

Redefining the
ART OF
LIVING



TROPICANA
CORPORATION BERHAD
丽阳机构

ANNUAL REPORT 2014

2014

at a glance



TROPICANA'S GROUP
REVENUE ROSE 33.7%
TO RECORD HIGH OF

RM1.97
BILLION

NET PROFIT ATTRIBUTABLE TO
SHAREHOLDERS AT
RM333.9 mil

WON
10

AWARDS



TOTAL NEW SALES OF

RM1.5
BILLION

RECORD UNBILLED
SALES OF
RM2.7 BILLION

TOTAL ASSETS OVER

RM7.2
BILLION

RM2.14

NET TANGIBLE
ASSETS PER SHARE



OVER

RM3.8 MILLION

DONATED TO CHARITABLE ORGANISATIONS

TROPICANA GOLF &
COUNTRY RESORT



TROPICANA
METROPARK



TROPICANA
GARDENS



TROPICANA INDAH
RESORT HOMES

TROPICANA
THE RESIDENCES

TROPICANA
HEIGHTS



PORTFOLIO OF





TROPEZ
RESIDENCES



TROPICANA
DANGA BAY



TROPICANA
DANGA COVE



TROPICANA
DANGA COVE



PENANG
WORLD CITY



PENANG
WORLD CITY



TROPICANA
218 MACALISTER



TROPICANA
218 MACALISTER

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Proxy Form



OUR VISION

We strive to be the leading property group,
that delivers innovative and quality products that enhance stakeholders' value.

OUR BUSINESS PRINCIPLES



OUR CUSTOMERS COME FIRST

In delivering innovative products and services, we work towards optimum customer satisfaction. We recognise and reward our loyal customers, who are our pillars of strength and a driving force behind the success of our Company.



OUR PEOPLE ARE OUR GREATEST ASSETS

As a performance-driven organisation, our greatest assets are our people and their dedication to deliver the best. We are not only committed to the growth of our human capital, but we also encourage a culture of excellence and leadership towards greater successes.



OUR COMMITMENT TO OUR SHAREHOLDERS

In practicing the principles of good governance, we endeavour to create shareholder value through our sustainable strategies, full accountability, business continuity and profitability.



OUR TEAMWORK

We have built a nurturing organisation, with shared values and culture, and we are motivated to think and deliver as One Team and One Organisation with One Vision.

Restoring SANG- *a harmonious* TUARY

In 2013, Tropicana introduced its first entry into the growing neighbourhood of Subang Jaya by unveiling Tropicana Metropark, a trendy and vibrant 88-acre integrated development. Set to transform and elevate the vibrancy of Subang Jaya, Tropicana Metropark aims to create an orchestra of comfort, serenity and convenience, brought together by a myriad of features and facilities.

Tropicana Metropark features a 9.2-acre central park with a man-made lake that includes a bio-filtration system acting as a 'green lung' to the area. Further elements include components such as F&B outlets, a dedicated jogging and cycling track along with an alfresco strip, catering to both residents and visitors. To enhance the accessibility of this development, Tropicana is also constructing a RM106 million flyover, which will directly link the project to the Federal Highway.

Recently, Tropicana Metropark celebrated another milestone by entering into a strategic partnership with renowned global educational group GEMS Education to develop an integrated international school offering foundation, primary and secondary stages of learning. With all these facilities, Tropicana Metropark is set to become an ideal and thriving township that is strategic and holistic in nature.

For more details, please log on to www.tropicanametropark.com.my

Tropicera Metropark offers trendy and integrated lifestyle choices for its residents





Restoring a harmonious

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ABOUT TROPICANA CORPORATION BERHAD

Tropicana Corporation Berhad

(“Tropicana” or “Group” or “Company”) is a rapidly evolving company with diversified business interest including property and resort development, property investment, manufacturing and investment holding. Owing to its successful ventures in these chosen areas, the Group was listed on the Main Board of Bursa Malaysia in 1995.

Today, 90% of the Group’s revenue is generated by its property development, resort operations and property investment. Tropicana pioneered the concept of resort-themed developments in Malaysia with the introduction of Tropicana Golf & Country Resort. Driven by the success formula of resort-style concepts, Tropicana thereafter developed Tropicana Indah Resort Homes, Tropicana City and other successful projects around the Klang Valley.

Tropicana’s growth road map has been coloured with many memorable milestones and this has further fuelled its vision in becoming a premier property group in Malaysia. The Group’s key achievements are as follows:

- Incorporated in 1979, the Group became one of the fastest growing property developers with diversified business interest including property and resort development, property investment, manufacturing and investment holding
- Pioneered the concept of resort-themed developments in Malaysia with the introduction of the highly sought after 625-acre Tropicana Golf & Country Resort in 1992, housing Malaysia’s largest and award-winning clubhouse
- Listed on the Main Board of Bursa Malaysia in 1995
- Building on this success, the Group went on to develop 409-acre of Tropicana Indah Resort Homes and nine-acre of Tropicana City integrated development
- Achieved a record revenue of RM1.97 billion and a unbilled sales of RM2.7 billion in 2014
- Has a land bank of more than 1,800 acres with potential gross development value of over RM50 billion
- Built a strong presence in three key growth regions of Malaysia
 - Central region – Klang Valley
 - Southern region – Iskandar Malaysia, Johor
 - Northern region – Penang Island
- Continues to win prestigious property awards such as FIABCI Malaysian Chapter Leisure Development Award, The Edge’s Most Notable Achievement Award and ranked sixth in The Edge’s Top Property Developers’ Award in Malaysia in 2014



Bora Serviced Residences, Tropicana Danga Bay, Iskandar Malaysia



Tropicana Gardens, Kota Damansara



Tropicana The Residences, Kuala Lumpur City Centre

About Tropicana Corporation Berhad

TROPICANA'S WINNING EDGE

1992-2014

With a credible and established track record in residential and commercial developments in Malaysia, Tropicana pioneered the concept of resort-style developments.

The Group has garnered many prestigious industry awards, including:

'92 Tropicana Golf & Country Resort was named the Best Leisure Development in Malaysia by FIABCI Malaysia Chapter



'97 Tropicana Golf & Country Club won the Best Landscape in Selangor, Malaysia by Selangor State Government

'97, '99 / '06

Tropicana Golf & Country Club was awarded the Best Clubhouse / Facilities Award in Malaysia by Golf Malaysia

'05 / '06

Tropicana Golf & Country Club was named the Best Customer Service Club in Malaysia by Golf Malaysia

'95, '03 / '06

Tropicana Golf & Country Club won the Best Golf Course in Malaysia by Golf Malaysia

'09

Villa Green semi-detached homes were accorded the Best Residential Development with the highest five-star rating in Malaysia, Best Residential Development in Asia Pacific and Best Residential Development in the World by International Property Awards in association with CNBC

'10 Tropicana Golf & Country Resort was named the Best Golf Development with the highest five-star rating in Malaysia and Best Golf Development 2010 in Asia Pacific by International Property Awards in association with Bloomberg Television

'11 Casa Indah 1 condominiums received the Best Medium-High Cost Apartment Award by Dream Home Award

Tropicana Grande golf-fronted condominiums was accorded the Best Residential High-Rise Development with the highest five-star rating in Malaysia and Best Residential High-Rise Development in Asia Pacific by International Property Awards in association with Bloomberg Television

'12 Tropicana Corporation Berhad was awarded BCI Asia Top 10 Developers Award by BCI Asia Awards

Pool Villas three-storey semi-detached homes received the Best Multiple Units Development (Highly Commended) Award in Malaysia by Asia Pacific Property Awards in association with HSBC Bank Malaysia Berhad and the Royal Institute of Chartered Surveyors Asia

Arnica Residence, Tropicana Gardens at Kota Damansara was named Property of the Year by PropertyTalk & Lifestyle Group Malaysia (PTLM) wholly-owned by the HAI Sdn Bhd, Patchay Urban Research and Patchay Retail Consulting

Tropicana Metropark, Subang was named Best Development Masterplan of the Year by PropertyTalk & Lifestyle Group Malaysia (PTLM) wholly owned by the HAI Sdn Bhd, Patchay Urban Research and Patchay Retail Consulting

'13 Tropicana was awarded BCI Asia Top 10 Developers Award 2013 by BCI Asia Awards

Tropicana Metropark, Subang, was awarded the highest five-star rating for Best Mixed Use Development Award (Malaysia) at the Asia Pacific Property Award 2013

Tropicana was awarded the Power Brand Award 2013 for Organisation, Management and Brand Management

Tropicana won the Hall of Fame Award at the 9th Asia Pacific Super Excellent Award 2013

'14 Tropicana was awarded BCI Asia Top Developers' Award 2014

Tropicana wins five accolades of The South East Asia Property Awards 2014

Tropicana Metropark's Property Gallery won Malaysia Institute of Architect's (PAM) 2014 Silver Award for Adaptive Re-use

Tropicana won The Edge's Most Notable Achievement Award, The Edge Malaysia Top Property Developers' Award (ranked sixth), and The Edge Malaysia Highest Profit Growth Company in Property and REIT category, earning a place in The Edge Billion Ringgit Club Award 2014

Tropicana was awarded the iProperty.com People's Choice Award for the Best High Rise Development category for Tropicana Metropark's Pandora and Paloma Serviced Residences

Tropicana won four awards at the Asia Pacific Property Awards (APPA) 2014

Clear Plans for Future Growth

Following an aggressive phase of building our land bank, the Group is now ready to begin reaping the benefits. With ongoing prospects and future developments located at strategic growth areas, the Group will strive to sustain its sales and profitability as recorded in 2014. The Group's future will be guided by our core strategies of our transformation blueprint. Our ultimate goal is to deliver complete lifestyle environments and optimised value, built on our very unique DNA which focuses on accessibility, connectivity, innovative concepts and designs, generous open spaces, amenities, facilities, multi-tiered security and quality.

Given the market demand on landed properties, we will be focusing on launching our landed properties at Tropicana Aman in Kota Kemuning, Tropicana Metropark and Tropicana Gardens in the central region while in Penang, we have another tower that will be launched at Tropicana Macalister.

Down south in Johor, the Group will further develop its presence in Iskandar Malaysia with vibrant and integrated developments as we remain positive on its long-term prospects.

In Sabah, the Group has just completed the development of the luxurious golf-fronted condominium, Tropicana Landmark.

Fuelled by passion and the spirit of innovation, the Group remains in a strong position of growth. Under the strong guidance and wisdom of the experienced management team, the Group is well on its way to solidify its position as a premier property group in Malaysia.

OUR SIGNATURE DEVELOPMENTS



Tropicana The Residences at Kuala Lumpur City Centre

Tropicana City Petaling Jaya, Selangor

Residential

- Tropicana City Tropics serviced apartments
- Casa Damansara 1 and 2 condominiums

Retail and Commercial

- Tropicana City Mall
- Tropicana City Office Tower
- Damansara Intan e-Business Park

Tropicana Indah Resort Homes Petaling Jaya, Selangor

Residential

- Grand Villas bungalows
- Golf Villas bungalows
- Pool Villas semi-detached homes
- Link Villas linked houses
- Adam and Eve linked houses
- Romeo and Juliet linked houses
- Mustika and Persona linked houses
- Green Haven bungalow lots
- Green Haven 1 resort villas
- Villa Green 1 linked bungalows
- Villa Green 2 semi-detached houses
- Villa Green semi-detached houses
- Casa Indah 1 and 2 condominiums

Mixed-use Development, Commercial and Education

- Tropicana Gardens Mixed Development, Kota Damansara
- St Joseph Institution International School (*PJ Campus*)

Tropicana Golf & Country Resort Petaling Jaya, Selangor

Residential

- Tropicana Grande golf-fronted condominiums
- Casa Tropicana condominiums
- Eva townhouses
- Ana and Bella linked houses
- Cora and Dora semi-detached houses
- Green Acres 1 Gloria and Floria semi-detached homes
- Green Acres 2 linked houses, semi-detached as well as bungalows and prime bungalow lots

Mixed-use Development and Commercial

- Tropicana Avenue retail, offices and serviced apartments
- Merchant Square shop offices

Our Signature Developments

Klang Valley Developments

Petaling Jaya, Selangor

Residential

- Tropicana Cheras linked houses, semi-detached homes and bungalows, Cheras, Selangor
- Tropicana Heights mixed-development, Kajang, Selangor
- Fortune Park apartments, Kuala Lumpur
- Casa Kiara 1 and 2 condominiums, Mont' Kiara, Kuala Lumpur*
- Casa Suites apartments, Petaling Jaya, Selangor

Mixed-use Development, Commercial, Hospitality and Education

- Tropicana The Residences and W Hotel in Kuala Lumpur
- TSB Commercial Centre, Sungai Buloh, Selangor
- Tropicana Metropark mixed-development, Subang, Selangor
- GEMS International School at Tropicana Metropark

- Arena Mentari shop offices, Dataran Mentari, Petaling Jaya, Selangor**
- Tropicana Aman mixed-development, Shah Alam
- Tenby International School at Tropicana Aman

Penang, Johor and Sabah Developments

Residential

- 10 Island Resort condominiums, Batu Ferringhi, Penang*
- Aston Villa linked houses, semi-detached and shop offices, Bukit Mertajam, Penang
- Tropicana Landmark condominiums, Kota Kinabalu, Sabah
- Tropicana 218 Macalister integrated mixed-development, Penang

Mixed-use Development

- Penang WorldCity mixed-development, Bayan Mutiara, Penang***
- Tropicana Danga Bay mixed-development, Iskandar Malaysia, Johor****
- Tropicana Danga Cove mixed-development, Iskandar Malaysia, Johor****
- Tropicana City Centre mixed-development, Iskandar Malaysia, Johor

Note:

* Project Manager

** Joint venture project with Aliran Firasat Sdn Bhd

*** Joint venture project with Ivory Properties Group Berhad

**** A joint-venture between Tropicana Corporation Berhad and Iskandar Waterfront Sdn Bhd



Tropicana Danga Cove at Iskandar Malaysia

PERFORMANCE AT A GLANCE

| | 2014 Segmental Revenue RM'000 | 2013 Segmental Revenue RM'000 | 2014 Segmental Operating Profits RM'000 | 2013 Segmental Operating Profits RM'000 |
|--------------------------------|--|--|--|--|
| Property Development | 1,569,287 | 1,215,141 | 324,395 | 261,314 |
| Property Investment and Resort | 143,354 | 142,384 | 122,410 | 164,418 |
| Investment Holding and Others | 259,717 | 117,978 | 4,651 | 77,916 |
| | 1,972,358 | 1,475,503 | 451,456 | 503,648 |

SEGMENTAL REVENUE

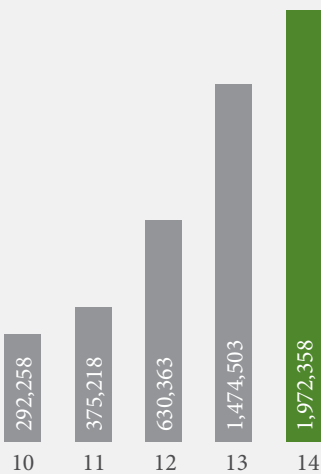
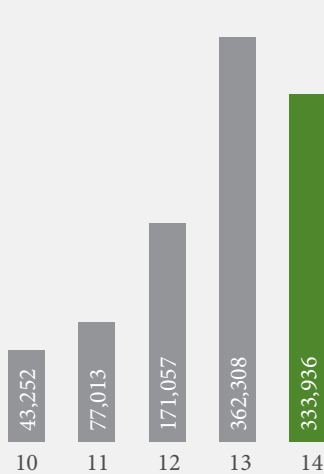
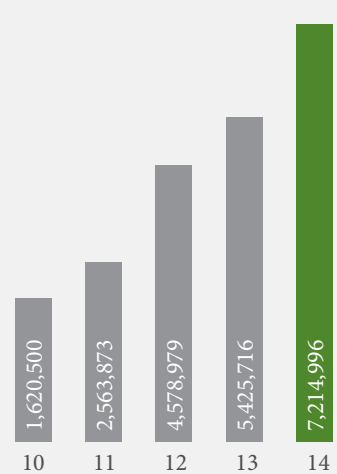
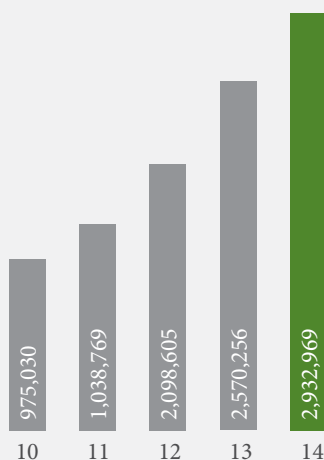
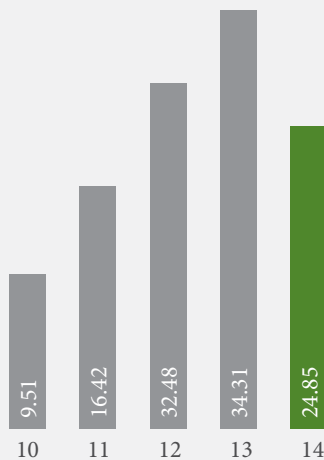
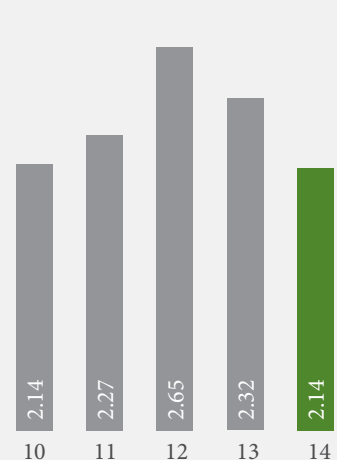


SEGMENTAL OPERATING PROFIT



Performance at a Glance

| Financial Years | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|-----------|-----------|-----------|-----------|-----------|
| Revenue (RM'000) | 1,972,358 | 1,475,503 | 630,363 | 375,218 | 292,258 |
| Profit after tax and non-controlling interests (RM'000) | 333,936 | 362,308 | 171,057 | 77,013 | 43,252 |
| Total assets (RM'000) | 7,214,996 | 5,425,716 | 4,578,979 | 2,563,873 | 1,620,500 |
| Shareholders' equity (RM'000) | 2,932,969 | 2,570,256 | 2,098,605 | 1,038,769 | 975,030 |
| Earnings per share (sen) (basic) | 24.85 | 34.31 | 32.48 | 16.42 | 9.51 |
| Net assets per share (RM) | 2.14 | 2.32 | 2.65 | 2.27 | 2.14 |

REVENUE
(RM'000)PROFIT AFTER TAX AND NON-CONTROLLING INTERESTS
(RM'000)TOTAL ASSETS
(RM'000)SHAREHOLDERS' EQUITY
(RM'000)EARNINGS PER SHARE
(SEN) (BASIC)NET ASSETS PER SHARE
(RM)

FINANCIAL HIGHLIGHTS & INSIGHTS

Key Financial Highlights for Financial Year Ended 31 December 2014

- Revenue increased by 33.7%
- Profit before tax (“PBT”) decreased by 10.4%
- Profit attributable to owners of the parent (“PATMI”) decreased by 7.8%
- Core PATMI increased by 36.8%

Group Financial Review

| RM'000 | FY2014 | FY2013 |
|---|-----------|-----------|
| Revenue | 1,972,358 | 1,475,503 |
| Profit before tax (“PBT”) | 451,456 | 503,648 |
| Profit attributable to owners of the parent (“PATMI”) | 333,936 | 362,308 |
| * Core PATMI | 311,883 | 227,975 |

* Tropicana’s core PATMI excludes non-operational items i.e. fair value gains from remeasurement of an associated company and investment properties.

For the year ended 31 December 2014, the Group achieved revenue of RM1,972.4 million, an increase of 33.7% from RM1,475.5 million in preceding financial year. The improved revenue was due to higher revenue recognitions across key projects and proceeds from various land sales. Revenue from Property Development segment has contributed approximately 79.6% of the Group’s revenue and was 29.1% higher than preceding financial year. The remaining 20.4% of the Group’s revenue contributed from Property Investment & Resort and Investment Holding & Others segment.

The Group registered a profit before tax (“PBT”) of RM451.5 million in FY2014, a RM52.1 million or 10.4% decrease from RM503.6 million in FY2013. The lower PBT was mainly due to lower fair value gain (“FV gain”) from investment properties by RM82.5 million (2014: RM22.1 million; 2013: RM104.6 million) and fair value gain (“FV gain”) on remeasurement of an associated company which became as a subsidiary of RM29.7 million in the preceding financial year.

The higher Group’s core PATMI was contributed by strong performance in Property Development segment of our on-going development projects and sales of parcels of land and investment properties.

Detailed analysis of the various business segments is as follows:

PROPERTY DEVELOPMENT

Group’s revenue from property development segment increased by 29.1% or RM354.2 million to RM1,569.3 million from RM1,215.1 million in FY13. The segment operating profit was higher by 24% or RM63.1 million to RM324.4 million from RM261.3 million in FY13. The improved performance was contributed by key projects within the Klang Valley such as Tropicana Gardens in Kota Damansara, Tropicana Heights in Kajang and Tropicana Metropark in

Subang Jaya, as well as Tropicana Danga Bay in the Iskandar region in Johor and gains of land sales.

PROPERTY INVESTMENT & RESORT

Group’s revenue from Property Investment & Resort segment recorded at RM143.4 million as compared to RM142.4 million in FY13, increased by RM1.0 million or 0.7%. The segmental profit was 25% lower at RM122.4 million compared to RM164.4 million in FY13. The lower segmental profit was attributed to a lower FV gain of RM22.1 million during the financial year as compared to RM104.6 million in the preceding financial year.

Overall, the earnings from this segment continue to remain at sustainable levels through recurring incomes of its investment properties.

INVESTMENT HOLDINGS & OTHERS

Group’s revenue from this segment recorded at RM259.7 million in FY14 as compared to RM118.0 million in FY13; increased by RM141.7 million or 120%. The major contributors are from a few subsidiaries namely Tenaga Kimia Sdn. Bhd., Tropicana Building Materials Sdn. Bhd. and Tropicana Innovative Landscape Sdn. Bhd., which became more active in FY14.

The segmental profit has decrease to RM4.7 million from RM77.9 million in FY13. Lower segmental profit because included in FY13 were higher in FV gain on re-measurement of an associated company (2014: Nil; 2013: RM29.7 million) and share of profits of joint ventures (2014: RM15.4 million; 2013: RM79.3 million).

Financial Highlights & Insights

Group Capital Structure

| RM'000 | FY2014 | FY2013 |
|----------------------------|-----------|-----------|
| Shareholders' Fund | 2,932,969 | 2,570,256 |
| Gross Borrowings | 2,437,968 | 1,917,510 |
| Cash | 452,627 | 497,233 |
| Net Borrowing | 1,985,341 | 1,420,277 |
| Gross Gearing ratio | 0.83 | 0.75 |
| Net Gearing ratio | 0.68 | 0.55 |
| Net Assets Per Shares (RM) | 2.14 | 2.32 |

The shareholders' equity of the Group improved by 14.1% or RM362.7 million to RM2,933.0 million as at 31 December 2014. The improvement was mainly due to better operational performance, gains from land sales and higher retention of the current profit.

The current year net gearing ratio increased to 0.68 times and gross borrowings has increased to RM2,437.9 million. The higher borrowings in FY14 was to facilitate the Group's property development activities. The Group has a cash balance of RM452.6 million and secured unbilled sales of RM2.7 billion as at 31 December 2014 and will continue to unlock value of its landbank through its property development activities.

The Group is expected to continue its satisfactory performance in year 2015 amidst a more challenging business environment driven by the momentum created from the Group's stellar performance in FY2014 and the various pipelines of on-going projects.

CORPORATE STRUCTURE OF TROPICANA CORPORATION BERHAD

Property Development, Property Investment, Property Management and Resort Operations

Advent Nexus Sdn Bhd • 100%

Bakat Rampai Sdn Bhd • 100%

- ▶ Dicorp Land Sdn Bhd • 100%

- ▶ Tropicana City Sdn Bhd • 100%

- > Dicasa Management Services Sdn Bhd • 100%

- > Tropicana City Management Sdn Bhd • 100%

- > Tropicana City Parking Sdn Bhd • 100%

- > Tropicana Kajang Hill Sdn Bhd • 100%

- ▶ Tropicana Indah Realty Sdn Bhd • 100%

- > Tropicana Indah Sdn Bhd • 70%

Daya Petaling Sdn Bhd • 100%

Sapphire Index Sdn Bhd • 100%

Tropicana Bukit Bintang Development Sdn Bhd • 100%

Tropicana Coliseum (Ipoh) Sdn Bhd • 100%

Tropicana Cheras Sdn Bhd • 100%

Tropicana Danga Bay Land Sdn Bhd • 100%

- ▶ Tropicana Danga Bay Sdn Bhd • 60%

- > Tropicana Danga Bay Pte Ltd • 100%

Tropicana Danga Cove Holding Sdn Bhd • 100%

- ▶ Tropicana Danga Cove Sdn Bhd • 50%

Tropicana Danga Lagoon Sdn Bhd • 80%

- ▶ Tropicana Lagoon Sdn Bhd • 100%

(fka Kash Concept Sdn Bhd)

Tropicana Danga Senibong Holding Sdn Bhd • 100%

(fka Golddust United Sdn Bhd)

- ▶ Tropicana Danga Senibong Sdn Bhd • 70%

(fka Renown Dynamic Sdn Bhd)

Tropicana Development (Johor Bahru) Sdn Bhd • 100%

Tropicana Development (Penang) Sdn Bhd • 100%

- ▶ Tropicana Ivory Sdn Bhd • 55%

- > Tropicana Ivory Realty Sdn Bhd • 100%

Tropicana Development (Sabah) Sdn Bhd • 100%

Tropicana Education Management Sdn Bhd • 85%

Tropicana Golf & Country Resort Berhad • 100%

- ▶ Tropicana Management Services Sdn Bhd • 100%

- ▶ Tropicana Desa Mentari Sdn Bhd • 100%

- ▶ Tropicana Sungai Buloh Sdn Bhd • 100%

Tropicana Harapan Sdn Bhd • 100%

Tropicana Jaya Sdn Bhd • 100%

Tropicana Kemayan Development Sdn Bhd • 100%

Tropicana KL Development Sdn Bhd • 100%

Tropicana Lahad Datu Development Sdn Bhd • 100%

Tropicana Land Sdn Bhd • 100%

Tropicana Land (Sandakan) Sdn Bhd • 100%



Clubhouse of Tropicana Aman, Shah Alam

Corporate Structure of Tropicana Corporation Berhad

Tropicana Landmark Sdn Bhd • 100%

Tropicana Lido Development Sdn Bhd • 100%

Tropicana Macalister Avenue (Penang) Sdn Bhd • 100%

Tropicana Metro Sdn Bhd • 100%

Tropicana Metropark Sdn Bhd • 100%

- ▶ Noble Kinetic Sdn Bhd • 100%

Tropicana Mentari Development Sdn Bhd • 100%

Tropicana Plaza Sdn Bhd • 100%

Tropicana Properties (Keningau) Sdn Bhd • 100%

Tropicana Properties (Klang) Sdn Bhd • 100%

Tropicana Properties (Sabah) Sdn Bhd • 100%

Tropicana Properties (Sandakan) Sdn Bhd • 100%

Tropicana Property Management Sdn Bhd • 100%
(fka Dijaya Management Services Sdn Bhd)

Tropicana Properties Odeon Sdn Bhd • 100%

Tropicana Rahang Development Sdn Bhd • 100%

Tropicana Residences Sdn Bhd • 100%
(fka Tropicana Development Sdn Bhd)

Tropicana Resort Holding Sdn Bhd • 100%
(fka Wisdom 88 Sdn Bhd)

- ▶ Tropicana Danga Bay Resort Sdn Bhd • 60%
(fka Rhythm Quest Sdn Bhd)

Tropicana Serdang Suria Sdn Bhd • 100%

Tropicana Tawau Development Sdn Bhd • 100%

Tropicana Wisma TT Sdn Bhd • 100%

Manufacturing

Sumber Saujana Sdn Bhd • 100%

- ▶ Tropicana Tenaga Kimia Sdn. Bhd. • 100%
> Tenaga Kimia Sdn Bhd • 73%

Other Investments

Arah Pelangi Sdn Bhd • 100%

Supreme Converge Sdn Bhd • 100%

- ▶ Agile Tropicana Development Sdn Bhd • 30%

Tropicana Building Materials Sdn Bhd • 100%

Tropicana Credit & Leasing Sdn Bhd • 100%

Tropicana Collections (MM2H) Sdn Bhd • 100%
(fka Profile Pillar Sdn Bhd)

Tropicana Innovative Landscape Sdn Bhd • 100%

Tropicana Investment Consulting Pte Ltd • 100%

Tropicana SJII Education Management Sdn Bhd • 51%

Definition: "fka" – formerly known as
Note: Active and/or material entities only
As at 11 May 2015



CORPORATE INFORMATION



Paloma Serviced Residences at Tropicana Metropark, Subang Jaya

BOARD OF DIRECTORS

Tan Sri Rastam Bin Mohd Isa
(Independent Non-Executive Chairman)

Tan Sri Dato' Tan Chee Sing
(Group Executive Vice Chairman)

Dato' Yau Kok Seng
(Group Chief Executive Officer)

Dato' Dickson Tan Yong Loong
(Deputy Group Chief Executive Officer)

Datuk Kong Woon Jun
(Group Managing Director)

Kok Kong Chin
(Group Managing Director)

Dillon Tan Yong Chin
(Executive Director)

Diana Tan Sheik Ni
(Executive Director)

Dato' Ng Tian Sang @ Ng Kek Chuan
(Senior Independent Non-Executive Director)

Michael Tang Vee Mun
(Independent Non-Executive Director)

**Datuk Seri Panglima Mohd
Annuar Bin Zaini**
(Independent Non-Executive Director)

Dato' Gan Nyap Liou @ Gan Nyap Liow
(Independent Non-Executive Director)

Corporate Information

AUDIT COMMITTEE

Dato' Ng Tian Sang @ Ng Kek Chuan (Chairman)

Datuk Seri Panglima Mohd Annuar Bin Zaini

Michael Tang Vee Mun

Dato' Gan Nyap Liou @ Gan Nyap Liow

RISK MANAGEMENT COMMITTEE

Michael Tang Vee Mun (Chairman)

Dato' Ng Tian Sang @ Ng Kek Chuan

Dato' Yau Kok Seng

Dato' Dickson Tan Yong Loong

Datuk Kong Woon Jun

NOMINATION COMMITTEE

Dato' Ng Tian Sang @ Ng Kek Chuan (Chairman)

Datuk Seri Panglima Mohd Annuar Bin Zaini

Michael Tang Vee Mun

REMUNERATION COMMITTEE

Datuk Seri Panglima Mohd Annuar Bin Zaini (Chairman)

Dato' Ng Tian Sang @ Ng Kek Chuan

Dato' Dickson Tan Yong Loong

Michael Tang Vee Mun

OPTION COMMITTEE

Tan Sri Dato' Tan Chee Sing (Chairman)

Dato' Yau Kok Seng

Dato' Dickson Tan Yong Loong

Dato' Ng Tian Sang @ Ng Kek Chuan

Michael Tang Vee Mun

EXECUTIVE COMMITTEE

Tan Sri Dato' Tan Chee Sing (Chairman)

Dato' Yau Kok Seng (Deputy Chairman)

Dato' Dickson Tan Yong Loong

Datuk Kong Woon Jun

Kok Kong Chin

Dillon Tan Yong Chin

Diana Tan Sheik Ni

PRICING COMMITTEE

Dato' Gan Nyap Liou @ Gan Nyap Liow (Chairman)

Michael Tang Vee Mun

Dato' Yau Kok Seng

Dato' Dickson Tan Yong Loong

Datuk Kong Woon Jun

HEAD OFFICE

Level 7, 9, 10, 11 &12,
Tropicana City Office Tower
No. 3, Jalan SS 20/27
47400 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Telephone : 03-7710 1018
Facsimile : 03-7710 1025

AUDITORS

Ernst & Young
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Malaysia
Telephone : 03-7495 8000
Facsimile : 03-2095 9076

COMPANY SECRETARY

Teh Peng Peng (MAICSA 7021299)

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
AmBank (M) Berhad
Affin Bank Berhad
Bank of China (Malaysia) Berhad
CIMB Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
RHB Bank Berhad
Standard Chartered Bank Berhad
HSBC Bank Malaysia Berhad

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad

Stock name: TROP

Stock code: 5401

REGISTERED OFFICE

Lot LG-A1, Lower Ground Floor
Tropicana City Mall
No. 3 Jalan SS 20/27
47400 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Telephone : 03-7713 8288
Facsimile : 03-7713 8228

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Telephone : 03-7841 8000
Facsimile : 03-7841 8151/8152
Helpdesk : 03-7849 0777

WEBSITE

www.tropicanacorp.com.my

EMAIL

corpcomm@tropicanacorp.com.my

DELIVERING EXCELLENCE

Throughout 2014, Tropicana Corporation Berhad continued to build on its reputation for excellence, building

quality resort-themed homes and integrated developments that reflect the growing aspirations of a broad range of home purchasers across Malaysia and the region.

Our position was further cemented by winning several key industry awards, both for the company and outstanding individuals.



**iPROPERTY.COM
PEOPLE'S
CHOICE
AWARD**

Tropicana Wins iProperty.com People's Choice Award

Tropicana Metropark's Pandora and Paloma Serviced Residences took home the iProperty.com People's Choice Award for the Best High Rise Development category.

The iProperty.com People's Choice Award recognises, honours and celebrates the achievements of developers who make a difference in providing homes, offices and various properties to meet the needs of Malaysia.



**TATLER'S
DIAMOND OF
EXCELLENCE
AWARD 2014**

Tropicana's Founder and Group Executive Vice Chairman, YBhg Tan Sri Dato' Danny Tan receives Diamond Excellence Award 2014

Tan Sri Dato' Danny Tan was awarded the Diamond of Excellence Award 2014 at The Tatler Awards which recognises the achievements of the crème de la crème of Malaysia's high society. This award was given out at the Malaysia Tatler 24th Anniversary Ball held at Shangri-La Hotel, Kuala Lumpur.



**SEAPA
AWARDS 2014**

Tropicana Wins Five Accolades at The South East Asia Property Awards 2014

Tropicana walked away with five recognitions at the inaugural South East Asia Property Awards (Malaysia) for its excellence in property development and CSR Initiatives. These awards included Best CSR development for its outstanding corporate social responsibility initiatives; Best Commercial Architectural Design award and Highly Recommended Best Luxury Condo Development for Tropicana Avenue; Best Housing Landscape Architectural Design and Highly Recommended Best Housing Development for Tropicana Heights.



Proud Moment – YBhg Tan Sri Dato' Danny Tan (centre), Founder and Group Executive Vice Chairman of Tropicana, receiving the Entrepreneur of the Year Award from APEA



**APEA 2014
ENTREPRENEUR
OF THE YEAR
AWARD**

Tropicana's Founder and Group Executive Vice Chairman, YBhg Tan Sri Dato' Danny Tan Wins Prestigious Entrepreneur of the Year Award

The Asia Pacific Entrepreneurship Awards (APEA), a regional award for outstanding entrepreneurship, saw 38 of Malaysia's finest entrepreneurs honoured with Asia's most coveted award for entrepreneurs.

Winners, nominees and guests arrived at the Grand Hyatt Hotel on 28 August 2014 to watch some of the best entrepreneurs take the top prizes. 16 entrepreneurs won in the Outstanding Category while the Most Promising Category was won by 18 more, representing every industry from retail to telecommunication.



THE EDGE BILLION RINGGIT CLUB 2014

Tropicana Wins Big at the Edge Billion Ringgit Club

Tropicana Corporation Berhad was awarded the Edge Billion Ringgit Club Award 2014 for the highest growth in profit.

The Edge Billion Ringgit Club, recognises companies with a market capitalisation of RM1 billion and above as of 31 March each year. The shortlisted companies, which are added into the annual list automatically once they fulfil the requirements, are evaluated based on profitability, dividend pay-out and corporate social responsibility commitments. This year a total of 178 companies succeeded in their assessment to be part of the club among the 900 companies listed on Bursa Malaysia.



BCI ASIA TOP 10 DEVELOPERS' AWARDS 2014

Tropicana Wins the BCI Asia Top 10 Developers' Award 2014

Tropicana Corporation Berhad was awarded the BCI Asia Top 10 Developers Award 2014. The BCI Asia Awards is a regional event attended by the industry's top architects and building professionals from Hong Kong SAR, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam. This event highlights key industry players that enable the market to better understand the important roles the organisations play and their impact, both socially and on the environment.



THE EDGE TOP PROPERTY DEVELOPER AWARDS 2014

The Edge Top Property Developer Award 2014

Tropicana Corporation Berhad received The Edge Top Property Developer Award 2014 and ranked sixth in the category. The Edge Top Property Developers Award, the anchor of The Edge Property Excellence Awards, recognises Malaysia's best property players based on quantitative and qualitative attributes.



ASIA PACIFIC PROPERTY AWARDS 2014

Tropicana Wins Four awards at the Asia Pacific Property Awards 2014

Tropicana walked away with four awards at the Asia Pacific Property Awards namely, Tropicana Metropark won the Highly Recommended Award for Commercial Landscape Architecture, Malaysia; Tropicana Gardens won the highest five-star rating for Best Retail Development, Malaysia; Tropicana Danga Bay's Master Plan won the Highly Recommended Award for Mixed-Used Development, Malaysia; and Tropicana 218 Macalister won the highest five-star rating for the Best Commercial High-Rise Development, Malaysia.

Held at Shangri-La Hotel, Kuala Lumpur, the International Property Awards is open to residential and commercial property professionals from all over the world, celebrating the highest levels of achievement by companies operating across all sectors of the property and real estate industry.



THE EDGE NOTABLE ACHIEVEMENT AWARD 2014

The Edge Notable Achievement Award 2014

Tropicana Corporation Berhad received The Edge Malaysia Notable Achievement Award 2014. This debut was due to the impressive record sales of RM2.1 billion for its last financial year ended December 31, 2014. The Edge Malaysia Notable Achievement Award recognises companies with recent significant achievements that have raised their profile as a leading property developer.



PAM 2014 SILVER AWARD

Tropicana Metropark Wins Malaysian Institute of Architects' 2014 Silver Award

Tropicana Metropark's Property Gallery was awarded the Silver Award for Adaptive Re-Use at the Malaysian Institute of Architects' (PAM) Awards 2014.

The bi-annual PAM Awards is the premier award for architecture in Malaysia, recognising the contribution made by architects in terms of design quality and that of the built environment. Awards are conferred on the best works which are recognised by peers and public alike in the architectural industry.

Tropicana News

Becoming a premier developer

Tropicana Corporation Berhad (Tropicana) is becoming a premier developer in the real estate industry. The company has been successful in developing high-quality residential and commercial projects across Malaysia. This success is attributed to its strong financial position, strategic partnerships, and commitment to providing high-quality living environments for its customers.

Tropicana Corporation partners with Tenby Schools to build campus

Tropicana Corporation Berhad has entered into a conditional agreement with Tenby Schools to develop an international school campus within the heart of its latest development in Kota Kemuning, Selangor. Under the agreement, Tropicana Corporation undertakes to build a 10-acre campus that can accommodate up to 1,800 local and international students. The school is expected to be completed by September 2016. Tenby International School (TIS) is a well-established international school in Malaysia, offering a British curriculum. The partnership represents a significant commitment to education and community development in the area.

New phase of development

Tropicana Corporation Berhad is embarking on a new phase of development in its flagship project, Tropicana The Heights. The new phase includes the construction of a 1003-unit residential development, marking a significant milestone in the project's progress. The development is designed to provide a high-quality living environment with modern amenities and a lush green landscape. The completion of this phase will further solidify Tropicana's reputation as a premier developer in the region.

Tropicana's record six-week sales

Tropicana Corporation Berhad has achieved a record six-week sales performance, demonstrating its strong market presence and customer demand. The company's success is attributed to its diverse portfolio of high-quality residential and commercial projects, as well as its strategic marketing and sales initiatives. This record sales performance highlights Tropicana's commitment to providing exceptional value to its customers and its position as a leading real estate developer in Malaysia.

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Landskap hijau Tropicana

Tropicana Corporation Berhad is committed to creating a green and sustainable living environment for its residents. The company has implemented various initiatives to enhance the greenery and landscaping of its developments, including the use of native plants and water-saving technologies. These efforts are part of Tropicana's broader commitment to environmental sustainability and providing a high-quality living environment for its customers.

Tropicana Metropark 絕佳享受

發展項目多 · 建中央公園

Pa Toma 服務公寓 8座 發售

This advertisement promotes Tropicana's real estate offerings, including the Tropicana Metropark development and the Pa Toma service apartment building. It highlights the high-quality construction, modern amenities, and strategic location of these projects. The advertisement also includes information about the sales process and contact details for interested buyers.

Redesigning LIFE- *leisure* STYLE

As a pioneer in the concept of exclusive resort-themed developments in Malaysia, Tropicana is set to create a new benchmark in Shah Alam with the introduction of its latest development, Tropicana Aman.

Situated next to the growing affluent neighbourhood of Kota Kemuning, Tropicana Aman encompasses 863 acres of idyllic setting offering an array of facilities and features such as a generous 85-acre central linear park and lake, a 7-km vehicular free bike trail/jogging path. In line with the unique DNA of Tropicana, the township will also house a central community clubhouse with a sports centre and is near to amenities, making it an ideally convenient location for residents.

