	RM	RM	RM	RM
Deferred tax liabilities of the Group:					
Property, plant and equipment	6,021,000	821,989	6,842,989	(800,533)	6,042,456
Unrealised foreign exchange	380,000	113,000	493,000	(493,000)	-
	6,401,000	934,989	7,335,989	(1,293,533)	6,042,456
Deferred tax assets of the Group:					
Unutilised tax credits	(5,202,000)	(6,671,832)	(11,873,832)	234,141	(11,639,691)
Others	-	(8,529)	(8,529)	(187,469)	(195,998)
	(5,202,000)	(6,680,361)	(11,882,361)	46,672	(11,835,689)
	1,199,000	(5,745,372)	(4,546,372)	(1,246,861)	(5,793,233)

	Group		
	31.12.2014	31.12.2013	1.1.2013
	RM	RM	RM
		Restated	
Presented after appropriate offsetting as follows:			
Deferred tax assets	(11,835,689)	(11,882,361)	(5,202,000)
Deferred tax liabilities	6,042,456	7,335,989	6,401,000
	(5,793,233)	(4,546,372)	1,199,000

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28. Share capital, share premium and treasury shares

Group and Company	Number of ordinary shares of RM0.50 each: Share capital (Issued and fully paid)	Number of ordinary shares of RM0.50 each: Treasury shares	Amount: Share capital (Issued and fully paid) RM	Amount: Share premium RM	Amount: Treasury shares RM	Amount: Total RM
At 1 January 2013 and 31 December 2013	240,450,000	-	120,225,000	37,797,764	-	158,022,764
Issuance of right issue shares	60,112,500	-	30,056,250	1,202,250	-	31,258,500
Share issue expense	-	-	-	(1,205,476)	-	(1,205,476)
Purcahse of treasury shares	-	10,000	-	-	(12,189)	(12,189)
At 31 December 2014	300,562,500	10,000	150,281,250	37,794,538	(12,189)	188,063,599

	Number of ordinary share of RM0.50 each 2014	Number of ordinary share of RM0.50 each 2013	Amount 2014 RM	Amount 2013 RM
Authorised share capital				
At 1 January and 31 December	1,000,000,000	1,000,000,000	500,000,000	500,000,000

28. Share capital, share premium and treasury shares (cont'd)

(a) Share capital

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.

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

(b) Treasury shares

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.

The Company acquired 10,000 (2013 : Nil) shares in the Company through purchase during the financial year. The total amount paid to acquire the shares was RM12,189 (2013 : Nil). The shares purchased are being held as treasury shares and this is presented as a component within shareholders' equity.

The directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the share purchase plan can be applied in the best interests of the Company and its shareholders.

29. Retained earnings

The Company may distribute dividends out of its entire retained earnings as at 31 December 2014 and 2013 under single tier system.

30. Other reserves

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Non-distributable				
Foreign currency translation reserve	702	9,697	-	-
Warrant reserve	34,865,250	-	34,865,250	-
	34,865,952	9,697	34,865,250	-

(a) Foreign currency translation reserve

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

30. Other reserves (cont'd)

(b) Warrant reserve

A total of 60,112,500 free warrants was issued by the Company in conjuction with Right Shares issued on 13 March 2014. Each warrant entitles the holder to subscribe for 1 new share at the exercise price of RM1.68 per share at any time during the exercise period. The warrants have an exercise period of 10 years commencing 13 March 2014 and expiring on 12 March 2024.

31. Related party disclosures

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year :

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Purchase of raw materials from company related to certain directors	9,921,716	13,704,546	-	-
Contract fee receivable from company related to certain directors	76,154,374	73,264,455	-	-
Contract fee receivable from a joint venture	37,665,057	17,565,896	-	-
Rental of land and building paid to companies related to certain directors	968,111	845,318	-	-
Interest income received from subsidiaries	-	-	2,811,143	1,485,521
Dividend income received from subsidiaries	-	-	8,100,000	10,880,000

31. Related party disclosures (cont'd)

Companies related to certain directors

These entities are subject to the same source of influence as the Company through common directors.