Tropicana Aman is set to be an idyllic place where you can find the balance in life, where the Yellow Bicycle, the development icon, is a reminder that it is time to slow down, breathe in the fresh air and live in a walk-and-bike-friendly environment.

For more info, log on to www.tropicanaaman.com.my

giving others the opportunity to enjoy a safe and healthy environment.





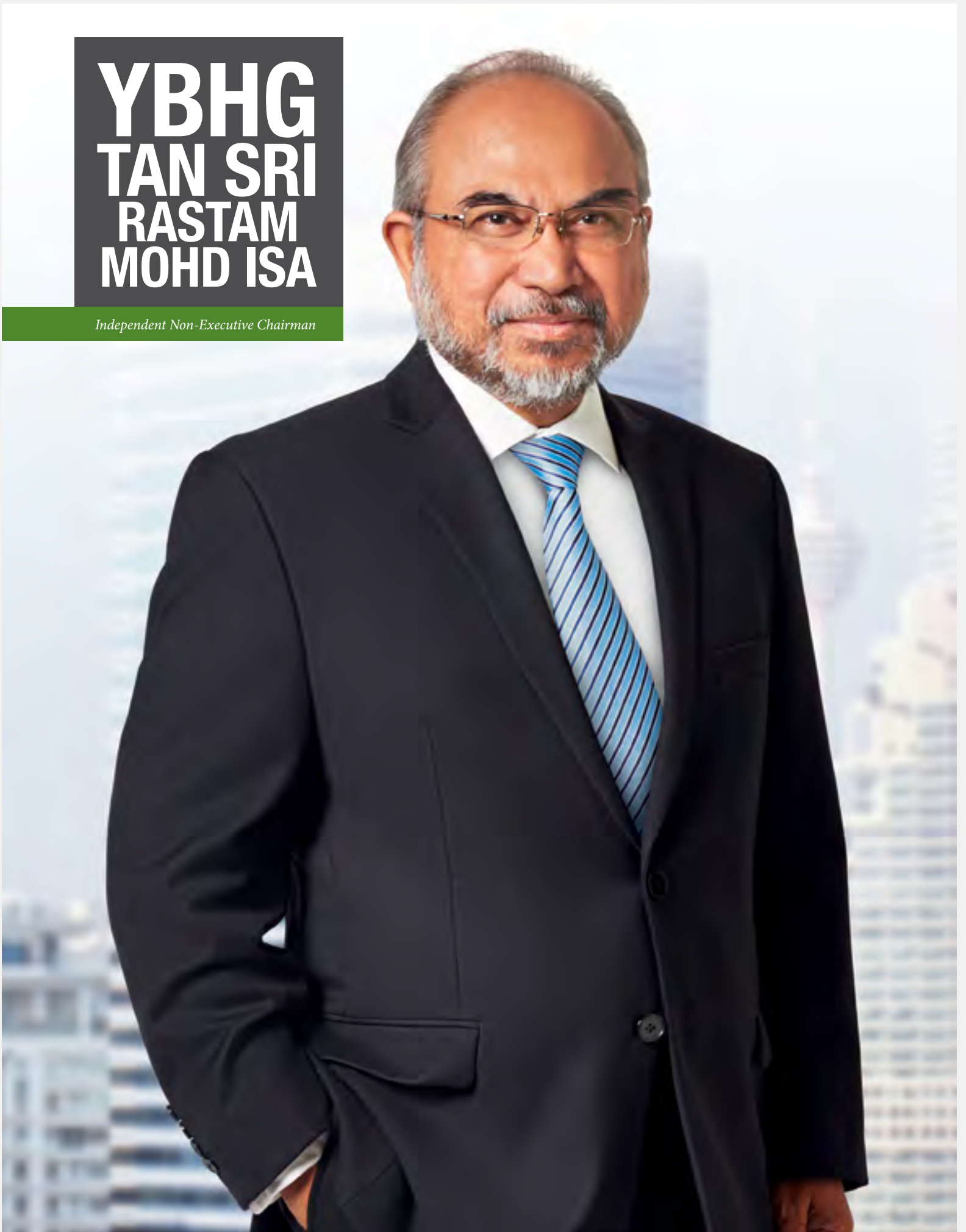
*Learning
to Ride*

Tropicana Aman offers its dwellers a chance to live in a walk-and-bike-friendly environment



**YBHG
TAN SRI
RASTAM
MOHD ISA**

Independent Non-Executive Chairman



CHAIRMAN'S STATEMENT

“Tropicana adapted swiftly to customer needs in a changing business landscape, building from the many opportunities available.”

On behalf of the Board of Directors (“Board”) of Tropicana Corporation Berhad (“Tropicana”), I am pleased to present the Tropicana Corporation Berhad Annual Report for the financial year ended 31 December 2014.

While the world economy grappled with changes and challenges on many fronts, Malaysia remained resilient, registering an estimated growth of 6%, supported by strong domestic demand. Nevertheless, market sentiment in the property sector took on a cautious approach given the various cooling measures introduced.

Since taking on the position as Chairman of Tropicana, I have witnessed first-hand the strong commitment demonstrated by the management team in achieving the Company’s transformation goals. Tropicana adapted swiftly to customer needs in a changing business landscape, building from the many opportunities available. Despite cautious industry sentiments, we worked hard as at team to redefine the art of living for our customers.

Dividends

For the fiscal year ended 2014, the Board has declared a first interim single tier dividend of 4 sen per share, which was paid to shareholders on 9 May 2014.

In addition, the Board has also declared a final single tier dividend in respect of financial year ended 31 December 2014 via distribution of share dividend on the basis of 1.3 treasury share for every 100 existing ordinary shares of RM1.00 each held in the Company. This is subject to shareholders’ approval in the upcoming AGM on June 18, 2015.

Corporate Governance and Delivering on Shareholder Value

In ensuring good governance, Tropicana adhered strictly to the Malaysian Code of Corporate Governance 2012 (“the Code”) and continued to uphold best practices across all areas of our business to deliver on shareholder value. We will continue

to ensure that these practices continue to sustain performance, maximise efficiency and deliver on long-term shareholder value.

Responsible Growth and Sustainability

At Tropicana, our commitment to responsible growth and sustainability forms a strong foundation that translates into value to the communities we serve, now and in the future. During the year under review, we were unrelenting in our community outreach activities. As we progress, we will forge ahead in designing integrated developments with a strong emphasis on health, accompanied by green and sustainable architecture that nurtures community living in a safe environment.

Powering Teamwork

In the workplace, we have been blessed with employees who are bonded in the spirit of unity and passion. During the full year ending 2014, we strengthened our talent pipeline in a challenging work environment and our employees delivered their best. I have every confidence that this momentum will intensify in the coming years.

Redefining the Art of Living

Tropicana remained focused on delivering excellence and quality to customers throughout 2014. To date, our transformation journey stands in good stead, with a growth momentum sustained. Drawing on the strength of Tropicana’s DNA, our projects have been well-received. We will persevere in our goal to unlock the value of our strategic landbanks in the north and central regions in Malaysia. Innovation will remain as the main focus, to improve where we need to and build momentum where we are already succeeding.

Acknowledgements

I would like to thank Tan Sri Dato’ Tan Chee Sing and the Board of Directors for the continuous support in the last 12 months.



Tropicana partners with Gems Education to build an international school campus in Tropicana Metropark

I would like to record the Board’s gratitude and appreciation to all our stakeholders – our loyal customers, business partners, bankers, contractors and associates for their continuous support along this journey which we all undertake together.

The Board also extends its heartfelt thanks to the Management team and all employees for their steadfast belief in Tropicana’s shared goals and aspirations.

Our goal to deliver real value – to our customers and more importantly, our shareholders – remains unchanged. We firmly believe that we will be able to meet the growing needs of the property market as we strive towards becoming Malaysia’s premier property group.

YBHG TAN SRI RASTAM MOHD ISA
Independent Non-Executive Chairman

YBHG TAN SRI DATO' TAN CHEE SING

Group Executive Vice Chairman



“We have the right ingredients – strategically located landbanks, attractive development plans, backed by a dedicated and motivated workforce.”

To witness where Tropicana Corporation Berhad is today is seeing my vision become a reality, one development at a time. It has indeed, been a truly humbling experience.

Tropicana has accomplished so much in the last two decades – a pioneer in resort-style living, beginning with the innovative Tropicana Golf & Country Resort (TGCR) which today stands as one of the country's leading leisure and recreational club. From here, we went on to develop the 409-acre Tropicana Indah Resort Homes and we have never looked back since.

Leading Change

As we progressed through the years, not only do we design to strengthen financial performance, but more importantly, to meet needs of our customers. We take in the little things that our customers often highlight, from green landscapes and security to traffic flow and road systems. Instead of maximising on the number of units with the land space, we increased the overall

percentage of green and open spaces to between 15% and 16% at each development, as compared to the industry practice of 10%.

Our close attention to detail reflected positively in our financial performance for the year in review. For the financial year ended 31 December 2014, we ended on a promising note, with a revenue of RM1.972 billion. Our approach also resulted in new sales of RM1.5 billion in an environment where the overall property market remained soft amidst cooling measures and stringent bank lending policies.

Cognisant of the shrinking demand and heightened competition, we launched our sales gallery at Singapore's TripleOne Somerset to further promote our brand as well as better service our existing and potential customers on the island. We have also extended our reach to Surabaya, Medan, Hong Kong, Macau and Shanghai.

GROUP EXECUTIVE VICE CHAIRMAN'S MESSAGE

“Looking ahead, we will fulfil our transformation journey through sustained performance. I believe we are closer to achieving our goal of becoming a premier property group in Malaysia.”

Touching Lives, Defining Progress

In defining our progress, we worked hard to go the extra mile to help shape a better tomorrow and a brighter future for those whose lives we have and will touch. In 2014, through the Tropicana Foundation and other components within the Group, we donated more than RM3.8 million to the underprivileged and funded charitable works covering health, education and other social initiatives.

Strengthening the Foundation for Future Success

In the last 12 months, Tropicana executed on our transformation strategy. Despite the shifting economic dynamics, we demonstrated resilience. As a testament to our sustained performance, The Edge Billion Ringgit Club 2014 honoured Tropicana with the “Highest Profit Growth in the Property and REIT Category”, Top 10 Most Notable Achievement Award and the Top 10 Property Developers in the Edge Property Excellence Award 2014. We were also honoured with the BCI Asia Top 10 Developers Award 2014 and iProperty.com People's Choice Award 2014.

We have the right ingredients – strategically located landbanks, attractive development plans, backed by a dedicated and motivated workforce. We worked hard to strengthen our foundation for future success. Nevertheless, as the founder of Tropicana, I always ask myself, “what do I want Tropicana to look like down the road?” Faced with a challenging year ahead, we have set our 2015 roadmap, one that focuses on rationalising our structure via cost efficient value engineering to sustain performance.

As market demand continues to shift towards landed properties at strategic locations, we will focus on our new launches in the central and northern region, though more selective in the southern region. Our growth pipeline includes the launch of Tropicana Aman in Kota Kemuning, new phases of terrace homes in Tropicana Heights, Kajang, and the third

serviced apartment block in Tropicana Gardens, an integrated mixed development located in Kota Damansara with a direct link to the Surian MRT station.

We will also have stronger internal controls to remain relevant, reliable and responsive to market needs. Our productivity will be centred on timely execution on deliverables and internal processes; stringent budget controls; and measures to ensure consistent operational performance.

The strength of our people powers the strength of our performance. Teamwork will be essential across all management levels and departments as we harness the value of collaboration across all our projects. We will continue to drive innovation, especially in product design; sales and marketing as well as across all internal processes.

Looking ahead, we will fulfil our transformation journey through sustained performance. I believe

we are closer to achieving our goal of becoming a premier property group in Malaysia. This is our commitment to all our stakeholders.

Acknowledgements

On behalf of the Board of Directors and the management team of Tropicana, I would like to thank our shareholders and stakeholders for your steadfast trust in us.

To my colleagues, my heartfelt gratitude for your active participation and contribution. Your dedication, perseverance and commitment has once again demonstrated the power of teamwork that has translated into positive business performance for Tropicana.

YBHG TAN SRI DATO' TAN CHEE SING

Founder and Group Executive Vice Chairman



Malaysia Tatler 25th Anniversary Ball held at Shangri-La Hotel KL (from left): Barrie Goodridge, CEO of Edipresse Media Asia, Puan Sri Tiara Jacqueline and Tan Sri Effendi Norwawi (Couple of the Year winner), YBhg Tan Sri Dato' Tan Chee Sing (Diamond of Excellence winner), Soo Shea Pin (Entrepreneur Par Excellence winner), Professor Dr Adeeba Kamarulzaman (Force for Good winner), Meera Sen (Most Stylish Woman winner) and Florence Fang, Managing Director of Malaysia Tatler

DATO' YAU KOK SENG

Group Chief Executive Officer



Throughout 2014, Tropicana stayed focused on our strategic roadmap and achieved many milestones. We seized opportunities and took unprecedented actions to strengthen our performance.

We adapted and focused our capabilities on what mattered most to our customers, shareholders and employees and stakeholders – creating integrated lifestyles for our customers as well as enhancing the value for both our Company and our shareholders. Thus, it gives me great pleasure to share with you our journey during the year in review.

Corporate Overview of 2014

For the financial year ended 31 December 2014, the Group's revenue rose 33.7% to RM1.972 billion as compared to RM1.476 billion in 2013. For the year, Group Profit Before Tax decreased to RM451.5 million from RM503.6 million a year ago, whilst net profit attributable to shareholders in 2014 was

RM333.9 million compared with RM362.3 million previously.

Tropicana's improved revenue was due to higher revenue recognitions across key projects within the Central Region such as Tropicana Gardens in Kota Damansara; Tropicana Heights in Kajang; Tropicana Metropark in Subang Jaya; and Tropicana Danga Bay in the Iskandar region in Johor.

New sales in 2014 reached RM1.5 billion, underpinned by new launches of RM1.1 billion in the year and sustained sales from our on-going projects across our key Central, Northern and Southern regions. Fairfield Residences at Tropicana Heights, Kajang was launched and received very encouraging response. This is underscored by the project's innovative mix of residential and commercial developments as well as its strategic location and excellent connectivity.

As at 31 December 2014, we secured unbilled sales of RM2.7 billion, which places the Group in a healthy position to deliver sustainable performance in the current financial year ending December 2015.

Tropicana has been steadfast in committing to our transformation blueprint, focusing on unlocking the value of our prime landbanks through development and land sales, accelerating our de-gearing activities to strengthen our balance sheet, and successfully rebranding ourselves to reflect Tropicana's strong brand value.

Pursuing our partnership initiatives with education providers to enhance the value of our developments, Tropicana entered into a strategic tie-up with Singapore's education group, the Lasallian Asian Partnership for International Schools in August 2014 to build the St Joseph's Institution International School in Tropicana Indah Resort Homes. In January

GROUP CEO'S MESSAGE

“Tropicana adapted and focused our capabilities on what mattered most to our customers, shareholders and employees and stakeholders – creating integrated lifestyles for our customers as well as enhancing the value for both our Company and our shareholders.”

2015, we entered into an agreement to build an international school with GEMS Education in Tropicana Metropark, Subang Jaya. More recently, in April 2015, Tropicana announced its plans to develop a 10-acre international school campus in Tropicana Aman with Tenby Schools.

Over and above our development activities, Tropicana recorded land sales worth approximately RM1.1 billion in 2014, including the sale of 308.72 acres of Canal City land to Eco World Development Group Berhad in March 2014 for a total cash consideration of RM470.67 million. Another significant transaction was the sale of 3.138 acres of prime freehold land located along Jalan Bukit Bintang in Kuala Lumpur to Offshore Triangle Sdn Bhd, a joint venture company between Agile Property Holdings and Tropicana, for a total cash consideration of RM448.4 million. This is expected to be completed by the third quarter of 2015.

We are cognisant that uncertainties in 2015 persist, undermined by cost pressures and heightened competition amidst a subdued marketplace. Consumers are also adjusting their spending patterns from the impact of the Goods and Services Tax (GST). In such an environment, we have mapped a clear strategic direction to propel Tropicana forward in the current financial year.

One of the main priorities remains to improve on our gearing position. We believe there is further scope to lower our group borrowings, and this entails continuing with efforts to improve sales from on-going projects and inventories, in addition to divesting our non-core landbanks and non-core assets. In April 2015, Tropicana announced the sale of its 73% subsidiary, Tenaga Kimia Sdn Bhd for a

total cash consideration of RM194.7 million, which will enable us to realise a net gain of RM48.5 million once the transaction is completed. Tenaga Kimia is a profitable subsidiary involved in manufacturing and supply of emulsion explosives and technical blasting services.

In January 2015, we also inked an agreement to dispose of Tropicana City Mall and Tropicana City Office Tower for a cash consideration of RM540 million to CapitaMalls Malaysia Trust, a real estate investment trust with primary retail assets in Malaysia. This is in line with our strategic divestment of our investment properties across our on-going integrated projects, and to refocus primarily on our development activities as the core impetus for growth.



The Edge Top Property Developer Award 2014



The Edge Notable Achievement Award 2014



Tropicana partners with Tenby Schools to build an international school campus in Tropicana Aman, Shah Alam (from left): Kok Kong Chin, Group Managing Director of Tropicana; Datuk Edmund Kong, Group Managing Director of Tropicana; Dato' Lim Si Boon, Director of Tenby Schools; Dato' Dickson Tan, Deputy Group CEO of Tropicana; YBhg Tan Sri Dato' Danny Tan, Group Executive Vice Chairman of Tropicana; Dato' Yau Kok Seng, Group CEO of Tropicana; Mazhairul Jamaluddin, Chairman of Tenby Schools; Amil Izham Hamzah, CEO of ILMU Education Group and Alister Bartholomew, CEO of Tenby Educare Sdn Bhd

Group CEO's Message



Receiving The Edge prestigious award – YB Datuk Haji Abdul Rahman Dahlan (centre), Minister of Urban Wellbeing, Housing and Local Government presenting the award to Dato' Yau Kok Seng (second from the right), Group Chief Executive Officer of Tropicana. Witnessed by Ho Kay Tat (far right), Group Chief Executive Officer of The Edge Media Group; Au Foong Yee (far left), Managing Director of The Edge and Hamirullah Boorhan (second from left), Head of Community Financial Services of Maybank

“We will continue with our transformation journey to solidify our development platform, deliver sustainable growth in revenue and profitability through leaner operations that will strengthen our financial position.”

We are planning to launch development projects in 2015 with a total estimated Gross Development Value (“GDV”) of RM2.4 billion, emphasising on new projects in the Central and Northern regions. More than half of the planned GDV are in landed residential products. Capitalising on the success of our first phase at Tropicana Heights, Kajang, we launched Parkfield Residences, our second phase that consist of terrace and cluster houses earlier this year. We also expect to roll out 432 units of terrace homes in Tropicana Aman, Shah Alam in the second quarter of 2015. We believe this project will be well received.

We will continue with our transformation journey to solidify our development platform, deliver sustainable growth in revenue and profitability through leaner operations that will strengthen our financial position. Internally, we are reviewing a stringent cost rationalisation programme to achieve a more efficient operating cost structure. Supported throughout by a highly experienced and motivated workforce, I am confident we will be

successful in implementing and delivering on our strategy, and progressively unlock the value of our 1,844-acre prime landbank, and further add value to our shareholders.

In Appreciation

I would like to express my appreciation to the Board of Directors for their wisdom and commitment to Tropicana throughout the year. To our colleagues, shareholders and all stakeholders, thank you for your unceasing dedication, loyalty and passion in building Tropicana.

As the Tropicana story continues to unfold, we believe that there is still much more to be done.

Thank you.

DATO' YAU KOK SENG
Group Chief Executive Officer

VALUE-ADDED STATEMENT

Group CEO's Message

| | 2014 RM'000 | 2013 RM'000 |
|-------------------------------------|----------------|----------------|
| Value-Added | | |
| Total turnover | 1,972,358 | 1,475,503 |
| Purchases of goods and services | (1,302,853) | (808,723) |
| Value-Added by the Group | 669,505 | 666,780 |
| Share of profits of associates | 993 | 4,381 |
| Share of profits of joint ventures | 15,357 | 79,333 |
| Total Value-Added | 685,855 | 750,494 |
| Reconciliation : | | |
| Profit for the year | 333,936 | 362,308 |
| Add : Depreciation and amortisation | 29,069 | 22,658 |
| Finance costs | 49,510 | 77,943 |
| Staff costs | 155,820 | 146,245 |
| Taxation | 68,375 | 125,276 |
| Non-controlling interest | 49,145 | 16,064 |
| Total Value-Added | 685,855 | 750,494 |
| VALUE DISTRIBUTED | | |
| Employees | | |
| Salaries and other staff costs | 155,820 | 146,245 |
| Government | | |
| Corporate taxation | 68,375 | 125,276 |
| Providers of capital | | |
| Dividends | 54,710 | 88,414 |
| Finance costs | 49,510 | 77,943 |
| Minority interest | 49,145 | 16,064 |
| Reinvestment and growth | | |
| Depreciation and amortisation | 29,069 | 22,658 |
| Income retained by the Group | 279,226 | 273,894 |
| Total Distributed | 685,855 | 750,494 |

Revolutionise *property* INVEST- MENT

After more than two decades in the property industry, Tropicana has become a household name when it comes to savvy investments. From its flagship development, the highly sought-after luxurious Tropicana Golf & Country Resort, the resplendent Tropicana Indah Resort Homes to its latest self-contained Tropicana Aman development, Tropicana has continuously set the benchmark in creating not just a harmonious community but serves as an ideal source of income for those looking for short or long term investments.

Understanding the needs of its residents, Tropicana has since established a unique DNA that sets it apart, one that focuses on accessibility, connectivity, innovative concepts and designs, generous open spaces, amenities, facilities, multi-tiered security and quality. With emphasis on its customers' needs, Tropicana has been innovating and redefining the art of living through the creation of its integrated developments by incorporating residential and commercial components to create thriving townships that are strategically connected.

Tropicana's continuous efforts to enhance value to its customers remain one of its key strengths. The strong emphasis on its unique DNA has given Tropicana an added edge to its development activities. This is one of its key attributes that has enabled Tropicana to be honoured with The Edge Malaysia Notable Achievement Award 2014, and The Edge Malaysia Top Developers Property Award 2014.

Moving forward, Tropicana intends to focus more on development activities within the Klang Valley, where Tropicana has more than 1,000 acres of development land, with potential GDV of RM24.5 billion.

Tropicana Gardens at Kota Damansara boasts a direct linkage to a MRT station. First phase was sold out in two days and third phase has recorded more than 20% appreciation value.



A man and a woman in business attire are looking at a laptop screen. The woman is on the left, leaning over the man on the right. They both appear to be smiling and engaged in their work. The background is a bright, out-of-focus office setting.

Revolutionise property

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BOARD OF DIRECTORS



From left: Diana Tan Sheik Ni , Dillon Tan Yong Chin, Tan Sri Rastam Bin Mohd Isa, Tan Sri Dato' Tan Chee Sing, Datuk Kong Woon Jun, Kok Kong Chin

Board of Directors



From left: Dato' Ng Tian Sang @ Ng Kek Chuan, Dato' Gan Nyap Liou @ Gan Nyap Liow, Dato' Dickson Tan Yong Loong, Dato' Yau Kok Seng, Michael Tang Vee Mun, Datuk Seri Panglima Mohd Annuar Bin Zaini

DIRECTORS' PROFILES



Tan Sri Rastam Bin Mohd Isa, a Malaysian, aged 64, was appointed as Independent Non-Executive Chairman of the Board of Tropicana Corporation Berhad (“Tropicana”) on 25 April 2014.

Tan Sri Rastam obtained his Bachelor of Social Science Degree from Universiti Sains Malaysia in 1974 and a Certificate in Diplomacy from the University of Oxford 1977. He also obtained a Master of Arts Degree in International Relations and Strategic Studies from the University of Lancaster in 1986.

Tan Sri Rastam began his career in the Malaysian Administrative and Diplomatic Service in 1974. He was appointed as High Commissioner of Malaysia to Pakistan in October 1994. In November 1996, he became the first Malaysian Ambassador to Bosnia Herzegovina, resident in Sarajevo. He was posted back to New York as Ambassador and Deputy Permanent Representative to the United Nations in May 1998. From September 1999 to March 2003, Tan Sri Rastam assumed the post of Malaysian Ambassador to the Republic of Indonesia. He returned to New York and served as Malaysia’s Permanent Representative to the United Nations from March 2003 to August 2005. He served as Deputy Secretary General at the Ministry of Foreign Affairs, Malaysia before being appointed as Secretary General. Tan Sri Rastam served as the Secretary General of the Ministry of Foreign Affairs, Malaysia from 8 January 2006 to 2 September 2010.

Tan Sri Rastam served as an Advisor to the Chief Minister’s Department, Sarawak from November 2010 to December 2013. He was appointed as the Chief Executive of the Institute of Strategic and International Studies (ISIS) Malaysia on 1 January 2014 and on 9 January 2015, he was appointed Chairman and Chief Executive of ISIS Malaysia.

He is also the Independent Non-Executive Director of Eversendai Corporation Berhad and Sime Darby Energy Sdn Bhd as well as Chairman of the board of trustee of Tropicana Foundation.

Tan Sri Rastam does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.



Tan Sri Dato’ Tan Chee Sing, a Malaysian, aged 60, was appointed to the Board of Tropicana on 5 July 1995. On 7 January 2013, he relinquished from his position as Group Chief Executive Officer and was re-designated as Group Executive Vice Chairman of Tropicana. He is also the Chairman of the Executive Committee and Option Committee of Tropicana.

Tan Sri Dato’ Tan is a businessman and entrepreneur having a wide spectrum of businesses with extensive experience in property development, resort management, restaurants and leisure through his investments in public and private limited corporations.

He is also the Group Executive Vice Chairman of Tropicana Golf & Country Resort Berhad (a wholly-owned subsidiary of Tropicana), the Chairman of Sports Toto Malaysia Sdn Bhd and the Deputy Chairman of Tropicana Foundation.

His sons, Dato’ Dickson Tan Yong Loong, Mr Dillon Tan Yong Chin and his daughter, Ms Diana Tan Sheik Ni are also members of the Board. Save as disclosed, Tan Sri Dato’ Tan does not have any family relationship with any other Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

Directors' Profiles

**DATO' YAU KOK SENG***(Group Chief Executive Officer)***DATO' DICKSON TAN YONG LOONG***(Deputy Group Chief Executive Officer)*

Dato' Yau Kok Seng, a Malaysian, aged 56, was appointed to the Board of Tropicana on 7 January 2013 and is currently the Group Chief Executive Officer of Tropicana. He is the Deputy Chairman of the Executive Committee, a member of the Risk Management Committee, Option Committee and Pricing Committee.

Dato' Yau is a Chartered Accountant and a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. He has more than 30 years of experience in auditing, corporate finance and general management in which he has held various positions including senior management positions in various companies in the Sunway Group. Dato' Yau started his career with Ernst & Young from 1980 to 1992 before joining the Sunway Group as Head of Corporate Finance in 1992. He was promoted as Group Finance Director in 1995 and subsequently as the Managing Director of Sunway Holdings Berhad in April 2001.

Dato' Yau was the Group Managing Director of Hong Leong Industries Berhad from September 2011 to December 2012. He joined Tropicana as Group Chief Executive Officer on 7 January 2013.

He is also a Director and an Executive Committee member of the Federation of Public Listed Companies Berhad. Dato' Yau is also the Group Chief Executive Officer of Tropicana Golf & Country Resort Berhad, a wholly-owned subsidiary of Tropicana and a trustee of Tropicana Foundation.

Dato' Yau does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

Dato' Dickson Tan Yong Loong, a Malaysian, aged 34, was appointed to the Board of Tropicana on 20 May 2009 and was subsequently appointed as the Executive Director of Tropicana on 1 April 2010. He was designated as Deputy Managing Director of Tropicana on 8 October 2010 and promoted to the position of Group Managing Director of Tropicana on 7 January 2013. On 14 March 2014, he was promoted to the position of Deputy Group Chief Executive Officer. He is a member of the Executive Committee, Option Committee, Risk Management Committee, Pricing Committee and Remuneration Committee of Tropicana.

Dato' Dickson Tan graduated with a Bachelor of Science (Honours) in Business Management from King's College, University of London, United Kingdom in 2002. He obtained a Master of Science in Internal Auditing and Management from Cass Business School, City University, United Kingdom in 2003.

He started his career with CIMB Securities Sdn Bhd as an Equities Analyst in 2004 and joined Tropicana as Business Development Manager in 2005. He presently oversees group corporate strategy, marketing, planning and risk management as the Deputy Group Chief Executive Officer of Tropicana.

He currently serves on the board of Berjaya Corporation Berhad, Berjaya Sports Toto Berhad, Berjaya Land Berhad, Berjaya Assets Berhad, Tropicana Golf & Country Resort Berhad (a wholly-owned subsidiary of Tropicana) and several other local and international private limited companies involving manufacturing, services, media, leisure, retail, property development and property investment.

Dato' Dickson Tan is affiliated with certain non-profit organisations, including as a trustee of Tropicana Foundation, a member of the Kuala Lumpur Business Club and a member of the Malaysian Institute of Management.

His father, Tan Sri Dato' Tan Chee Sing, is the Group Executive Vice Chairman and a major shareholder of Tropicana. His brother, Mr Dillon Tan Yong Chin and his sister, Ms Diana Tan Sheik Ni are Executive Directors of Tropicana. Save as disclosed, he does not have any family relationship with any other Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

Directors' Profiles

**DATUK KONG WOON JUN***(Group Managing Director)***KOK KONG CHIN***(Group Managing Director)*

Datuk Kong Woon Jun, a Malaysian, aged 52, was appointed to the Board of Tropicana as Executive Director on 1 March 2011. He was promoted to Deputy Group Managing Director on 1 March 2013 and subsequently promoted to the position of Group Managing Director of Tropicana on 14 March 2014. He is a member of the Executive Committee, Risk Management Committee and Pricing Committee.

Datuk Kong graduated with a Bachelor of Architecture (Honours) from University of Wales Institute of Science and Technology (UWIST), Wales, United Kingdom in 1989. He is a Member of the Architects Registration Board (ARB) in United Kingdom and a corporate member of Pertubuhan Arkitek Malaysia (PAM).

Datuk Kong has more than 26 years of experience in property development and construction industry. He started his career as a Senior Architect in BEP Arkitek Sdn Bhd in-charge of high-end property developments in year 1994. He served as the Director of Project and Product Planning of Perdana Parkcity Sdn Bhd from year 2003 to 2008, where he played a major role in the planning and designing of the township called Desa ParkCity, Kuala Lumpur. Prior to joining Tropicana, he joined TA Global Berhad in April 2008 as the Director of Planning & Design and was then promoted to Chief Operating Officer in August 2008. With his experience in township master planning, he was actively involved in concept master plan and product design for the projects under his supervision.

He is also the Group Managing Director of Tropicana Golf & Country Resort Berhad (a wholly-owned subsidiary of Tropicana).

Datuk Kong does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

Mr Kok Kong Chin, a Malaysian, aged 50, was appointed to the Board of Tropicana as Group Managing Director on 14 March 2014. He is a member of the Executive Committee.

Mr Kok graduated with a Bachelor of Business Administration (Honours) degree from the National University of Malaysia and a Master of Business Administration from Schulich School of Business, York University, Canada. He has also completed the Cambridge Advanced Leadership Programme at Judge Business School, University of Cambridge.

Mr Kok has over 23 years of experience in the Asean financial services industry particularly in the areas of investment banking, corporate banking, leveraged buyout and capital markets. He also has extensive corporate and general management experience in managing cross border business divisions.

Prior to joining Tropicana, Mr Kok was with CIMB Group for over 10 years where he held several senior positions including Head of Regional Banking, Co-Head of Investment Banking and Head of Equity Markets & Derivatives during his tenure. Prior to joining CIMB, he was the Country Head of an affiliate of the Mitsubishi UFJ Financial Group. Mr Kok started his career in the industry with AmInvestment Bank Group.

He does not hold any directorships in other public companies.

Mr Kok does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

Directors' Profiles

**DILLON TAN YONG CHIN***(Executive Director)*

Mr Dillon Tan Yong Chin, a Malaysian, aged 32, was appointed to the Board of Tropicana as an Executive Director on 21 May 2013. He is a member of the Executive Committee.

Mr Dillon Tan graduated with a Bachelor of Science (Honours) in Business Management from King's College, University of London, United Kingdom in 2004. He obtained a Master of Science in Information Security from Royal Holloway, University of London, United Kingdom in 2005.

Mr Dillon Tan has been involved in the property and hospitality sector since 2006 and has been based in Ho Chi Minh, Vietnam since 2009.

He sits on the Board of Tropicana Golf & Country Resort Berhad (a wholly-owned subsidiary of Tropicana) as well as several private limited companies locally and in Vietnam.

His father, Tan Sri Dato' Tan Chee Sing, is the Group Executive Vice Chairman and a major shareholder of Tropicana. His brother, Dato' Dickson Tan Yong Loong, is the Deputy Group Chief Executive Officer and his sister, Ms Diana Tan Sheik Ni is an Executive Director of Tropicana. Save as disclosed, he does not have any family relationship with any other Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

**DIANA TAN SHEIK NI***(Executive Director)*

Ms Diana Tan Sheik Ni, a Malaysian, aged 29, was appointed to the Board as a Non-Independent Non-Executive Director on 28 February 2012 and was re-designated as Executive Director of Tropicana on 13 August 2013. She is a member of the Executive Committee.

Ms Diana Tan graduated with a Bachelor of Laws (LLB) from King's College, University of London, United Kingdom in 2007.

She is a Director of Tropicana Golf & Country Resort Berhad (a wholly-owned subsidiary of Tropicana) and other private limited companies. She also sits on the Board of Trustees of Tropicana Foundation, a non-profit organisation.

Her father, Tan Sri Dato' Tan Chee Sing, is the Group Executive Vice Chairman and a major shareholder of Tropicana. Her brother, Dato' Dickson Tan Yong Loong, is the Deputy Group Chief Executive Officer whilst another brother, Mr Dillon Tan Yong Chin, is an Executive Director of Tropicana. Save as disclosed, she does not have any family relationship with any other Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

Directors' Profiles



DATO' NG TIAN SANG @ NG KEK CHUAN

(Senior Independent Non-Executive Director)

Dato' Ng Tian Sang @ Ng Kek Chuan, a Malaysian, aged 68, was appointed to the Board of Tropicana on 29 March 2011. He is the Chairman of the Audit Committee and Nomination Committee as well as a member of the Remuneration Committee, Risk Management Committee and Option Committee.

Dato' Ng graduated with a Bachelor of Commerce degree from the University of Western Australia in 1971. He is a member of the Malaysian Institute of Accountants and Australian Association of Certified Practising Accountants. He is a member of the Australian Institute of Company Directors (AICD).

Dato' Ng was attached with IBM World Trade Corporation from 1973 to 1979 as a Business Controller. From 1980 to 1992, he ventured as an entrepreneur involved in real estate development and other businesses.

Dato' Ng was the Executive Deputy Chairman of PanGlobal Bhd and the Chairman of PanGlobal Insurance Bhd from 1995 to 1999. From 1996 to 1999, he was the Executive Chairman of Econstate Bhd and the Deputy President of REHDA from 1997 to 1999. He was accorded the International Honorary President of the Western Australia Chinese Chamber of Commerce in 1997. He was appointed as the Chairman and Chief Executive Officer of Datong Bhd and was also a Director of TT Resources Sdn Bhd from July 2001 to November 2008. He was the Executive Director of Midwest Corporation Ltd (Midwest) from 2006 to 2009. Midwest is involved in iron ore mining in west Australia.

He does not hold any directorships in other public companies.

Dato' Ng does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.



DATUK SERI PANGLIMA MOHD ANNUAR BIN ZAINI

(Independent Non-Executive Director)

Datuk Seri Panglima Mohd Annuar Bin Zaini, a Malaysian, aged 64, was appointed to the Board of Tropicana on 27 January 2010. He is the Chairman of the Remuneration Committee and member of the Audit Committee and Nomination Committee.

Datuk Seri Panglima holds a Master of Arts in Law & Diplomacy from The Fletcher School of Laws & Diplomacy, Tufts University, United States of America and a Bachelor of Arts with honours in Economics from University Kebangsaan Malaysia.

He began his career in the government service as an Administrative and Diplomatic Officer in 1977. He served at various ministries and departments in the Malaysian Government and also the Perak State Government until he chose to take an optional retirement from the government service in 1999.

He was the Advisor and Chief Executive of Northern Corridor Implementation Authority from 2007 to 2009 and the Chairman of the Malaysian National News Agency (BERNAMA) from February 2004 to January 2010. In February 2004, His Royal Highness The Sultan of Perak consented his appointment as Member of the Council of Elders to His Royal Highness Sultan of Perak. He is a Member of the Perak Council of Islamic Religion and Malay Customs and the PKEINPK Sdn Bhd. He is also a Distinguished Fellow to Institute of Strategic and International Studies (ISIS) Malaysia, Fellow Institute of Public Safety of Malaysia and Adjunct Professor of Northern Corridor Economic Region Research Centre, Universiti Utara Malaysia. He sits on the board of Manulife Holdings Berhad and several private limited companies.

Datuk Seri Panglima Mohd Annuar does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

Directors' Profiles



DATO' GAN NYAP LIOU @ GAN NYAP LIOW
(Independent Non-Executive Director)

Dato' Gan Nyap Liou @ Gan Nyap Liow, a Malaysian, aged 61, was appointed to the Board of Tropicana on 1 August 2013. He is the Chairman of Pricing Committee and a member of the Audit Committee.

Dato' Gan is a Certified Management Consultant and Chartered Accountant.

Dato' Gan was with Accenture, a global management and technology consulting firm for 26 years until his retirement in December 2004. He was a worldwide partner for 16 years and held many global leadership positions including Managing Director of the Global Management Council from 1997 to 2004.

Dato' Gan served as Chairman of the Association of Computer Industry Malaysia (PIKOM) and was a member of the Ministry of Science and Technology Think Tank, Copyright Tribunal, and the Labuan International Financial Exchange Committee.

He is the Group Chief Executive Officer of Omesti Berhad (formerly known as Formis Resources Berhad), Chairman of Cuscapi Berhad and Rev Media Berhad (formerly known as Catcha Media Berhad), and a board member of Tanjong Public Limited Company and Saujana Resort (M) Berhad. He is also a director of Minority Shareholder Watchdog Group, and Chairman of British Malaysian Chamber of Commerce.

Dato' Gan does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.



MICHAEL TANG VEE MUN
(Independent Non-Executive Director)

Mr Michael Tang Vee Mun, a Malaysian, aged 42, was appointed to the Board of Tropicana on 13 November 2009. He is the Chairman of the Risk Management Committee as well as member of the Audit, Nomination, Remuneration, Option and Pricing Committees.

He is the principal of Mettiz Capital, an investment and advisory firm with particular focus on private equity and alternative investments.

Mr Tang has significant experience in corporate and financial matters spanning across various asset classes including real estate, natural resources, energy and manufacturing. He commenced his career as a legal practitioner and was previously a partner of one of the oldest and largest law firms in Malaysia.

He sits on the boards of several companies where he contributes time to their businesses with the objective of achieving strategic and corporate improvements.

Beyond the business sphere, he is a founding trustee of 1Malaysia Community Alliance Foundation, a charitable entity dedicated to crisis relief and community services.

Mr Tang graduated with a Bachelor of Laws (Honours) degree from the London School of Economics and Political Science, University of London and was admitted as a Barrister-at-Law of the Honourable Society of Lincoln's Inn, London.

Mr Tang does not have any family relationship with any Directors and/or major shareholders of Tropicana, nor any conflict of interest with Tropicana.

MANAGEMENT TEAM



1

LEE HAN MING



2

LEONG JEE VAN



3

ANDREW McDONALD



4

DANIEL TEH



5

KELVIN CHOO



6

MOHD SOHIMIN



7

HERMAN TAN



8

ANDREW ASHVIN



9

JOANNE LEE



10

LEONG CHOON MENG

Management Team

1. LEE HAN MING

Managing Director – Southern Region Projects

- Currently oversees Southern region projects such as Tropicana Danga Bay, Tropicana Danga Cove, Tropicana City Centre and Tropicana Danga Lagoon
- Has over 21 years of working experience in Property Development locally as well as in the UK market with exposure to large scale international projects such as KLIA

2. LEONG JEE VAN

Executive Director – Projects

- Currently heads Tropicana Danga Cove and Tropicana Danga Bay
- Oversees the projects from planning to completion
- Has over 20 years of experience in the Property industry with BRDB and Naim

3. ANDREW McDONALD

Executive Director – Projects

- Currently in charge of special projects in Johor
- Oversaw the development of Tropicana's Southern Region Office in Johor Bahru
- Has over 21 years of experience in the property & construction industry in both South-East Asia as well as the Middle East with Meinhardt (Singapore) Pte Ltd and with Sama-ECH on the Dubai Towers Dubai project

4. DANIEL TEH

Executive Director – Projects

- Currently in charge of Tropicana Metropark, Tropicana Aman, Tropicana The Residences and W Hotel, GEMS International School and Tenby International School
- Oversees the project's development and timely delivery of projects
- Has over 26 years of experience in the Property industry with Gerbang Perdana (CIQ) Johor and Nakheel (Dubai, UAE)

5. KELVIN CHOO

Executive Director – Projects

- Currently in charge of property development companies at Petaling Jaya, Cheras and Kajang
- Oversees business planning and performance of these companies from concept planning, launch, cash flow, timely execution of these projects until final delivery to owners
- Has over 25 years of experience in the property and construction industry with Sunway City Berhad, HS Liao Sdn Bhd and JK (SEA) Sdn Bhd

6. IR MOHD SOHIMIN BIN MOHD ALAYEDIN

Executive Director – Projects

- Currently heads Project Management for Special Projects
- Oversees overall project development
- Has over 23 years of experience in the Property industry with DRB Hicom Bhd/Glenmarie Properties Sdn Bhd and Sunway City Bhd

7. HERMAN TAN

Executive Director – Tropicana Golf & Country Resort

- Currently heads Tropicana Golf Club
- Oversees development of entire golf club encompassing Golf, F&B, Membership, Tropicana Innovative Landscape and Organic Farm
- Previously with Federal Hotels Group and Phoenix Hotel Singapore

8. ANDREW ASHVIN

Executive Director – Group Asset Management

- Heads the Group Assets / Investment Properties Management Team
- Has over 19 years of experience in mixed assets management with stints in Carrefour, Hong Leong Group and Suria KLCC

9. JOANNE LEE

Executive Director – Group Procurement & Trading

- Currently heads Group Procurement Department
- Established and heads Tropicana Building Materials Sdn Bhd which supplies building materials to all Tropicana projects since 15 May 2013
- Has over 21 years of experience in Procurement, Purchasing and Logistic with multi-national companies and public-listed companies of various industries

10. LEONG CHOON MENG

Executive Director – Corporate Finance

- Currently heads Corporate Finance Department
- Oversees investor relations as well as managing mergers, acquisitions and investments
- Has over 21 years of working experience in investment banking, accounting and taxation

Management Team



11

LIM LAI SENG



12

TEH PENG PENG



13

UNG LAY TING



14

JEFFREY TAN



15

JENNIFER MOK



16

CHEW BOON THONG



17

THONG POH WAH



18

SOH SIEW ONG

Management Team

11. LIM LAI SENG

Chief Financial Officer – Finance

- Currently in charge for Finance, Group Administrative, Credit Administrative, Risk Management and Group IT Departments
- Oversees the overall financial activities, tax strategies and monitoring the implementation of strategic business plan
- Has over 23 years of experience in financial management serving in various plantation-based PLCs since 1996 and served as Group Financial Controller at IOI Group

12. TEH PENG PENG

General Manager – Group Company Secretarial

- Currently heads Group Company Secretarial Department
- An associate member of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
- Has over 21 years of corporate secretarial experiences, encompassing the commercial environment of several public-listed companies of Bursa Malaysia Securities Berhad as well as the secretarial services industry

13. UNG LAY TING

Senior General Manager – Marketing & Sales And Business Development

- Currently in charge of Marketing & Sales for Central, Northern and Southern Region
- Oversees development of Project Marketing Collaterals and sales events locally and overseas
- Has over 9 years of experience in the Property industry

14. JEFFREY TAN SIEW YANG

Senior General Manager – Group Legal

- Heads Group Legal Department
- Primarily involved in advising, structuring, negotiating and compliance on corporate, conveyance and commercial transactions, and advising on intellectual property rights

15. JENNIFER MOK

Deputy General Manager – Internal Audit

- Currently heads Group Internal Audit Department
- Supports the Group in achieving its defined strategic, operational, financial and compliance objectives
- Has over 19 years of experience in internal audit with Multi-Purpose Holdings Bhd and Magnum Corporation Bhd

16. CHEW BOON THONG

Senior General Manager – Cost & Contract

- Currently heads Cost & Contract Department for Central Region
- Oversee project feasibility studies, costing, commercial and procurement functions from design inception to construction completion stage
- Has over 30 years of experience in the Property and Construction industry

17. THONG POH WAH

General Manager – Group Corporate Communications

- Currently heads the Group Corporate Communications Department
- Oversees all of Tropicana's publications, press releases, corporate announcements and media relations
- Has over 18 years of combined experience in print, media relations, corporate communications and marketing communications with established companies including The Star, Genting Malaysia, Huawei and Pan Malaysian Pools

18. SOH SIEW ONG

General Manager – Group Human Resource

- Currently leading and managing the Group's Human Resource Division
- Oversees and supports the human capital needs and development, managing its internal talents and attracting new talents
- Has over 25 years of Human Resource experience in Malaysia and South East Asia from multi-national and private local companies specialising in Industrial Relations, People Development, Organisational Development, Talent Management and revamping of Human Resources towards excellence

Revisiting the COMMUNU- NITY

Tropicana Heights is a wholesome lifestyle masterplan which pursues a fine balance between urban city convenience and welcoming communal warmth.

A mere stone's throw away from the growing Kajang town, Tropicana Heights encompasses 199 acres of freehold land, replete with lush greenery. 16 acres have been dedicated to the creation of a Central Park that features a 750-metre linear lake. Pedestrian pathways, jogging tracks, and bicycle tracks weave around to provide accessibility to every corner of the serene park. Crowned by a canopy of trees and carpeted by fresh green grass, the Central Park and the Recreational Hub is perfect for families to unwind, nurture bonds and create new memories.

True to the Group's eco-friendly vision, even the original trees have all been retained and transplanted into the green area.

For more info, log on to www.tropicanaheights.com

Besides the 16-acre central park, Tropicana Heights also offers a recreational hub for its residents



A group of people, including a woman in a yellow top and a man in a blue top, are exercising on stationary bikes in a gym. The woman in the foreground is smiling and looking towards the camera. The background is slightly blurred, showing other people and gym equipment.

Renewing the

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Besides the 16-acre central park, Tropicana Heights also offers a recreational hub for its residents



CORPORATE SOCIAL RESPONSIBILITY



Tropicana donates to six charity organisations during Tropicana 2014 Annual Dinner (from left) - Datin Lynda Latimer, Vice President of Rumah Amal Cheshire Selangor; Eddie Tham, Trustee of Pusat Penjagaan Kanak-Kanak Cacat Taman Megah; Dato' Dickson Tan, Deputy Group CEO of Tropicana; Most Ven Datuk K Sri Dhammaratana, Founder of Ti-Ratana Welfare Society; Dato' Yau Kok Seng, Group CEO of Tropicana; Dillon Tan, Executive Director of Tropicana; Puan Sri Tong Siew Bee, Commissioner of Tzu Chi Foundation Malaysia; Puan Fadzilah; Officer of PPRIM Rumah Solehah and Dato' Hj Saidin, Vice President of Pertubuhan Pendidikan Anak-Anak Yatim Selangor

“At Tropicana, we realise that in succeeding as a business entity with a strong brand, we must make an effort to reach out and assist in the communities where we operate. We understand that as a responsible property group, our business strategy must not only be aligned to the needs of society but also do what we can to minimise the impact on the environment, the marketplace and our workplace.”

It is a journey that reflects the dynamic nature of an organisation like Tropicana, which has spanned over two decades and has never lost sight in its goal in building thriving communities. We pursue a long-term perspectives to uphold the promises we make to our customers, clients, shareholders, employees, policy makers and the community at large. It is an inherent part of our businesses and today, this has become the cornerstone of our success.

We strive to understand our environmental and social responsibilities. We know that we need to continue to challenge our mind set, finding different yet innovative ways to design our developments. We recognise that while this might not always be easy, it is an essential as we have an opportunity to lead in this challenging area.

Moving forward, Tropicana remains committed to improve the economic, environmental and social well-being of its stakeholders via by designing integrated developments, embracing innovative practices as well as high quality products and services without compromising the environment for future generations. By building momentum across our four pillars of good corporate citizenship, we will support the delivery of great outcomes for our clients, markets, employees and communities.

Corporate Social Responsibility

Community

We continue to make positive strides in our corporate social responsibility initiatives as we believe that we will integrate better into the community around us. Increasingly, we align our community development efforts with our corporate strategy while maintaining long-standing relationships that benefit both the communities in which we live and work. Making a positive impact on the community is a priority as we believe that we are enriching the lives of those in need through simple acts that touch the lives of many.

Through the Tropicana Foundation (formerly known as Dijaya Tropicana Foundation) and other companies within the Group, we have donated more than RM3.8 million during the year under review. Armed with passion to help improve lives and build thriving communities that burns brightly in each and every one of us, we remain unchanged in our efforts.

Given the nature of our business, we will continue to pursue our long-term perspective to uphold the promises we make to our customers today.

Enhancing Our Environmental Footprint

As a responsible developer, we believe in innovating fresh approaches to build a healthier environment. Our customers are always looking for naturally-defined landscapes, fresh air and lush greenery in choosing a place to call home. Driven to improve the quality of life of our homeowners, tenants and even serviced resident guests, for the financial year under review we stayed true to our DNA

that focuses on accessibility, connectivity, innovative concepts and designs, generous open spaces, amenities, facilities, multi-tiered security and quality.

Step by step, we ensured our master plans addressed their needs, with each of them with its own green lung, facilities and amenities that bring comfort and serenity to the lives of those who live there. These developments include Tropicana Avenue in Tropicana Golf & Country Resort, Tropicana Gardens in Kota Damansara, Tropicana Metropark in Subang and Tropicana Heights in Kajang.

Through our efforts, we worked hard to include verdant greenery, replanted mature trees, preserved unique species and more recently, even set up an organic greenhouse for the use of residents. This is our commitment to reducing our carbon footprint as well as improve the environmental health of our communities over the short- and long-term.

As we progress, we believe we will increasingly shape industry best practices in building thriving communities where humanity and the environment are at a balance. We continued to integrate good environmental management into our procedures and this has given us a strong foundation which ensures sustained environmental improvement, generate prosperity and community value through our work. In practicing these quality standards, our previously held Green Building Index (GBI) Silver rating at Tropicana Gardens was upgraded to GBI Gold rating for the use of sustainable materials and architecture. This was indeed a step in the right direction, and we will strive to do better.



Team Spirit: Tropicana donated RM90,000 to The Edge Rat Race 2014 and sent out 10 teams to partake in the race

Corporate Social Responsibility



In true spirit of giving, Tropicana donates to three charity organisations during Tropicana Golf & Country Resorts Hari Raya Open House. (Top row from left): Dato' Yau Kok Seng, Group CEO of Tropicana; Guest of Honour YBhg Dato' Mohd Arif Abdul Rahman, Secretary General of Ministry of Agriculture & Agro-Based Industry; Dato' Dickson Tan, Deputy Group CEO of Tropicana; YBhg Tan Sri Rastam, Chairman of Tropicana and YBhg Tan Sri Nik Hashim, Chairman of Tropicana Golf & Country Resort Berhad

Strengthening Trust, Integrity and Ethics

Tropicana has a strong ethical culture, which starts with the tone we set at the top. Essentially, this means that our people are committed to building trust and acting with integrity in everything we do. We not only expect, but also demand the highest standards in every interaction with clients, customers, strategic partners, shareholders and the community.

Our consistent approach and ability to draw on knowledge and skills from around our business helps us to shape industry best practice. We demonstrate a strong commitment towards corporate governance, ethical behaviour, integrity

and transparency in all our business decisions through active conversations and open dialogues with our stakeholders. This, we believe is essential as our stakeholders will understand better the transformational growth journey we have undertaken, and our focus on long-term success.

Designing A Great Place to Work

At Tropicana, our people are our most important resource, and the heart of our success. We recognise that our success today depends on the performance of our employees.

In our commitment to attract and nurture a workforce that is second to none, we constantly assessed the competitiveness of our employees, and from there, created opportunities for them to develop additional skills, in line with our transformation journey. Not only did we invest in the development of our workforce and the skills of our future leaders, but we were also responsive to their concerns, continuously improving individual and organisational capabilities in ways that are both directly applicable to our employees' current responsibilities and future roles.

Our employees deserve an environment that is open, inclusive, collaborative, and diverse along multiple dimensions including thought, ethnicity, experience, and backgrounds. As part of our employees' growth journey, we provided a variety of learning and development opportunities as well as benefits that encouraged our employees' personal and professional development. Advancing our employees' continued education and learning is one of the best investments we can make as this will help us cement our position in the marketplace.

During the year under review, Tropicana conducted several outreach programmes that made a positive impact by improving lives, investing in our future and inspiring talent.



Giving back: Tropicana celebrated Mid-Autumn festival with 67 underprivileged children from two homes at Tropicana Metropark, Subang Jaya

Corporate Social Responsibility

Improving Lives: Towards Positive Social Upliftment

- Tropicana supported IJN Foundation's Save A life Dinner with RM10,000 contribution to the underprivileged and less fortunate heart patients.
- Tropicana donated RM10,000 to the Malaysian Retail Chain Association to promote health expansion of the retail industry in Malaysia and abroad.
- Through the Tropicana Foundation and Thai Odyssey, donated RM600,000 to Polis Diraja Malaysia and Majlis Sukan Negara for the wellbeing of the community.

Investing In Our Future: Supporting Child Education and Health

- Contributed RM300,000 to six charities and organisations, namely Ti-Ratana Welfare Society, Tzu Chi Foundation Malaysia, Cheshire Selangor, Pusat Penjagaan Kanak-Kanak Taman Megah, Rumah Bakti Dato' Harun and PPIM Rumah Solehah during the Tropicana Annual Dinner.
- In continuing with the tradition of giving back to society, Tropicana Foundation presented cheques amounting to RM500,000 to Borneo Care, Kidney Foundation, Starlight Children's Society, Kiwanis Down Syndrome Foundation, World Vision, Rumah Kasih, Hospis Malaysia, St John Ambulance Malaysia and UNICEF, in conjunction with the birthday celebrations of YBhg Tan Sri Dato' Danny Tan, founder and Group Executive Vice Chairman of Tropicana.
- Hosted a Hari Raya Open House for 200 children and adults from three charity organisations, Rumah Raudhatul Al-Faez, Rumah Amal Cheshire Selangor and PDK Pantai Dalam at the Tropicana Golf & Country Resort. These organisations also received RM10,000 each from Tropicana.

“We provided a variety of learning and development opportunities as well as benefits that encouraged our employees' personal and professional development.”

- Donated RM20,000 to the Big Hearts Charity Dinner to help children with critical health and pulmonary diseases that affects the lungs, brain and heart.

Inspiring Talent: Cultivating a Spirit for Joy and Welfare

- Tropicana Danga Bay and Tropicana Danga Cove donated RM3 million to the Football Association of Johor to encourage youths to take up sports, lead a more healthy lifestyle, unearth more talent amongst youths and train more professional footballers.
- Tropicana sent out 10 teams (the most among all participating companies) to The Edge Kuala Lumpur Rat Race 2014, and donated RM90,000 to The Edge Education Foundation.



Bringing cheers: Tropicana Golf & Country Resort hosted Hari Raya Open House for the underprivileged. Seen here, Dato' Dickson Tan (centre), Deputy Group CEO of Tropicana giving out the goodies and "duit raya"



Tropicana Foundation donates to Polis Diraja Malaysia and Majlis Sukan Negara (from left): Tan Sri Rastam, Independent Non-Executive Chairman of Tropicana; Yang Di-Hormati Tan Sri Khalid Abu Bakar, Inspector-General of Polis Diraja Malaysia; YBhg Tan Sri Dato' Danny Tan, Executive Vice Chairman of Tropicana and Dato' Dickson Tan, Deputy Group CEO of Tropicana

QUALITY ASSURANCE



At Tropicana Corporation Berhad (hereinafter refer as Tropicana), we have built our reputation as premier quality developer and we remain focused on our commitment to deliver fine workmanship and quality products. As Tropicana extends its presence across the nation and region, we regard these aspects as key values that makes a difference in our business.

In August 2014, Tropicana's Quality Management System (QMS) had received the accreditation for MS ISO 9001:2008 quality standard by SIRIM, Malaysia. This certification encompasses every core aspect of property development.

In addition to the QMS, Tropicana had also set its own benchmark through its commitment to the internationally recognised **Construction Quality Assessment System (CONQUAS)** for all the medium to high-end development projects within the Group. This commitment has been set as an operating policy and implemented by Tropicana, effective January 2014. As Tropicana is striving deliver quality products and services, the CONQUAS score certified to our projects is used as a quality yardstick to measure the quality of our products against workmanship standards and specifications.

Tropicana has always aimed at excellence in every aspect of its operations. In order to remain at the forefront of today's competitive market, Tropicana recognises that our relentless efforts in casting "Built-In Quality" into our well-designed products shall be strengthened with consistent staff training and education. Over the years, we have successfully raised staff awareness and competencies in quality and technical aspects, through series of internal workshop, sharing sessions, and technical seminar facilitated by industry specialist. Tropicana's senior management have constantly communicated and demonstrated great passion in driving internal learning among staff, to re-collect, share experiences and key learnings from projects executed.

In Tropicana, we believe a key value that makes great difference in our success is to challenge and build our team and associates with right competencies to outperform and set new industry benchmarks. We do recognise that a well-conceptualised

development will required the finest workmanship to deliver premier quality products to our customers. Thus we acknowledge the importance of growing the competencies of our contractors through a series of self-driven Quality Benchmark Training (QBT) which challenges and sets new quality workmanship benchmarks to our contractors. This continuous sharing, learn and re-learn process has challenged our business partners (e.g. contractor and consultant team) to constantly excel and deliver beyond our customer expectations.

Tropicana believes customer satisfaction is a fundamental concept within the corporate culture and is the prime factor that determines and sustains our business achievements. Since the launch of QMS, Tropicana had adopted an effective and structured approach to collect feedback, analyse and act further to eliminate defects and prevent recurrence of the same causes of customer complaints in our future developments.

At Tropicana, leadership by example to consistently communicate on quality commitment and customer satisfaction in our business are essential to nurture and strengthen a corporate culture that promotes high quality standards of work performance. This was made possible through the relentless efforts and initiatives by our strong leadership team, supported by key personnel, together with the commitment from all levels of staff in our organisation. We believe that "Quality is a shared commitment".

INVESTOR RELATIONS



Taking Communication with Stakeholders Seriously

Tropicana places strong emphasis on practising a culture of good corporate governance and continuous engagement with all our stakeholders. We understand that good governance and transparency strengthens confidence and promotes integrity as well as trust in our company.

For us at Tropicana, engaging with our stakeholders is more than just mailing out statements and annual meetings. We have constantly focused on proactive outreach to ensure clear, direct and open communication which addresses concerns, as well as delivers positive and credible information in a relevant and timely manner.

These active conversations are conducted across all categories of stakeholders – existing and potential shareholders, employees, governments, customers as well as with analysts via briefing sessions, one-on-one meetings, investor events, media presentations and site visits. These events include Invest Malaysia 2014, an annual capital markets conference held in Kuala Lumpur in June 2014, and several other one-on-one as well as group meetings and briefings with investment analysts and institutional investor base.

Building Trust through Open Communication

Throughout our various interfaces, we not only addressed concerns, but also helped our stakeholders better understand our corporate strategies to deliver growth and shareholder value. From our Annual General Meetings to face-to-face interactions and media interviews, we have consistently maintained an open channel of communication to facilitate better information flow, build trust and demonstrate our commitment to ensuring the highest standards of transparency and accountability.

The Investor Relations Unit at Tropicana also proactively issued relevant and timely operational updates to the investment community in conjunction with the announcements of our interim as well as full year financial results. Media releases that communicated significant developments throughout the year were also shared with them.

We continue to remain a member of the Malaysian Investor Relations Association (MIRA) as it helps us keep abreast of industry best practices and strengthen our ties with the community.

Analysts or current and potential investors who would like to raise any query or provide feedback with regard to the Company are encouraged to contact our IR Team through:

Contact Person : **Mr Justin Law (Investor Relations Manager)**
 Email : **justin.law@tropicancorp.com.my**
 Tel : **603 7713 8288**
 Fax : **603 7713 8228**

We will respond to all enquiries promptly. For latest updates on the Company, shareholders and interested parties are also encouraged to access the Tropicana corporate website at www.tropicancorp.com.my as well as through Bursa Malaysia Securities website www.bursamalaysia.com

Reinvesting in the FUTURE

As a community builder, Tropicana recognises the importance of creating a sustainable future. Sustainable development education allows the next generation to acquire knowledge, skills, attitudes and values necessary to shape the future. Tropicana strives to create ideal and thriving townships that are strategic and holistic in nature. Building an education hub is a sign of Tropicana's commitment in not just creating a harmonious environment but to work in sync with the pulse of the local community.

Aiming to deliver education excellence across its townships, Tropicana has since partnered with:-

1. St Joseph to build an international school known as St Joseph Institution International School in the 409-acre Tropicana Indah Resort Homes, Petaling Jaya
2. GEMS Education to develop an international campus known as GEMS International School in the 88-acre Tropicana Metropark, Subang Jaya
3. Tenby Schools to construct a purpose-built campus known as Tenby International School in the 863-acre mixed township of Tropicana Aman, Shah Alam

With a quality education programme coupled with safe nurturing environment, the townships of Tropicana are set to be an ideal, conducive learning and living experience for its students and residents.





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s in

Tropicana recognises the importance of creating a sustainable future. Sustainable development education helps children to acquire knowledge, skills, attitudes and values necessary to shape the future. Tropicana supports strategic and holistic townships that are strategic and holistic in nature. Building an education hub is a sign of Tropicana's commitment in not just creating a harmonious environment but to work in sync with the pulse of the local community.

Continuing to deliver excellence across its townships, Tropicana has since partnered with:

- an international school in the 625-acre Tropicana Golf & Country Resort, Kelantan
- an international campus in the 88-acre Tropicana Metropark, Subang Jaya
- Tenby School in the township of Tropicana Aman, Kelantan

With a quality education programme coupled with safe nurturing environment, the townships provide a conducive learning and living experience for its students and residents.



GEMS

International School
TROPICANA METROPARK

EVENTS HIGHLIGHTS 2014

TROPICANA CORPORATION BERHAD



**FEB
12**

TROPICANA ANNUAL DINNER

Tropicana held its 2014 Annual Dinner at Tropicana Golf & Country Resort, with more than 1,500 staff and guests attending the Shanghai Night-themed dinner.

**APR
18**

TROPICANA REWARDS ITS MEMBERS

Tropicana unveiled its newly-designed Tropicana Privilege Cards to its loyal members at an appreciation night event. As part of the Group's continuous initiative to recognise and reward its loyal customers, the exclusive members-only event was a way of showing just how much Tropicana values its customers' trust and support.



**APR
15** - **MAY
31**

THE TROPICANA COLLECTION CAMPAIGN

The Tropicana Collection campaign launched from 15 April 2014 to 31 May 2014, recorded RM600 million in sales, underpinned by sustained demand at its exclusive projects across the prime hotspots of Penang, Klang Valley, Iskandar Malaysia and Kota Kinabalu.



**MAY
24**

FUTSAL FRENZY

More than 80 employees, making up eight teams joined the Tropicana Futsal Frenzy Tournament held at Sports Planet in Subang. The good mix of teams were from the various departments including Beverly Wilshire, Tropicana Golf & Country Resort, Tai Thong and Tropicana City Mall.

**MAY
06**

TROPICANA'S FLAGSHIP PROPERTY GALLERY IN SINGAPORE

Tropicana launched its flagship property gallery in Singapore which is aimed at generating exposure for the Group's broad range of exclusive, integrated projects in the key growth regions of Malaysia, namely Penang, Klang Valley and Iskandar Malaysia.



**MAY
09**

ASIA PACIFIC PROPERTY AWARDS 2014

Tropicana won four awards at the Asia Pacific Property Awards 2014.



**MAY
25**

PAM AWARDS 2014

Tropicana won the PAM Silver Award in the adaptive re-use category for the impressive Tropicana Metropark Property Gallery in Subang Jaya.



**JUN
13**

BCI ASIA AWARDS 2014

Tropicana won the BCI Asia Top 10 Developers Award 2014 for its role as a key industry player in the property industry and its numerous social and environmental contributions.



**AUG
11**

THE EDGE BILLION RINGGIT CLUB

Tropicana won another exciting achievement at the Edge Billion Ringgit Club Award 2014 for the highest growth profit in the property and REIT segment.



Events Highlights 2014

TROPICANA CORPORATION BERHAD


AUG 23 TROPICANA SUPPORTS HOMEFINDER EXHIBITION

Tropicana supported the property sector's first Homefinder Property & Investment Exhibition held at Mid Valley Megamall.


AUG 26 ASIA PACIFIC ENTREPRENEURSHIP AWARDS 2014

YBhg Tan Sri Dato' Danny Tan, Founder and Group Executive Vice Chairman of Tropicana received the prestigious Entrepreneur of the Year award at the Asia Pacific Entrepreneurship Awards 2014.

AUG 26

TROPICANA WINS BIG

Tropicana bagged several awards for its excellence in property development and CSR initiatives at the inaugural South East Asia Property Awards (Malaysia) 2014. The five awards won include Best CSR Developer, for its outstanding corporate social responsibility initiatives; Best Commercial Architectural Design award and Highly Recommended Best Luxury Condo Development for Tropicana Avenue; Best Housing Landscape Architectural Design and Highly Recommended Best Housing Development for Tropicana Heights.


SEPT 03 DOUBLE CELEBRATION AT TROPICANA

Tropicana celebrated two significant events – the grand opening of Tropicana's Flagship Property Gallery at Tropicana City Mall as well as the official unveiling of its new corporate website.

SEPT 13

THE EDGE AWARDS

Tropicana received two accolades, picking up The Edge Malaysia Notable Achievement Award 2014 and ranked number six in the Top Property Developer in Malaysia category.


SEPT 23

THE EDGE RAT RACE 2014

Tropicana sent the highest number of teams for the annual Edge Rat Race, with 10 teams and a generous donation of RM90,000 for The Edge Education Fund.


SEPT 06 TROPICANA CELEBRATES MID-AUTUMN FESTIVAL

Tropicana hosted a festive celebration for Tropicana Privilege Card members and invited two orphanage homes to its three main property galleries in Klang Valley, Iskandar Malaysia and Penang Island for the event.

SEPT 24

TROPICANA GOES GREEN

Tropicana launched its first Green Carnival at Tropicana Metropark, Subang Jaya which is aimed at bolstering an active, well-balanced and eco-friendly haven for residents and potential customers wanting to live, work or play in a secured environment.


NOV 02

TROPICANA GARDENS STILL GOING STRONG

Tropicana unveiled their highly anticipated residential phase of Tropicana Gardens – The Phase 3 Cyperus Tower.

NOV 01

THE TATLER AWARDS 2014

Tan Sri Dato' Danny Tan received the Diamond of Excellence Award 2014 at The Tatler Awards which recognises the achievements of the crème de la crème of Malaysia's high society.



Tropicana Metropark took home the iProperty.com People's Choice Awards for the Best High Rise Development Category with its first and second phase Pandora and Paloma Serviced Residences.

Events Highlights 2014

TROPICANA GOLF & COUNTRY RESORT



JAN
12

PROSPERITY COOKING CLASS

Chef Tan Eng Hooi, Sous Chef of Tropicana Golf & Country Resort hosted a special Prosperity cooking class where he shared two wonderful Chinese New Year recipes – Braised Prawns with Petola and Stir Fried Golden Dragon Vermicelli with a group of eager home cooks. Chef Tan shared a lot of useful cooking tips during his demonstration and participants were able to recreate the dishes at the two extra cooking stations provided. Both dishes received lots of praise as they were tasty and easy to prepare.

FEB - **FEB**
07 - **08**

CHINESE NEW YEAR KINDERLAND VISIT & LION DANCE PERFORMANCE

The management of TGCR visited Kinderland on the eight day of Chinese New Year and the pre-schoolers were excited to receive ang paos from the God of Prosperity!

TGCR management organized a lion dance performance for its members and residents to bring prosperity to everyone in the New Year.



MAY
13

CAPOEIRA (BRAZILIAN MARTIAL ART) DEMONSTRATION

Capoeira is a Brazilian martial art that combines elements of dance, acrobatics, music and is sometimes referred to as a game. Conducted by Brazilian Mestre Braulio Cavalheiro, he shared his quick and complex moves to the participants with music played by Capoeira traditional instruments.



MAY
25

12TH TROPICANA AGE-GROUP SWIMMING COMPETITION 2014

The annual members age-group swimming competition drew 50 participants from age 9 to 17 years old that categorised them into four groups. The competition was fierce under the hot sun.



JUN
25

CHARITY BOWLING WITH PUSAT LATIHAN KANAK-KANAK ISTIMEWA PELITA

A fun day for the special needs children from Pusat Latihan Kanak-kanak Istimewa Pelita. The children were excited about their visit to TGCR bowling center. The meaningful event ended with a sumptuous feast and a gift for every child.

Events Highlights 2014

TROPICANA GOLF & COUNTRY RESORT



JUN
29 - **JUL**
27

SANTAPAN 29 MALAM BUFFET DINNER

Another milestone of 35,000 members, residents and guests marked this year Holy Month "Santapan 29 Malam" Buffet! Special thanks to all the staff from the F&B department and all our employees who had volunteered to help out at the respective stalls throughout the 29 nights. Bravo to everyone



JUL
23

TOKEN OF APPRECIATION FROM TROPICANA RESIDENTS ASSOCIATION TO TROPICANA CORPORATION'S SECURITY DEPARTMENT

Tropicana Residents Association (TRA) presented Raya sweet delicacies to Tropicana Corporation's Auxiliary Police Security Department in appreciation of their hard work and dedication. The TRA representatives were Puan Sumirah Ahmad, Kelvyn Lim, Rozilah Othman, Sara Levy and Sandy Lim.



AUG
19

RAYA CHARITY

TGCR hosted a Hari Raya open house for 200 children and adults from three charity organisations recently with guest of honour, Agriculture and Agro-based Ministry Secretary-General Datuk Mohd Arif Abdul Rahman. In the spirit of giving and sharing, TGCR also donated to the charity organisations, namely Rumah Raudhatul Al-Faez, Rumah Amal Cheshire Selangor and PDK Pantain Dalam. The children and special needs adults were also entertained by Helmi the Gimmick and clowns who made balloon sculpture.

SEPT
20

CARLSBERG GOLF CLASSIC

TGCR was once again the participating golf club in Carlsberg Golf Classic (CGC), the country's biggest and longest-running golf tournament for amateurs.



Lim Hooi Leng (Gross champion) and Sieh Joo Chyn (Nett Champion) won this leg of the golf game and represented Tropicana Golf & Country Resort in the final at Kota Permai in December 2014 against other amateur golfers from all participating 40 golf clubs.

DEC
06

CHAMPION OF CHAMPIONS

After months of Monthly Medal, all Gross and Nett winners came together in this in house 'Champion of Champions' Golf Tournament. The winners received prizes inclusive of Toshiba LED TV, Canon Camera and gift vouchers.



DEC
31

THE RED CARPET NEW YEAR'S EVE COUNTDOWN DINNER & PARTY

2014 new year's eve countdown dinner & party is all about the glamour with the theme being 'The Red Carpet'. Emcee Mash entertained the crowd with fun games and live band performance by B'Thru. Puncak Niaga's Finance Department also joined in the celebration together with us on the last evening of 2014.



Events Highlights 2014

TROPICANA CITY MALL

JAN - **JAN**
09 - **29**

CHINESE NEW YEAR

Tropicana City Mall ("TCM" or "Mall") celebrated The Year of The Horse with an abundance of prosperity this year amidst a variety of performances and activities lined up its shoppers. TCM hosted children's workshops on every Saturday and Sunday from 9 till 29 January 2014 at 3.00pm such as dough figurine art, Chinese knotting art, paper cutting art and clay making sessions. These events gave parents the opportunity to bond with their children over the activities.



JUL - **JUL**
10 - **24**

HARI RAYA

In collaboration with Kraftangan Malaysia this Raya, TCM brought a great variety of locally-made products ranging from batik, songket, arts and crafts made of bamboos, rattan and more.

JUL HARI RAYA VISIT TO ORPHANAGE HOME

19

Tropicana City Mall Management and the crew from Suria FM visited the Rumah Kebajikan Anak – Anak Yatim Al-Nasuha at Batu Caves, Selangor to breakfast with the children. Kluang Station hosted the sumptuous dinner of *nasi lemak ayam goreng* while The Coffee Bean & Tea Leaf sponsored the ice lemon tea for all the children. There were also various sponsorships from tenants such as Rakuzen and Pasta Zanmai who provided goodies for the children.



AUG - **SEPT**
27 - **08**

MID-AUTUMN PARADE

The Mid-Autumn Parade, a signature event for TCM was held. In keeping with tradition, the community joined in the parade and 200 traditional lanterns were distributed to shoppers. The Lantern Parade was headed by two Radio DJs from 988 FM.



Events Highlights 2014



SEPT
07

STARBUCKS MID-AUTUMN LANTERN MAKING COMPETITION

Annual event organised by Starbucks Coffee, participants were required to use the materials by Starbucks such as the paper cups, plastic cups and straws to make a lantern. The winners walked away with hampers from Starbucks Coffee comprising the mooncakes set worth more than RM1,000 and 365 days of free coffee.

OCT - **OCT**
17 - **19**

THE STAR PROPERTY FAIR

The Star brought various property developers who showcased their latest projects to the shoppers with attractive deals.



NOV - **NOV**
11 - **17**

KOREAN FOOD FAIR

Held for the first time in Tropicana City Mall, the Korean food fair saw various types of Korean delights catered to the shoppers and food enthusiasts. TCM tenant, Oiso Korean Restaurant also setup a food kiosk, featuring their signature food, bibimbab and Korean pancakes.

NOV - **DEC**
26 - **25**

CHRISTMAS AT TCM

With the theme of fun-filled time, Tropicana City Mall was decorated with inflatables balloons of reindeers, Santa Claus, sliding houses, snowman, a play house that attracted not only children but also people from all walks of life. There were also performances from Korean pianist Yang I-deun during the weekends as well as meet and greet sessions with Santa Claus, it was a great Christmas time at TCM.



STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of Tropicana Corporation Berhad (“**Tropicana**” or “**Company**”) is committed to maintain high standards of corporate governance to protect and enhance the shareholders’ value as well as the continued growth and success of the Company and its subsidiaries (“**Group**”). The Board supports the principles and recommendations of the Malaysian Code on Corporate Governance 2012 (“**MCCG 2012**”) issued by the Securities Commission of Malaysia. The Board will continue to review the existing corporate governance practices throughout the Group and to undertake appropriate actions in embedding the principles and recommendations of the MCCG 2012 in its existing corporate governance practices in achieving excellence in corporate governance.

This statement, which is made pursuant to paragraph 15.25 of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), sets out the extent to which the Group has applied the principles and the recommendations of the MCCG 2012 throughout the financial year ended 31 December 2014 (“**FY2014**”).

BOARD OF DIRECTORS

Composition of the Board

Throughout the FY2014, the Board composition complied with paragraph 15.02 of the MMLR of Bursa Securities whereby at least one-third of the Board must be made up of Independent Directors. The Board, as at the date of this statement, consists of twelve (12) members made up of five (5) Independent Non-Executive Directors and seven (7) Executive Directors.

The Board comprises members from diverse backgrounds ranging from architecture, property development, property investment, finance, investment banking, legal, business management and public administration, all of which provide the Group with a wealth of expertise, experiences and networks to draw upon. The profiles of the Directors are set out in pages 36 to 41 of this annual report.

There is a clear division of responsibilities at the head of the Company. The Independent Non-Executive Chairman represents the Board to the shareholders and is responsible for the effective running of the Board. In his absence, the Independent Non-Executive Chairman is assisted by the Group Executive Vice Chairman, who mainly takes the executive leadership role. The Group Chief Executive Officer, assisted by the Deputy Group Chief Executive Officer, the Group Managing Directors and the Executive Directors are fully responsible for the effective running of the Group’s operations and the implementation of the Board’s policies and decisions. The presence of a sizable number of experienced Independent Non-Executive Directors ensures proper check and balance in the Board, and provides unbiased and independent views, advice and judgement, besides playing key supporting roles. The clear distinction of responsibilities between the Chairman and the Group Chief Executive Officer ensures a balance of power and authority, such that no individual or small group of individuals can dominate the Board’s decision-making. It is mandatory for all members of the Board to declare any of their interests in the transactions undertaken by the Group. In such instances, the interested Director(s) shall abstain from deliberation and the decision-making process.

As at the date of this statement, Tan Sri Dato’ Tan Chee Sing is a significant shareholder, who is having the ability to exercise a majority of votes for the election of directors. He holds a total of approximately seventy per cent (70%) of direct and indirect interests in the Company. The representations of five (5) Independent Non-Executive Directors in the Board of the Company, which is equivalent to forty-two per cent (42%) of the Board members, fairly reflects the investment of minority shareholders in the Company, which aggregated approximately thirty per cent (30%) of the issued and paid-up capital of the Company.

Duties and responsibilities of the Board

The Board assumes the following principal responsibilities in discharging its fiduciary and leadership functions:-

- reviews and adopts the strategic plan for the Group;
- oversees the conduct of the Group’s business to determine whether the business is being properly managed;
- identifies principal risks and ensures the implementation of appropriate systems to manage these risks;
- establishes a succession plan for the Company;
- oversees the development and implementation of an investor relations programme or shareholder communications policy for the Company;
- reviews the adequacy and the integrity of the Group’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines;
- ensures that the Company’s financial statements are true and fair and conform with the laws; and
- ensures that the Company adheres to high standards of ethics and corporate behaviour.

Statement On Corporate Governance

The Board is also mindful of the importance of building a sustainable business and therefore, takes into consideration its environmental, social and governance impact when developing the corporate strategy of the Group. The Company's activities in corporate social responsibilities for the year under review are disclosed in pages 48 to 51 of this annual report.

Ethics and Codes

The Board acknowledges its leadership role in creating ethical values and observing ethical conduct. The Board adopts and observes the Code of Ethics for Company Directors established by the Companies Commission of Malaysia, as the Board is fully supportive of the principles of the said Code of Ethics and finds it suitable for the Company to uphold the same principles. A copy of the said Code of Ethics can be found in the Board Charter marked as "Appendix I" in the Group's website at www.tropicanaacorp.com.my.

Board Charter

The Board is accountable and responsible for the performance and governance activities of the Group with a view of protecting shareholders' value and recognising the interests of all other stakeholders namely customers, suppliers, contractors, employees, regulators, members of the communities and all others with whom Tropicana interfaces.

The Board Charter is intended to identify the role, structure and processes related to key governance activities of the Board. It serves as a reference point for Board activities. It is designed to provide guidance and clarity for Directors and management with regard to the role of the Board and its committees, the roles of the top key positions of the Company, the requirements of Directors in carrying out their roles and in discharging their duties towards the Company as well as the Board's operating practices. A copy of the Board Charter is available at the Group's website www.tropicanaacorp.com.my.

Board Meetings

The Board meets at least once every quarter on a scheduled basis and additional meetings will be convened as and when deemed necessary by the Board. The quarterly Board meetings are scheduled in advance around the commencement of the financial year to allow the Directors to plan their appointments ahead and endeavours to facilitate full attendance at Board meetings. All proceedings, deliberations and conclusions of Board meetings are minuted by the Company Secretary and are confirmed by the Board members at the next Board meeting and subsequently signed by the Chairman of the next Board meeting as correct records of the proceedings of the meeting, or signed by the Chairman of the meeting at which the proceedings were held.

A total of six (6) Board meetings were held during the financial year ended 31 December 2014. Attendance record of each Board member is set out below:-

| Names of Directors | Attendance* |
|---|-------------|
| Tan Sri Rastam Bin Mohd Isa (<i>appointed on 25 April 2014</i>) | 4/4 |
| Tan Sri Dato' Tan Chee Sing | 6/6 |
| Dato' Yau Kok Seng | 6/6 |
| Dato' Dickson Tan Yong Loong | 6/6 |
| Datuk Kong Woon Jun | 6/6 |
| Kok Kong Chin (<i>appointed on 14 March 2014</i>) | 4/4 |
| Dillon Tan Yong Chin | 6/6 |
| Diana Tan Sheik Ni | 5/6 |
| Dato' Ng Tian Sang @ Ng Kek Chuan | 6/6 |
| Datuk Seri Panglima Mohd Annuar Bin Zaini | 6/6 |
| Tang Vee Mun | 5/6 |
| Dato' Gan Nyap Liou @ Gan Nyap Liow | 4/6 |
| Dato' Khoo Poh Chye (<i>resigned on 14 March 2014</i>) | 1/2 |

* Number of meetings attended / Number of meetings held during his tenure as Director

All the Directors have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated in the MMLR of Bursa Securities. In the intervals between Board meetings, for any matters requiring Board's decisions, Board's approvals are obtained through circular resolutions. The resolutions passed by way of such circular resolutions were then noted in the next Board meetings.

Statement On Corporate Governance

The Directors are to allocate sufficient time to the Company to perform their duties effectively including being prepared for the meetings and contributing effectively to the business of the Company. They should notify the Board before accepting any new directorships and such notification should include an indication of time that will be spent on the new appointment.

Supply of Information

The Directors have full and unrestricted access to all information pertaining to the Group's business and affairs to enable them to discharge their duties. All Directors are provided with reports and other relevant information on timely manner, covering various aspects of the Group's operations and performance. They are also provided with an agenda and a set of board papers pertaining to agenda items prior to Board meetings to allow sufficient time for the Directors to review, consider and deliberate on the issues and, where necessary, to obtain further information and explanations to facilitate informed decision-making.

The management is responsible for furnishing the Board with all information that may assist the Board in discharging its responsibilities and to facilitate informed decision-making. The Company Secretary, who is qualified and experienced, attends all Board meetings and ensures that accurate and adequate records of the proceedings of the Board meetings and decisions made are properly recorded. Senior management of the Group, external auditors and advisors are also invited to attend Board meetings on specific items on the agenda which require clarification. The Board will also be briefed on latest updates on the Group's business activities.