Compensation of key management personnel

The remuneration of key management personnels during the year are as follow:

	2014 RM	2013 RM
Salaries, bonus and other emoluments	4,080,000	3,966,500
Defined contribution plan	490,500	473,340
Other short term benefits	106,595	108,179
	4,677,095	4,548,019

32. Commitments

(a) Capital commitments

	Group	
	2014 RM	2013 RM
Capital commitments as at the reporting date is as follows:		
Approved and contracted for :		
Property, plant and equipment	1,747,152	3,723,669

(b) Operating lease commitment - as lessee

Minimum lease payments recognised in profit or loss for the financial year ended 31 December 2014 amounted to RM2,453,071 (2013 : RM1,979,684).

32. Commitments (cont'd)

(c) Finance lease commitments

The Group has finance leases for certain items of plant and equipment (Note 12).

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group		
	31.12.2014 RM	31.12.2013 RM Restated	1.1.2013 RM Restated
Minimum lease payments:			
Not later than 1 year	8,403,264	6,023,082	4,501,187
Later than 1 year but not later than 2 years	8,171,753	5,894,300	3,578,661
Later than 2 years but not later than 5 years	8,715,850	9,313,033	8,464,766
More than 5 years	872,860	266,826	-
Total minimum lease payments	26,163,727	21,497,241	16,544,614
Less: Amounts representing finance charges	(2,393,880)	(2,275,684)	(1,979,731)
Present value of minimum lease payments	23,769,847	19,221,557	14,564,883
Present value of payments:			
Not later than 1 year	7,209,347	4,973,077	3,704,187
Later than 1 year but not later than 2 years	7,428,824	5,176,633	3,000,886
Later than 2 years but not later than 5 years	8,270,298	8,809,158	7,859,810
More than 5 years	861,378	262,689	-
Present value of minimum lease payments	23,769,847	19,221,557	14,564,883
Less: Amount due within 12 months (Note 24)	(7,209,347)	(4,973,077)	(3,704,187)
Amount due after 12 months (Note 24)	16,560,500	14,248,480	10,860,696

33. Fair value

(a) Fair value of assets that are disclosed at fair value

The following table shows an analysis of asset disclosed at fair value by level of fair value hierarchy:

	Group			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2014				
Financial asset:				
Investment properties	-	-	540,000	540,000
2013				
Financial asset:				
Investment properties	-	-	400,000	400,000

The fair value of investment property is determined based on current price in an active market.

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

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	20
Cash and bank balances (current)	23
Loans and borrowings (current)	24
Loans and borrowings (non-current)	24
Trade and other payables (current)	25

The carrying amounts of these financial assets and liabilities of the Group and of the Company at the reporting date approximate fair values due to the relatively short term maturity of these financial instruments whilst the carrying value of long term borrowings is estimated to be approximate the fair value estimated based on the current rates available for borrowing with the same maturity profile.

Fair value of retention sums on construction contract are estimated by discounting expected future cash flows at market incremental lending rate at the reporting date.

33. Fair value (cont'd)

(b) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value (cont'd)

Guarantees

The fair value of the guarantees provided by the Company in connection with credit facilities, construction contracts and development agreement granted to its subsidiaries is estimated to be minimal as the chances of the financial institutions and third parties to call upon the guarantees are not probable.

34. Financial risk management objectives and policies

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

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Management. The audit committee provides independent oversight to the effectiveness of the risk management process.

The Group and the Company do not undertake any trading of derivative financial instruments.

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

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For cash and bank balances, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group and the Company minimise and monitor its credit risk by strictly limiting the Group's and Company's associations to business partners with high credit worthiness. Receivable balances are monitored on an ongoing basis.

34. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Exposure to credit risk

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

- the carrying amount of each class of financial assets recognised in the statements of financial position.

- an amount of RM680,267,020 (2013 : RM694,291,005) relating to corporate guarantees provided by the Company to several financial institutions for its subsidiaries' credit facilities and third parties for the credit facilities granted by suppliers, the subsidiaries' performance in construction contracts and a joint venture's development agreement.

Credit risk concentration profile

The Group and the Company do not have any significant exposure to any individual customers or counterparties nor does it have any major concentration of credit risk related to any financial instruments.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 20. Deposits with banks that are neither past due nor impaired are placed with or entered into with reputable financial institutions.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 20.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

To ensure continuity of funding, the Group's and the Company's policy is to manage the debt maturity profile, operating cash flows and the availability of funding to support the operating cycle of the business.

34. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

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

31.12.2014 Group	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
Financial liabilities:				
Trade and other payables	314,985,508	-	-	314,985,508
Loans and borrowings	112,430,776	50,108,950	872,860	163,412,586
Total undiscounted financial liabilities	427,416,284	50,108,950	872,860	478,398,094
Company				
Financial liabilities:				
Trade and other payables	45,995	-	-	45,995
Total undiscounted financial liabilities	45,995	-	-	45,995
31.12.2013 Group Restated				
Financial liabilities:				
Trade and other payables	301,126,656	-	-	301,126,656
Loans and borrowings	141,630,606	68,792,986	1,766,826	212,190,418
Total undiscounted financial liabilities	442,757,262	68,792,986	1,766,826	513,317,074
Company				
Financial liabilities:				
Trade and other payables	52,248	-	-	52,248
Total undiscounted financial liabilities	52,248	-	-	52,248

34. Financial risk management objectives and policies (cont'd)

1.1.2013 Group Restated	On demand or within one year RM	One to five years RM	More than five years RM	Total RM
Financial liabilities:				
Trade and other payables	267,298,211	-	-	267,298,211
Loans and borrowings	104,577,784	50,940,699	5,233,302	160,751,785
Total undiscounted financial liabilities	371,875,995	50,940,699	5,233,302	428,049,996
Company				
Financial liabilities:				
Trade and other payables	60,957	-	-	60,957
Total undiscounted financial liabilities	60,957	-	-	60,957

(c) Interest rate risk

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

The Group's primary interest rate risk relates to interest-bearing borrowings. The investments in financial assets including fixed deposits are mainly short term in nature and they are not held for speculative purposes.

The Group manages its interest rate exposure by using a mix of fixed and floating rate debts and actively reviewing its debt portfolio, taking into account the investment holding period and nature of its assets.

The Group does not expect any material effect on the Group's profit net of tax, asset and equity arising from the effect of reasonably possible changes to interest rates on interest-bearing financial instruments at the end of the reporting period.

34. Financial risk management objectives and policies (cont'd)

(d) Foreign currency risk

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

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group's entities. The foreign currencies in which these transactions are denominated are mainly Singapore Dollar ("SGD") and Euro ("EUR"). The Group did not enter into any forward currency contracts during the financial years ended 31 December 2014 and 2013 respectively.

The Group is also exposed to currency translation risk arising from its investments in foreign operation in Singapore. The Group's net investments in Singapore is not hedged as currency positions in SGD is considered to be long-term in nature.

The Group does not expect any material effect on the Group's profit net of tax and equity arising from the effect of reasonably possible changes to foreign currency exchange rates at the end of the reporting period.

35. Restatement

FRS 11 Joint Arrangement ("FRS 11")

FRS 11 replaces FRS 131 Interests in Joint Ventures and IC interpretation 113 Jointly Controlled Entities- Non-monetary Contributions by Venture and is effective for annual periods beginning on or after 1 January 2013.

During this financial year, the Group has reassessed the impact of FRS 11 on the investment in subsidiaries and concluded that Posh Atlantic Sdn. Bhd. ("PASB") should be treated as a joint venture instead of a subsidiary .

Consequently, the investment cost has been reclassified from investment in a subsidiary to investment in a joint venture.

Comparative figures have been restated to effect the change in accounting for investment in PASB from consolidation to equity accounting.

35. Restatement (cont'd)

The following reclassification is made to the previously issued financial statements for the financial year ended 31 December 2013:

(i) Group Statement of financial position as at 31 December 2013

	31 December 2013 as previously reported RM	FRS 11 Adjustment RM	31 December 2013 as restated RM
Non-current assets			
Property, plant and equipment	156,699,370	(159,390)	156,539,980
Deferred tax assets	4,796,569	(250,197)	4,546,372
Current assets			
Property development costs	60,000,736	(24,606,224)	35,394,512
Trade and other receivables	353,980,945	12,121,178	366,102,123
Other current assets	224,567,555	(16,919,976)	207,647,579
Cash and bank balances	32,127,401	(457,571)	31,669,830
Current liabilities			
Loans and borrowings	144,706,651	(4,126,050)	140,580,601
Trade and other payables	308,164,547	(6,203,226)	301,126,656
Other current liability	7,378,211	1,239,901	8,618,112
Non-current liabilities			
Loans and borrowings	90,419,022	(21,084,889)	69,334,133
Other non-current liability	-	834,665	834,665
Equity attributable to owners of the Company			
Non-controlling interests	97,916	(97,916)	-