All Directors have access to the advice and services of the Company Secretary and senior management and may seek independent professional advice, at the Company's expense, if required, in furtherance of their duties.

The Company Secretary is responsible for ensuring the Board meeting procedures are followed and that applicable rules and regulations are complied with. The Company Secretary updates the Directors on any new changes and development to the statutory or regulatory requirements concerning their duties and responsibilities as well as general statutory compliances whenever the changes arise.

Appointment and Re-Election to the Board

In accordance with the Company's Articles of Association ("**Articles**"), all Directors who are appointed by the Board either to fill a casual vacancy or as an addition to the existing Directors are subject to re-election by shareholders at the Annual General Meeting ("**AGM**") following their appointment. The Articles also provide that at least one-third of the remaining Directors be subject to re-election by rotation at each AGM, including the Group Chief Executive Officer, Deputy Group Chief Executive Officer, Group Managing Directors and Executive Directors provided always that all the Directors shall retire from their office at least once every three years. All retiring Directors are eligible to offer themselves for re-election at the AGM. Directors over 70 years of age will be required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

The Board continuously reviews its size and composition with particular consideration on its impact on the effective functioning of the Board.

Any proposed candidate for the appointment as Director of the Board will be recommended by the Nomination Committee to the Board for full deliberation.

During the financial year under review, the Independent Non-Executive Directors did a self-evaluation of their independence based on the criteria of independence of the MMLR of Bursa Securities and the Board had reviewed and assessed the results of the said self-evaluation. The Board Charter indicates the restriction for the tenure of an Independent Director to a cumulative term of nine (9) years. However, an Independent Director may continue to serve the Board upon reaching the 9-year limit subject to the Independent Director's re-designation as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director as Independent after the latter has served a cumulative term of nine (9) years, the Board must justify the decision and seek shareholders' approval at general meeting. In justifying the decision, the Nomination Committee is entrusted to assess the candidate's suitability to continue as an Independent Non-Executive Director based on the criteria on independence.

Statement On Corporate Governance

Directors' Training

All existing Directors have attended the Mandatory Accreditation Programme (“MAP”) prescribed by Bursa Securities. The Directors are encouraged to attend continuing education programmes and seminars to keep abreast with current developments in the market place and with new statutory and regulatory requirements. They are provided with updates from time to time on relevant new laws and regulations affecting their directorships and relevant compliances.

The Directors of the Company, who attended training programmes during the FY2014, are enlisted as below:-

| Names of Directors | Titles of Seminars/ Workshops/ Courses |
|---|--|
| Tan Sri Rastam Bin Mohd Isa (appointed on 25 April 2014) | <ul style="list-style-type: none"> • ISIS National Forum on “Malaysia’s Goods and Services Tax: Possible Lessons from the United Kingdom and Singapore” • LSE Asia Forum 2014 • Khazanah Megatrends Forum |
| Tan Sri Dato’ Tan Chee Sing | <ul style="list-style-type: none"> • (In-house training under Note 1 below) • (In-house training under Note 2 below) |
| Dato’ Yau Kok Seng | <ul style="list-style-type: none"> • HSBC Forum on “China Globalising; Renminbi Rising Conference” • Greater China CEO Summit 2014 • (In-house training under Note 1 below) • (In-house training under Note 2 below) |
| Dato’ Dickson Tan Yong Loong | <ul style="list-style-type: none"> • (In-house training under Note 1 below) • (In-house training under Note 2 below) |
| Datuk Kong Woon Jun | <ul style="list-style-type: none"> • LAB Majlis Perbandaran Subang Jaya (MPSJ) Bandar Hijau 2030 • (In-house training under Note 1 below) • (In-house training under Note 2 below) |
| Kok Kong Chin (appointed on 14 March 2014) | <ul style="list-style-type: none"> • MAP for Directors of Public Listed Companies • (In-house training under Note 2 below) |
| Dillon Tan Yong Chin | <ul style="list-style-type: none"> • (In-house training under Note 1 below) • (In-house training under Note 2 below) |
| Diana Tan Sheik Ni | <ul style="list-style-type: none"> • (In-house training under Note 1 below) • (In-house training under Note 2 below) |
| Dato’ Ng Tian Sang @ Ng Kek Chuan | <ul style="list-style-type: none"> • (In-house training under Note 1 below) • (In-house training under Note 2 below) |
| Datuk Seri Panglima Mohd Annuar Bin Zaini | <ul style="list-style-type: none"> • (In-house training under Note 1 below) • (In-house training under Note 2 below) |
| Tang Vee Mun | <ul style="list-style-type: none"> • (In-house training under Note 1 below) • (In-house training under Note 2 below) |
| Dato’ Gan Nyap Liou @ Gan Nyap Liow | <ul style="list-style-type: none"> • (In-house training under Note 1 below) |

Note 1:

In-house training conducted by Ernst & Young on 13 February 2014, which covered the topics as described below:-

- Goods and Services Tax (“GST”) Briefing
- Corporate Governance
 - Part 1: Corporate Governance Overview: Risk Management and Internal Control – Are Boards Aware What They Are Up Against?
 - Part 2: Board Responsibilities in relation to Risk Management and Internal Control
 - Part 3: Risks - What to Watch Out For Under Current Economic Conditions – Sharing of Ernst & Young’s Risk Survey.
- Malaysian Financial Reporting Standards (“MFRS”) Update
 - Overview of MFRS 10, MFRS 11 and MFRS 12: Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities.

Note 2:

In-house training conducted by Pricewaterhousecoopers Taxation Services Sdn Bhd on 27 November 2014, which covered the topic on GST Implementation.

Statement On Corporate Governance

Board Committees

During the FY2014, the Board has delegated specific responsibilities to several committees, namely the Audit Committee, Nomination Committee, Remuneration Committee, Option Committee, Risk Management Committee, Executive Committee and Pricing Committee. These Committees operate within their respective defined terms of reference approved and specific authority delegated by the Board. The Chairman of the respective Committees will report to the Board the outcome of each Committee meeting and the reporting of the outcome will be minuted accordingly. The Board, however, retains full responsibility for the final decision on all matters.

(i) Audit Committee

As at the date of this statement, the Audit Committee consists of four (4) Independent Non-Executive Directors, two (2) of whom are qualified Accountants. The members of the Audit Committee are as follows:-

- Dato' Ng Tian Sang @ Ng Kek Chuan (Chairman)
- Datuk Seri Panglima Mohd Annuar Bin Zaini
- Tang Vee Mun
- Dato' Gan Nyap Liou @ Gan Nyap Liow.

The Audit Committee assists and supports the Board in fulfilling its fiduciary responsibilities in terms of the Group's applicable financial reporting standards, practices, accounting policies, internal controls, business ethics policies and in assessing the suitability and independence of the Group's external and internal auditors.

Every year, the external auditors, at one of the Audit Committee meetings, would confirm to the Audit Committee members their independence throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the Malaysian Institute of Accountants. It is a policy of the external auditor firm to rotate the partner-in-charge after five (5) years of audit engagement with the Company.

The Audit Committee met four (4) times during the FY2014. The activities of the Audit Committee for the FY2014 are reported in the Audit Committee Report as set out in page 77 of this annual report.

The Audit Committee Report is set out in pages 76 to 78 of this annual report.

(ii) Nomination Committee

The Nomination Committee, as at the date of this statement, comprises the following three (3) members, all being Independent Non-Executive Directors:-

- Dato' Ng Tian Sang @ Ng Kek Chuan (Chairman)
- Datuk Seri Panglima Mohd Annuar Bin Zaini
- Tang Vee Mun

The Nomination Committee has been given the responsibility to recommend new appointments to the Board and Board Committees of Tropicana. The Nomination Committee reviews the evaluation process and evaluation forms for all Board members to participate in the annual evaluation of the effectiveness of the Board, Board Committees and the contribution of each Director.

The selection criteria of members for Board composition is primarily based on the merits of competency, knowledge, experience, expertise, skill, character, integrity and time commitment of the candidates as well as taking into consideration gender, ethnicity and age.

The Nomination Committee makes no decision on behalf of the Board but makes recommendations to the Board for approval.

Statement On Corporate Governance

The Nomination Committee met three (3) times during the FY2014. The activities of the Nomination Committee in the discharge of its duties for the FY2014 were as follows:-

- (a) Reviewed the results evaluating the effectiveness of the Board as a whole, the effectiveness of the Board Committees, the contributions of each individual Director and the independence of the Independent Directors, taking into consideration the required skills mix, experience, competence, integrity and other requisite qualities, including core competencies contributed by Non-Executive Directors.
- (b) Considered and recommended additional Directors to the Board;
- (c) Considered and recommended the promotion of Executive Directors on the Board;
- (d) Considered and recommended changes to the composition of Board Committees;
- (e) Considered and recommended the formation and composition of a new Board Committee namely Pricing Committee.
- (f) The summaries of the results of the Board evaluation for FY2014 were analysed by the Nomination Committee, who then identified action plan and timeframe for implementation of the action plan for recommendation to the Board for approval. The Board evaluations carried out were properly documented.

(iii) Remuneration Committee

As at the date of this statement, the Remuneration Committee comprises three (3) Independent Non-Executive Directors and the Deputy Group Chief Executive Officer, the majority of whom are Independent Non-Executive Directors. They are as follows:-

- Datuk Seri Panglima Mohd Annuar Bin Zaini (Chairman)
- Dato' Ng Tian Sang @ Ng Kek Chuan
- Tang Vee Mun
- Dato' Dickson Tan Yong Loong.

The Remuneration Committee assists the Board in its responsibilities of assessing the remuneration packages of the Directors.

The policy practised on Directors' remuneration by the Remuneration Committee is that the level of remuneration should be sufficient to attract, motivate and retain Directors of the quality required to effectively manage the businesses of the Group. As for Non-Executive Directors, the fees reflect the experience and level of responsibilities undertaken by the Non-Executive Directors concerned. All Directors had abstained from discussion and decision on their own remuneration.

The Remuneration Committee met three (3) times during the FY2014 mainly to review the remuneration packages of the Executive Directors.

The details of the remuneration of Directors of the Company for the FY2014 are as follows:-

| Category | Fees (RM'000) | Salaries and Other Emoluments (RM'000) | Bonus (RM'000) | Defined Contribution Plan (RM'000) | Share Options granted under ESOS (RM'000) | Total (RM'000) |
|-------------------------|------------------|---|-------------------|---|--|-------------------|
| Executive Directors | 2,863* | 18,680 | 2,096 | 2,307 | 7,399 | 33,345 |
| Non-Executive Directors | 712 | 145 | - | - | 1,143 | 2,000 |

(The above disclosures include all Directors who held office during the FY2014)

(* Included are emoluments received from a jointly controlled entity)

Statement On Corporate Governance

The aggregate remuneration of Directors of the Company categorised into appropriate bands of RM50,000 are as follows:-

| Range of Remuneration | No. of Directors | |
|-----------------------------|---------------------|-------------------------|
| | Executive Directors | Non-Executive Directors |
| RM300,001 – RM350,000 | 1 | 2 |
| RM350,001 – RM400,000 | - | 1 |
| RM450,001 – RM500,000 | - | 2 |
| RM2,250,001 – RM2,300,000 | 1 | - |
| RM2,550,001 – RM2,600,000 | 1 | - |
| RM2,800,001 – RM2,850,000 | 1 | - |
| RM3,150,001 – RM3,200,000 | 1 | - |
| M3,800,001 – RM3,850,000 | 1 | - |
| RM4,000,001 – RM4,050,000 | 1 | - |
| RM14,300,001 – RM14,350,000 | 1 | - |

(The above disclosures include all Directors who held office during the FY2014)

(iv) Option Committee

The Option Committee, established to administer the Company's Employee Share Option Scheme ("ESOS"), comprises the following members as at the date of this statement:-

- Tan Sri Dato' Tan Chee Sing (Chairman)
- Dato' Yau Kok Seng
- Dato' Dickson Tan Yong Loong
- Dato' Ng Tian Sang @ Ng Kek Chuan
- Tang Vee Mun

The primary responsibility of the Option Committee is to administer the ESOS in accordance with the objectives and regulations thereof as set out in the ESOS Bye-Laws and in such manner as it shall deem fit and with such powers and duties as are conferred upon it by the Board.

The Option Committee held one (1) meeting during the FY2014 to recommend proposed allocation of options pursuant to the ESOS of the Company.

(v) Risk Management Committee

The Risk Management Committee ("RMC") shall comprise not fewer than five (5) members. As at the date of this statement, the RMC comprises the following members:-

- Tang Vee Mun (Chairman)
- Dato' Ng Tian Sang @ Ng Kek Chuan
- Dato' Yau Kok Seng
- Dato' Dickson Tan Yong Loong
- Datuk Kong Woon Jun

The responsibilities of the RMC for risk oversight include, amongst others, to set out the objectives, strategy and scope of risk management activities for the Group and to ensure that the Group's risk management strategy and methodology have been implemented and consistently applied.

The Risk Management Committee held four (4) meetings during the financial year to review the quarterly risk profiles of Tropicana Group and to review and recommend the Statement of Risk Management and Internal Control for the Board's approval.

Statement On Corporate Governance

(vi) Executive Committee

The Executive Committee (“EXCO”) is made up of Executive Directors and the members, as at the date of this statement, are as follows:-

- Tan Sri Dato’ Tan Chee Sing (Chairman)
- Dato’ Yau Kok Seng (Deputy Chairman)
- Dato’ Dickson Tan Yong Loong
- Datuk Kong Woon Jun
- Kok Kong Chin
- Dillon Tan Yong Chin
- Diana Tan Sheik Ni

The EXCO provides oversight of key strategic activities and conducts periodic reviews of financial performance, operations and human resource matters.

The EXCO shall have primary authority for the management of the Group’s operations and strategic policy implementation, subject to policies approved by the Board.

(vii) Pricing Committee

The Pricing Committee shall comprise no fewer than five (5) members, majority of whom shall be Executive Directors and a minimum of two (2) Non-Executive Directors. As at the date of this statement, the members are as follows:-

- Dato’ Gan Nyap Liou @ Gan Nyap Liow (Chairman)
- Tang Vee Mun
- Dato’ Yau Kok Seng
- Dato’ Dickson Tan Yong Loong
- Datuk Kong Woon Jun

The principal objective of the Pricing Committee is to approve the minimum/net selling prices of the new launches of properties to be developed by Tropicana Group to ensure the prices set are market driven.

SHAREHOLDERS

Communications with Shareholders and Relationship with Investors

Tropicana Group recognises and practices transparency and accountability to its shareholders and investors. As such, the Group ensures timely dissemination of information through appropriate channels of communications to shareholders and investors to ensure that they are properly informed of major developments of the Group. Such information is communicated to them through the annual reports, press releases and the various disclosures and announcements made to Bursa Securities from time to time, including the quarterly and annual results. These information and documents are accessible on Bursa Malaysia’s website at www.bursamalaysia.com. The Company attends to the requests of analysts and fund managers for briefings from time to time.

Tropicana’s website at www.tropicana.com.my also provides an avenue for shareholders and members of the public to access information pertaining to Tropicana Group, which is being updated regularly.

Dato’ Ng Tian Sang @ Ng Kek Chuan is the Senior Independent Non-Executive Director, whose primary function is to facilitate any concerns of the shareholders of the Company.

Statement On Corporate Governance

General Meetings

The Company's AGMs are the principal forum for dialogue and interaction with its shareholders at which the shareholders are annually informed and updated on current developments of Tropicana Group. The Board presents an overview of the performance of businesses in Tropicana Group and encourages shareholders to participate in the question and answer sessions. The Board members, senior management and the Company's external auditors as well as advisers, if applicable, are available to respond to shareholders' questions during the meeting. Shareholders are also informed of their right to demand for a poll.

The results of all resolutions proposed at general meetings are announced to Bursa Securities.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible for ensuring that all financial statements of the Company and the Group are drawn up in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the state of affairs and the results of the Company and of the Group. The Board is committed to providing a clear, balanced and comprehensive meaningful assessment of the Group's financial performance and prospects, primarily through the annual financial statements and quarterly announcements of results to shareholders as well as through the Chairman's Statement, the messages from the Group Executive Vice Chairman and the Group Chief Executive Officer in the annual report. The Group's audited financial statements for the FY2014 are presented in pages 80 to 203 in this annual report.

Risk Management and Internal Control

The Board has overall responsibility for maintaining a sound system of internal controls which includes financial controls, operational and compliance controls and risk management to safeguard shareholders' interest and the Company's assets. The Group's system of internal control is regularly reviewed to ensure its effectiveness. While acknowledging its responsibility for the system of internal control, the Board is aware that such a system cannot totally eliminate risks and thus can never be an absolute assurance against the Group failing to achieve its objectives.

The Board has established an internal audit function and identified a head of internal audit, who reports directly to the Audit Committee.

The Group's Statement on Risk Management and Internal Control for the FY2014 is set out in pages 74 to 75 of this annual report.

Relationship with External Auditors

The Board, through the Audit Committee, has always maintained a formal and transparent relationship with the external auditors. The Audit Committee meets up with the external auditors to discuss the audit planning memorandum and their audit findings. The Audit Committee also engages in private sessions with the external auditors without the presence of the Executive Directors and employees of the Company or the Group.

This statement is made in accordance with a resolution of the Board dated 11 May 2015.

ADDITIONAL COMPLIANCE INFORMATION

STATUS OF UTILISATION OF PROCEEDS RAISED FROM ANY CORPORATE EXERCISE

Tropicana Corporation Berhad (“Tropicana”) did not raise and did not have any balance of any proceeds from any corporate proposal during the financial year ended 31 December 2014 (“FY2014”).

SHARE BUY-BACK

During the FY2014, the Company did not undertake any share buy-back, resell or cancel any treasury shares. To-date, 22,816,300 shares are retained as treasury shares.

WARRANTS 2009/2019

Tropicana did not issue any warrants during FY2014. However, a total of 116 warrants were exercised during this period.

OPTIONS

During the financial year under review, there were 41,550,000 options granted to the eligible employees and Directors of the Group. A total of 10,986,868 share options were exercised during that period.

CONVERTIBLE SECURITIES

Tropicana issued 10-year 3% redeemable convertible unsecured loan stocks (“RCULS”) of RM684,681,436 nominal value on 30 August 2012. The salient features of the RCULS are disclosed in Note 30 to the Audited Financial Statements for the FY2014.

There was a conversion of RM361,400,000 nominal value of RCULS into 278,000,000 ordinary shares of RM1.00 each in Tropicana at the conversion price of RM1.30 per RCULS during the financial year under review.

Subsequent to the FY2014, there was a conversion of RM76,281,436 nominal value of RCULS into 50,854,290 ordinary shares of RM1.00 each in Tropicana at the conversion price of RM1.50 per RCULS. Consequent thereto, there is no more outstanding RCULS.

DEPOSITORY RECEIPT PROGRAMME

The Company did not sponsor any Depository Receipt Programme during the FY2014.

SANCTIONS AND/OR PENALTIES

No sanctions or penalties were imposed on the Company or its subsidiaries, Directors or management by the relevant regulatory bodies during the FY2014.

NON-AUDIT FEES

The total amount of non-audit fees incurred for services rendered to the Company and its subsidiaries for the FY2014 by the Company’s external auditors, Messrs Ernst & Young or their affiliates was RM309,600.

VARIANCE IN RESULTS

There was no profit estimate, forecast or projection made by the Company for the FY2014.

There was no deviation of 10% or more in the profit after tax and minority interest between the Group’s unaudited results previously announced and the audited results for the FY2014.

PROFIT GUARANTEE

The Company did not receive any profit guarantee during the FY2014.

MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS

Neither the Company nor any of its subsidiaries had entered into any material contracts (not being contracts entered into in the ordinary course of business) which involved Directors and/or major shareholders’ interests, either still subsisting at the end of the FY2014, or entered into since the end of the previous financial year.

Rethinking retail, metropolitan living and COMMERCE

Recently, Tropicana unveiled its very first 5-star property in Kuala Lumpur City Centre. The Residences prides itself as the only modern luxury residences located in the heart of the city and is poised to become an iconic landmark. Built on 1.28 acres of freehold commercial land, the 55-storey tower is designed by one of the most renowned award-winning architects, Skidmore, Owings & Merrill or simply known as SOM. SOM's impressive portfolio includes the Burj Khalifa Tower, One World Trade Centre and they also designed six out of 12 tallest buildings in the world. The Residences will be anchoring the first 5-star W Hotel in Malaysia – a hotel brand which is recognised for its vibrancy, exclusivity and style.

Being at the forefront of the property industry, Tropicana continues to lead the way in sustainable development. The Residences has been categorised as a green building with resource and energy-efficient features in daily operations to power lifts and other utilities. Boasting the best a capital city has to offer – from international class shopping malls to glamorous restaurants and hip entertainment hot spots – The Residences is set to be the next vivacious, vogue and exciting hub in the city.

For more info, log on to www.tropicanatheresidences.com





Rethinking retail, metropolitan living and

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The Residences is set to be the next vivacious, vogue and exciting hub in the city.

For more info, log on to www.tropicanaresidences.com

Tropicana The Residences is set to redefine the cityscape of Kuala Lumpur



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

In line with Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, the Board of Directors is pleased to provide the following Statement on Risk Management and Internal Control.

BOARDS RESPONSIBILITY

The Board acknowledges its overall responsibility for the Group’s system of risk management and internal control, including the assurance of its adequacy and integrity, and its alignment with business objectives.

The Board regularly reviews the adequacy and effectiveness of the Group’s risk management and internal control system which has been embedded in all aspects of the Group’s activities and reviews the processes, responsibilities and assesses for reasonable assurance that risks have been managed within the Group’s risk appetite and tolerable ranges.

Due to limitations that are inherent in any systems of risk management and internal control, these systems adopted by the Group are designed to manage rather than to eliminate the risk of failure to achieve business objectives. These systems can only provide reasonable but not absolute assurance against any material misstatement or loss. However, the extent of responsibility does not extend to include that of the Group’s associated companies for the purpose of this review.

RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

RISK MANAGEMENT PROCESSES

The Board acknowledges all activities of an organisation involve risk and risk management as an integral process in achieving the Group’s business objectives.

With reference to a list of benefits listed in ISO 31000 Risk Management Standard, it is a requirement of an organisation to undertake risk management activities. The listed benefits include - the obligations of an organisation to comply with legal and regulatory terms which will assure the Company’s board on identifying significant risks and appropriate controls to follow. In addition, the structured information will support business decisions. In conclusion, risk management activities enhance operational efficiency, tactics, projects and improve initiatives.

Hence, the Group has in place an Enterprise Risk Management (“ERM”) Framework to identify, evaluate, monitor and manage the significant risks affecting the achievement of its business objectives and strategies.

This process is regularly reviewed by the Risk Management Committee (“RMC”). The responsibilities and detailed administrative duties of the RMC are set out in the Board-approved Risk Management Committee’s Terms of Reference.

Continuous risk assessment is fundamental to the Group’s risk management processes. All Head of Division and subsidiaries are tasked with reporting major risks on a quarterly basis, all identified risks and the controls for managing them are documented in the Risk Register. The Risk Management Department will consolidate the risks and summarise the significant items in the Group Risk Profile. This will then be presented to the RMC for their consideration and further action(s) to be taken.

The continuous risk management processes will enable the Group to achieve its business objectives and help maintain the Company’s reputation, while facilitating compliance with corporate governance best practices.

INTERNAL CONTROL PROCESSES

1 Board Committees

Clear roles of the Board and Board Committees are stated under the Statement of Corporate Governance section of this Audit Report. These Committees, which include Audit Committee, Nomination Committee, Remuneration Committee, Option Committee, Risk Management Committee and Executive Committee, operate within their respective defined terms of reference approved and specific authority delegated by the Board.

2 Organisational Structure and Responsibility Levels

The Group has an organizational structure that is aligned with its business and operational requirements, with clearly defined lines of accountability and has strict authorization, approval and control procedures which provide a sound framework. Responsibility levels are communicated throughout the Group which set out, amongst others, authorization level, segregations of duties and other policies and procedures.

Statement on Risk Management and Internal Control

3 Authority levels

Proper procedures governing the authority limits are affectively employed within the Group to govern and manage the business decision making process. These procedures are continuously reviewed and updated to ensure its relevance to the Group's operations.

4 Competency and Talent Management

To establish the Group's culture of continuous learning, there are policies and procedures for recruitment, performance appraisals and promotion to ensure that suitably qualified and competent personnel are hired and retained.

5 Senior Management Meetings

Scheduled meetings of senior management which comprises of the Group Chief Executive Officer, Deputy Group Chief Executive Officer, Managing Directors, Executive Directors and all divisional heads are conducted periodically to ensure effective implementation of all major decisions and business objectives are met.

6 Financial Performance

For effective monitoring and decision making, management accounts and reports which compares against the approved budget are prepared on a monthly basis for review by the senior management. The Board monitors the Group's performance by reviewing the quarterly results and examines the announcement to be made to the Bursa Malaysia Sdn Bhd ("BMSB"). These results are reviewed by the Audit Committee before they are tabled to the Board.

7 Monitoring and Review

The Group's Internal Audit Department ("IAD") reports to the Audit Committee. The IAD monitors compliance with the Group's policies and procedures and applicable law and regulations, and provides assurance on the adequacy and effectiveness of the internal control system by conducting regular audits and continuous assessments. Significant audit findings and recommendations for improvement are highlighted to senior management and the Audit Committee, with periodic follow-up reviews of the implementation of corrective plans.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control pursuant to the scope set out in Recommended Practice Guide ("RPG") 5, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysia Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the year ended 31st December 2014, and reported to the Board that nothing has come to their attention that causes them to believe the statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraph 41 and 42 of the Guidelines, nor is the Statement factually inaccurate.

RPG 5 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. The report from the External Auditors was made solely for, and directed solely to the Board of Directors in connection with their compliance with the listing requirements of Bursa Malaysia Securities Berhad and for no other purposes or parties. The External Auditors do not assume responsibility to any person other than the board of directors in respect of any aspect of this report.

CONCLUSION

In line with the Guidelines, the Group Chief Executive Officer and Chief Financial Officer have provided assurance to the Board that the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects to meet the Group's objectives during the financial year under review. There were no material control failures or adverse compliance events that have directly resulted in any material loss to the Group.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board of Directors dated 11 May 2015.

AUDIT COMMITTEE REPORT

The Board of Directors of Tropicana Corporation Berhad (“**Tropicana**” or “**Company**”) presents the Audit Committee Report of Tropicana for the financial year ended 31 December 2014 (“**FY2014**”) as follows:-

A. COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee comprised the following Directors during the FY2014:-

| | Attendance* |
|---|-------------|
| Dato’ Ng Tian Sang @ Ng Kek Chuan (Chairman / Independent Non-Executive Director) | 4/4 |
| Datuk Seri Panglima Mohd Annuar Bin Zaini (Member / Independent Non-Executive Director) | 4/4 |
| Tang Vee Mun (Member / Independent Non-Executive Director) | 3/4 |
| Dato’ Gan Nyap Liou @ Gan Nyap Liow (Member / Independent Non-Executive Director) | 3/4 |

* Number of meetings attended/ Number of meetings held during his tenure as member

Throughout the financial year under review, the Audit Committee of the Board was made up of no fewer than three (3) members, who were all Independent Non-Executive Directors, including the Audit Committee Chairman. Dato’ Ng Tian Sang @ Ng Kek Chuan and Dato’ Gan Nyap Liou @ Gan Nyap Liow are members of the Malaysian Institute of Accountants. Dato’ Ng Tian Sang @ Ng Kek Chuan is also a member of the Australian Association of Certified Practising Accountants. All members of the Audit Committee are financially literate. The composition of the Audit Committee meets the provisions of paragraphs 15.09 and 15.10 of the Main Market Listing Requirements (“**MMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).

B. SUMMARY OF TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Composition of the Audit Committee

The Audit Committee must be appointed by the Board from amongst the Directors and shall consist of no fewer than three (3) members. All the Audit Committee members must be Non-Executive Directors, with a majority of them being Independent Directors.

All members of the Audit Committee should be financially literate and at least one (1) member of the Audit Committee must be a member of the MIA or fulfills such other requirements as prescribed or approved by Bursa Securities.

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

The Chairman of the Audit Committee must be an Independent Director appointed by the Board.

Functions and Duties

The Audit Committee assists and supports the Board in fulfilling its fiduciary responsibilities relating to the Group’s financial reporting practices, accounting policies, internal controls, business ethics policies and the independence of the Group’s external and internal auditors. In this respect, the Board has specified the duties of the Audit Committee in the terms of reference of the Audit Committee and they are tabled as below:-

1. To review the following and report the same to the Board:-
 - (a) with the external auditor, the audit plan;
 - (b) with the external auditor, his evaluation of the system of internal controls;
 - (c) with the external auditor, the audit reports, the external auditors’ management letter and management’s response;
 - (d) to discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure coordination where more than one audit firm is involved;
 - (e) the assistance given by the Company’s employees to the external auditor;
 - (f) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:-
 - i) changes in accounting policies and practices;
 - ii) significant adjustments arising from the audit;
 - iii) compliance with accounting standards and other statutory and legal requirements;
 - iv) the going concern assumption; and
 - v) any major judgmental areas;
 - (g) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
2. To review any matters concerning the appointment and re-appointment, audit fee and any questions of resignation or dismissal of external auditors as well as on the external auditors’ independence, objectives and effectiveness, taking into consideration their relevant professional and regulatory requirements.
3. To prepare the Audit Committee Report at the end of each financial year.

Audit Committee Report

4. To discuss all other problems and reservations arising from the interim and final external audits and any matters the external auditors may wish to discuss in the absence of management and/or executive board members, where necessary.
5. To promptly report to Bursa Securities where the Audit Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the MMLR of Bursa Securities.
6. To do the following in relation to the internal audit function:-
 - (a) review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
 - (b) review the internal audit programmes, processes, the results of the internal audit programmes, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - (c) review and approve any appointment, termination, appraisal and assessment of the members of the internal audit function; and
 - (d) take cognisance of the resignation of internal audit staff members and provide the resigning staff member an opportunity to submit his reason for resigning.
7. To consider the major findings of internal investigations and management's response; and
8. To consider other related matters as defined by the Board.

C. MEETINGS OF THE AUDIT COMMITTEE

The Audit Committee held four (4) meetings during the FY2014. The attendance record is as indicated in the table under item A above, next to the respective names of the Audit Committee members.

The Executive Directors of the Board, which included the Group Chief Executive Officer, and senior management attended the Audit Committee meetings held in the FY2014 upon the invitation by the Chairman of the Audit Committee. The Group's head of internal audit attended all the Audit Committee meetings.

The external auditors attended two (2) of the Audit Committee meetings during the financial year under review. In addition to that, the external auditors had two (2) private sessions with the Audit Committee where all the Executive Directors and the senior management were excused from the meetings save for the Company Secretary, who recorded the proceedings of the private sessions.

The Audit Committee has direct access to the external auditors and internal auditors, or vice versa, if they wish to do so.

D. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR

During the financial year under review, the Audit Committee carried out the following activities in accordance with its terms of reference:-

- (a) Reviewed the unaudited interim consolidated results of the Group for the quarter ended 31 December 2013, 31 March 2014, 30 June 2014 and 30 September 2014 as well as the audited financial statements of the Group and the Company for the financial year ended 31 December 2013 before the recommendation to the Board for approval and subsequent announcements to Bursa Securities and submission to the Securities Commission.
- (b) Reviewed the quarterly report by the internal auditors in relation to the recurrent related party transactions of revenue nature entered into by the Group for the quarters ended 31 December 2013, 31 March 2014, 30 June 2014 and 30 September 2014.
- (c) Reviewed the reports by the internal auditors with regard to the findings of the audit activities in line with the internal audit programme, the recommendations of the internal auditors and the management responses.
- (d) Discussed the significant audit findings of the external auditors in respect of the financial statements of the Group for the year ended 31 December 2013.
- (e) Reviewed the Audit Committee Report, the Statement on Risk Management and Internal Control and Additional Compliance Information for the purpose of publication of the Annual Report 2013.
- (f) Reviewed and approved the Internal Audit Planning Memorandum for the Company and its subsidiaries for the financial year ending 2015.
- (g) Reviewed and discussed the External Audit Planning Memorandum for the Company and its subsidiaries in respect of the FY2014.
- (h) Met the external auditors without the presence of the Executive Directors and employees of the Company or Group save and except for the Company Secretary, who recorded the proceedings of meeting.

E. INTERNAL AUDIT FUNCTION

The Audit Committee is supported by an independent and adequately resourced in-house Group Internal Audit Department ("GIAD") in the discharge of its duties and responsibilities. Its principal activity is to perform regular and systematic reviews of the system internal control so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively.

Audit Committee Report

During the financial year under review, the internal audit activities have been carried out by the GIAD according to the Audit Planning Memorandum (“APM”), which had been approved by the Audit Committee. The scope of the internal audit covered the audits of all units and operations, including subsidiaries to provide the Audit Committee with assurance that the system of internal control of the Group achieved the following:-

- The business was planned and conducted in an orderly, prudent and cost effective manner;
- Transactions and commitments were entered into in accordance with management’s authority;
- Compliance with set policies and procedures;
- The management was able to safeguard the assets and control the liabilities of the Group i.e. there were measures to minimise and detect any loss from irregularities, frauds and errors; and
- The financial and other operational records of the business provided complete, accurate and timely information.

Eighteen (18) audit reports were issued during the financial year incorporating findings and recommendations with regard to system and control, weaknesses noted in the course of audit, the management’s responses and the remedial actions on the implementation of all findings and recommendations in its review process.

In the course of auditing, the Internal Auditors have identified some internal control weaknesses which have been or are being addressed. None of these weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Company’s Annual Report.

The total cost incurred for the internal audit function in respect of the FY2014 was RM910,168.

F. EMPLOYEE SHARE OPTION SCHEME

The Company implemented an Employee Share Option Scheme (“ESOS”) for the eligible Directors and employees of Tropicana Group on 21 September 2005 for a period of 10 years expiring on 20 September 2015. The set of bye-laws in relation to this ESOS was approved by the shareholders of the Company at an Extraordinary General Meeting (“EGM”) held on 24 June 2005 and was later amended and approved by the shareholders at an EGM held on 3 October 2011 and the 35th Annual General Meeting held on 26 June 2014.

The salient terms of the ESOS and the movement of the options during the FY2014 are set out in Note 32 to the financial statements.

Disclosure of ESOS information pursuant to Appendix 9C, Part A (27) of MMLR of Bursa Securities are as follows:-

(a) BRIEF DETAILS OF THE ESOS:

| Options Movement | During the Financial Year |
|--|---------------------------|
| Total number of options granted as at 1.1.2014 | 43,959,685 |
| Total options granted / additional adjustment | 41,550,000 |
| Total number of options exercised | 10,986,868 |
| Total number of options forfeited | 7,112,644 |
| Total options outstanding as at 31.12.2014 | 67,410,173 |

(b) ESOS GRANTED TO DIRECTORS AND CHIEF EXECUTIVE OF TROPICANA:

| Options Movement | During the Financial Year |
|--|---------------------------|
| Total number of options granted as at 1.1.2014 | 16,284,170 |
| Total options granted / additional adjustment | 32,300,000 |
| Total number of options exercised | 5,404,500 |
| Total number of options forfeited | 1,815,010 |
| Total options outstanding as at 31.12.2014 | 41,364,660 |

(c) OPTIONS GRANTED TO DIRECTORS AND SENIOR MANAGEMENT OF TROPICANA GROUP:

| | Since Commencement of the ESOS | During the Financial Year |
|--|--------------------------------|---------------------------|
| Aggregate maximum allocation in percentage | 75.1% | 98.2% |
| Actual percentage granted | 74.7% | 98.2% |

(d) OPTIONS GRANTED TO NON-EXECUTIVE DIRECTORS OF TROPICANA GROUP DURING THE FINANCIAL YEAR:

| Names of Directors | Number of Options Granted/ Additional Adjustment | Number of Options Forfeited/ Exercised |
|--|--|--|
| 1. Tan Sri Rastam Bin Mohd Isa | 1,000,000 | - |
| 2. Dato’ Ng Tian Sang @ Ng Kek Chuan | 1,000,000 | - |
| 3. Datuk Seri Panglima Mohd Annuar Bin Zaini | 1,000,000 | - |
| 4. Tang Vee Mun | 1,000,000 | - |
| 5. Dato’ Gan Nyap Liou @ Gan Nyap Liow | 1,000,000 | - |

At the end of the FY2014, the Audit Committee reviewed the report by the Internal Audit Department on the verification of the allocation of the options to eligible Directors and employees of the Group under the ESOS. The result of the said verification indicates that the said allocation as being in compliance with the criteria for the allocation of options pursuant to the ESOS, as required under paragraph 8.17 of the MMLR of Bursa Securities.

This Audit Committee Report is made in accordance with a resolution of the Board dated 11 May 2015.

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Proxy Form

DIRECTORS' REPORT

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 activities of the Company are that of investment holding and provision of management services.

The principal activities of the subsidiaries, associates and joint ventures are disclosed in Notes 18, 19 and 20 to the financial statements respectively.

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

RESULTS

| | Group RM'000 | Company RM'000 |
|-------------------------------|-----------------|-------------------|
| Profit, net of tax | 383,081 | 119,897 |
| Profit attributable to: | | |
| Equity holders of the Company | 333,936 | 119,897 |
| Non-controlling interests | 49,145 | - |
| | 383,081 | 119,897 |

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

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 other than the effects arising from gain on disposal of investment properties which has resulted in an increase in the Group's profit for the year by RM62,179,000 as disclosed in Note 6 to the financial statements.

DIVIDENDS

The amount of dividends paid by the Company since 31 December 2013 were as follows:

| | RM'000 |
|---|--------|
| In respect of the financial year ended 31 December 2014: | |
| First interim single-tier dividend of 4.0 sen per share, on 1,367,759,772 ordinary shares, declared on 11 April 2014 and paid on 9 May 2014 | 54,710 |

The directors do not recommend the payment of final dividend in respect of the financial year ended 31 December 2014.

Directors' Report

DIRECTORS

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

| | |
|---|------------------------------|
| Tan Sri Dato' Tan Chee Sing | |
| Dato' Yau Kok Seng | |
| Dato' Dickson Tan Yong Loong | |
| Datuk Kong Woon Jun | |
| Dillon Tan Yong Chin | |
| Diana Tan Sheik Ni | |
| Tang Vee Mun | |
| Datuk Seri Panglima Mohd Annuar Bin Zaini | |
| Dato' Ng Tian Sang @ Ng Kek Chuan | |
| Dato' Gan Nyap Liou @ Gan Nyap Liow | |
| Kok Kong Chin | (Appointed on 14 March 2014) |
| Tan Sri Rastam Bin Mohd Isa | (Appointed on 25 April 2014) |
| Dato' Khoo Poh Chye | (Resigned on 14 March 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, other than those arising from the share options granted under the Employee Share Option Scheme ("ESOS").

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 11 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 40 to the financial statements.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares, warrants and options over shares in the Company and its related corporations during the financial year were as follows:

| | ← Tropicana Corporation Berhad → | | | |
|-----------------------------------|---|-------------|--------------|---------------------------|
| | ← Number of ordinary shares of RM1 each → | | | |
| | At 1 January 2014 | Acquired | Disposed | At 31 December 2014 |
| Direct interest | | | | |
| Tan Sri Dato' Tan Chee Sing | 356,608,830 | 54,712,800 | (10,830,400) | 400,491,230 |
| Dato' Yau Kok Seng | 2,000,000 | 2,600,000 | - | 4,600,000 |
| Datuk Kong Woon Jun | 362,200 | 500,000 | (500,000) | 362,200 |
| Diana Tan Sheik Ni | 200,000 | - | - | 200,000 |
| Dato' Ng Tian Sang @ Ng Kek Chuan | 2,000,000 | - | - | 2,000,000 |
| Indirect interest* | | | | |
| Tan Sri Dato' Tan Chee Sing | 328,001,537 | 301,500,000 | (75,500,000) | 554,001,537 |

Directors' Report

DIRECTORS' INTERESTS (CONT'D.)

← Tropicana Corporation Berhad →
← Number of Warrants 2009/2019 →

| | At 1 January 2014 | Acquired | Exercised | At 31 December 2014 |
|-----------------------------|-------------------------|----------|-----------|---------------------------|
| Direct interest | | | | |
| Tan Sri Dato' Tan Chee Sing | 49,304,036 | - | - | 49,304,036 |
| Indirect interest* | | | | |
| Tan Sri Dato' Tan Chee Sing | 24,800,950 | - | - | 24,800,950 |

← Tropicana Corporation Berhad →
← Number of options over ordinary shares of RM1 each →

| | At 1 January 2014 | Granted | Exercised | At 31 December 2014 |
|---|-------------------------|-----------|-------------|---------------------------|
| Tan Sri Dato' Tan Chee Sing | 112,800 | 2,100,000 | (2,212,800) | - |
| Dato' Yau Kok Seng | 5,900,000 | 2,100,000 | (2,600,000) | 5,400,000 |
| Dato' Dickson Tan Yong Loong | 6,399,890 | 2,100,000 | - | 8,499,890 |
| Datuk Kong Woon Jun | 1,964,770 | 3,000,000 | (500,000) | 4,464,770 |
| Kok Kong Chin | - | 6,000,000 | - | 6,000,000 |
| Dillon Tan Yong Chin | - | 6,000,000 | - | 6,000,000 |
| Diana Tan Sheik Ni | - | 6,000,000 | - | 6,000,000 |
| Tan Sri Rastam Bin Mohd Isa | - | 1,000,000 | - | 1,000,000 |
| Tang Vee Mun | - | 1,000,000 | - | 1,000,000 |
| Datuk Seri Panglima Mohd Annuar Bin Zaini | - | 1,000,000 | - | 1,000,000 |
| Dato' Ng Tian Sang @ Ng Kek Chuan | - | 1,000,000 | - | 1,000,000 |
| Dato' Gan Nyap Liou @ Gan Nyap Liow | - | 1,000,000 | - | 1,000,000 |

← Nominal value of Redeemable Convertible →
← Unsecured Loan Stock →

| | At 1 January 2014 RM | Issued RM | Conversion RM | At 31 December 2014 RM |
|------------------------------|-------------------------------|--------------|------------------|---------------------------------|
| Tan Sri Dato' Tan Chee Sing* | 437,681,436 | - | (361,400,000) | 76,281,436 |

* Indirect interests are interests held by companies in which the directors are deemed to have interests and/or shares held by spouse.

Tan Sri Dato' Tan Chee Sing, by virtue of his interest in shares in the Company, is also deemed interested in the shares in all the Company's subsidiaries to the extent the Company has an interest.

Other than as disclosed above, none of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

ISSUE OF SHARES

The Company increased its issued and paid-up share capital from RM1,107,281,354 to RM1,396,268,338 by way of the issuance of:

- (a) 278,000,000 ordinary shares of RM1 each pursuant to the conversion of RM361,400,000 nominal value Redeemable Convertible Unsecured Loan Stock converted at RM1.30 per ordinary share;
- (b) 10,986,868 ordinary shares of RM1 each for cash pursuant to the exercise of share options exercised under the Company's Employee Share Option Scheme at an average exercise price of RM1.09 per ordinary share; and
- (c) 116 ordinary shares of RM1 each for cash pursuant to the exercise of Warrant 2009/2019 at an exercise price of RM1.00 per ordinary share.

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

EMPLOYEE SHARE OPTION SCHEME

The Company's Employee Share Option Scheme ("ESOS") is governed by the Bye-Laws approved by the shareholders at an Extraordinary General Meeting held on 24 June 2005, which was subsequently amended by the shareholders at the Extraordinary General Meeting held on 3 October 2011 and at the 35th Annual General Meeting held on 26 June 2014. The ESOS was implemented on 21 September 2005 and is enforceable for a period of 10 years from the date of implementation. The salient features and other terms of the ESOS are disclosed in Note 32 to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of options holder, other than director, who have granted options to subscribe for less than 1,000,000 ordinary shares of RM1 each.

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

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 allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) it necessary to write off any bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent in respect of these financial statements; and
 - (ii) the values attributed to the 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 would 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.

Directors' Report

OTHER STATUTORY INFORMATION (CONT'D.)

- (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 or 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 their 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 AND SUBSEQUENT EVENTS

In addition to the significant events disclosed elsewhere in this report, other significant events and subsequent event are disclosed in Notes 48 and 49 respectively 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 17 February 2015.

Dato' Yau Kok Seng

Dato' Dickson Tan Yong Loong

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Dato' Yau Kok Seng and Dato' Dickson Tan Yong Loong, being two of the directors of Tropicana Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 88 to 202 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 53 on page 203 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 17 February 2015.

Dato' Yau Kok Seng

Dato' Dickson Tan Yong Loong

STATUTORY DECLARATION

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Lim Lai Seng, being the officer primarily responsible for the financial management of Tropicana Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 88 to 203 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed Lim Lai Seng
at Petaling Jaya in the State of Selangor,
Darul Ehsan on 17 February 2015

Lim Lai Seng

Before me,

N. MADHAVAN NAIR
B064
Commissioner of Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TROPICANA CORPORATION BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Tropicana 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 88 to 202.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 18 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 material to the consolidated financial statements and did not include any comment required to be made under Section 174(3) of the Act.

Independent Auditors' Report
TO THE MEMBERS OF TROPICANA CORPORATION BERHAD
(INCORPORATED IN MALAYSIA)

OTHER MATTERS

The supplementary information set out in Note 53 on page 203 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

Kuala Lumpur, Malaysia
17 February 2015

Hoh Yoon Hoong
No. 2990/08/16(J)
Chartered Accountant

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2014

| | Note | Group | | Company | |
|--|------|----------------|----------------|----------------|----------------------------|
| | | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 Restated |
| Revenue | 4 | 1,972,358 | 1,475,503 | 131,315 | 159,863 |
| Cost of sales | 5 | (1,247,174) | (893,576) | - | - |
| Gross profit | | 725,184 | 581,927 | 131,315 | 159,863 |
| Other items of income | | | | | |
| Other income | 6 | 110,157 | 206,881 | 34,531 | 19,197 |
| Other items of expense | | | | | |
| Administrative expenses | | (228,862) | (191,135) | (27,628) | (43,718) |
| Other expenses | | (132,465) | (108,860) | (15,533) | (3,223) |
| Operating profit | | 474,014 | 488,813 | 122,685 | 132,119 |
| Finance income | 7 | 10,602 | 9,064 | 32,181 | 32,594 |
| Finance costs | 8 | (49,510) | (77,943) | (35,514) | (30,922) |
| Share of results of associates | | 993 | 4,381 | - | - |
| Share of results of joint ventures | | 15,357 | 79,333 | - | - |
| Profit before tax | 9 | 451,456 | 503,648 | 119,352 | 133,791 |
| Income tax (expense)/credit | 12 | (68,375) | (125,276) | 545 | (27,248) |
| Profit, net of tax | | 383,081 | 378,372 | 119,897 | 106,543 |
| Other comprehensive income to be reclassified to profit and loss in subsequent period | | | | | |
| Foreign currency translation | | 1,716 | (404) | - | - |
| Total comprehensive income | | 384,797 | 377,968 | 119,897 | 106,543 |
| Profit attributable to: | | | | | |
| Equity holders of the Company | | 333,936 | 362,308 | | |
| Non-controlling interests | | 49,145 | 16,064 | | |
| | | 383,081 | 378,372 | | |
| Total comprehensive income attributable to: | | | | | |
| Equity holders of the Company | | 335,652 | 361,904 | | |
| Non-controlling interests | | 49,145 | 16,064 | | |
| | | 384,797 | 377,968 | | |
| Earnings per share attributable to owners of the parent (sen per share) | | | | | |
| Basic | 13 | 24.85 | 34.31 | | |
| Diluted | 13 | 24.56 | 33.30 | | |
| Net dividends per ordinary share in respect of the year (sen per share) | 14 | 4.00 | 3.40 | | |

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

STATEMENT OF FINANCIAL POSITION - GROUP

AS AT 31 DECEMBER 2014

| | Note | 2014 RM'000 | 2013 RM'000 |
|--------------------------------------|-------|------------------|------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 15 | 576,459 | 554,309 |
| Land held for property development | 16(a) | 2,099,484 | 1,390,636 |
| Investment properties | 17 | 541,333 | 1,299,445 |
| Investments in associates | 19 | 2,756 | 1,763 |
| Investments in joint ventures | 20 | 264,410 | 186,169 |
| Other investments | 21 | 312 | 312 |
| Security retainers accumulation fund | 22 | 4,050 | 3,837 |
| Intangible assets | 23 | 80,378 | 80,378 |
| Deferred tax assets | 34 | 38,609 | 50,875 |
| Other receivables | 25 | 5,967 | - |
| | | 3,613,758 | 3,567,724 |
| Current assets | | | |
| Property development costs | 16(b) | 935,673 | 554,339 |
| Inventories | 24 | 52,305 | 67,089 |
| Trade and other receivables | 25 | 808,534 | 383,287 |
| Other current assets | 26 | 505,484 | 248,820 |
| Tax recoverable | | 23,207 | 3,245 |
| Cash and bank balances | 27 | 452,627 | 497,233 |
| | | 2,777,830 | 1,754,013 |
| Assets classified as held for sale | 28 | 823,408 | 103,979 |
| | | 3,601,238 | 1,857,992 |
| Total assets | | 7,214,996 | 5,425,716 |

Statement of Financial Position - Group
AS AT 31 DECEMBER 2014

| | Note | 2014 RM'000 | 2013 RM'000 |
|---|------|----------------|----------------|
| Equity and liabilities | | | |
| Equity attributable to equity holders of the Company | | | |
| Share capital | 29 | 1,396,268 | 1,107,281 |
| Treasury shares | 29 | (42,779) | (42,779) |
| Share premium | 29 | 568,388 | 488,122 |
| Reserves | 30 | 1,011,092 | 1,017,632 |
| | | 2,932,969 | 2,570,256 |
| Non-controlling interests | | 252,212 | 163,778 |
| Total equity | | 3,185,181 | 2,734,034 |
| Non-current liabilities | | | |
| Sinking fund | 31 | 1,993 | 1,005 |
| Provision for liabilities | 33 | 44,643 | 41,390 |
| Deferred tax liabilities | 34 | 121,199 | 120,566 |
| Security retainers | 35 | 1,587 | 1,485 |
| Deferred licence fees | 36 | 80,733 | 77,400 |
| Borrowings | 37 | 1,672,897 | 1,566,751 |
| Trade payables | 38 | 496,274 | - |
| | | 2,419,326 | 1,808,597 |
| Current liabilities | | | |
| Deferred licence fees | 36 | 2,367 | 2,236 |
| Borrowings | 37 | 765,071 | 350,759 |
| Trade and other payables | 38 | 820,329 | 474,918 |
| Other current liabilities | 39 | - | 12,704 |
| Tax payable | | 22,722 | 42,468 |
| | | 1,610,489 | 883,085 |
| Total liabilities | | 4,029,815 | 2,691,682 |
| Total equity and liabilities | | 7,214,996 | 5,425,716 |

STATEMENT OF FINANCIAL POSITION - COMPANY

AS AT 31 DECEMBER 2014

| | Note | 2014 RM'000 | 2013 RM'000 |
|-------------------------------------|------|------------------|------------------|
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 15 | 2,314 | 3,425 |
| Investments in subsidiaries | 18 | 1,432,464 | 1,438,521 |
| Other investments | 21 | 312 | 312 |
| Deferred tax assets | 34 | 3,651 | 22,011 |
| | | 1,438,741 | 1,464,269 |
| Current assets | | | |
| Trade and other receivables | 25 | 1,464,505 | 1,104,626 |
| Other current assets | 26 | 3,639 | 3,725 |
| Tax recoverable | | 3,302 | 1,150 |
| Cash and bank balances | 27 | 138,340 | 61,718 |
| | | 1,609,786 | 1,171,219 |
| Total assets | | 3,048,527 | 2,635,488 |
| Equity and liabilities | | | |
| Equity | | | |
| Share capital | 29 | 1,396,268 | 1,107,281 |
| Treasury shares | 29 | (42,779) | (42,779) |
| Share premium | 29 | 568,388 | 488,122 |
| Reserves | 30 | 186,155 | 408,450 |
| Total equity | | 2,108,032 | 1,961,074 |
| Non-current liability | | | |
| Borrowings | 37 | 311,581 | 423,892 |
| Current liabilities | | | |
| Borrowings | 37 | 236,874 | 59,768 |
| Other payables | 38 | 392,040 | 190,754 |
| | | 628,914 | 250,522 |
| Total liabilities | | 940,495 | 674,414 |
| Total equity and liabilities | | 3,048,527 | 2,635,488 |

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

STATEMENT OF CHANGES IN EQUITY - GROUP

FOR THE YEAR ENDED 31 DECEMBER 2014

| | Attributable to equity holders of the Company | | | | | | | | | | | |
|--|---|-----------------|---------------|---------------------------|-----------------------|-------------------|---------------|-----------------|----------------|------------|---------------------------|--------------|
| | Foreign currency translation reserve | | | | | Non-distributable | | | | | | |
| | Share capital | Treasury shares | Share premium | Share translation reserve | Share options reserve | Warrants reserve | RCULS reserve | Retained profit | Total reserves | Total | Non-controlling interests | Total equity |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| | Note 29 | Note 29 | Note 29 | Note 30(a) | Note 30(b) | Note 30(c) | Note 30(d) | Note 30(c) | Note 30(d) | Note 30(d) | Note 30(d) | Note 30(d) |
| At 1 January 2014 | 1,107,281 | (42,779) | 488,122 | (893) | 6,772 | 45,960 | 368,660 | 597,133 | 1,505,754 | 2,570,256 | 163,778 | 2,734,034 |
| Total comprehensive income | - | - | - | 1,716 | - | - | - | 333,936 | 335,652 | 335,652 | 49,145 | 384,797 |
| Transactions with owners | | | | | | | | | | | | |
| Issue of ordinary shares pursuant to ESOS | 10,987 | - | 1,017 | - | - | - | - | - | 1,017 | 12,004 | - | 12,004 |
| Issue of ordinary shares pursuant to Warrant 2009/2019 | -* | - | - | - | - | - | - | - | - | - | - | - |
| Issue of ordinary shares pursuant to conversion of RCULS | 278,000 | - | 75,983 | - | - | - | (302,433) | - | (226,450) | 51,550 | - | 51,550 |
| Effects pursuant to ESOS on: | | | | | | | | | | | | |
| - exercise | - | - | 3,266 | - | (3,266) | - | - | - | - | - | - | - |
| - grant | - | - | - | - | 18,217 | - | - | 18,217 | 18,217 | 18,217 | - | 18,217 |
| - forfeiture | - | - | - | - | (1,537) | - | - | 1,537 | - | - | - | - |
| Issuance of equity to non-controlling interest | - | - | - | - | - | - | - | - | - | - | 49,554 | 49,554 |
| Dividend paid/payable to shareholders of the Company | - | - | - | - | - | - | - | (54,710) | (54,710) | (54,710) | - | (54,710) |
| - to non-controlling interest of a subsidiary | - | - | - | - | - | - | - | - | - | - | (10,265) | (10,265) |
| Total transactions with owners | 288,987 | - | 80,266 | - | 13,414 | - | (302,433) | (53,173) | (261,926) | 27,061 | 39,289 | 66,350 |
| At 31 December 2014 | 1,396,268 | (42,779) | 568,388 | 823 | 20,186 | 45,960 | 66,227 | 877,896 | 1,579,480 | 2,932,969 | 252,212 | 3,185,181 |

Statement of Changes in Equity - Group
FOR THE YEAR ENDED 31 DECEMBER 2014

| | Attributable to equity holders of the Company | | | | | | | | | | | |
|--|---|-----------------|---------------|-----------------------|------------------|-------------------|-----------------|----------------|--------------|---------------------------|--------------|-----------|
| | Foreign currency | | | | | Non-distributable | | | | | | |
| | Share capital | Treasury shares | Share premium | Share options reserve | Warrants reserve | RCULS reserve | Retained profit | Total reserves | Total equity | Non-controlling interests | Total equity | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| | Note 29 | Note 29 | Note 29 | Note 30(a) | Note 30(b) | Note 30(c) | Note 30(d) | Note 30(d) | Note 30(d) | Note 30(d) | Note 30(d) | |
| At 1 January 2013 | 793,087 | - | 354,549 | (489) | 3,966 | 48,124 | 576,481 | 322,887 | 1,305,518 | 2,098,605 | 127,643 | 2,226,248 |
| Total comprehensive income | - | - | - | (404) | - | - | - | 362,308 | 361,904 | 361,904 | 16,064 | 377,968 |
| Transactions with owners | | | | | | | | | | | | |
| Issue of ordinary shares pursuant to ESOS | 30,741 | - | 1,031 | - | - | - | - | - | 1,031 | 31,772 | - | 31,772 |
| Issue of ordinary shares pursuant to Warrants 2009/2019 | 7,146 | - | 2,164 | - | - | (2,164) | - | - | - | 7,146 | - | 7,146 |
| Issue of ordinary shares pursuant to conversion of RCULS | 190,000 | - | 56,414 | - | - | - | (207,821) | - | (151,407) | 38,593 | - | 38,593 |
| Issue of ordinary shares pursuant to Private Placement | 86,307 | - | 67,320 | - | - | - | - | 67,320 | 67,320 | 153,627 | - | 153,627 |
| Share issuance expenses for Private Placement | - | - | (3,539) | - | - | - | - | (3,539) | (3,539) | (3,539) | - | (3,539) |
| Purchase of treasury shares | - | (42,779) | - | - | - | - | - | - | - | (42,779) | - | (42,779) |
| Effects pursuant to ESOS on: | | | | | | | | | | | | |
| - exercise | - | - | 10,183 | - | (10,183) | - | - | - | - | - | - | - |
| - grant | - | - | 13,341 | - | 13,341 | - | - | 13,341 | 13,341 | 13,341 | - | 13,341 |
| - forfeiture | - | - | (352) | - | (352) | - | 352 | - | - | - | - | - |

Statement of Changes in Equity - Group
FOR THE YEAR ENDED 31 DECEMBER 2014

| | Attributable to equity holders of the Company | | Non-distributable | | | | Total | | Total equity RM'000 |
|--|---|------------------------|----------------------|------------------------------|-----------------------------------|--------------------------------|------------------------|-----------------------|----------------------------------|
| | Share capital RM'000 | Treasury shares RM'000 | Share premium RM'000 | Share options reserve RM'000 | Warrants reserve 2009/2019 RM'000 | RCULS reserve 2012/2022 RM'000 | Retained profit RM'000 | Total reserves RM'000 | |
| | Note 29 | Note 29 | Note 29 | Note 30(a) | Note 30(b) | Note 30(c) | Note 30(d) | Total RM'000 | Non-controlling interests RM'000 |
| Transactions with owners (cont'd.) | | | | | | | | | |
| Issuance of equity to non-controlling interest | - | - | - | - | - | - | - | - | 17,140 |
| Remeasurement of non-controlling interest | - | - | - | - | - | - | - | - | 6,231 |
| Dividend paid - to shareholders of the Company | - | - | - | - | - | - | (88,414) | (88,414) | - |
| - to non-controlling interest of a subsidiary | - | - | - | - | - | - | - | - | (3,300) |
| Total transactions with owners | 314,194 | (42,779) | 133,573 | - | 2,806 | (2,164) | (207,821) | (88,062) | 20,071 |
| At 31 December 2013 | 1,107,281 | (42,779) | 488,122 | (893) | 6,772 | 45,960 | 368,660 | 1,505,754 | 163,778 |
| | | | | | | | | 2,570,256 | 2,734,034 |

STATEMENT OF CHANGES IN EQUITY - COMPANY

FOR THE YEAR ENDED 31 DECEMBER 2014

| | Share capital RM'000 Note 29 | Treasury shares RM'000 Note 29 | Share premium RM'000 Note 29 | Reserves | | | Total equity RM'000 |
|--|------------------------------------|--------------------------------------|------------------------------------|---|--|--|------------------------|
| | | | | Share options reserve RM'000 Note 30(b) | Warrants reserve RM'000 Note 30(c) | RCULS (Accumulated losses)/ reserve RM'000 Note 30(d) | |
| At 1 January 2014 | 1,107,281 | (42,779) | 488,122 | 6,772 | 45,960 | 368,660 | 1,961,074 |
| Total comprehensive income | - | - | - | - | - | 119,897 | 119,897 |
| Transactions with owners | | | | | | | |
| Issue of ordinary shares pursuant to ESOS | 10,987 | - | 1,017 | - | - | - | 12,004 |
| Issue of ordinary shares pursuant to Warrant 2009/2019 | - * | - | - | - | - | - | - |
| Issue of ordinary shares pursuant to conversion of RCULS | 278,000 | - | 75,983 | - | - | (302,433) | 51,550 |
| Effects pursuant to ESOS on: | | | | | | | |
| - conversion | - | - | 3,266 | (3,266) | - | - | - |
| - grant | - | - | - | 18,217 | - | - | 18,217 |
| - forfeiture | - | - | - | (1,537) | - | - | - |
| Dividend paid | - | - | - | - | - | (54,710) | (54,710) |
| Total transactions with owners | 288,987 | - | 80,266 | 13,414 | - | (302,433) | 27,061 |
| At 31 December 2014 | 1,396,268 | (42,779) | 568,388 | 20,186 | 45,960 | 66,227 | 2,108,032 |

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2014

| | Group | |
|---|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| Cash flows from operating activities | | |
| Profit before tax | 451,456 | 503,648 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 29,069 | 22,658 |
| Property, plant and equipment written off | 1,893 | 3,682 |
| Fair value gains on investment properties | (22,053) | (104,628) |
| Gain on disposal of property, plant and equipment | (2,448) | (59,017) |
| Reversal of impairment loss on trade and other receivables | (276) | (183) |
| Share of profits in associates | (993) | (4,381) |
| Share of profits in joint ventures | (15,357) | (79,333) |
| Remeasurement of associate | - | (29,705) |
| Gain on disposal of investment properties | (62,179) | - |
| Unwinding of discount of security retainers | 102 | 110 |
| Other investment written off | - | 53 |
| Provision for liabilities | 14,763 | 35,904 |
| Unrealised foreign exchange loss | 1,716 | - |
| Amortisation of borrowings expenses | 6,291 | 10,404 |
| Loss on disposal of marketable securities | - | 623 |
| Net fair value loss on marketable securities | - | 861 |
| Goodwill written off | - | 50 |
| Amortisation of deferred license fees | (2,367) | (2,236) |
| Impairment loss on trade and other receivables | 748 | 266 |
| Amortisation of endowment fund premium | 11 | 11 |
| Unrealised returns on endowment policy | (224) | (218) |
| Interest income | (10,602) | (8,881) |
| Interest expense | 49,510 | 77,943 |
| Share options granted under ESOS | 17,113 | 13,341 |
| Operating profit before working capital changes | 456,173 | 380,972 |
| Changes in working capital: | | |
| Receivables | (234,755) | (289,372) |
| Deposits with licensed banks not available for use | (7,057) | (32,203) |
| Inventories | 14,784 | 29,488 |
| Property development costs | (26,063) | 116,407 |
| Land held for property development | (592,525) | (22,232) |
| Payables | (20,924) | 152,167 |
| Cash (used in)/generated from operations carried forward | (410,367) | 335,227 |

Statements of Cash Flows
FOR THE YEAR ENDED 31 DECEMBER 2014

| | Group | |
|---|------------------|-----------------|
| | 2014 RM'000 | 2013 RM'000 |
| Cash (used in)/generated from operations brought forward | (410,367) | 335,227 |
| Increase in sinking fund | 988 | 862 |
| Increase in deferred license fees | 5,831 | 6,260 |
| Interests paid | (110,456) | (90,787) |
| Taxes paid, net of refunds | (92,622) | (80,157) |
| Net cash (used in)/generated from operations | (606,626) | 171,405 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (89,227) | (78,353) |
| Purchase of investment properties | (29,556) | (20,988) |
| Investment in joint ventures | (65,418) | (29,650) |
| Proceeds from disposal of property, plant and equipment | 11,461 | 84,950 |
| Proceeds from disposal of investment properties | 185,312 | - |
| Proceeds from disposal of marketable securities | - | 9,747 |
| Interest received | 10,602 | 6,860 |
| Net cash outflow on acquisition of subsidiaries | - | (21,077) |
| Dividend received from a joint venture | 2,534 | - |
| Dividend received from an associate | - | 271 |
| Net cash generated from/(used in) investing activities | 25,708 | (48,240) |
| Cash flows from financing activities | | |
| Payment of issuance expenses for borrowings | (8,900) | (5,950) |
| Drawdown from borrowings | 1,125,282 | 484,838 |
| Repayment of borrowings | (541,858) | (412,270) |
| Repayment of hire purchase | (1,925) | (2,527) |
| Issue of ordinary shares pursuant to warrants | - | 7,146 |
| Issue of ordinary shares pursuant to ESOS | 12,004 | 31,772 |
| Issue of ordinary shares pursuant to Private Placement | - | 153,627 |
| Purchase of treasury shares | - | (42,779) |
| Share issuance expenses for Private Placement | - | (3,539) |
| Issuance of equity interest to non-controlling interests | 640 | 17,140 |
| Dividends paid to equity holders of the Company | (54,710) | (88,414) |
| Dividends paid to non-controlling interest of a subsidiary | (4,416) | (3,300) |
| Net cash generated from financing activities | 526,117 | 135,744 |
| Net (decrease)/increase in cash and cash equivalents | (54,801) | 258,909 |
| Effects of foreign exchange rate changes | (1,245) | (688) |
| Cash and cash equivalents at beginning of year | 446,652 | 188,431 |
| Cash and cash equivalents at end of year (Note 27) | 390,606 | 446,652 |

Statements of Cash Flows
FOR THE YEAR ENDED 31 DECEMBER 2014

| | Company | |
|--|-----------|-----------|
| | 2014 | 2013 |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| Profit before tax | 119,352 | 133,791 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 1,194 | 1,901 |
| Impairment loss on trade and other receivables | 6,713 | 24,227 |
| Reversal of impairment loss on trade and other receivables | (34,531) | (19,196) |
| Impairment loss on investments in subsidiaries | 5,854 | - |
| Reversal of impairment loss on investments in subsidiaries | - | (4,002) |
| Amortisation of borrowings expenses | 1,232 | 7,563 |
| Share options granted under ESOS | 1,143 | - |
| Gross dividend income | (131,170) | (159,814) |
| Interest income | (32,181) | (32,594) |
| Interest expense | 35,514 | 30,922 |
| Operating loss before working capital changes | (26,880) | (17,202) |
| Changes in working capital: | | |
| Receivables | (331,870) | (275,913) |
| Deposit in licensed banks not available for use | (4,662) | (31,049) |
| Payables | 350,138 | 160,361 |
| Cash used in from operations | (13,274) | (163,803) |
| Interest paid | (32,978) | (26,712) |
| Taxes paid, net of refunds | (431) | 25,198 |
| Net cash used in operating activities | (46,683) | (165,317) |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (83) | (722) |
| Interest received | 32,181 | 2,053 |
| Net cash outflow on subscription of additional ordinary shares in a subsidiary | (510) | - |
| Dividend received | - | 109,814 |
| Net cash generated from investing activities | 31,588 | 111,145 |

Statements of Cash Flows
FOR THE YEAR ENDED 31 DECEMBER 2014

| | Company | |
|---|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| Cash flows from financing activities | | |
| Payment of issuance expenses for borrowings | - | (3,865) |
| Drawdown from borrowings | 196,011 | 121,834 |
| Repayment of borrowings | (66,250) | (137,675) |
| Issue of ordinary shares pursuant to warrant | - | 7,146 |
| Issue of ordinary shares pursuant to ESOS | 12,004 | 31,772 |
| Issue of ordinary shares pursuant to Private Placement | - | 153,627 |
| Purchase of treasury shares | - | (42,779) |
| Share issuance expenses for Private Placement | - | (3,539) |
| Dividends paid to equity holders of the Company | (54,710) | (88,414) |
| Net cash generated from financing activities | 87,055 | 38,107 |
| Net increase/(decrease) in cash and cash equivalents | 71,960 | (16,065) |
| Cash and cash equivalents at beginning of year | 23,016 | 39,081 |
| Cash and cash equivalents at end of year (Note 27) | 94,976 | 23,016 |

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2014

1. CORPORATE INFORMATION

Tropicana Corporation Berhad (“the Company” or “Tropicana”) is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at LG-A1, Lower Ground Floor, Tropicana City Mall, No. 3 Jalan SS 20/27, 47400 Petaling Jaya, Selangor Darul Ehsan. The principal place of business of the Company is located at Level 7, 9, 10-12, Tropicana City Office Tower, No. 3, Jalan SS20/27, 47400 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are that of investment holding and provision of management services. The principal activities of the subsidiaries, associate and joint ventures are disclosed in Notes 18, 19 and 20 respectively. There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 17 February 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of Tropicana and its subsidiaries (collectively, “the Group”) have been prepared in accordance with Financial Reporting Standards (“FRSs”) and the Companies Act, 1965 in Malaysia. At the beginning of the current year financial year, the Group adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2014 as disclose in Note 2.2.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, except in the current financial year, the Group and the Company adopted the following new and amended FRS and IC Interpretations which are mandatory for annual financial periods beginning on or after 1 January 2014.

| Description | Effective for annual period beginning on or after |
|--|--|
| <i>Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities</i> | 1 January 2014 |
| <i>Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities</i> | 1 January 2014 |
| <i>Amendments to FRS 136: Recoverable Amount Disclosures for Non-Financial Assets</i> | 1 January 2014 |
| <i>Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting</i> | 1 January 2014 |
| <i>IC Interpretation 21 Levies</i> | 1 January 2014 |
| <i>Amendments to FRS 201: Property Development Activities</i> | 1 January 2014 |

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

Notes to the Financial Statements
31 DECEMBER 2014

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 and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

| Description | Effective for annual period beginning on or after |
|---|--|
| <i>Amendments to FRS 2: Share-based Payment</i> | 1 July 2014 |
| <i>Amendments to FRS 3: Business Combinations</i> | 1 July 2014 |
| <i>Amendments to FRS 8: Operating Segments</i> | 1 July 2014 |
| <i>Amendments to FRS 13: Fair Value Measurement</i> | 1 July 2014 |
| <i>Amendments to FRS 116 (Annual Improvements to FRSs 2010-2013 Cycle)</i> | 1 July 2014 |
| <i>Amendments to FRS 119 (Defined Benefit Plans: Employee Contributions)</i> | 1 July 2014 |
| <i>Amendments to FRS 124: Related Party Disclosures (Annual Improvements to FRSs 2010-2013 Cycle)</i> | 1 July 2014 |
| <i>Amendments to FRS 138: Intangible Assets</i> | 1 July 2014 |
| <i>Amendments to FRS 140: Investment Property (Annual Improvements to FRSs 2011-2013 Cycle)</i> | 1 July 2014 |
| <i>Amendments to FRS 5: Non-current Assets held for sales and Discontinued Operations (Annual Improvements to FRSs 2012-2014 Cycle)</i> | 1 January 2016 |
| <i>Amendments to FRS 7 (Annual Improvements to FRSs 2012-2014 Cycle)</i> | 1 January 2016 |
| <i>Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> | 1 January 2016 |
| <i>Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception</i> | 1 January 2016 |
| <i>Amendments to FRS 11: Accounting for Acquisitions of Interests in Joint Operations</i> | 1 January 2016 |
| <i>FRS 14: Regulatory Deferral Accounts</i> | 1 January 2016 |
| <i>Amendments to FRS 101: Disclosure Initiatives</i> | 1 January 2016 |
| <i>Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation</i> | 1 January 2016 |
| <i>Amendments to FRS 119 (Annual Improvements to FRSs 2012-2014 Cycle)</i> | 1 January 2016 |
| <i>Amendments to FRS 127: Equity Method in Separate Financial Statements</i> | 1 January 2016 |
| <i>Amendments to FRS 134: (Annual Improvements to FRSs 2012-2014 Cycle)</i> | 1 January 2016 |
| <i>MFRS 15: Revenue from Contracts with Customers</i> | 1 January 2017 |
| <i>FRS 9: Financial Instruments</i> | 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:

FRS 9 Financial Instruments: Classification and Measurement

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2014, but Amendments to FRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures, issued in March 2013, moved the mandatory effective date to 1 January 2015. The adoption of the first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

Notes to the Financial Statements
31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including FRS 118 Revenue, FRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Directors anticipate that the application of MFRS 15 will have a material impact on the amounts reported and disclosures made in the Group's and the Company's financial statements. The Group is currently assessing the impact of MFRS 15 and plans to adopt the new standard on the required effective date.

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”).

On 2 September 2014, MASB announced that Transitioning Entities shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January 2017.

The Group falls within the scope definition of Transitioning Entities and accordingly, 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 commenced transitioning its accounting policies and financial reporting from the current Financial Reporting Standards to the MFRS Framework by establishing a project team to plan and manage the adoption of the MFRS Framework.

The Group has not completed its quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework due to the ongoing assessment by the project team. Accordingly, the consolidated 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.

The Group will achieve its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2017.

Notes to the Financial Statements

31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.4 Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2014. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- (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 or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) the contractual arrangement with the other vote holders of the investee;
- (ii) rights arising from other contractual arrangements; and
- (iii) the Group's voting rights and potential voting rights.

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

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Notes to the Financial Statements
31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Business combinations and goodwill

Business combinations 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 interest in the acquiree. For each business combination, the Group elects whether to measure non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

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 acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of FRS 139 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in either profit or loss or as a change to OCI. If the contingent consideration is not within scope of FRS 139, it is measured in accordance with the appropriate FRS. Contingent consideration that is classified as equity is not re-measured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill will acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.6 Financial instruments - initial recognition and subsequent measurement

(a) Financial assets

Financial assets within the scope of FRS139 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Notes to the Financial Statements

31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.6 Financial instruments - initial recognition and subsequent measurement (cont'd.)****(a) Financial assets (cont'd.)**

The subsequent measurement of financial assets depends on their classification as described below:

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

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by FRS 139.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the profit or loss.

Financial assets designated upon initial recognition at fair value through profit or loss are designated at their initial recognition date and only if the criteria under FRS139 are satisfied. The Group has not designated any financial assets at fair value through profit or loss.

The Group evaluates its financial assets held for trading, other than derivatives, to determine whether the intention to sell them in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intention to sell them in the foreseeable future significantly changes, the Group may elect to reclassify them. The reclassification to loans and receivables, available-for-sale or held to maturity depends on the nature of the asset. This evaluation does not affect any financial assets designated at fair value through profit or loss using the fair value option at designation, as these instruments cannot be reclassified after initial recognition.

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

(ii) Loans and receivables ("LAR")

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

(iii) Held-to-maturity investments ("HTM")

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortised cost using the EIR, less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss in finance costs. The Group did not have any held-to-maturity investments during the years ended 31 December 2014 and 2013.

Notes to the Financial Statements
31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.6 Financial instruments - initial recognition and subsequent measurement (cont'd.)

(a) Financial assets (cont'd.)

(iv) Available-for-sale financial assets ("AFS")

Available-for-sale financial investments include equity investments and debt securities. Equity investments classified as available for sale are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealised gains or losses recognised as other comprehensive income in the available-for-sale reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the available-for-sale reserve to the profit or loss in finance costs. Interest earned whilst holding available-for-sale financial investments is reported as interest income using the EIR method.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term is still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets and management's intention to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or until maturity. Reclassification to the held-to-maturity category is permitted only when the entity has the ability and intention to hold the financial asset accordingly.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- (a) The rights to receive cash flows from the asset have expired;
- (b) The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement;
 - (i) the Group has transferred substantially all the risks and rewards of the asset; or
 - (ii) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Notes to the Financial Statements

31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.6 Financial instruments - initial recognition and subsequent measurement (cont'd.)****(b) Impairment of financial assets**

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(i) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss 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 (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR.

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as finance income in the profit or loss. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in the profit or loss.

(ii) Available for sale financial investments

For available-for-sale financial investments, the Group assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss – is removed from other comprehensive income and recognised in the profit or loss. Impairment losses on equity investments are not reversed through profit or loss; increases in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the profit or loss.

Notes to the Financial Statements
31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.6 Financial instruments - initial recognition and subsequent measurement (cont'd.)

(b) Impairment of financial assets (cont'd.)

(ii) Available for sale financial investments (cont'd.)

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the profit or loss, the impairment loss is reversed through the profit or loss.

(c) Financial liabilities

Financial liabilities within the scope of FRS 139 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The measurement of financial liabilities depends on their classification as described below:

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

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

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by FRS 139. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in FRS 139 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

(ii) Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

(iii) Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

Notes to the Financial Statements

31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.6 Financial instruments - initial recognition and subsequent measurement (cont'd.)****(c) Financial liabilities (cont'd.)****Derecognition**

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

(d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(e) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

2.7 Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. 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 has an unlimited useful life, and therefore is not depreciated. Golf course expenditure is depreciated based on the period of the lease of 99 years, which will expire on 20 October 2090, and the leasehold lands and buildings are depreciated based on the period of the lease of 99 years and 20 to 50 years respectively.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

- Freehold building: 20 years
- Leasehold buildings: 20 to 50 years
- Leasehold lands: 99 years
- Golf course: 99 years
- Plant and machinery: 5 to 20 years
- Office furniture, fittings and equipment: 4 to 10 years
- Motor vehicles: 5 years

Construction-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

Notes to the Financial Statements
31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.8 Land held for property development and property development costs

(i) 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.

(ii) Property development costs

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

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 the profit or loss over billings to purchasers is classified as accrued billings within other current assets and the excess of billings to purchasers over revenue recognised in the profit or loss is classified as advance billings within other current liabilities.

2.9 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external, independent valuer.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the profit or loss in the period of derecognition.

Notes to the Financial Statements

31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.9 Investment properties (cont'd.)**

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2.10 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 indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the profit or loss in expense categories consistent with the function of the impaired asset, except for a property previously revalued when the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

The following asset has specific characteristics for impairment testing:

Goodwill

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Notes to the Financial Statements
31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.11 Inventories

Inventories represent completed residential properties, commercial properties and consumables.

Inventories of completed residential and commercial properties are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis and includes costs of land, construction and appropriate development overheads.

Inventories of consumables are stated at the lower of cost and net replacement cost. Cost is determined on the first-in, first-out basis.

Inventories of explosives are stated at lower of costs and net realisable value ("NRV"). Cost is determined using the weighted average cost method. The cost of raw materials comprises all costs of purchase plus the cost of bringing the inventories to their present location and condition. The cost of finished goods comprises raw materials, direct labour, other direct costs and production overheads based on normal operating capacity. It excludes borrowing costs.

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

2.12 Construction work-in-progress

Construction work-in-progress represents the gross unbilled amount expected to be collection from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction work-in-progress is presented as part of other current assets as amount due from contract customers in the statements of financial position for all contracts in which costs incurred plus recognised profits exceed progress billings. If progress billings exceed costs incurred plus recognised profits, then the difference is presented as amount due to contract customers which is part of the other current liabilities in the statements of financial position.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.14 Redeemable Convertible Unsecured Loan Stocks ("RCULS")

The RCULS are recognised as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible loan stock.

The difference between the proceeds of issue of the RCULS and the fair value assigned to the liability component, representing the conversion option is included in equity. The liability component is subsequently stated at amortised cost using the effective interest rate method until extinguished on conversion or redemption, whilst the value of the equity component is not adjusted in subsequent periods. Attributable transaction costs are apportioned and deducted directly from the liability and equity component based on their carrying amounts at the date of issue.

Under the effective interest rate method, the interest expense on the liability component is calculated by applying the prevailing market interest rate for a similar non-convertible loan stock to the instrument at the date of issue. The difference between this amount and the interest paid is added to the carrying amount of the RCULS.

Notes to the Financial Statements
31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.15 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.

2.16 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms.

2.17 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.

2.18 Investments in associates and joint ventures

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

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. 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.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interest in the subsidiaries of the associate or joint venture.

Notes to the Financial Statements

31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.18 Investments in associates and joint ventures (cont'd.)**

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss as Share of profit of an associate and joint venture in the statement of profit or loss.

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

In the Company's separate financial statements, investments in associates and joint ventures 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.

2.19 Leases

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

(a) As lessee

Finance leases that transfer substantially all the risks and benefits incidental to ownership of the leased item to the Group, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an operating expense in the profit or loss on a straight-line basis over the lease term.

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.20 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.

Notes to the Financial Statements

31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.21 Income taxes****(a) Current income tax**

Current income tax assets and liabilities for the current period 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, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or 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, when 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, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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:

- When 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 profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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.

Notes to the Financial Statements
31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.21 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 income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction to goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

(c) Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated within the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.22 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.

2.23 Sinking fund

Sinking fund of the Group is established for the purpose of covering costs of periodic major repairs or capital replacements in the golf and country resort of the Group. A fraction of 10% of monthly subscription fees received from members during the year are credited to this reserve.

The amount credited into the sinking fund account during the year is subsequently paid to a fund which is kept in a separate trust account and administered by a Trustee.

Monies in the sinking fund are invested by the Trustee. Any income arising out of the investment is accrued to the fund.

2.24 Deferred licence fees

License fees are received upon admission of new members of the golf and country resort of the Group after January 1993, and are recognised in the profit or loss over the remaining terms of the membership licenses, which would expire on 9 October 2051.

Notes to the Financial Statements

31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.25 Employee benefits****(a) Defined contribution plan**

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.

(b) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period of 5 years have expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

2.26 Foreign currencies

The Group's consolidated financial statements are presented in Ringgit Malaysia, which is also the parent company's functional currency. For each entity the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and has elected to recycle the gain or loss that arises from using this method.

(a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Notes to the Financial Statements
31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.26 Foreign currencies (cont'd.)

(b) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Ringgit Malaysia at the rate of exchange prevailing at the reporting date and their profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.27 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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment. The specific recognition criteria described below must also be met before revenue is recognised.

(a) Sale of properties

Revenue from sale of properties is accounted for by the stage of completion method.

(b) Recreation and resort operations

Entrance fees are recognised upon signing of membership agreements. Deferred license fees are recognised over the period of the membership. Income from monthly subscription fees is recognised on an accrual basis.

(c) 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.

(d) Rental of hotel rooms

Rental of hotel rooms is recognised when services are rendered on an accrual basis.

(e) Dividend income

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

(f) Interest income

Interest income is recognised by using the effective interest method.

(g) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(h) Management fees

Management fees are recognised when services are rendered.

Notes to the Financial Statements

31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.28 Government Grant**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related cost, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual instalments.