35. Restatement (cont'd)

(i) Group Statement of financial position as at 1 January 2013

	1 January 2013 as previously reported RM	FRS 11 Adjustment RM	1 January 2013 as restated RM
Non-current assets			
Property, plant and equipment	128,274,889	(5,326)	128,269,563
Investment in a joint venture	-	258,859	258,859
Current assets			
Property development costs	50,398,997	(16,855,633)	33,543,364
Trade and other receivables	307,380,087	3,579,488	310,959,575
Other current assets	178,929,549	(24,638)	178,904,911
Cash and bank balances	44,726,672	(116,647)	44,610,025
Current liabilities			
Trade and other payables	269,144,785	(1,846,574)	267,298,211
Other current liability	15,327,025	79,802	15,406,827
Non-current liabilities			
Loans and borrowings	66,051,612	(11,060,342)	54,991,270
Equity attributable to owners of the Company			
Non-controlling interests	336,783	(336,783)	-

(ii) Impact on FRS 11 on profit of the Group for the financial year ended 31 December 2013 and at the beginning of 1 January 2013

	FRS 11 Adjustment	
	31.12.2013	1.1.2013
Group	RM	RM
Decrease in revenue	(883,324)	(4,754)
(Increase)/decrease in cost of sales	(3,469,850)	3,625
Increase in other operating income	187,721	96,088
Decrease in administrative expenses	5,724,112	206,849
Decrease in finance costs	23,929	26,061
Inclusion of share of results of a joint venture	(1,221,124)	(212,131)
Increase in income tax expense	(122,597)	-
Increase in profit for the year	238,867	115,738
Decrease in profit attributable to:		
Non-controlling interests	(238,867)	(115,738)
	(238,867)	(115,738)

35. Restatement (cont'd)

(iii) Impact on FRS 11 on cash flows of the Group for the financial year ended 31 December 2013 and at the beginning of 1 January 2013

	FRS 11 Adjustment	
	31.12.2013	1.1.2013
	RM	RM
Group		
Net cash inflow from operating activities	12,060,382	414,272
Net cash inflow/(outflow) from investing activities	24,653	(361,868)
Net cash outflow from financing activities	(9,258,871)	(137,278)
Net cash inflows/(outflows)	2,826,164	(84,874)

36. Capital management

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2014 and 2013.

The Group is not subject to any externally imposed capital requirements.

37. Segment Information

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

(i) Construction
(ii) Manufacturing of concrete products and trading of building materials
(iii) Investment
(iv) Property development

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 operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

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37. Segment Information (cont'd)

At 31 December 2014	Construction RM	Manufacturing RM	Investment RM	Property development RM	Eliminations RM	Consolidation RM
Revenue:						
External customers	967,195,134	192,468,081	273,205	46,462,348	-	1,206,398,768
Inter-segment	6,798,678	9,833,796	10,911,143	-	(27,543,617)	-
Total revenue	973,993,812	202,301,877	11,184,348	46,462,348	(27,543,617)	1,206,398,768
Results:						
Segment results	55,197,513	32,314,695	11,184,348	15,444,920	(11,524,347)	102,617,129
Other operating income						8,068,815
Administration expenses						(43,564,649)
Finance costs						(11,967,949)
Share of profit of a joint venture						4,686,320
						59,839,666
Income tax expense						(15,241,529)
Net profit for the year						44,598,137
Assets:						
Segment assets	570,862,260	255,537,732	223,870,134	42,550,822	(201,937,425)	890,883,523
Liabilities:						
Segment liabilities	337,852,666	184,390,232	322,245	25,003,660	(57,201,704)	490,367,099

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37. Segment Information (cont'd)