2.29 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 disclosed in Note 47, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.30 Contingencies

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

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

2.31 Fair value measurement

The Group measures financial instruments, such as, derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 42.

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:

- (a) In the principal market for the asset or liability, or
- (b) 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.

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

Notes to the Financial Statements

31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.31 Fair value measurement (cont'd.)**

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:

- (a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines 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.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted AFS financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, such as properties and AFS financial assets, and significant liabilities, such as contingent consideration. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

The management and the Group's external valuers present the valuation results to the audit committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations.

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

2.32 Discontinued operations

The Group classifies non-current assets and disposal groups as held for sale or for distribution to equity holders of the parent if their carrying amounts will be recovered principally through a sale or distribution rather than through continuing use. Such non-current assets and disposal groups classified as held for sale or as held for distribution are measured at the lower of their carrying amount and fair value less costs to sell or to distribute. Costs to distribute are the incremental costs directly attributable to the distribution, excluding the finance costs and income tax expense.

The criteria for held for distribution classification is regarded as met only when the distribution is highly probable and the asset or disposal group is available for immediate distribution in its present condition. Actions required to complete the distribution should indicate that it is unlikely that significant changes to the distribution will be made or that the distribution will be withdrawn. Management must be committed to the distribution expected within one year from the date of the classification. Similar considerations apply to assets or a disposal for sale.

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

Notes to the Financial Statements

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.32 Discontinued operations (cont'd.)**

Assets and liabilities classified as held for sale or for distribution are presented separately as current items in the statement of financial position.

A disposal group qualifies as discontinued operation if it is:

- A component of the Group that is a CGU or a group of CGUs
- Classified as held for sale or distribution or already disposed in such a way, or
- A major line of business or major geographical area

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

2.33 Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in share premium. Share options exercised during the reporting period are satisfied with treasury shares.

2.34 Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to 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

The Group classifies all other liabilities as non-current.

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

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3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Key sources of estimation uncertainty

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

(a) Property development

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

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenues and costs, as well as the recoverability of the property development costs. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised to the extent of property development costs incurred that it is probable will be recoverable until the activity reaches a desired stage of completion, which the Group views as a reasonable benchmark based on past experience and by relying on the work of specialists.

(b) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses 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. The total unrecognised tax losses and unutilised capital allowances of the Group was RM24,285,000 (2013: RM37,501,000) and RM2,895,000 (2013: RM2,895,000) respectively.

(c) Impairment of goodwill

Goodwill are tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value in use of the cash-generating units to which goodwill and brands are allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and brands and sensitivity analysis to changes in the assumptions are disclosed in Note 23.

(d) Impairment of loans and receivables

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

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivable at the reporting date is disclosed in Note 25. If the present value of estimated future cash flows decrease by 10% from management's estimates, the Group's allowance for impairment will increase by RM2,393,000 (2013: increase by RM2,028,000).

Notes to the Financial Statements

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3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D.)**3.1 Key sources of estimation uncertainty (cont'd.)****(e) Employee share options**

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions, sensitivity analysis and the carrying amounts are disclosed in Note 32.

(f) Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. Significant judgement is required in determining fair value which may be derived based on different valuation method. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. The Group engaged independent valuation specialists to determine fair value as at 31 December 2014.

3.2 Judgement made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgement, apart from there involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

(a) Classification between operating lease and finance lease for leasehold land

The Group has developed certain criteria based on FRS 117 Leases in making judgement whether a leasehold land should be classified either as operating lease or finance lease.

Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an assets and operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership. If the leasehold land meets the criteria of the finance lease, the lease will be classified as property, plant and equipment if it is for own use or will be classified as investment property if it is to earn rentals or for capital appreciation or both. Judgements are made on the individual leasehold land to determine whether the leasehold land qualifies as operating lease or finance lease.

The Group has classified the leases as finance leases as they have met the criteria of a finance lease under FRS 117.

(b) Revenue recognition on land sales

The Group recognised the revenue from land sales when all the contractual conditions precedent in the sales and purchase agreement are met and that the agreement has become unconditional. The management is of the view that the significant ownership risk and rewards have passed to the buyer when the contractual conditions precedent are fulfilled.

The Group has recognised the revenue from land sales in accordance with FRS 118.

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4. REVENUE

| | Group | | Company | |
|--|-----------|-----------|---------|---------|
| | 2014 | 2013 | 2014 | 2013 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Management fees | 145 | 49 | 145 | 49 |
| Sale of properties | 1,081,210 | 960,178 | - | - |
| Sales of land | 480,686 | 247,314 | - | - |
| Sales of building materials | 32,096 | 216 | - | - |
| Revenue from recreation and resort operations | 34,519 | 36,094 | - | - |
| Property management and maintenance fee income | 7,049 | 7,600 | - | - |
| Rent and related income from shopping mall, office tower and investment properties | 103,348 | 99,919 | - | - |
| Rental of rooms and other related hotel income | 5,488 | 6,371 | - | - |
| Sales of explosive and related accessories | 211,672 | 113,899 | - | - |
| Revenue from landscape services | 15,650 | 3,863 | - | - |
| Gross dividend income from subsidiaries | - | - | 131,170 | 159,814 |
| Others | 495 | - | - | - |
| | 1,972,358 | 1,475,503 | 131,315 | 159,863 |

5. COST OF SALES

| | Group | |
|--|-----------|---------|
| | 2014 | 2013 |
| | RM'000 | RM'000 |
| Property development costs (Note 16(b)) | 673,428 | 598,554 |
| Cost of land | 307,097 | 106,643 |
| Cost of inventories sold | 37,658 | 35,876 |
| Cost of services rendered: | | |
| - recreation and resort operations | 16,312 | 20,938 |
| - hotel management services | 1,655 | 1,725 |
| - landscape services | 11,965 | 2,734 |
| - property management | 6,096 | 14,554 |
| - mall and office operations and investment properties | 42,013 | 32,868 |
| Cost of explosive and related accessories | 150,950 | 79,684 |
| | 1,247,174 | 893,576 |

Notes to the Financial Statements
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6. OTHER INCOME

| | Group | | Company | |
|--|----------------|----------------|----------------|------------------------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 (Restated) |
| Management fees | 4,014 | 3,345 | - | - |
| Rental income | 5,590 | 3,159 | - | - |
| Gain on disposal of property, plant and equipment | 2,448 | 59,017 | - | - |
| Gain on disposal of investment properties | 62,179 | - | - | - |
| Fair value gains on investment properties (Note 17) | 22,053 | 104,628 | - | - |
| Fair value gains on remeasurement of a former associate on becoming a subsidiary | - | 29,705 | - | - |
| Reversal of impairment loss on amount due from subsidiaries | - | - | 34,531 | 19,196 |
| Miscellaneous | 13,873 | 7,027 | - | 1 |
| | 110,157 | 206,881 | 34,531 | 19,197 |

7. FINANCE INCOME

| | Group | | Company | |
|--|----------------|----------------|----------------|------------------------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 (Restated) |
| Interest from: | | | | |
| - Deposits | 8,231 | 6,860 | 3,032 | 2,053 |
| - Amounts due from subsidiaries | - | - | 26,464 | 27,503 |
| - Unwinding of discount on amounts due from subsidiaries | - | - | 2,685 | 3,038 |
| - Others | 2,371 | 2,021 | - | - |
| Total interest income | 10,602 | 8,881 | 32,181 | 32,594 |
| Finance income from: | | | | |
| - Reversal of impairment loss on financial assets | - | 183 | - | - |
| - Trade and other receivables | - | - | - | - |
| | 10,602 | 9,064 | 32,181 | 32,594 |

Notes to the Financial Statements
31 DECEMBER 2014

8. FINANCE COSTS

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Interest expense on borrowings | 110,456 | 90,787 | 32,978 | 22,228 |
| Less: Interest expense capitalised in: | | | | |
| - construction-in-progress (Note 15(b)) | (4,447) | (1,284) | - | - |
| - land held for property development (Note 16(a)) | (35,684) | (3,352) | - | - |
| - property development costs (Note 16(b)) | (24,521) | (16,894) | - | - |
| - investment properties (Note 17) | (1,601) | (2,492) | - | - |
| Interest expensed in profit and loss | 44,203 | 66,765 | 32,978 | 22,228 |
| Add: - Unwinding of RCULS liability | 2,536 | 8,694 | 2,536 | 8,694 |
| - Unwinding of discount on retention sum payables | 1,914 | 1,911 | - | - |
| - Unwinding of discount on deposits rental refundable | 495 | 463 | - | - |
| - Unwinding of discount on security retainers | 362 | 110 | - | - |
| Total finance costs | 49,510 | 77,943 | 35,514 | 30,922 |

9. PROFIT BEFORE TAX

In addition to the items disclosed in Notes 6, 7 and 8, the following amounts have been included in arriving at profit before tax:

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Employee benefits expense (Note 10) | 155,820 | 146,245 | 4,484 | 6,282 |
| Non-executive directors' remuneration (Note 11) | 3,823 | 2,150 | 1,873 | 643 |
| Auditors' remuneration | | | | |
| - Current year | 902 | 885 | 101 | 92 |
| Depreciation of property, plant and equipment (Note 15) | 29,069 | 22,658 | 1,194 | 1,901 |
| Minimum operating lease payments | | | | |
| - office premises | 825 | 266 | 414 | 408 |
| - office equipment | 450 | 467 | 6 | 6 |
| Amortisation of endowment fund premium (Note 22) | 11 | 11 | - | - |
| Impairment loss on trade and other receivables | 748 | 266 | 6,713 | 24,227 |
| Impairment loss on investments in subsidiaries | - | - | 5,854 | - |
| Loss on disposal of marketable securities | - | 623 | - | - |
| Provision for liabilities (Note 33) | 14,763 | 35,904 | - | - |
| Property, plant and equipment written off | 1,893 | 3,682 | - | - |
| Amortisation of deferred license fees (Note 36) | 2,367 | 2,236 | - | - |
| Unrealised returns on endowment policy (Note 22) | (224) | (218) | - | - |
| Fair value loss on marketable securities ("FVTPL") | - | 861 | - | - |
| Direct operating expenses arising from investment properties that are generating rental income | 42,013 | 32,868 | - | - |

Notes to the Financial Statements
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10. EMPLOYEE BENEFITS EXPENSE

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Salaries and bonuses | 100,686 | 95,868 | 2,206 | 5,801 |
| Social security contributions | 478 | 500 | - | - |
| Contributions to defined contribution plan | 12,670 | 10,598 | 297 | 328 |
| Share options granted under ESOS | 17,113 | 13,341 | 1,143 | - |
| Other benefits | 24,873 | 25,938 | 838 | 153 |
| Total expenses | 155,820 | 146,245 | 4,484 | 6,282 |
| Less: Amount included in cost of sales | (26,053) | (23,646) | - | - |
| Included in administrative expenses | 129,767 | 122,599 | 4,484 | 6,282 |

Included in employee benefits expense of the Group and of the Company is executive directors' remuneration amounting to RM43,010,000 (2013: RM64,890,000) and RM2,004,000 (2013: RM8,794,000) respectively as further disclosed in Note 11.

11. DIRECTORS' REMUNERATION

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Directors of the Company | | | | |
| Executive: | | | | |
| Salaries and other emoluments | 20,343 | 24,913 | 1,789 | 4,002 |
| Bonus | 2,096 | 20,395 | - | 4,006 |
| Defined contribution plan | 2,307 | 4,157 | 215 | 786 |
| Share options granted under ESOS | 7,399 | 4,171 | - | - |
| | 32,145 | 53,636 | 2,004 | 8,794 |
| Non-executive: | | | | |
| Fees | 712 | 734 | 712 | 630 |
| Other emoluments | 145 | 13 | 18 | 13 |
| Share options granted under ESOS | 1,143 | - | 1,143 | - |
| | 2,000 | 747 | 1,873 | 643 |
| Total directors' remuneration of the Company | 34,145 | 54,383 | 3,877 | 9,437 |

Notes to the Financial Statements
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11. DIRECTORS' REMUNERATION (CONT'D.)

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Other directors | | | | |
| Executive: | | | | |
| Salaries and other emoluments | 6,212 | 4,822 | - | - |
| Bonus | 1,323 | 3,803 | - | - |
| Defined contribution plan | 905 | 995 | - | - |
| Share options granted under ESOS | 2,425 | 1,634 | - | - |
| | 10,865 | 11,254 | - | - |
| Non-executive: | | | | |
| Fees | 1,580 | 1,245 | - | - |
| Other emoluments | 243 | 158 | - | - |
| | 1,823 | 1,403 | - | - |
| Total other directors' remuneration | 12,688 | 12,657 | - | - |
| Total | 46,833 | 67,040 | 3,877 | 9,437 |

Analysis of directors' remuneration:

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Total executive directors' remuneration | 43,010 | 64,890 | 2,004 | 8,794 |
| Total non-executive directors' remuneration | 3,823 | 2,150 | 1,873 | 643 |
| Total directors' remuneration | 46,833 | 67,040 | 3,877 | 9,437 |

Notes to the Financial Statements
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11. DIRECTORS' REMUNERATION (CONT'D.)

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

| | Number of directors | |
|-----------------------------|---------------------|------|
| | 2014 | 2013 |
| Executive directors: | | |
| RM300,001 - RM350,000 | 1 | - |
| RM2,000,001 - RM2,050,000 | - | 2 |
| RM2,250,001 - RM2,300,000 | 1 | - |
| RM2,550,001 - RM2,600,000 | 1 | - |
| RM2,800,001 - RM2,850,000 | 1 | - |
| RM3,100,001 - RM3,150,000 | - | 1 |
| RM3,150,001 - RM3,200,000 | 1 | - |
| RM3,800,001 - RM3,850,000 | 1 | - |
| RM3,850,001 - RM3,900,000 | - | 1 |
| RM4,000,001 - RM4,050,000 | 1 | - |
| RM4,550,001 - RM4,600,000 | - | 1 |
| RM13,100,001 - RM13,150,000 | 1 | - |
| RM31,900,001 - RM31,950,000 | - | 1 |
| Non-executive directors: | | |
| RM50,001 - RM100,000 | - | 1 |
| RM100,001 - RM150,000 | - | 3 |
| RM200,001 - RM250,000 | - | 1 |
| RM300,001 - RM350,000 | 2 | - |
| RM350,001 - RM400,000 | 1 | - |
| RM450,001 - RM500,000 | 2 | - |

Notes to the Financial Statements
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12. INCOME TAX EXPENSE/(CREDIT)

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Current income tax: | | | | |
| Malaysian income tax | 82,317 | 111,175 | 821 | 25,529 |
| (Over)/under provision in prior years | (16,930) | 4,056 | (2,542) | (314) |
| | 65,387 | 115,231 | (1,721) | 25,215 |
| Real property gain tax | 7,273 | 1,098 | - | - |
| | 72,660 | 116,329 | (1,721) | 25,215 |
| Deferred tax (Note 34): | | | | |
| - Origination and reversal of temporary differences | (4,245) | 5,542 | 1,176 | 2,033 |
| - (Over)/under provision in prior years | (40) | 3,405 | - | - |
| | (4,285) | 8,947 | 1,176 | 2,033 |
| Total income tax expense/(credit) | 68,375 | 125,276 | (545) | 27,248 |

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. The domestic statutory tax rate will be reduced to 24% from the current year's rate of 25% effective year of assessment 2016. The computation of deferred tax as at 31 December 2014 has reflected these changes.

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate are as follows:

| | Group | |
|---|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| Profit before tax | 451,456 | 503,648 |
| Taxation at Malaysian statutory tax rate of 25% (2013: 25%) | 112,864 | 125,912 |
| Income not subject to tax | (8,734) | (21,327) |
| Expenses not deductible for tax purposes | 36,430 | 51,454 |
| Deferred tax recognised at different tax rate | (739) | (20,918) |
| Adjustment for income taxed under Real Property Gain Tax | (11,425) | (732) |
| Deferred tax asset not recognised | 2,685 | 6,515 |
| Utilisation of previously unrecognised tax losses and unabsorbed capital allowances | (5,989) | (2,161) |
| Deferred tax liabilities not recognised arising from initial recognition of assets | (35,660) | - |
| (Over)/under provision of deferred tax in prior years | (40) | 3,405 |
| (Over)/under provision of tax expense in prior years | (16,930) | 4,056 |
| Share of results of joint ventures | (3,839) | (19,833) |
| Share of results of associates | (248) | (1,095) |
| Income tax expense | 68,375 | 125,276 |

Notes to the Financial Statements
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12. INCOME TAX EXPENSE/(CREDIT) (CONT'D.)

| | Company | |
|---|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| Profit before tax | 119,352 | 133,791 |
| Taxation at Malaysian statutory tax rate of 25% (2013: 25%) | 29,838 | 33,448 |
| Income not subject to tax | (38,107) | (19,759) |
| Expenses not deductible for tax purposes | 10,266 | 13,873 |
| Over provision in prior years | (2,542) | (314) |
| Income tax (credit)/expense | (545) | 27,248 |

Tax savings during the financial year arising from:

| | Group | |
|---|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| Utilisation of previously unrecognised tax losses and unabsorbed capital allowances | 23,956 | 8,644 |

The Group has the following tax losses and capital allowances that are available indefinitely for offsetting against future taxable profits of the companies in which they arose:

| | Group | |
|--------------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| Capital allowances | 12,080 | 12,080 |
| Tax losses | 152,927 | 141,812 |

The following are deferred tax benefits which have not been recognised as the Group could not anticipate their ultimate realisation:

| | Group | |
|----------------------------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| Unrecognised capital allowances | 2,895 | 2,895 |
| Unrecognised tax losses | 24,285 | 37,501 |
| | 27,180 | 40,396 |
| Profit if fully recognised @ 25% | 6,795 | 10,099 |

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13. EARNINGS PER SHARE

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

Diluted earnings per share is calculated by dividing the net profit attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the profit and share data used in the computation of basic and diluted earnings per share:

| | Group | |
|---|-----------------------|-----------|
| | 2014 | 2013 |
| | RM'000 | RM'000 |
| Net profit attributable to the equity holders of the Company | 333,936 | 362,308 |
| | Number of shares '000 | |
| | 2014 | 2013 |
| Weighted average number of ordinary shares for basic earnings per share computation | 1,343,615 | 1,056,027 |
| Effects of dilution: | | |
| - Share options | 1,857 | 5,187 |
| - Warrants 2009/2019 | 13,960 | 26,651 |
| Weighted average number of ordinary shares for diluted earnings per share computation | 1,359,432 | 1,087,865 |

RCULS have not been included in the calculation of diluted earnings per share because they are anti-dilutive for the current and previous financial years.

There were no other transactions involving ordinary shares or potential ordinary shares since the reporting date and the date of authorisation of these financial statements.

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14. DIVIDENDS

| | Dividends in respect of Year | | Dividends recognised in Year | |
|--|------------------------------|----------------|------------------------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Group and Company | | | | |
| Recognised during the year: | | | | |
| First and final dividend for 2012: 6.4 sen per share less 25% taxation, on 1,079,550,823 ordinary shares (4.80 sen per ordinary share) | - | - | - | 51,818 |
| First interim dividend for 2013: 4.5 sen per share less 25% taxation, on 1,084,316,254 ordinary shares (3.40 sen per ordinary share) | - | 36,596 | - | 36,596 |
| First interim dividend for 2014: 4.0 sen single tier dividend per share on 1,367,750,000 ordinary shares (4.00 sen per ordinary share) | 54,710 | - | 54,710 | - |
| | 54,710 | 36,596 | 54,710 | 88,414 |

The directors do not recommend the payment of final dividend in respect of the financial year ended 31 December 2014.

Notes to the Financial Statements
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15. PROPERTY, PLANT AND EQUIPMENT

| Group | Freehold land | Freehold building | Leasehold land | Leasehold buildings | Construction in-progress | Golf course | Plant and machineries | Office furniture, fittings and equipments | Motor vehicles | Total |
|--|---------------|-------------------|----------------|---------------------|--------------------------|-------------|-----------------------|---|----------------|----------|
| | | | | | | | | | | |
| At 31 December 2014 | | | | | | | | | | |
| Cost | | | | | | | | | | |
| At 1 January 2014 | 125,868 | 16,778 | 183,880 | 148,102 | 52,031 | 53,832 | 32,667 | 62,146 | 24,986 | 700,290 |
| Additions | 290 | - | - | 3,638 | 60,622 | - | 3,015 | 22,704 | 6,788 | 97,057 |
| Disposals | - | - | (8,512) | - | - | - | (900) | (512) | (599) | (10,523) |
| Write off | - | - | - | (415) | (325) | - | (78) | (1,408) | (12) | (2,238) |
| Reclassification | - | - | - | - | (2,140) | - | - | 2,140 | - | - |
| Transfer to assets classified as held for sale (Note 28) | (20,564) | (16,323) | - | - | - | - | - | - | - | (36,887) |
| Exchange differences | 7 | - | - | (54) | - | - | 1,438 | 173 | 1,444 | 3,008 |
| At 31 December 2014 | 105,601 | 455 | 175,368 | 151,271 | 110,188 | 53,832 | 36,142 | 85,243 | 32,607 | 750,707 |
| Accumulated depreciation and impairment losses | | | | | | | | | | |
| At 1 January 2014 | - | 354 | 30,113 | 37,061 | - | 16,091 | 24,689 | 28,936 | 8,737 | 145,981 |
| Depreciation (Note 9) | - | 356 | 2,033 | 7,043 | - | 942 | 3,947 | 8,507 | 6,241 | 29,069 |
| Disposals | - | - | (18) | - | - | - | (900) | (80) | (512) | (1,510) |
| Write off | - | - | - | - | - | - | (64) | (269) | (12) | (345) |
| Transfer to assets classified as held for sale (Note 28) | - | (710) | - | - | - | - | - | - | - | (710) |
| Exchange differences | - | - | - | (14) | - | - | 872 | - | 905 | 1,763 |
| At 31 December 2014 | - | - | 32,128 | 44,090 | - | 17,033 | 28,544 | 37,094 | 15,359 | 174,248 |
| Net carrying amount | 105,601 | 455 | 143,240 | 107,181 | 110,188 | 36,799 | 7,598 | 48,149 | 17,248 | 576,459 |

Notes to the Financial Statements

31 DECEMBER 2014

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

| Group | Freehold land RM'000 | Freehold building RM'000 | Leasehold land RM'000 | Leasehold buildings RM'000 | Construction in-progress RM'000 | Golf course RM'000 | Plant and machinery RM'000 | Office furniture, fittings and equipments RM'000 | Motor vehicles RM'000 | Total RM'000 |
|---|-------------------------|-----------------------------|--------------------------|-------------------------------|------------------------------------|-----------------------|-------------------------------|---|--------------------------|-----------------|
| | | | | | | | | | | |
| Cost | | | | | | | | | | |
| At 1 January 2013 | 202,030 | 16,323 | 194,413 | 146,564 | 74,785 | 53,367 | 28,650 | 53,452 | 11,879 | 781,463 |
| Additions | 663 | - | - | 1,322 | 65,780 | 465 | 1,755 | 8,677 | 9,986 | 88,648 |
| Disposals | (13,384) | - | (9,264) | (759) | (2,643) | - | - | (39) | (1,015) | (27,104) |
| Write off | (1,816) | - | (996) | (727) | (40) | - | (116) | (419) | - | (4,114) |
| Acquisition of subsidiaries | 506 | 455 | - | 1,711 | - | - | 2,717 | 460 | 4,497 | 10,346 |
| Transfer to land held for property development (Note 16(a)) | (75,767) | - | - | - | (85,954) | - | - | - | - | (161,721) |
| Transfer from/(to) investment property (Note 17) | 13,636 | - | (273) | - | 103 | - | - | - | - | 13,466 |
| Exchange differences | - | - | - | (9) | - | - | (339) | 15 | (361) | (694) |
| At 31 December 2013 | 125,868 | 16,778 | 183,880 | 148,102 | 52,031 | 53,832 | 32,667 | 62,146 | 24,986 | 700,290 |
| Accumulated depreciation and impairment losses | | | | | | | | | | |
| At 1 January 2013 | - | - | 29,159 | 31,645 | - | 15,150 | 22,217 | 21,981 | 5,080 | 125,232 |
| Depreciation (Note 9) | - | 354 | 1,336 | 5,965 | - | 941 | 2,718 | 7,025 | 4,319 | 22,658 |
| Disposals | - | - | (227) | (443) | - | - | - | (10) | (491) | (1,171) |
| Write off | (155) | - | - | (104) | - | - | (105) | (68) | - | (432) |
| Exchange differences | - | - | - | (2) | - | - | (141) | 8 | (171) | (306) |
| At 31 December 2013 | (155) | 354 | 30,268 | 37,061 | - | 16,091 | 24,689 | 28,936 | 8,737 | 145,981 |
| Net carrying amount | 126,023 | 16,424 | 153,612 | 111,041 | 52,031 | 37,741 | 7,978 | 33,210 | 16,249 | 554,309 |

Notes to the Financial Statements
31 DECEMBER 2014

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

| | Office furniture, fittings and equipments RM'000 | Motor vehicles RM'000 | Total RM'000 |
|---|--|-----------------------------|-----------------|
| Company | | | |
| At 31 December 2014 | | | |
| Cost | | | |
| At 1 January 2014 | 10,433 | 254 | 10,687 |
| Additions | 83 | - | 83 |
| At 31 December 2014 | 10,516 | 254 | 10,770 |
| Accumulated depreciation and impairment losses | | | |
| At 1 January 2014 | 7,149 | 113 | 7,262 |
| Depreciation (Note 9) | 1,143 | 51 | 1,194 |
| At 31 December 2014 | 8,292 | 164 | 8,456 |
| Net carrying amount | 2,224 | 90 | 2,314 |
| At 31 December 2013 | | | |
| Cost | | | |
| At 1 January 2013 | 9,718 | 247 | 9,965 |
| Additions | 715 | 7 | 722 |
| At 31 December 2013 | 10,433 | 254 | 10,687 |
| Accumulated depreciation and impairment losses | | | |
| At 1 January 2013 | 5,299 | 62 | 5,361 |
| Depreciation (Note 9) | 1,850 | 51 | 1,901 |
| At 31 December 2013 | 7,149 | 113 | 7,262 |
| Net carrying amount | 3,284 | 141 | 3,425 |

(a) The net carrying amounts of property, plant and equipment pledged as securities for borrowings (Note 37) are as follows:

| | Group | |
|-----------------------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| Freehold land and buildings | 175,711 | 121,654 |
| Leasehold land | 8,723 | 8,723 |
| Leasehold buildings | 90,853 | 32,789 |
| Golf course | 36,799 | 37,741 |
| | 312,086 | 200,907 |

Notes to the Financial Statements
31 DECEMBER 2014

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

- (b) Interest expense capitalised during the financial year under construction-in-progress of the Group amounted to RM4,447,000 (2013: RM1,284,000).
- (c) The Group's construction-in-progress relates mainly to expenditure for:
- (i) a proposed international school located at Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor which is expected to be completed by 2016;
 - (ii) a proposed hotel located at Jalan Ampang, Kuala Lumpur which is expected to be completed by 2016; and
 - (iii) a proposed hotel located at Jalan Anson, Penang which is expected to be completed by 2017.
- (d) Included in property, plant and equipment of the Group are fully depreciated assets which are still in use costing RM31,965,000 (2013: RM28,268,000).
- (e) During the financial year, the Group acquired property, plant and equipment with an aggregate costs of RM3,383,000 (2013: RM9,010,000) by means of hire purchase. The cash outflow on acquisition of property, plant and equipment amounted to RM89,227,000 (2013: RM78,353,000).

The carrying amount of property, plant and equipment held under hire purchase at the reporting date were RM10,278,000 (2013: RM9,010,000).

16. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS

(a) Land held for property development

| | Group | |
|---|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| Cost | | |
| At 1 January: | | |
| Freehold land | 1,098,413 | 1,124,365 |
| Leasehold land | 292,374 | 60,625 |
| | 1,390,787 | 1,184,990 |
| Additions | 1,292,463 | 41,726 |
| Transfer to property development (Note 16(b)) | (280,023) | (139,014) |
| Transfer from investment property (Note 17) | - | 157,506 |
| Transfer from property, plant and equipment (Note 15) | - | 161,721 |
| Disposals | (303,592) | (16,142) |
| At 31 December | 2,099,635 | 1,390,787 |
| Accumulated impairment losses | | |
| At 1 January/31 December | 151 | 151 |
| Carrying amount at 31 December | 2,099,484 | 1,390,636 |

Interest expense capitalised during the financial year under land held for property development amounted to RM35,684,000 (2013: RM3,352,000).

The freehold and leasehold land with aggregate carrying amounts of RM1,208,582,000 (2013: RM1,088,516,000) are pledged as security for bank borrowings as disclosed in Note 37.

Notes to the Financial Statements
31 DECEMBER 2014

16. LAND HELD FOR PROPERTY DEVELOPMENT AND PROPERTY DEVELOPMENT COSTS (CONT'D.)

(b) Property development costs

| | Group | |
|--|----------------|----------------|
| | 2014 | 2013 |
| | RM'000 | RM'000 |
| Property development costs: | | |
| At 1 January | | |
| Freehold land | 366,221 | 312,774 |
| Leasehold land | 429,436 | 315,126 |
| Development costs | 1,384,731 | 867,506 |
| | 2,180,388 | 1,495,406 |
| Costs incurred during the year: | | |
| Land costs | 35,041 | 135,153 |
| Development costs | 761,012 | 454,389 |
| | 796,053 | 589,542 |
| Costs recognised in profit or loss: | | |
| At 1 January | (1,626,049) | (936,994) |
| Recognised during the year (Note 5) | (673,428) | (598,554) |
| Disposal of land | (3,505) | (90,501) |
| At 31 December | (2,302,982) | (1,626,049) |
| Transfers from: | | |
| Land held for property development (Note 16(a)) | 280,023 | 139,014 |
| Transfers to: | | |
| Inventories | (17,809) | (43,574) |
| Property development costs at 31 December | 935,673 | 554,339 |

Interest expense capitalised during the financial year under property development cost amounted to RM24,521,000 (2013: RM16,894,000).

The freehold and leasehold land with aggregate carrying amounts of RM250,635,000 (2013: RM137,030,000) are pledged as security for bank borrowings as detailed to in Note 37.

Acquisitions of land during the financial year are disclosed in Note 48.

Notes to the Financial Statements
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17. INVESTMENT PROPERTIES

| Group | Freehold land RM'000 | Leasehold land and buildings RM'000 | Shopping Mall and car park podium RM'000 | Office tower RM'000 | Construction in progress RM'000 | Total RM'000 |
|--|-------------------------|--|---|------------------------|------------------------------------|-----------------|
| Fair value | | | | | | |
| At 1 January 2014 | 522,846 | 258,786 | 414,767 | 36,666 | 66,380 | 1,299,445 |
| Additions | 1,854 | 2,386 | 1,390 | - | 25,527 | 31,157 |
| Net gains from fair value adjustment recognised in profit or loss (Note 6) | 381 | 8,535 | 13,137 | - | - | 22,053 |
| Transfer to assets classified as held for sale (Note 28) | (319,209) | (7,000) | (424,356) | (36,666) | - | (787,231) |
| Over accrual of cost in prior year | - | - | (4,938) | - | - | (4,938) |
| Disposals | (19,153) | - | - | - | - | (19,153) |
| At 31 December 2014 | 186,719 | 262,707 | - | - | 91,907 | 541,333 |
| At 1 January 2013 | 652,642 | 350,679 | 396,889 | 36,666 | 9,412 | 1,446,288 |
| Additions | 3,996 | 2,638 | 6,263 | - | 10,583 | 23,480 |
| Net gains from fair value adjustment recognised in profit or loss (Note 6) | 59,834 | 33,179 | 11,615 | - | - | 104,628 |
| Transfer (to)/from property, plant and equipment (Note 15) | - | (13,613) | - | - | 147 | (13,466) |
| Reclassification | (46,238) | - | - | - | 46,238 | - |
| Transfer to assets classified as held for sale (Note 28) | (19,716) | (84,263) | - | - | - | (103,979) |
| Transfer to land held for development (Note 16 (a)) | (127,672) | (29,834) | - | - | - | (157,506) |
| At 31 December 2013 | 522,846 | 258,786 | 414,767 | 36,666 | 66,380 | 1,299,445 |

Interest expense capitalised during the financial year under investment properties under construction amounted to RM1,601,000 (2013: RM2,492,000).

Notes to the Financial Statements
31 DECEMBER 2014

17. INVESTMENT PROPERTIES (CONT'D.)

The carrying amount of the investment properties pledged as security for bank borrowings (Note 37) are as follows:

| | 2014 RM'000 | 2013 RM'000 |
|-----------------------------------|----------------|----------------|
| Freehold land and building | 292,300 | 500,798 |
| Shopping mall and car park podium | - | 414,767 |
| Office tower | - | 36,666 |
| Leasehold land | 27,000 | 27,000 |
| Leasehold land and building | 85,600 | 84,200 |
| | 404,900 | 1,063,431 |

This investment properties under construction is carried out at cost as management believes that due to the nature and the amount of remaining project risks, its fair value cannot be reliable determined.

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to either purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Investment properties are stated at fair value, which has been determined based on valuations performed by accredited independent valuers as at 31 December 2014 and 2013. The independent valuers are specialists in valuing these types of investment properties. The fair value of the properties has been determined using the cost method, comparison method and investment method depending on the nature of the property.

Fair value hierarchy disclosures for investment properties is disclosed in Note 42.

Reconciliation of fair values:

| | Investment properties | | |
|--|-----------------------|-----------------------------|-----------------------------|
| | Land RM'000 | Office properties RM'000 | Retail properties RM'000 |
| As at 31 December 2014 | | | |
| At 1 January 2014 | 71,376 | 663,270 | 498,419 |
| Re-measurement recognised in profit or loss | 381 | 8,535 | 13,137 |
| Additions | 1,854 | 1,206 | 2,570 |
| Disposal | (19,153) | - | - |
| Transfer to assets classified as held for sale | (7,000) | (271,043) | (509,188) |
| Over accrual of cost | - | | (4,938) |
| At 31 December 2014 | 47,458 | 401,968 | - |
| As at 31 December 2013 | | | |
| At 1 January 2013 | 279,493 | 676,842 | 480,540 |
| Re-measurement recognised in profit or loss | 5,243 | 87,770 | 11,615 |
| Additions | 3,996 | 2,637 | 6,264 |
| Reclassification to asset held for sale | (157,505) | (103,979) | - |
| Transfer to assets classified as held for sale | (13,613) | - | - |
| Reclassification | (46,238) | - | - |
| At 31 December 2013 | 71,376 | 663,270 | 498,419 |

Notes to the Financial Statements
31 DECEMBER 2014

17. INVESTMENT PROPERTIES (CONT'D.)

Description of valuation techniques used and key inputs to valuation on investment properties:

| | Valuation | Significant unobservable inputs | Range (weighted average) |
|--------|---------------------|--|--------------------------|
| Land | Comparison Method | The comparison method entails analysing recent transactions and asking prices of similar property in and around the locality for comparison purposes with adjustments made for differences in location, visibility, size, tenure, etc. | |
| | Cost Method | The land component is assessed using comparison method while the building component is assessed based on depreciated value. | |
| Office | Investment Method** | Estimated rental value per sqft per month | RM1.00-RM7.00 |
| | | Expected market rental growth | 1%-3% |
| | | Long-term vacancy rate | 5% |
| | | Discount rate | 5.5%-7% |
| Retail | Investment Method** | Estimated rental value per sqft per month | RM3.78-RM4.94 |
| | | Expected market rental growth | 1%-3% |
| | | Long-term vacancy rate | 5% |
| | | Discount rate | 5.5%-7% |

** The investment method entails determining the net annual income by deducting the annual outgoings from the gross annual income and capitalising the net income by suitable rate of return consistent with the type and quality of the investment to arrive of the market value of the subject property.

18. INVESTMENTS IN SUBSIDIARIES

| | 2014 RM'000 | 2013 RM'000 |
|---|----------------|----------------|
| Shares, at cost | | |
| In Malaysia | 1,361,737 | 1,377,912 |
| Less: Impairment losses | (7,875) | (2,021) |
| | 1,353,862 | 1,375,891 |
| ESOS granted to employees of subsidiaries | 38,215 | 22,243 |
| Discount on loans to subsidiaries | 40,387 | 40,387 |
| | 1,432,464 | 1,438,521 |

Notes to the Financial Statements
31 DECEMBER 2014

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows:

| Name of subsidiaries | Country of incorporation | Principal activities | % of ownership interest held by the Group# | | % of ownership interest held by non-controlling interests# | |
|---|--------------------------|---|--|------|--|------|
| | | | 2014 | 2013 | 2014 | 2013 |
| Advent Nexus Sdn. Bhd.* | Malaysia | Providing hotel management and services | 100 | 100 | - | - |
| Arah Pelangi Sdn. Bhd. | Malaysia | Property development | 100 | 100 | - | - |
| Arena Influx Sdn. Bhd. | Malaysia | Dormant | 100 | 100 | - | - |
| Bakat Rampai Sdn. Bhd. ("BRSB") | Malaysia | Dormant | 100 | 100 | - | - |
| Subsidiaries of BRSB: | | | | | | |
| Dicorp Land Sdn. Bhd. | Malaysia | Property development | 100 | 100 | - | - |
| Tropicana Indah Realty Sdn. Bhd. ("TIRSB")* | Malaysia | Investment holding | 100 | 100 | - | - |
| Subsidiary of TIRSB: | | | | | | |
| Tropicana Indah Sdn. Bhd.* | Malaysia | Property development and property management | 70 | 70 | 30 | 30 |
| Tropicana City Sdn. Bhd. ("TCSB") | Malaysia | Property development and property investment in Tropicana City Mall | 100 | 100 | - | - |
| Subsidiary of TCSB: | | | | | | |
| Dicasa Management Services Sdn. Bhd.* | Malaysia | Property management and maintenance services | 100 | 100 | - | - |
| Tropicana City Management Sdn. Bhd.* | Malaysia | Property management | 100 | 100 | - | - |
| Tropicana City Parking Sdn. Bhd.* | Malaysia | Management of car parking facilities | 100 | 100 | - | - |
| Tropicana Kajang Hill Sdn. Bhd.* | Malaysia | Property development | 100 | 100 | - | - |
| Daya Petaling Sdn. Bhd. | Malaysia | Property investment | 100 | 100 | - | - |
| Tropicana Danga Senibong Holding Sdn. Bhd. ("TDSHSB") (formerly known as Golddust United Sdn. Bhd.) | Malaysia | Property development and investment holding | 100 | 100 | - | - |
| Subsidiary of TDSHSB: | | | | | | |
| Tropicana Danga Senibong Sdn. Bhd. (formerly known as Renown Dynamic Sdn. Bhd.) | Malaysia | Property development | 70 | 70 | 30 | 30 |
| Sapphire Index Sdn. Bhd. ("SISB") | Malaysia | Property development | 100 | 100 | - | - |
| Subsidiary of SISB: | | | | | | |
| Sapphire Step Sdn. Bhd. | Malaysia | Property development | 100 | - | - | - |
| Tropicana Bukit Bintang Development Sdn. Bhd. | Malaysia | Property investment | 100 | 100 | - | - |
| Tropicana Coliseum (Ipoh) Sdn. Bhd. | Malaysia | Property investment | 100 | 100 | - | - |
| Tropicana Cheras Sdn. Bhd. | Malaysia | Property development | 100 | 100 | - | - |

Notes to the Financial Statements
31 DECEMBER 2014

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows (cont'd.):

| Name of subsidiaries | Country of incorporation | Principal activities | % of ownership interest held by the Group# | | % of ownership interest held by non-controlling interests# | |
|---|--------------------------|--|--|------|--|------|
| | | | 2014 | 2013 | 2014 | 2013 |
| Tropicana Danga Bay Land Sdn. Bhd. ("TDBLSB") Subsidiary of TDBLSB | Malaysia | Investment holding | 100 | 100 | - | - |
| Tropicana Danga Bay Sdn. Bhd. ("TDSB") Subsidiary of TDSB | Malaysia | Property development | 60 | 60 | 40 | 40 |
| Tropicana Danga Bay Pte Ltd | Singapore | Promotions, marketing and other activities related to property development | 100 | 100 | - | - |
| Desiran Realiti Sdn. Bhd.* | Malaysia | Dormant | 100 | 100 | - | - |
| Tropicana Danga Cove Holding Sdn. Bhd. | Malaysia | Investment holding | 100 | 100 | - | - |
| Tropicana Danga Lagoon Sdn. Bhd. ("TDLSB") Subsidiary of TDLSB: | Malaysia | Property development and investment holding | 80 | 80 | 20 | 20 |
| Tropicana Lagoon Sdn. Bhd. (formerly known as Kash Concept Sdn. Bhd.) | Malaysia | Property Development | 100 | 100 | - | - |
| Tropicana Residences Sdn. Bhd. (formerly known as Tropicana Development Sdn. Bhd.)* | Malaysia | Property development and property investment | 100 | 100 | - | - |
| Tropicana Development (Johor Bahru) Sdn. Bhd.* | Malaysia | Property development | 100 | 100 | - | - |
| Tropicana Development (Penang) Sdn. Bhd. ("TDPSB")* Subsidiary of TDPSB | Malaysia | Investment holding | 100 | 100 | - | - |
| Dijaya Wangsa Sdn. Bhd.* | Malaysia | Dissolved on 4 November 2014 | - | 60 | - | 40 |
| Tropicana Development (Sabah) Sdn. Bhd. | Malaysia | Property investment | 100 | 100 | - | - |
| Tropicana Golf & Country Resort Berhad ("TGCRB") Subsidiaries of TGCRB: | Malaysia | Real property and resort development | 100 | 100 | - | - |
| Tropicana Management Services Sdn. Bhd.* | Malaysia | Property management and maintenance services | 100 | 100 | - | - |
| Tropicana Sungai Buloh Sdn. Bhd. | Malaysia | Property development | 100 | 100 | - | - |
| Tropicana Desa Mentari Sdn. Bhd. | Malaysia | Property development and property investment | 100 | 100 | - | - |
| Tropicana Harapan Sdn. Bhd.* | Malaysia | Property development | 100 | 100 | - | - |
| Tropicana Jaya Sdn. Bhd.* | Malaysia | Investment holding and renting of properties | 100 | 100 | - | - |
| Tropicana Kemayan Development Sdn. Bhd.* | Malaysia | Investment holding | 100 | 100 | - | - |
| Tropicana Kia Peng Sdn. Bhd.* | Malaysia | Dormant | 100 | 100 | - | - |
| Tropicana KK City Sdn. Bhd.* | Malaysia | Property investment | 100 | 100 | - | - |
| Tropicana KL Development Sdn. Bhd.* | Malaysia | Dormant | 100 | 100 | - | - |
| Tropicana Lahad Datu Development Sdn. Bhd.* | Malaysia | Property investment | 100 | 100 | - | - |

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18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows (cont'd.):

| Name of subsidiaries | Country of incorporation | Principal activities | % of ownership interest held by the Group# | | % of ownership interest held by non-controlling interests# | |
|--|--------------------------|--|--|------|--|------|
| | | | 2014 | 2013 | 2014 | 2013 |
| Tropicana Land Sdn. Bhd. | Malaysia | Property development | 100 | 100 | - | - |
| Tropicana Land (Sandakan) Sdn. Bhd.* | Malaysia | Property investment | 100 | 100 | - | - |
| Tropicana Landmark Sdn. Bhd.* | Malaysia | Property development | 100 | 100 | - | - |
| Tropicana Lido Development Sdn. Bhd.* | Malaysia | Property investment | 100 | 100 | - | - |
| Tropicana Lintas Development Sdn. Bhd.* | Malaysia | Property investment | 100 | 100 | - | - |
| Tropicana Macalister Avenue (Penang) Sdn. Bhd.* | Malaysia | Property investment and property development | 100 | 100 | - | - |
| Tropicana Metro Sdn. Bhd. | Malaysia | Property investment | 100 | 100 | - | - |
| Tropicana Metropark Sdn. Bhd.* | Malaysia | Property development | 100 | 100 | - | - |
| Tropicana Mentari Development Sdn. Bhd.* | Malaysia | Property development | 100 | 100 | - | - |
| Tropicana Plaza Sdn. Bhd.* | Malaysia | Property investment | 100 | 100 | - | - |
| Tropicana Properties (Keningau) Sdn. Bhd.* | Malaysia | Property investment | 100 | 100 | - | - |
| Tropicana Properties (Klang) Sdn. Bhd. | Malaysia | Property investment | 100 | 100 | - | - |
| Tropicana Properties (Puchong) Sdn. Bhd. | Malaysia | Property investment | 100 | 100 | - | - |
| Tropicana Properties (Sabah) Sdn. Bhd. | Malaysia | Property investment | 100 | 100 | - | - |
| Tropicana Properties (Sandakan) Sdn. Bhd. | Malaysia | Property investment | 100 | 100 | - | - |
| Tropicana Properties Ampang Sdn. Bhd. | Malaysia | Dormant | 100 | 100 | - | - |
| Tropicana Property Management Sdn. Bhd. (formerly known as Dijaya Management Services Sdn. Bhd.) | Malaysia | Property management and maintenance services | 100 | 100 | - | - |
| Tropicana Properties Odeon Sdn. Bhd.* | Malaysia | Property investment | 100 | 100 | - | - |
| Tropicana Rahang Development Sdn. Bhd.* | Malaysia | Investment holding | 100 | 100 | - | - |
| Tropicana Sadong Jaya Development Sdn. Bhd.* | Malaysia | Property investment | 100 | 100 | - | - |
| Tropicana Senibong Sdn. Bhd. | Malaysia | Property development and property investment | 100 | 100 | - | - |
| Tropicana Subang South Development Sdn. Bhd.* | Malaysia | Investment holding | 100 | 100 | - | - |
| Tropicana Tawau Development Sdn. Bhd.* | Malaysia | Property investment | 100 | 100 | - | - |
| Tropicana Wisma TT Sdn. Bhd.* | Malaysia | Property development and property investment | 100 | 100 | - | - |
| Wisdom 88 Sdn. Bhd. ("WSB") | Malaysia | Investment holding | 100 | 100 | - | - |
| Subsidiary of WSB: | | | | | | |
| Rhythm Quest Sdn. Bhd. | Malaysia | Property development | 60 | 60 | 40 | 40 |
| Antara Tuah Sdn. Bhd.* | Malaysia | Dormant | 51 | 51 | 49 | 49 |
| Tropicana Credit & Leasing Sdn. Bhd.* | Malaysia | Credit and leasing | 100 | 100 | - | - |
| Star Honour Limited* | Cayman Islands | Dormant (In the process of striking off) | 100 | 100 | - | - |
| Terbit Berkat Sdn. Bhd. | Malaysia | Investment holding | 100 | 100 | - | - |
| Tropicana Building Materials Sdn. Bhd.* | Malaysia | Trading | 100 | 100 | - | - |

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18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Details of the subsidiaries are as follows (cont'd.):

| Name of subsidiaries | Country of incorporation | Principal activities | % of ownership interest held by the Group# | | % of ownership interest held by non-controlling interests# | |
|--|--------------------------|----------------------|--|------|--|------|
| | | | 2014 | 2013 | 2014 | 2013 |
| Tropicana SJII Education Management Sdn. Bhd. | Malaysia | Dormant | 51 | 100 | 49 | - |
| Tropicana Education Management Sdn. Bhd. | Malaysia | Education services | 85 | 70 | 15 | 30 |
| Tropicana Innovative Landscape Sdn. Bhd.* | Malaysia | Landscaping | 100 | 100 | - | - |
| Supreme Converge Sdn. Bhd. | Malaysia | Dormant | 100 | - | - | - |
| Noble Kinetic Sdn. Bhd. ("NKSB") | Malaysia | Dormant | 100 | - | - | - |
| Tropicana Collections (MM2H) Sdn. Bhd. (formerly known as Profile Pillar Sdn. Bhd.) | Malaysia | Dormant | 100 | - | - | - |
| Kuasa Cekapmas Sdn. Bhd.* | Malaysia | Dormant | 100 | 100 | - | - |
| Tropicana Development (Sg Besi) Sdn. Bhd.* | Malaysia | Dormant | 100 | 100 | - | - |
| Tropicana Jalan Selangor Development Sdn. Bhd.* | Malaysia | Dormant | 100 | 100 | - | - |
| Tropicana Kepong Sdn. Bhd.* | Malaysia | Dormant | 100 | 100 | - | - |
| Ultimate Support Sdn. Bhd.* | Malaysia | Dormant | 100 | 100 | - | - |
| Sumber Saujana Sdn. Bhd. ("SSSB") | Malaysia | Investment holding | 100 | 100 | - | - |
| Subsidiary of SSSB: | | | | | | |
| Tropicana Tenaga Kimia Sdn. Bhd. ("TTKSB") | Malaysia | Investment holding | 100 | 100 | - | - |
| Subsidiary of TTKSB: | | | | | | |
| Tenaga Kimia Sdn. Bhd. | Malaysia | Manufacturing | 73 | 73 | 27 | 27 |
| Tropicana Holding (Hong Kong) Limited | Hong Kong | Dormant | 100 | - | - | - |
| Master Converge Sdn. Bhd. | Malaysia | Dormant | 100 | - | - | - |
| Tropicana Investment Consulting Pte. Ltd. | China | Dormant | 100 | - | - | - |
| Tropicana Serdang Suria Sdn. Bhd. | Malaysia | Property Development | 100 | 100 | 100 | 100 |

All subsidiaries are audited by Ernst & Young, Malaysia except as indicated below:

* Audit by firms other than Ernst & Young

equals to the proportion of voting rights held

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18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Financial information of subsidiaries that have material non-controlling interests are provided below:

- (i) Summarised statements of financial position

| | Tropicana Indah Sdn. Bhd. | | Tropicana Danga Bay Sdn. Bhd. | |
|--|---------------------------|----------------|-------------------------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Non-current assets | 8,854 | 9,073 | 331,328 | 284,160 |
| Current assets | 324,464 | 245,988 | 327,028 | 232,377 |
| Total assets | 333,318 | 255,061 | 658,356 | 516,537 |
| Non-current liabilities | 5,000 | 361 | 101,940 | 173,270 |
| Current liabilities | 110,109 | 79,879 | 154,203 | 90,400 |
| Total liabilities | 115,109 | 80,240 | 256,143 | 263,670 |
| Net assets | 218,209 | 174,821 | 402,213 | 252,867 |
| Equity attributable to equity holders of the Company | 152,746 | 122,374 | 241,324 | 151,720 |
| Non-controlling interest | 65,463 | 52,447 | 160,889 | 101,147 |

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18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Financial information of subsidiaries that have material non-controlling interests are provided below (cont'd.):

(i) Summarised statements of financial position (cont'd.)

| | Tropicana Danga Lagoon Sdn. Bhd. | | Tenaga Kimia Sdn. Bhd. | |
|--|----------------------------------|----------------|------------------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Non-current assets | 118,130 | 112,272 | 27,006 | 22,699 |
| Current assets | 7,125 | 4,806 | 114,791 | 111,368 |
| Total assets | 125,255 | 117,078 | 141,797 | 134,067 |
| Non-current liabilities | - | 48,879 | 68 | 381 |
| Current liabilities | 133,766 | 76,173 | 38,052 | 28,221 |
| Total liabilities | 133,766 | 125,052 | 38,120 | 28,602 |
| Net (liabilities)/assets | (8,511) | (7,974) | 103,677 | 105,465 |
| Equity attributable to equity holders of the Company | (6,809) | (6,380) | 75,684 | 76,989 |
| Non-controlling interest | (1,702) | (1,594) | 27,993 | 28,476 |

| | Rhythm Quest Sdn. Bhd. | | Tropicana SJII Education Management Sdn. Bhd. | |
|--|------------------------|----------------|---|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Non-current assets | 89,150 | - | - | - |
| Current assets | 3,824 | 8,588 | 996 | - |
| Total assets | 92,974 | 8,588 | 996 | - |
| Non-current liabilities | 45,202 | - | - | - |
| Current liabilities | 7,931 | 8,093 | 13 | 9 |
| Total liabilities | 53,133 | 8,093 | 13 | 9 |
| Net assets | 39,841 | 495 | 983 | (9) |
| Equity attributable to equity holders of the Company | 23,905 | 297 | 501 | (5) |
| Non-controlling interest | 15,936 | 198 | 482 | (4) |

Notes to the Financial Statements
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18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Financial information of subsidiaries that have material non-controlling interests are provided below (cont'd.):

(ii) Summarised statements of comprehensive income

| | Tropicana Indah Sdn. Bhd. | | Tropicana Danga Bay Sdn. Bhd. | |
|---|----------------------------------|----------------|-------------------------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Revenue | 192,749 | 140,470 | 366,923 | 157,320 |
| Profit for the year | 41,805 | 22,325 | 67,225 | 11,531 |
| Profit attributable to equity holders of the Company | 29,264 | 15,628 | 40,331 | 6,919 |
| Profit attributable to non-controlling interests | 12,541 | 6,697 | 26,894 | 4,612 |
| Total comprehensive income | 41,805 | 22,325 | 67,225 | 11,531 |
| <i>Transactions with non-controlling interests</i> | | | | |
| Dividend paid | - | (3,300) | - | - |
| Share options granted under ESOS | 475 | 210 | 245 | - |
| Issuance of preference shares | - | - | 32,603 | 17,140 |
| | Tropicana Danga Lagoon Sdn. Bhd. | | Tenaga Kimia Sdn. Bhd. | |
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Revenue | - | - | 211,672 | 190,774 |
| (Loss)/profit for the year | (537) | (5,837) | 31,499 | 30,465 |
| (Loss)/profit attributable to equity holders of the Company | (429) | (4,670) | 21,717 | 22,239 |
| (Loss)/profit attributable to non-controlling interests | (108) | (1,167) | 9,782 | 8,226 |
| Total comprehensive (expense)/income | (537) | (5,837) | 31,499 | 30,465 |
| <i>Transactions with non-controlling interests</i> | | | | |
| Dividend paid/payable | - | - | (10,265) | - |

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18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Financial information of subsidiaries that have material non-controlling interests are provided below (cont'd.):

(ii) Summarised statements of comprehensive income

| | Rhythm Quest Sdn. Bhd. | | Tropicana SJII Education Management Sdn. Bhd. | |
|---|---------------------------|----------------|--|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Revenue | - | - | - | - |
| Profit for the year | (1,433) | (5) | (9) | (9) |
| (Loss)/profit attributable to equity holders of the Company | (860) | (3) | (5) | (5) |
| (Loss)/profit attributable to non-controlling interests | (574) | (2) | (4) | (4) |
| Total comprehensive income | (1,434) | (5) | (9) | (9) |
| Transactions with non-controlling interests | | | | |
| Issue of ordinary shares | - | - | 490 | - |
| Issuance of preference shares | 16,312 | - | - | - |

(iii) Summarised statements of cash flows

| | Tropicana Indah Sdn. Bhd. | | Tropicana Danga Bay Sdn. Bhd. | |
|--|---------------------------|----------------|-------------------------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Net cash (used in)/generated from/operating activities | (49,305) | 11,037 | 169,630 | 3,812 |
| Net cash (used in)/generated from investing activities | (1,807) | (1,144) | (49,095) | 7,215 |
| Net cash generated from/(used in) financing activities | 4,010 | (12,010) | (74,726) | (5,458) |
| Net (decrease)/increase in cash and cash equivalent | (47,102) | (2,117) | 45,809 | 5,569 |
| Cash and cash equivalents at the beginning of year | 81,060 | 83,177 | 7,129 | 1,560 |
| Cash and cash equivalents at the end of year | 33,958 | 81,060 | 52,938 | 7,129 |

Notes to the Financial Statements
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18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

Financial information of subsidiaries that have material non-controlling interests are provided below (cont'd.):

(iii) Summarised statements of cash flows (cont'd.)

| | Tropicana Danga Lagoon Sdn. Bhd. | | Tenaga Kimia Sdn. Bhd. | |
|--|----------------------------------|----------------|------------------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Net cash (used in)/generated from/operating activities | (2,574) | (12,206) | 11,087 | 9,246 |
| Net cash (used in)/generated from investing activities | (5,858) | (3,106) | (209) | 1,138 |
| Net cash generated from/(used in) financing activities | 8,463 | 15,321 | (13,751) | (14,693) |
| Net increase/(decrease) in cash and cash equivalent | 31 | 9 | (2,873) | (4,309) |
| Cash and cash equivalents at the beginning of year | 19 | 10 | 8,134 | 12,443 |
| Cash and cash equivalents at the end of year | 50 | 19 | 5,261 | 8,134 |

| | Rhythm Quest Sdn. Bhd. | | Tropicana SJII Education Management Sdn. Bhd. | |
|--|---------------------------|----------------|--|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Net cash (used in)/generated from/operating activities | (6,970) | (500) | (4) | - |
| Net cash (used in)/generated from investing activities | (89,150) | - | - | - |
| Net cash generated from/(used in) financing activities | 92,297 | 500 | 1,000 | - |
| Net increase/(decrease) in cash and cash equivalent | (3,823) | - | 996 | - |
| Cash and cash equivalents at the beginning of year | - | - | - | - |
| Cash and cash equivalents at the end of year | (3,823) | - | 996 | - |

Notes to the Financial Statements

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18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)**(a) Group restructuring**

The following group restructuring took place during the financial year:

- (i) On 13 February 2014, the Company subscribed for an additional 249,998 ordinary shares of RM1.00 each in the share capital of Sapphire Index Sdn. Bhd. at par satisfied by capitalisation of debts due from Sapphire Index Sdn. Bhd. to the Company amounted to RM249,998.
- (ii) On 19 February 2014, the Company acquired 2 ordinary shares of RM1.00 each representing 100% of the total issued and paid-up share capital of Supreme Converge Sdn. Bhd., for cash consideration of RM2.00.
- (iii) On 14 February 2014, the Company acquired 2 ordinary shares of RM1.00 each representing 100% of the total issued and paid-up share capital of Noble Kinetic Sdn. Bhd., for cash consideration of RM2.00.
- (iv) On 5 May 2014, the Company acquired 1 ordinary shares of HKD1.00 each representing 100% of the total issued and paid-up share capital of Tropicana Holding (Hong Kong) Limited, a company incorporated in Hong Kong, for cash consideration of HKD1.00.
- (v) On 1 July 2014, the Company acquired 2 ordinary shares of RM1.00 each representing 100% of the total issued and paid up share capital of Tropicana Collections (MM2H) Sdn. Bhd. (formerly known as Profile Pillar Sdn Bhd) from Noble Kinetic Sdn. Bhd., for a total cash consideration of RM2.00 only.
- (vi) On 31 July 2014, the Company subscribed for an additional 250,000 ordinary shares of RM1.00 each in the share capital of Tropicana Senibong Sdn. Bhd. at par satisfied by capitalisation of debts due from Tropicana Senibong Sdn. Bhd. to the Company.
- (vii) On 6 August 2014, the Company subscribed for an additional 509,998 ordinary shares of RM1.00 each in the share capital of Tropicana SJII Education Management Sdn. Bhd. at par, for a cash consideration of RM509,998.
- (viii) On 17 September 2014, the Company acquired 2 ordinary shares of RM1.00 each representing 100% of the total issued and paid-up share capital of Master Converge Sdn. Bhd., for cash consideration of RM2.00.
- (ix) On 22 September 2014, the Company has registered a wholly foreign owned enterprise, Tropicana Investment Consulting Pte Ltd ("TIC") in Shanghai, the People's Republic of China. TIC is a private limited company with a registered capital of Ren Min Bi ("RMB") 4,000,000. No capital injection is required at the initial stage of incorporation, the Company will be injecting RMB4,000,000 in TIC with 2 years from its date of incorporation. Following the new set-up, TIC has become a wholly-owned subsidiary of the Company.
- (x) On 30 October 2014, the Company subscribed for an additional 500,000 ordinary shares of RM1.00 each in the share capital of Tropicana Education Management Sdn. Bhd. at par satisfied by capitalisation of debts due from Tropicana Education Management Sdn. Bhd. to the Company amounted to RM500,000.
- (xi) On 26 December 2014, Kuasa Cekapmas Sdn. Bhd. has exercised its Redemption Options to redeem 10,245,518 unsecured convertible loan stocks of RM1.00 each, satisfied by offsetting of debts due from the Company to Kuasa Cekapmas Sdn. Bhd.
- (xii) On 26 December 2014, Tropicana Kepong Sdn. Bhd. has exercised its Redemption Options to redeem 4,991,452 unsecured convertible loan stocks of RM1.00 each, satisfied by offsetting of debts due from the Company to Tropicana Kepong Sdn. Bhd.
- (xiii) On 26 December 2014, Ultimate Support Sdn. Bhd. has exercised its Redemption Options to redeem 2,447,442 unsecured convertible loan stocks of RM1.00 each, satisfied by offsetting of debts due from the Company to Ultimate Support Sdn. Bhd.

Notes to the Financial Statements
31 DECEMBER 2014

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(b) Acquisition of subsidiaries

On 31 May 2013, Tropicana Tenaga Kimia Sdn. Bhd. ("TTKSB"), a wholly-owned subsidiary of Sumber Saujana Sdn. Bhd. ("SSSB") which in turn is a wholly-owned subsidiary of Tropicana Corporation Berhad, had acquired 12,800,000 ordinary shares of RM1.00 each in Tenaga Kimia Sdn. Bhd. ("TKSB"), representing 40% of the total issued and paid up share capital of TKS B. Prior to the acquisition, TKS B was an equity accounted associate with 33% equity interest held by TTKSB. Arising from the acquisition, TKS B became a 73% owned subsidiary of TTKSB.

The fair value of the identifiable assets and liabilities of TKS B as at the date of acquisition were:

| | Carrying Amount RM'000 | Fair Value RM'000 |
|-------------------------------|---------------------------|----------------------|
| Property, plant and equipment | 9,891 | 10,346 |
| Investment in joint ventures | 8,993 | 8,993 |
| Investment in an associates | 1,493 | 1,493 |
| Deferred tax assets | 840 | 840 |
| Inventories | 23,850 | 21,925 |
| Trade and other receivables | 55,359 | 55,359 |
| Tax recoverable | 246 | 246 |
| Cash at banks | 18,553 | 18,553 |
| Trade and other payables | (11,739) | (11,739) |
| Borrowings | (1,002) | (1,002) |
| Deferred tax liabilities | (182) | (182) |
| Taxation | (2,808) | (2,808) |
| Net identifiable assets | 103,494 | 102,024 |

Notes to the Financial Statements
31 DECEMBER 2014

18. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(b) Acquisition of subsidiaries (cont'd.)

| Total cost of business combination | RM'000 |
|--|---------------|
| The total cost of business combination was as follows: | |
| Cash paid | 39,630 |
| Real properties held as inventory of the Group | 39,730 |
| Transfer from investment in associate (Note 19) | 35,475 |
| Fair value gain of previously held interest | 29,705 |
| | 144,540 |

The effect of the acquisition on cash flows was as follows:

| | |
|--|-----------|
| Total cost of the business combination | 144,540 |
| Less: non-cash consideration | (104,910) |
| Consideration settled in cash | 39,630 |
| Less: cash and cash equivalents of subsidiary acquired | (18,553) |
| Net cash outflow on acquisition | 21,077 |

Goodwill arising from acquisition

| | |
|--------------------------------------|----------|
| Fair value of net identifiable asset | 102,024 |
| Less: minority interest | (17,287) |
| Goodwill on acquisition | 59,803 |
| Cost of business combination | 144,540 |

The Group completed its purchase price allocation exercise for TKSB during the year and no adjustment was required on the amount of goodwill previously recognised.

19. INVESTMENTS IN ASSOCIATES

| | Group | |
|--|---------------|---------------|
| | 2014 | 2013 |
| | RM'000 | RM'000 |
| In Malaysia: | | |
| Unquoted shares at cost | 404 | 6,493 |
| Share of post-acquisition reserve | 2,352 | 30,745 |
| Transfer to investment in subsidiaries (Note 18) | - | (35,475) |
| | 2,756 | 1,763 |
| Represented by: | | |
| Share of net assets | 2,756 | 1,763 |

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19. INVESTMENTS IN ASSOCIATES (CONT'D.)

Details of the associates, which is a private entity that is not listed in any public exchange, are as follows:

| Name of associates | Country of incorporation | Equity Interest Held (%) | | Principal activities |
|---|--------------------------|--------------------------|------|--|
| | | 2014 | 2013 | |
| First Asiatic Enterprise Holdings, Inc* | Philippines | 40 | 40 | Investment holding company |
| MT. Rock Powder Corporation* | Philippines | 40 | 40 | Trading of chemical and other related products |
| Agile Tropicana Development Sdn. Bhd.* | Malaysia | 30 | - | Property development |

* All the associate companies are using equity accounting method.

On 8 May 2014, Supreme Converge Sdn. Bhd. ("SCSB"), a wholly-owned subsidiary of the Company, entered into a Subscription and Shareholders' Agreement with Agile Real Estate Development (M) Sdn. Bhd. (formerly known as Vista Oasis Sdn. Bhd.) ("Agile"), a wholly-owned subsidiary of Agile Property Holdings Limited ("APH") ("SSA"). SCSB and Agile have pursuant to the SSA subscribed shares in a new company known as Agile Tropicana Development Sdn. Bhd. (formerly known as Offshore Triangle Sdn. Bhd.) ("ATD") where SCSB's and Agile's equity interest in the ATD is 30% and 70% respectively.

Aggregate information of associates that are not individually material are as follows:

| | Group | |
|---|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| The Group's share of profit before tax | 993 | 4,381 |
| The Group's share of total comprehensive income | 993 | 4,381 |

20. INVESTMENTS IN JOINT VENTURES

| | Group | |
|-----------------------------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| In Malaysia: | | |
| Unquoted shares at cost | 167,272 | 101,854 |
| Share of post-acquisition reserve | 97,138 | 84,315 |
| | 264,410 | 186,169 |
| Represented by: | | |
| Share of net assets | 264,410 | 186,169 |

Notes to the Financial Statements
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20. INVESTMENTS IN JOINT VENTURES (CONT'D.)

Details of the joint ventures are as follows:

| Name of joint ventures | Country of incorporation | Equity Interest Held (%) | | Principal activities |
|---|--------------------------|--------------------------|------|---|
| | | 2014 | 2013 | |
| Tropicana Ivory Sdn. Bhd. ("TIVSB")* | Malaysia | 55 | 55 | Property development |
| Subsidiaries of TIVSB: | | | | |
| Tropicana Ivory Realty Sdn. Bhd. ("TIRSB")* | Malaysia | 100 | 100 | Property investment |
| Triple Three Properties Sdn. Bhd. ("TTPSB")* | Malaysia | - | 65 | Property investment |
| Tropicana Danga Cove Sdn. Bhd. ("TDCSB")* | Malaysia | 50 | 50 | Property development |
| Tenaga Kimia-Ensign Bickford Sdn. Bhd. ("TKEBSB")* | Malaysia | 50 | 50 | Manufacturing and trading of non-electric explosives |

* All the joint ventures are using equity accounting method.

During the year:

- (i) TDCSB issued RM60,194,000 worth of redeemable preference shares series A ("RPS-A") of nominal value of RM0.01 with a share premium of RM0.09. The Group subscribed for 50% of these issuances of shares for a cash consideration of RM30,097,000.
- (ii) TIVSB issued RM64,221,700 of redeemable preference shares series A ("RPS-A") with a nominal value of RM0.01 per share with a premium of RM0.99 per share. The Group subscribed for 55% of this issuance of shares for a cash consideration of RM35,322,000.
- (iii) On 6 August 2014, TIVSB has disposed its entire shareholding of 585 ordinary shares of RM1.00 each in Triple Three Properties Sdn. Bhd., for a cash consideration of RM585.

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20. INVESTMENTS IN JOINT VENTURES (CONT'D.)

(a) Summarised financial information in respect of each of the Group's material joint ventures is set out below. The summarised financial information represents the amounts in the financial statements of the joint ventures and not the Group's share of those amounts.

(i) Summarised statements of financial position

| | Tropicana Ivory Sdn. Bhd. | | Tropicana Danga Cove Sdn. Bhd. | |
|--|---------------------------|----------------|--------------------------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Non-current assets | 8,251 | 9,196 | 501,879 | 431,019 |
| Current assets | 493,978 | 343,653 | 87,568 | 49,288 |
| Total assets | 502,229 | 352,849 | 589,447 | 480,307 |
| Non-current liabilities | 302,967 | 198,427 | 229,076 | 159,701 |
| Current liabilities | 22,180 | 59,366 | 52,234 | 75,279 |
| Total liabilities | 325,147 | 257,793 | 281,310 | 234,980 |
| Net assets | 177,082 | 95,056 | 308,137 | 245,327 |
| Interest in joint ventures | 55% | 55% | 50% | 50% |
| Carrying value of Group's interest in joint ventures | 97,395 | 52,281 | 154,069 | 122,664 |

(ii) Summarised statements of comprehensive income

| | Tropicana Ivory Sdn. Bhd. | | Tropicana Danga Cove Sdn. Bhd. | |
|-----------------------------------|---------------------------|----------------|--------------------------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Revenue | 151,090 | 18,954 | 74,163 | 24,004 |
| Profit/(loss) before tax | 24,777 | (11,232) | 7,155 | 173,143 |
| Total comprehensive income/(loss) | 17,803 | (9,025) | 2,616 | 164,063 |

Notes to the Financial Statements
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20. INVESTMENTS IN JOINT VENTURES (CONT'D.)

(a) Summarised financial information in respect of each of the Group's material joint ventures is set out below. The summarised financial information represents the amounts in the financial statements of the joint ventures and not the Group's share of those amounts. (cont'd.)

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

| | Tropicana Ivory Sdn. Bhd. | | Tropicana Danga Cove Sdn. Bhd. | |
|--|---------------------------|----------------|--------------------------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Net assets as at 1 January | 95,056 | 53,751 | 245,327 | 77,326 |
| Profit/(Loss) for the year | 17,803 | (9,025) | 2,616 | 164,063 |
| Net assets as at 31 December | 112,859 | 44,726 | 247,943 | 241,389 |
| Issuance of preference shares | 64,223 | 50,330 | 60,194 | 3,938 |
| | 177,082 | 95,056 | 308,137 | 245,327 |
| Interest in joint ventures | 55% | 55% | 50% | 50% |
| Carrying value of Group's interest in joint ventures | 97,395 | 52,281 | 154,069 | 122,664 |

(iv) Share of capital commitment

| | Tropicana Ivory Sdn. Bhd. | | Tropicana Danga Cove Sdn. Bhd. | |
|--|---------------------------|----------------|--------------------------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Approved and contracted for: acquisition of land | 348,000 | 454,200 | 3,400 | 8,400 |

(b) Aggregate information of joint ventures that are not individually material are as follows:

| | Group | |
|---|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| The Group's share of profit after tax | 4,257 | 2,265 |
| The Group's share of total comprehensive income | 4,257 | 2,265 |

21. OTHER INVESTMENTS

| | Group and Company | |
|---|-------------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| At FVTPL: | | |
| Transferable corporate golf club membership | 312 | 312 |

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22. SECURITY RETAINERS ACCUMULATION FUND

| | Group | |
|--|--------|--------|
| | 2014 | 2013 |
| | RM'000 | RM'000 |
| At 1 January | 3,837 | 3,630 |
| Unrealised returns (Note 9) | 224 | 218 |
| | 4,061 | 3,848 |
| Less: Amortisation for the year (Note 9) | (11) | (11) |
| At 31 December | 4,050 | 3,837 |

The security retainers accumulation fund of the golf and country resort of the Group relates to the unamortised portion of the single premium paid for the purchase of a 'Group Endowment with Profits' policy from a local insurer in 1994 and the unrealised returns which accrues to this policy on a cumulative basis, annually.

The total accumulated returns together with the insured sum will only be received upon maturity of the said policy on 2 October 2051. The purpose of this scheme is to provide the Group with funds to repay the security retainers received from members of the golf and country resort of the Group, who were registered prior to January 1993, at the end of their membership license term on 9 October 2051.

23. INTANGIBLE ASSETS

| | Group | |
|----------------------------------|---------------|---------------|
| | 2014 | 2013 |
| | RM'000 | RM'000 |
| Goodwill on consolidation | | |
| Cost | | |
| At 1 January | 84,447 | 24,694 |
| Acquisition of subsidiaries | - | 59,803 |
| Written off | - | (50) |
| At 31 December | 84,447 | 84,447 |
| Accumulated impairment | | |
| At 1 January/ 31 December | (4,069) | (4,069) |
| Net carrying amount | 80,378 | 80,378 |

Impairment test of goodwill

Goodwill has been allocated to the Group's CGUs identified according to business segments as follows:

| | Group | |
|----------------------|--------|--------|
| | 2014 | 2013 |
| | RM'000 | RM'000 |
| Manufacturing | 59,803 | 59,803 |
| Investment holding | 16,714 | 16,714 |
| Property development | 3,861 | 3,861 |
| | 80,378 | 80,378 |

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23. INTANGIBLE ASSETS (CONT'D.)

(a) Key assumptions used in value-in-use calculations

The recoverable amounts of the CGUs have been determined based on a value-in-use calculations using cash flow projections based on financial budgets approved by management.

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill.

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margin is the average rate achieved in the year immediately before the budgeted year increased for expected efficiency improvements.

(ii) Pre-tax discount rate

The discount rates used are pre-tax ranging from 10% to 12% and reflect specific risks relating to the relevant segments.

(b) Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the CGUs, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the unit to materially differ from its recoverable amount.

24. INVENTORIES

| | Group | |
|--|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| At cost | | |
| <u>Property Development and Recreation</u> | | |
| Properties held for sale | 27,125 | 33,614 |
| Consumable stores and spares | 971 | 1,109 |
| | 28,096 | 34,723 |
| <u>Manufacturing</u> | | |
| Raw material, explosive | 12,382 | 20,849 |
| Finished goods, explosive | 11,077 | 11,265 |
| Working in progress, explosive | 750 | 252 |
| | 24,209 | 32,366 |
| | 52,305 | 67,089 |

The Group's cost of inventories recognised as an expense during the year in the Group amounted to RM188,608,000 (2013: RM115,560,000).

Notes to the Financial Statements
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25. TRADE AND OTHER RECEIVABLES

| | Group | | Company | |
|---------------------------------|----------------|----------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Current | | | | |
| Trade receivables | | | | |
| Third parties | 693,105 | 200,753 | - | - |
| Less: Allowance for impairment | (4,311) | (3,772) | - | - |
| Trade receivables, net | 688,794 | 196,981 | - | - |
| Other receivables | | | | |
| Sundry receivables | 49,810 | 32,534 | 9,412 | 11,192 |
| Deposits | 63,550 | 132,861 | 156 | 166 |
| Amounts due from subsidiaries | - | - | 1,571,209 | 1,237,358 |
| Amounts due from associates | 15,379 | 5,334 | - | - |
| Amounts due from joint ventures | - | 24,643 | - | - |
| Less: Allowance for impairment | | | | |
| - Sundry receivables | (8,999) | (9,066) | (8,806) | (8,806) |
| - Amount due from subsidiaries | - | - | (107,466) | (135,284) |
| | 119,740 | 186,306 | 1,464,505 | 1,104,626 |
| | 808,534 | 383,287 | 1,464,505 | 1,104,626 |
| Non-current | | | | |
| Other receivable | | | | |
| Government grants | 5,967 | - | - | - |

(a) Trade receivables

The Group's normal trade credit term ranges from 14 to 180 days (2013: 14 to 180 days). Other credit terms are assessed and approved on a case-to-case basis. Trade receivables are non-interest bearing and are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

Notes to the Financial Statements
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25. TRADE AND OTHER RECEIVABLES (CONT'D.)

(a) Trade receivables (cont'd.)

Ageing analysis of trade receivables

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

| | Group | |
|--|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| Neither past due nor impaired | 543,595 | 115,206 |
| 1 to 30 days past due but not impaired | 35,265 | 27,539 |
| 31 to 60 days past due but not impaired | 18,942 | 18,802 |
| 61 to 90 days past due but not impaired | 14,886 | 5,344 |
| 91 to 120 days past due but not impaired | 10,325 | 7,381 |
| More than 121 days past due but not impaired | 65,781 | 22,709 |
| Past due but not impaired | 145,199 | 81,775 |
| Impaired | 4,311 | 3,772 |
| | 693,105 | 200,753 |

Receivables that are neither past due nor impaired

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

None of the 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 receivables that are past due but not impaired are unsecured in nature. However, the directors are of the opinion that these debts should be realised in full without material losses in the ordinary course of business.

Notes to the Financial Statements
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25. TRADE AND OTHER RECEIVABLES (CONT'D.)

(a) Trade receivables (cont'd.)

Receivables that are impaired

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

| | Group Individually impaired | |
|------------------------------------|--------------------------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| Trade receivables - nominal amount | 4,311 | 3,772 |
| Less: Allowance for impairment | (4,311) | (3,772) |
| | - | - |

Movement in the allowance accounts:

| | Group | |
|-----------------------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| At 1 January | 3,772 | 3,058 |
| Charge for the year | 748 | 266 |
| Acquisition of subsidiaries | - | 581 |
| Reversal for the year | (209) | (133) |
| At 31 December | 4,311 | 3,772 |

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

(b) Other receivables

The amounts due from subsidiaries of RM16,582,000 (2013: RM50,843,000) bore interest of 3% (2013: 3%) per annum during the financial year. The balance of the amount are non-trade in nature, unsecured, interest free and have no fixed terms of repayment except for these amounts classified as non-current which are not expected to be repaid within the foreseeable future. Further details on related party transactions are disclosed in Note 40.

The amounts due from associates and joint ventures are non-trade in nature, unsecured, interest free and have no fixed terms of repayment.

Included in deposit are deposits paid for the acquisition of lands amounting RM49,506,000 (2013: RM132,861,000) as disclosed in Note 48.

The Group has no significant concentration of credit risk included under sundry receivables that may arise from exposures to a single debtor or to groups of debtors except for debts due from subsidiaries.

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25. TRADE AND OTHER RECEIVABLES (CONT'D.)

(b) Other receivables (cont'd.)

Other receivables that are impaired

Movement in the allowance accounts:

| | Group | | Company | |
|-----------------------|----------------|----------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| At 1 January | 9,066 | 9,116 | 144,090 | 139,059 |
| Charge for the year | - | - | 6,713 | 24,227 |
| Reversal for the year | (67) | (50) | (34,531) | (19,196) |
| At 31 December | 8,999 | 9,066 | 116,272 | 144,090 |

(c) Government grants

During the financial year, a subsidiary of the Group received Government grants from Government of Malaysia ("The Government") for its property development project ("the Project"). There are no unfulfilled conditions or contingencies attached to these grants.

The Government has agreed to provide financial assistance for an amount not exceeding RM106,800,000 only or an amount equivalent to ten percent (10%) of the actual construction costs of the Project, whichever is lower to facilitate the development of the Project. The amount will only be disbursed by the Government upon completion of the entire Project by 31 December 2019.

26. OTHER CURRENT ASSETS

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Prepayments | 14,450 | 11,350 | 3,639 | 3,725 |
| Accrued billings in respect of property development costs | 486,203 | 237,470 | - | - |
| Amount due from contract customers (i) | 4,831 | - | - | - |
| | 505,484 | 248,820 | 3,639 | 3,725 |

(i) Amount due from contract customers

| | Group | |
|------------------------------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| Aggregate cost incurred to date | 15,828 | 3,863 |
| Attributable profits | 6,419 | 2,734 |
| | 22,247 | 6,597 |
| Less: Progress billings | (17,416) | (6,597) |
| Amount due from contract customers | 4,831 | - |

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27. CASH AND CASH EQUIVALENTS

| | Group | | Company | |
|------------------------------|---------|---------|---------|--------|
| | 2014 | 2013 | 2014 | 2013 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Deposits with licensed banks | 88,091 | 170,731 | 44,873 | 40,142 |
| Cash on hand and at banks | 364,536 | 326,502 | 93,467 | 21,576 |
| Cash and bank balances | 452,627 | 497,233 | 138,340 | 61,718 |

For the purpose of statements of cash flows:

| | Group | | Company | |
|---|----------|----------|----------|----------|
| | 2014 | 2013 | 2014 | 2013 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Cash and bank balances | 452,627 | 497,233 | 138,340 | 61,718 |
| Less: | | | | |
| - Cash and cash equivalents not available for use | (51,638) | (44,581) | (43,364) | (38,702) |
| - Bank overdrafts | (10,383) | (6,000) | - | - |
| Total cash and cash equivalents | 390,606 | 446,652 | 94,976 | 23,016 |

The interest rates for the deposits with licensed banks range from 2.75% to 3.45% (2013: 2.10% to 3.15%) per annum and the maturity of deposits as at the end of the financial year range from 1 to 243 days (2013: 3 to 324 days).

Included in cash at banks of the Group are amounts of RM165,164,000 (2013: RM244,885,396) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and therefore restricted from use in other operations.

Included in deposits with licensed banks of the Group are:

- Deposits held in trust by a trustee of RM45,289,000 (2013: RM39,595,000), representing cash and cash equivalents not available for use; and
- Deposits amounting to RM6,349,000 (2013: RM4,986,000) which are pledged as security for bank guarantees granted to the Group.

28. ASSETS CLASSIFIED AS HELD FOR SALE

| | Group | |
|---|-----------|---------|
| | 2014 | 2013 |
| | RM'000 | RM'000 |
| At 1 January | 103,979 | - |
| Reclassified from property, plant and equipment (Note 15) | 36,177 | - |
| Reclassified from investment properties (Note 17) | 787,231 | 103,979 |
| Disposals | (103,979) | - |
| At 31 December | 823,408 | 103,979 |

Included in assets classified as held for sale are assets pledged as securities for bank borrowings (Note 37) with carrying amounts of RM823,408,000 (2013: Nil)

Notes to the Financial Statements
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28. ASSETS CLASSIFIED AS HELD FOR SALE (CONT'D.)

The assets classified as held for sale as at 31 December 2014 comprised the following:

- (i) On 2 October 2014, Tropicana Subang South Development Sdn. Bhd. entered into an agreement to dispose a piece of freehold land in Bandar Subang Jaya, Daerah Petaling, Selangor for a cash consideration of RM37,553,128.
- (ii) On 6 November 2014, Tropicana Properties (Puchong) Sdn. Bhd. entered into an agreement to dispose of a piece of freehold land in Puchong, Petaling Jaya, Selangor for a cash consideration RM40,000,000.
- (iii) On 8 May 2014, Tropicana Bukit Bintang Development Sdn. Bhd. entered into an agreement to dispose of 8 pieces of freehold land in Bandar Kuala Lumpur, Wilayah Persekutuan for a cash consideration of RM448,439,901.
- (iv) On 26 January 2015, Tropicana City Sdn. Bhd. entered into an agreement to dispose of a 4-storey shopping mall and 12-storey office building for a cash consideration of RM540,000,000.