At 31 December 2013	Construction RM	Manufacturing RM	Investment RM	Property development RM Restated	Eliminations RM Restated	Consolidation RM Restated
Revenue:						
External customers	758,869,579	187,107,381	135,813	-	-	946,112,773
Inter-segment	1,238,329	8,750,582	12,365,521	-	(22,354,432)	-
Total revenue	760,107,908	195,857,963	12,501,334	-	(22,354,432)	946,112,773
Results:						
Segment results	46,465,799	32,314,540	12,501,334	-	(12,504,043)	78,777,630
Other operating income						6,165,521
Administration expenses						(33,734,459)
Finance costs						(11,451,443)
Share of loss of a joint venture						(1,221,124)
						38,536,125
Income tax expense						(2,821,150)
Net profit for the year						35,714,975
Assets:						
Segment assets	527,580,820	242,809,386	158,515,598	47,810,889	(157,032,727)	819,683,966
Liabilities:						
Segment liabilities	344,646,942	173,652,791	144,780	44,536,132	(42,398,175)	520,582,470

38. Dividends

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Recognised during the financial year:				
Dividends on ordinary shares:				
- Final (single tier) dividend for 2013: 3.00 sen (2012: 4.80 sen) per share	9,016,875	11,541,600	9,016,875	11,541,600

At the forthcoming Annual General Meeting, a final (single-tier) dividend in respect of the financial year ended 31 December 2014, of 3.80 sen per ordinary share will be proposed for shareholders' approval. 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.

39. Significant events during the financial year

(a) Lease Purchase Agreement ("LPA") for acquisition of land

In last financial year, Kimlun Medini Sdn. Bhd., a subsidiary of the Company, entered into a LPA with a third party to acquire a 99-years lease over two contiguous parcels of freehold land for a cash consideration of RM31,056,771. The acqusition of the lease over one of the parcels of land was completed on 25 March 2015, while the acquisition of the lease over the remaining parcel of land has yet to be completed as at the date of this report.

(b) Sale and Purchase Agreement ("SPA") for sale of land

In last financial year, Kimlun Land Sdn. Bhd., a subsidiary of the Company entered into a SPA with a third party to sell 9 parcels of freehold agricuture land for a total consideration of RM46 million. The SPA was completed on 28 January 2014.

(c) Sale and Purchase Agreement ("SPA") for acquisition of land

On 5 March 2014, Kimlun Land Sdn. Bhd., a subsidiary of the Company, entered into a SPA with a third party to acquire forty one (41) 99-year leasehold vacant detached lots on en bloc basis for a cash consideration of RM28,987,432. As at the date of this report, the SPA has yet to be completed.

39. Significant events during the financial year (cont'd)

(d) Renounceable rights issue of 60,112,500 new ordinary shares of RM0.50 each in the Company ("Kimlun Share(s)") ("Rights Share(s)") on the basis of one Rights Share for every four existing ordinary shares of RM0.50 each in the Company held together with 60,112,500 free detachable warrants ("Warrant(s)") on the basis of one Warrant for every one Rights Share subscribed for based on an entitlement date to be determined later ("Rights Issue with Warrants")

The Company announced its proposal on the Rights Issue with Warrants, and thereafter obtained the approval from Bursa Malaysia Securities Berhad ("Bursa Securities") on the following in relation thereto in the last financial year:

- Admission to the official list of Bursa Securities and the listing of and quotation for the Warrants to be issued pursuant to the Rights Issue with Warrants;

- Listing of the Rights Shares to be issued pursuant to the Rights Issue with Warrants; and

- Listing of the new Kimlun Shares to be issued arising from the exercise of the Warrants on the Main Market of Bursa Securities

The Company fixed the entitlement date on 18 February 2014, and the issue price of the Rights Shares and the exercise price of the Warrants at RM1.10 per Rights Share and RM1.68 per Warrant, respectively.

The Rights Issue with Warrants was completed on 19 March 2014 with gross proceeds raised of RM66.12 million. The gross proceeds raised are intended to be utilised to meet working capital requirements of the Group and the expenses in relation to the Rights Issue with Warrants.

40. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on 28 April 2015.

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41. Supplementary information - Breakdown of retained profits into realised and unrealised

The breakdown of the retained profits of the Group and of the Company as at 31 December 2014 and 2013 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Total retained profits				
- Realised	172,336,169	136,948,526	619,040	348,054
- Unrealised	7,476,173	6,244,929	-	-
	179,812,342	143,193,455	619,040	348,054
Less: Consolidation adjustments	(2,225,469)	(2,124,420)	-	-
Retained earnings as per financial statements	177,586,873	141,069,035	619,040	348,054