29. SHARE CAPITAL AND SHARE PREMIUM

| | | | Number of ordinary shares of RM1 each | | | | | |
|---|---------------------------------------|-----------|---------------------------------------|---------------|-----------------|-----------------|---------------|---------------|
| | | | 2014 | | 2013 | | | |
| | | | '000 | | '000 | | | |
| Authorised: | | | | | | | | |
| At 1 January/ 31 December | | | 3,000,000 | | 3,000,000 | | | |
| Group and Company | | | | | | | | |
| | Number of ordinary shares | | Amount | | | | | |
| | Share capital (Issued and fully paid) | | Share capital | Share capital | Treasury Shares | Treasury Shares | Share premium | Share premium |
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| | '000 | '000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Issued and fully paid: | | | | | | | | |
| At 1 January | 1,107,281 | 793,087 | 1,107,281 | 793,087 | (42,779) | - | 488,122 | 354,549 |
| Ordinary shares pursuant to ESOS | 10,987 | 30,741 | 10,987 | 30,741 | - | - | 1,017 | 1,031 |
| Ordinary shares pursuant to Warrant 2009/2019 | -* | 7,146 | -* | 7,146 | - | - | - | 2,164 |
| Ordinary shares pursuant to conversion of RCULS | 278,000 | 190,000 | 278,000 | 190,000 | - | - | 75,983 | 56,414 |
| Ordinary shares pursuant to Private Placement | - | 86,307 | - | 86,307 | - | - | - | 67,320 |
| Share issuance expenses for Private Placement | - | - | - | - | - | - | - | (3,539) |
| Purchase of treasury shares | - | - | - | - | - | (42,779) | - | - |
| Effects pursuant to ESOS on: | | | | | | | | |
| - exercise | - | - | - | - | - | - | 3,266 | 10,183 |
| - grant | - | - | - | - | - | - | - | - |
| - forfeiture | - | - | - | - | - | - | - | - |
| At 31 December | 1,396,268 | 1,107,281 | 1,396,268 | 1,107,281 | (42,779) | (42,779) | 568,388 | 488,122 |

* During the financial year ended 31 December 2014, the Company issued 116 ordinary shares pursuant to exercise of Warrant 2009/2019 for cash consideration of RM116.

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29. SHARE CAPITAL AND SHARE PREMIUM (CONT'D.)

The Company increased its issued and paid-up share capital from RM1,107,281,354 to RM1,396,268,338 by way of the issuance of:

- (a) 278,000,000 ordinary shares of RM1 each pursuant to the conversion of RM361,400,000 nominal value Redeemable Convertible Unsecured Loan Stock converted at RM1.30 per ordinary share.
- (b) 10,986,868 ordinary shares of RM1 each for cash pursuant to the exercise of share options exercised under the Company's Employee Share Option Scheme at an average exercise price of RM1.09 per ordinary share;
- (c) 116 ordinary shares of RM1 each for cash pursuant to the exercise of Warrant 2009/2019 at an exercise price of RM1.00 per ordinary share;

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

Treasury shares

In 2013, the Company repurchased 22,816,300 of its issued ordinary shares from the open market at an average price of RM1.87 per share. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

30. RESERVES

(a) Foreign currency translation reserve

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

(b) Share options reserve ("ESOS")

Employee share option reserve represents the equity-settled share options granted to employees (Note 32). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

| | Group and Company | |
|------------------------------|-------------------|----------|
| | Nominal amount | |
| | 2014 | 2013 |
| | RM'000 | RM'000 |
| At 1 January | 6,772 | 3,966 |
| Effects pursuant to ESOS on: | | |
| - exercise | (3,266) | (10,183) |
| - grant | 18,217 | 13,341 |
| - forfeiture | (1,537) | (352) |
| At 31 December | 20,186 | 6,772 |

Notes to the Financial Statements

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30. RESERVES (CONT'D.)**(c) Warrants 2009/2019 reserve**

On 9 December 2009, the Company had issued 129,812,791 free detachable Warrants 2009/2019. The Warrants are constituted by the Deed Poll dated 28 October 2009.

On 18 October 2013, the Company had issued additional 30,894,707 Warrants 2009/2019 pursuant to the adjustment to the Warrants 2009/2019 as a results of the Rights Issue with Bonus Shares.

The main features of the Warrants are as follows:

- (i) each Warrant entitles the holder to subscribe for 1 new ordinary share of RM1.00 each in Tropicana at a price of RM1.00 per share;
- (ii) the Warrants may be exercised at any time up to 9 December 2019; and
- (iii) the shares arising from the exercise of Warrants shall rank pari passu in all respect with the existing ordinary shares of the Company, save and except that the new shares shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the allotment date of the new shares.

As at reporting date, 153,557,696 (2013: 153,557,812) free detachable Warrants 2009/2019 remain unexercised.

(d) RCULS reserve 2012/2022

The amount recognised in the statement of financial position as at 31 December 2014 may be analysed as follows:

| | Group and Company | |
|--|-------------------|-----------|
| | Nominal amount | |
| | 2014 | 2013 |
| | RM'000 | RM'000 |
| Nominal value - Issued and fully paid | | |
| At 1 January | 437,681 | 684,681 |
| Redemption during the year | (361,400) | (247,000) |
| At 31 December | 76,281 | 437,681 |

The salient features of the RCULS issued by the Company are as follows:

- (i) The RCULS are redeemable at any time at the option of the issuer. They are convertible at any time at the option of the RCULS holders with the following conversion price:

| Years | Conversion Price RM |
|--------|------------------------|
| 1 - 2 | 1.3 |
| 3 - 5 | 1.5 |
| 6 - 8 | 1.8 |
| 9 - 10 | 2.5 |

- (ii) The RCULS carry a coupon rate of 3% p.a.

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30. RESERVES (CONT'D.)

(d) RCULS reserve 2012/2022 (cont'd.)

(iii) The RCULS are mandatory to be converted to Tropicana shares in year 10.

The RCULS with a nominal value of RM684,681,000 are unsecured and are repayable in 10 equal annual instalments commencing on 1 February 2013.

The carrying amount of the liability component of RCULS at the reporting date is arrived at as follows:

| | Group and Company | |
|---|-------------------|-----------|
| | 2014 | 2013 |
| | RM'000 | RM'000 |
| Face value of RCULS | 76,281 | 437,681 |
| Equity component, net of deferred tax | (66,227) | (368,660) |
| Deferred tax asset | 3,650 | 22,010 |
| Loss on redemption | 10,370 | 1,776 |
| Liability component of RCULS at initial recognition | 24,074 | 92,807 |

| | Group and Company | |
|--|-------------------|--------|
| | 2014 | 2013 |
| | RM'000 | RM'000 |
| Liability component | 24,074 | 92,807 |
| Interest expense recognised in profit or loss: | | |
| At 1 January | 12,061 | 3,367 |
| Recognised during the year | 2,536 | 8,694 |
| At 31 December | 14,597 | 12,061 |

| | Group and Company | |
|------------------------------------|-------------------|----------|
| | 2014 | 2013 |
| | RM'000 | RM'000 |
| Interest paid: | | |
| At 1 January | (16,825) | - |
| Paid during the year | (7,240) | (16,825) |
| At 31 December | (24,065) | (16,825) |
| Liability component at 31 December | 14,606 | 88,043 |

(e) Retained earnings

The entire retained earnings is available for distribution as single tier dividends.

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31. SINKING FUND

| | Group | |
|---------------------------------------|--------|--------|
| | 2014 | 2013 |
| | RM'000 | RM'000 |
| At 1 January | 1,005 | 143 |
| Additions | 1,048 | 862 |
| Claims made during the financial year | (60) | - |
| At 31 December | 1,993 | 1,005 |

Sinking fund of the Group is established for the purpose of covering costs of periodic major repairs or capital replacements in the golf and country resort of the Group. A fraction of 10% of monthly subscription fees received from members during the year are credited to this reserve.

32. EMPLOYEE SHARE OPTION SCHEME (“ESOS”)

The Tropicana's Employee Share Option Scheme (“ESOS”) was implemented on 21 September 2005 and is governed by the Bye-Laws approved by the shareholders at the Extraordinary General Meeting (“EGM”) held on 24 June 2005 which was subsequently amended by the shareholders at the EGM held on 3 October 2011 and at the Annual General Meeting held on 26 June 2014.

The salient terms of the ESOS are as follows:

- (i) The Option Committee has the full discretion in determining the eligibility of employees of the Group to participate in the ESOS provided that they are at the date of offer at least eighteen years of age and are employed by the Group for those holding job grades below the level of Senior Managers and have served at least one continuous year with the Group, and for those holding job grades of Senior Managers and above, regardless of the length of service with the Group and have been confirmed their positions in writing.
- (ii) The ESOS shall be in force for a period of 10 years from 21 September 2005 to 20 September 2015.
- (iii) The total number of shares to be issued under the ESOS shall not exceed in aggregate 10% of the issued share capital of the Company at any point of time during the tenure of the ESOS. In addition, not more than 10% of the shares available under the ESOS shall be allocated to any individual eligible director and/or eligible employee who, either singly or collectively through person connected to them, holds 20% or more in the issued and paid-up capital of the Company (excluding treasury share, if any).
- (iv) No options shall be granted for less than 1,000 shares or more than the maximum allowable allotment of shares.
- (v) The options granted on 16 June 2007 and 13 April 2010 shall become exercisable to the extent of one-fourth of the shares granted on the grant date and subsequently on each of the first three anniversaries from the date of grant provided that the option holder is in the employment of the Group from the Date of Offer to the Date of Expiry. The options granted on 10 October 2011 shall be vested over the next four years with allocation of 30%:20%:20%:30% each year. The option granted on 22 January 2013 and 7 March 2013 shall be vested over the next three years with allocation of 30%:30%:40% each year. The option granted on 6 March 2014 and 2 May 2014 shall be vested over the next two years with allocation of 30%:70% each year.
- (vi) The option price for each share shall be the weighted average of the share market price as quoted in the Daily Official List issued by Bursa Malaysia Securities Berhad for the five market days preceding the date on which the option is offered, with a discount that does not exceed 10% or such other percentage of discount as may be permitted by Bursa Malaysia Securities Berhad or any other relevant authorities from time to time during the period of ESOS or at the par value of the shares of RM1 each, whichever is higher.
- (vii) An offer made by the Option Committee shall be valid for a period of forty-five days from the date of offer and may be accepted within this prescribed period by the eligible director or employee to whom the offer is made by written notice to the Option Committee of such acceptance accompanied by a payment to the Company of a nominal non-refundable sum of RM1.00 as consideration for the grant of the option. If the offer is not accepted in the manner aforesaid, such offer shall upon the expiry of the said forty-five days automatically lapse and be null and void and of no further force and effect.

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32. EMPLOYEE SHARE OPTION SCHEME (“ESOS”) (CONT’D.)

(viii) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the then existing ordinary shares of the Company except that they will not be entitled to any dividend declared prior to the date of allotment.

Movement of share options during the financial year

The following table illustrates the number (“No.”) and weighted average exercise prices (“WAEP”) of, and movements in, share options during the financial year:

| | Group | | | |
|----------------------------|-------------|-----------|--------------|-----------|
| | 2014 | | 2013 | |
| | No. | WAEP (RM) | No. | WAEP (RM) |
| Outstanding at 1 January | 43,959,685 | | 19,408,255 | |
| - Granted | - | 1.00 | 41,630,700 | 1.00 |
| - Granted | 32,750,000 | 1.22 | - | 1.22 |
| - Granted | 7,800,000 | 1.32 | 15,868,000 | 1.32 |
| - Granted | 1,000,000 | 1.40 | - | 1.40 |
| - Exercised | - | 1.15 | (6,810,600) | 1.15 |
| - Exercised | (7,153,468) | 1.00 | (20,709,007) | 1.00 |
| - Exercised | (2,100,000) | 1.22 | - | 1.22 |
| - Exercised | (1,733,400) | 1.32 | (3,221,900) | 1.32 |
| - Forfeited | (2,750,744) | 1.00 | (2,205,763) | 1.00 |
| - Forfeited | (4,361,900) | 1.32 | - | 1.32 |
| Outstanding at 31 December | 67,410,173 | - | 43,959,685 | - |
| Exercisable at 31 December | | | | |
| 2014 | 21,409,373 | 1.00 | 31,313,585 | 1.00 |
| 2014 | 30,650,000 | 1.22 | - | 1.22 |
| 2014 | 14,350,800 | 1.32 | 12,646,100 | 1.32 |
| 2014 | 1,000,000 | 1.40 | - | 1.40 |

The fair value of share options granted on 6 March 2014 and 2 May 2014 was estimated by using a Black-Scholes model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions are as follows:

| | 2014 | 2013 |
|---|-----------|-----------|
| Fair values of share options as at reporting date (RM): | 0.23-0.24 | 0.28-0.48 |
| Weighted average share price | 1.36-1.54 | 1.00-1.52 |
| Weighted average exercise price | 1.22-1.40 | 1.00-1.32 |
| Expected volatility (%) | 28%-29% | 47%-50% |
| Expected life (years) | 2 | 3 |
| Risk free rate (%) | 3.53% | 3.29% |

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

Notes to the Financial Statements
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33. PROVISION FOR LIABILITIES

| Group | Provision of shortfall for bumi quota RM'000 | Provision of stamp duty on memorandum of transfer RM'000 | Total RM'000 |
|-------------------------------|---|--|-----------------|
| At 1 January 2014 | 41,390 | - | 41,390 |
| Additional provision (Note 9) | 7,701 | 7,062 | 14,763 |
| Utilisation of provision | (11,510) | - | (11,510) |
| At 31 December 2014 | 37,581 | 7,062 | 44,643 |
| At 1 January 2013 | 5,486 | - | 5,486 |
| Additional provision (Note 9) | 35,904 | - | 35,904 |
| At 31 December 2013 | 41,390 | - | 41,390 |

34. DEFERRED TAX LIABILITIES/(ASSETS)

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| At 1 January | 69,691 | 49,340 | (22,011) | (36,909) |
| Recognised in profit or loss (Note 12) | (4,285) | 8,947 | 1,176 | 2,033 |
| Acquisition of subsidiaries | - | (658) | - | - |
| Recognised in equity | 17,184 | 12,062 | 17,184 | 12,865 |
| At 31 December | 82,590 | 69,691 | (3,651) | (22,011) |

| Group | Accelerated capital allowances RM'000 | Fair value adjustment on business combination RM'000 | Fair value changes to investment properties RM'000 | Acquisition of identified assets RM'000 | Others RM'000 | Total RM'000 |
|----------------------------------|--|--|--|--|------------------|-----------------|
| Deferred tax liabilities: | | | | | | |
| At 1 January 2014 | 20,916 | 54,173 | 10,173 | 22,471 | 12,833 | 120,566 |
| Recognised in profit or loss | 4,595 | - | (3,579) | - | (383) | 633 |
| At 31 December 2014 | 25,511 | 54,173 | 6,594 | 22,471 | 12,450 | 121,199 |
| At 1 January 2013 | 19,308 | 54,627 | 5,728 | 22,471 | 10,534 | 112,668 |
| Recognised in profit or loss | 1,608 | (454) | 5,103 | - | 2,299 | 8,556 |
| Acquisition of subsidiaries | - | - | (658) | - | - | (658) |
| At 31 December 2013 | 20,916 | 54,173 | 10,173 | 22,471 | 12,833 | 120,566 |

Notes to the Financial Statements
31 DECEMBER 2014

34. DEFERRED TAX LIABILITIES/(ASSETS) (CONT'D.)

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

| Group | Provision | RCULS | Unused tax | Total |
|------------------------------|-----------------|-----------|--|----------|
| | for liabilities | 2012/2022 | losses and unabsorbed capital allowances | |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Deferred tax assets: | | | | |
| At 1 January 2014 | (491) | (22,010) | (28,374) | (50,875) |
| Recognised in profit or loss | - | 1,176 | (6,094) | (4,918) |
| Recognised in equity | - | 17,184 | - | 17,184 |
| At 31 December 2014 | (491) | (3,650) | (34,468) | (38,609) |
| At 1 January 2013 | (491) | (36,909) | (25,928) | (63,328) |
| Recognised in profit or loss | - | 2,034 | (1,643) | 391 |
| Recognised in equity | - | 12,865 | (803) | 12,062 |
| At 31 December 2013 | (491) | (22,010) | (28,374) | (50,875) |

| | Group | |
|---|----------|----------|
| | 2014 | 2013 |
| | RM'000 | RM'000 |
| Presented after appropriate offsetting as follows: | | |
| Deferred tax assets | (38,609) | (50,875) |
| Deferred tax liabilities | 121,199 | 120,566 |
| | 82,590 | 69,691 |

| Company | RCULS 2012/2022 RM'000 |
|------------------------------|------------------------------|
| Deferred tax assets: | |
| At 1 January 2014 | (22,011) |
| Recognised in profit or loss | 1,176 |
| Recognised in equity | 17,184 |
| At 31 December 2014 | (3,651) |
| At 1 January 2013 | (36,909) |
| Recognised in profit or loss | 2,033 |
| Recognised in equity | 12,865 |
| At 31 December 2013 | (22,011) |

The unused tax losses, unabsorbed capital allowances and other deductible temporary differences of the Group are available indefinitely for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Notes to the Financial Statements
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34. DEFERRED TAX LIABILITIES / (ASSETS) (CONT'D.)

Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profits of other subsidiaries in the Group and they have arisen in subsidiaries that have a recent history of losses.

35. SECURITY RETAINERS

Security retainers are funds collected from members of the golf and country resort of the Group who joined prior to January 1993. These security retainers are refundable to the members on cessation of membership, i.e. upon the expiry of the term of the membership license on 9 October 2051 or upon revocation (i.e. termination of the membership at its discretion at any time before the expiry date).

| | Group | |
|-----------------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| At 1 January | 1,485 | 1,375 |
| Unwinding of discount | 362 | 110 |
| Termination | (260) | - |
| At 31 December | 1,587 | 1,485 |

36. DEFERRED LICENSE FEES

| | Group | |
|---------------------------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| Cost | | |
| At 1 January | 108,827 | 102,567 |
| Additions | 5,831 | 6,260 |
| At 31 December | 114,658 | 108,827 |
| Accumulated amortisation | | |
| At 1 January | 29,191 | 26,955 |
| Amortisation during year | 2,367 | 2,236 |
| At 31 December | 31,558 | 29,191 |
| Net carrying amount | 83,100 | 79,636 |
| Current | 2,367 | 2,236 |
| Non-current | 80,733 | 77,400 |
| | 83,100 | 79,636 |

The deferred license fees refer to accrual and amortisation of license fees over 40 years which will expire on 9 October 2051.

Notes to the Financial Statements
31 DECEMBER 2014

37. BORROWINGS

| | Group | | Company | |
|-------------------------------------|----------------|----------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Short term borrowings | | | | |
| Secured: | | | | |
| Bridging loan | 14,208 | 18,933 | - | - |
| Revolving credits | 399,552 | 158,415 | 168,000 | 41,000 |
| Term loans | 265,522 | 149,335 | - | - |
| Hire purchase (Note a) | 3,626 | 1,970 | - | - |
| Banker acceptances | 5,674 | - | - | - |
| CP MTN (Note b) | 70,000 | 20,000 | 70,000 | 20,000 |
| Bank overdrafts | 10,383 | 6,000 | - | - |
| Less: Unamortised issuance expenses | (3,894) | (3,894) | (1,126) | (1,232) |
| | 765,071 | 350,759 | 236,874 | 59,768 |
| Long term borrowings | | | | |
| Secured: | | | | |
| Bridging loans | 24,441 | 39,652 | - | - |
| Term loans | 1,344,253 | 1,106,652 | - | - |
| Hire purchase (Note a) | 5,759 | 5,957 | - | - |
| CP MTN (Note b) | 300,000 | 340,000 | 300,000 | 340,000 |
| Less: Unamortised issuance expenses | (16,162) | (13,553) | (3,025) | (4,151) |
| | 1,658,291 | 1,478,708 | 296,975 | 335,849 |
| Unsecured: | | | | |
| RCULS (Note 30(d)) | 14,606 | 88,043 | 14,606 | 88,043 |
| | 1,672,897 | 1,566,751 | 311,581 | 423,892 |

Notes to the Financial Statements
31 DECEMBER 2014

37. BORROWINGS (CONT'D.)

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Total borrowings | | | | |
| Secured: | | | | |
| Bridging loans | 38,649 | 58,585 | - | - |
| Revolving credits | 399,552 | 158,415 | 168,000 | 41,000 |
| Term loans | 1,609,775 | 1,255,987 | - | - |
| Hire purchase (Note a) | 9,385 | 7,927 | - | - |
| Banker acceptances | 5,674 | - | - | - |
| CP MTN (Note b) | 370,000 | 360,000 | 370,000 | 360,000 |
| Bank overdrafts | 10,383 | 6,000 | - | - |
| Less: Unamortised issuance expenses | (20,056) | (17,447) | (4,151) | (5,383) |
| | 2,423,362 | 1,829,467 | 533,849 | 395,617 |
| Unsecured: | | | | |
| RCULS (Note 30(d)) | 14,606 | 88,043 | 14,606 | 88,043 |
| | 2,437,968 | 1,917,510 | 548,455 | 483,660 |
| Unamortised issuance expenses: | | | | |
| At 1 January | 17,447 | 21,901 | 5,383 | 9,081 |
| Incurred during the year | 8,900 | 5,950 | - | 3,865 |
| Amortisation for the year | (6,291) | (10,404) | (1,232) | (7,563) |
| At 31 December | 20,056 | 17,447 | 4,151 | 5,383 |
| Maturities of borrowings: | | | | |
| Not later than one year | 768,965 | 354,653 | 238,000 | 61,000 |
| Later than 1 year and not later in 5 years | 1,332,618 | 1,378,150 | 314,606 | 428,043 |
| More than 5 years | 356,441 | 202,154 | - | - |
| Less: Unamortised issuance expenses | (20,056) | (17,447) | (4,151) | (5,383) |
| Total | 2,437,968 | 1,917,510 | 548,455 | 483,660 |

The range of interest rates per annum at the reporting date for borrowings were as follows:

| | 2014 % | 2013 % |
|--------------------|-------------|-------------|
| Revolving credits | 4.96%-7.35% | 5.03%-5.35% |
| Bridging loans | 4.90%-5.80% | 5.10%-5.43% |
| Term loans | 4.94%-7.60% | 4.91%-7.60% |
| Banker acceptances | 4.85%-5.03% | - |
| Bank overdrafts | 6.60%-7.35% | 5.51%-7.60% |
| CP MTN | 3.84%-4.60% | 4.12%-4.29% |

Notes to the Financial Statements
31 DECEMBER 2014

37. BORROWINGS (CONT'D.)

The revolving credits, bridging loan and term loans of the Group are secured by certain assets of the Group and of the Company as follows:

- (i) fixed charge over certain property, plant and equipment as disclosed in Note 15;
- (ii) fixed charge over certain land held for property development and property development costs as disclosed in Note 16;
- (iii) fixed charge over certain investment properties as disclosed in Note 17;
- (iv) legal assignment of all cashflows, sale or tenancy agreements, insurance policies, construction contracts, construction guarantees and performance bonds in relation to a project developed by a subsidiary;
- (v) fixed and floating charge over the assets of certain subsidiaries;
- (vi) specific debenture creating a fixed and floating charge over the Charged Properties; and
- (vii) corporate guarantees provided by the Company.

Other information on financial risks of borrowings are disclosed in Note 44.

| | Company | |
|---|-----------|-----------|
| | 2014 | 2013 |
| | RM'000 | RM'000 |
| Unsecured corporate guarantees given to banks for credit facilities granted to certain subsidiaries | 2,846,842 | 2,231,842 |

Notes to the Financial Statements
31 DECEMBER 2014

37. BORROWINGS (CONT'D.)

(a) Hire purchase

The Group has finance leases for certain items of property, plant and equipment (Note 15). Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

| | Group | |
|---|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| Minimum lease payments: | | |
| Not later than 1 year | 3,966 | 2,780 |
| Later than 1 year but not later than 2 years | 4,396 | 1,873 |
| Later than 2 years but not later than 5 years | 1,690 | 3,927 |
| Later than 5 years | 152 | 144 |
| Total minimum lease payments | 10,204 | 8,724 |
| Less: Amount representing finance charges | (819) | (797) |
| Present value of minimum lease payments | 9,385 | 7,927 |
| Present value of payments: | | |
| Not later than 1 year | 3,626 | 1,970 |
| Later than 1 year but not later than 2 years | 4,136 | 2,073 |
| Later than 2 years but not later than 5 years | 1,475 | 3,745 |
| Later than 5 years | 148 | 139 |
| Present value of minimum lease payments | 9,385 | 7,927 |
| Less: Amount due within 12 months | (3,626) | (1,970) |
| Amount due after 12 months | 5,759 | 5,957 |

These obligations are secured by a charge over the leased asset (Note 15). The discount rate implicit in the leases ranges from 2.30% to 5.00% (2013: 4.44% to 7.57%).

Notes to the Financial Statements
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37. BORROWINGS (CONT'D.)

(b) Commercial Papers and/or Medium Term Notes ("CP MTN")

In the year of 2013, the Company took up a CP MTN of RM500 million in nominal value. As at 31 December 2014, four tranches with a total of 12 series of CP MTN amounting to RM360 million in nominal value were issued.

The remaining maturities of the CP MTN as at 31 December 2014 are as follows:

| | Group and Company | |
|---|-------------------|---------|
| | 2014 | 2013 |
| | RM'000 | RM'000 |
| On demand or within one year | 70,000 | 20,000 |
| More than 1 year and less than 2 years | 95,000 | 165,000 |
| More than 2 years and less than 5 years | 205,000 | 175,000 |
| | 370,000 | 360,000 |

The CP MTN is being secured by the following:

- (i) assignment and charge over the Designated Accounts;
- (ii) third party charge over freehold and leasehold lands, with an aggregate carrying amounts of RM270,220,000 (2013: RM270,220,000), and its related rental income arising from the investment properties; and
- (iii) assignment of proceeds arising from the exercise of its warrants.

38. TRADE AND OTHER PAYABLES

| | Group | | Company | |
|---|---------|---------|---------|---------|
| | 2014 | 2013 | 2014 | 2013 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current | | | | |
| Trade payables | | | | |
| Third parties | 528,679 | 268,678 | - | - |
| Other payables | | | | |
| Other payables and deposits | 267,183 | 194,583 | 6,696 | 8,634 |
| Amounts due to related companies | | | | |
| - Subsidiaries | - | - | 385,344 | 182,120 |
| - Non-controlling interests of subsidiaries | 23,671 | 10,342 | - | - |
| Amounts due to joint ventures | 796 | 1,315 | - | - |
| | 291,650 | 206,240 | 392,040 | 190,754 |
| | 820,329 | 474,918 | 392,040 | 190,754 |
| Non-current liability | | | | |
| Trade payable | 496,274 | - | - | - |

Notes to the Financial Statements
31 DECEMBER 2014

38. TRADE AND OTHER PAYABLES (CONT'D.)

(a) Trade payables

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

(b) Other payables

Other payables are mainly unsecured, interest free and have no fixed terms of repayment.

Amounts due to related parties, consisting of subsidiaries, non-controlling interests of subsidiaries, directors of the subsidiaries and joint ventures are mainly unsecured, interest free and have no fixed terms of repayment.

Further details on related party transactions are disclosed in Note 40.

Other information on financial risks of other payables are disclosed in Note 44.

(c) Non-current liability - trade payable

This amount relates to payable amount arising from acquisition of land by a subsidiary of the Group, which is payable over 20 years.

39. OTHER CURRENT LIABILITIES

| | Group | |
|--|--------|--------|
| | 2014 | 2013 |
| | RM'000 | RM'000 |
| Advance progress billings in respect of property development costs | - | 12,704 |

40. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Transactions with subsidiaries

| | Company | |
|--|----------|---------|
| | 2014 | 2013 |
| | RM'000 | RM'000 |
| Dividend income from subsidiaries | 131,170 | 159,814 |
| Interest income derived from unwinding of discount on amount due from subsidiaries | 2,685 | 3,038 |
| Interest income from amount due from subsidiaries | 26,464 | 27,503 |
| Interest expense from amount due to subsidiaries | (13,882) | (4,210) |

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40. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(b) Transactions with entities related to Tan Sri Dato' Tan Chee Sing (Director of the Company)

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Rental income receivable from Inland Sports and Recreation Club Sdn. Bhd. | 212 | 212 | - | - |
| Rental income from TT Resources Food & Services Sdn. Bhd., a subsidiary of TT Resources Bhd. | 1,371 | 1,599 | - | - |
| Rental income from TT Food Manufacturing Sdn. Bhd., a subsidiary of TT Resources Bhd. | 3 | 32 | - | - |
| Rental income from TT Resources F&B Sdn. Bhd., a subsidiary of TT F&B Holding Sdn. Bhd., which in turn is a subsidiary of TT Resources Bhd. | - | 181 | - | - |
| Rental income from Ribuan Budaya Sdn. Bhd. | 573 | 557 | - | - |
| Project management fees receivable from Alam Harmoni Sdn. Bhd. | 145 | 49 | 145 | 49 |
| Rental income from S.E Executive Centre Sdn. Bhd. | 623 | 522 | - | - |
| Rental income from U Mobile Sdn. Bhd. (formerly known as MiTV Network Sdn. Bhd.) | - | 89 | - | - |
| Security charges from Gelombang Kreatif Sdn. Bhd. | 7 | 7 | - | - |
| Security charges from Lambang Potensi Sdn. Bhd. | 24 | 20 | - | - |
| Security charges from Steady Perspective Sdn. Bhd. | 26 | 26 | - | - |
| Rental income from Desa Setia Sdn. Bhd. | 6,784 | 7,084 | - | - |
| Rental income from IB Mentari Management Sdn. Bhd. | 13,441 | 12,922 | - | - |
| Car park and utilities income from Tropicana Grand Ballroom & Boutique Sdn. Bhd. | 14 | 58 | - | - |
| Rental income from Beverly Wilshire Dental Specialist Sdn. Bhd. | 55 | 6 | - | - |
| Rental income from Beverly Wilshire Medical Centre Sdn. Bhd. | 1,520 | 1,323 | - | - |
| Rental income from D & I Corporation Sdn. Bhd. | 3,634 | 3,757 | - | - |

Notes to the Financial Statements
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40. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(b) Transactions with entities related to Tan Sri Dato' Tan Chee Sing (Director of the Company) (cont'd.)

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Utilities charges from Esteem Value Sdn. Bhd. | 55 | 20 | - | - |
| Rental income from Finesseco Sdn. Bhd. | 436 | 333 | - | - |
| Advertising income from Tai Thong Group Sdn. Bhd. | 13 | - | - | - |
| Car Park income from Tenaki Sdn. Bhd. | 18 | - | - | - |
| Car Park income from Top Edge Management Sdn. Bhd. | 15 | - | - | - |
| Utilities income from Dynamic Sensation Sdn. Bhd. | 182 | - | - | - |
| Advertising income from Beverly Wilshire Dental Centre Sdn. Bhd. | 25 | - | - | - |
| Advertising income from Beverly Wilshire Medical Centre Sdn. Bhd. | 26 | - | - | - |
| Rental income from U Mobile Sdn. Bhd. (formerly known as MiTV Network Sdn. Bhd.) | - | 135 | - | - |
| Rental income from Seni Simbolik Sdn. Bhd. | 280 | 252 | - | - |
| Rental income from Suasat Tetap Sdn. Bhd. | 53 | 50 | - | - |
| Rental income from Sungai Merdu Ria Sdn. Bhd. | 222 | 163 | - | - |
| Rental income from Succo Food and Beverage Sdn. Bhd. | 105 | 90 | - | - |
| Rental income from Damai Merdu Sdn. Bhd. | 216 | - | - | - |
| Rental income from Unique Dynasty Sdn. Bhd. | 838 | 838 | - | - |
| Rental income from Glorade Sdn. Bhd. | - | 752 | - | - |
| Rental income from Happy Graphic Recreation Sdn. Bhd. | 1,722 | 1,693 | - | - |
| Rental income from Lion Establishment Sdn. Bhd. | 684 | 684 | - | - |
| Telephone charges payable to U Mobile Sdn. Bhd. | (25) | - | - | - |

Notes to the Financial Statements
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40. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(b) Transactions with entities related to Tan Sri Dato' Tan Chee Sing (Director of the Company) (cont'd.)

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Insurance charges payable to Berjaya Sompo Insurance Berhad | (2,068) | (1,232) | (33) | (17) |
| Transportation cost payable to Rainbow State Limited | (2,270) | - | (2,270) | - |
| Entertainment expenses payable to Tai Thong Group Sdn. Bhd. | (376) | - | (376) | - |
| Car Park charges payable to Tai Thong Group Sdn. Bhd. | (375) | - | - | - |
| Gift cost payable to Succo Retail Sdn. Bhd. | (1,654) | 131 | - | - |
| Rental expenses payable to Yaasir Sdn. Bhd. | (144) | - | - | - |

(c) Transactions with entities related to Tan Sri Dato' Tan Chee Yioun ("Tan Sri Vincent Tan"), whom is the brother of Tan Sri Dato' Tan Chee Sing.

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Rental income from Berjaya Starbucks Coffee Company Sdn. Bhd. | 479 | 137 | - | - |
| Rental income from Berjaya Roasters (M) Sdn. Bhd. | 295 | 265 | - | - |
| Rental income from Berjaya Books Sdn. Bhd. | 421 | 387 | - | - |
| Rental income from Cosway (M) Sdn. Bhd. | 87 | 87 | - | - |
| Rental income from 7-Eleven (Malaysia) Sdn. Bhd. | 270 | 263 | - | - |
| Rental income from Berjaya Papa John's Pizza Company Sdn. Bhd. | 272 | 247 | - | - |
| Rental income from Wow Outdoor Sdn. Bhd. | 204 | 273 | - | - |
| Marketing expenses payable to Wow Outdoor Sdn. Bhd. | (1,653) | - | - | - |
| Rental income from U Mobile Sdn. Bhd. (formerly known as MiTV Network Sdn. Bhd.) | 370 | - | - | - |
| Rental expenses payable to Berjaya Time Square Sdn. Bhd. | (50) | - | - | - |

Notes to the Financial Statements
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40. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(d) Sale and purchase of property

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

| | Group | |
|--|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| Sales of property to Kok Kong Chin, a director of the Company | 1,026 | - |
| Sales of property to Tan Tieng Fung, Spouse of Kok Kong Chin, a director of the Company | 1,553 | - |
| Sales of property to Datuk Kong Woon Jun, a director of Company | 1,182 | - |
| Sales of property to Leong Choon Meng, a director of subsidiary company | 1,193 | - |
| Sales of property to Lee Sor Phaik, a director of a subsidiary company | - | 1,260 |
| Sales of property to Dato' Yau Kok Seng, a director of the Company | 1,217 | 1,903 |
| Sales of property to Leong Jee Van, a director of a subsidiary company | - | 1,893 |
| Sales of property to Dato' Khoo Poh Chye, a director of the Company | - | 2,146 |
| Sales of property to Virgo Alpha Sdn. Bhd., a company which Dato' Dickson Tan Yoong Loong, a director of the Company | - | 1,457 |

(e) Transaction with associate - MT. Rock Powder Corporation

| | Group | |
|----------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| Sales of goods | 12,557 | 3,170 |

The directors are of the opinion that all the above transactions were entered into in the normal course of business and have been established under terms that are no less favourable than those obtainable in transactions with unrelated parties.

(f) Compensation of key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group, and certain members of senior management of the Group.

Notes to the Financial Statements
31 DECEMBER 2014

40. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

(f) Compensation of key management personnel (cont'd.)

The remuneration of directors and other members of key management during the year were as follows:

| | Group | | Company | |
|------------------------------|----------------|----------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Short-term employee benefits | 41,423 | 68,371 | - | - |
| Post-employment benefits: | | | | |
| Defined contribution plan | 4,567 | 6,324 | - | - |
| Share-based payment ESOS | 11,549 | 6,827 | - | - |
| | 57,539 | 81,522 | - | - |

Included in the total key management personnel are:

| | Group | | Company | |
|-----------------------------------|----------------|----------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Directors' remuneration (Note 11) | 46,833 | 67,040 | 3,877 | 9,437 |

Share options granted to key management personnel

| | Group | |
|---|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 |
| At 1 January | 12,102 | 7,109 |
| Adjustment for personnels becoming key management personnel during the year | 713 | 3,867 |
| Granted | 11,549 | 6,827 |
| Exercised | (761) | (5,600) |
| Forfeited | - | (101) |
| At 31 December | 23,603 | 12,102 |

The share options were granted on the same terms and conditions as those offered to other employees of the Group (Note 32).

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41. FINANCIAL INSTRUMENTS

Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies of the Group described how the class of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analysed the financial assets and liabilities in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis.

| Group | Loans and receivables RM'000 | Fair value through profit or loss RM'000 | Financial liabilities at amortised cost RM'000 | Total RM'000 |
|--------------------------------------|------------------------------------|--|--|-----------------|
| 31 December 2014 | | | | |
| Assets | | | | |
| Other investments | - | 312 | - | 312 |
| Security retainers accumulation fund | 4,050 | - | - | 4,050 |
| Trade and other receivables | - | - | - | |
| - Non-current | 5,967 | - | - | 5,967 |
| - Current | 808,534 | - | - | 808,534 |
| Cash and bank balances | 452,627 | - | - | 452,627 |
| Total financial assets | | | | 1,271,490 |
| Total non-financial assets | | | | 5,943,506 |
| Total assets | | | | 7,214,996 |
| Liabilities | | | | |
| Borrowings | | | | |
| - Non-current | - | - | 1,672,897 | 1,672,897 |
| - Current | - | - | 765,071 | 765,071 |
| Trade and other payables | | | | |
| - Non-current | - | - | 496,274 | 496,274 |
| - Current | - | - | 820,329 | 820,329 |
| Security retainers | - | - | 1,587 | 1,587 |
| Total financial liabilities | | | | 3,756,158 |
| Total non-financial liabilities | | | | 273,657 |
| Total liabilities | | | | 4,029,815 |

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41. FINANCIAL INSTRUMENTS (CONT'D.)

Classification of financial instruments (cont'd.)

| Group | Loans and receivables RM'000 | Fair value through profit or loss RM'000 | Financial liabilities at amortised cost RM'000 | Total RM'000 |
|--------------------------------------|------------------------------------|--|--|-----------------|
| 31 December 2013 | | | | |
| Assets | | | | |
| Other investments | - | 312 | - | 312 |
| Security retainers accumulation fund | 3,837 | - | - | 3,837 |
| Trade and other receivables | 383,287 | - | - | 383,287 |
| Cash and bank balances | 497,233 | - | - | 497,233 |
| Total financial assets | | | | 884,669 |
| Total non-financial assets | | | | 4,541,047 |
| Total assets | | | | 5,425,716 |
| Liabilities | | | | |
| Borrowings | | | | |
| - Non-current | - | - | 1,566,751 | 1,566,751 |
| - Current | - | - | 350,759 | 350,759 |
| Trade and other payables | - | - | 474,918 | 474,918 |
| Security retainers | - | - | 1,485 | 1,485 |
| Total financial liabilities | | | | 2,393,913 |
| Total non-financial liabilities | | | | 297,769 |
| Total liabilities | | | | 2,691,682 |

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41. FINANCIAL INSTRUMENTS (CONT'D.)

| Company | Loans and receivables RM'000 | Fair value through profit or loss RM'000 | Financial liabilities at amortised cost RM'000 | Total RM'000 |
|-----------------------------|------------------------------------|--|--|-----------------|
| 31 December 2014 | | | | |
| Assets | | | | |
| Other investments | - | 312 | - | 312 |
| Trade and other receivables | 1,464,505 | - | - | 1,464,505 |
| Cash and bank balances | 138,340 | - | - | 138,340 |
| Total financial assets | | | | 1,603,157 |
| Total non-financial assets | | | | 1,445,370 |
| Total assets | | | | 3,048,527 |
| Liabilities | | | | |
| Borrowings | | | | |
| - Non-current | - | - | 311,581 | 311,581 |
| - Current | - | - | 236,874 | 236,874 |
| Other payables | - | - | 392,040 | 392,040 |
| Total financial liabilities | | | | 940,495 |
| 31 December 2013 | | | | |
| Assets | | | | |
| Other investments | - | 312 | - | 312 |
| Trade and other receivables | 1,104,626 | - | - | 1,104,626 |
| Cash and bank balances | 61,718 | - | - | 61,718 |
| Total financial assets | | | | 1,166,656 |
| Total non-financial assets | | | | 1,468,832 |
| Total assets | | | | 2,635,488 |
| Liabilities | | | | |
| Borrowings | | | | |
| - Non-current | - | - | 423,892 | 423,892 |
| - Current | - | - | 59,768 | 59,768 |
| Other payables | - | - | 190,754 | 190,754 |
| Total financial liabilities | | | | 674,414 |

Notes to the Financial Statements
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42. FAIR VALUE MEASUREMENT

The fair value measurement hierarchies used to measure assets and liabilities carried at fair value in the statements of financial position as at 31 December 2014 are as follows:

- (a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- (c) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

| | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 |
|----------------------------------|-------------------|-------------------|-------------------|-----------------|
| Group | | | | |
| As at 31 December 2014 | | | | |
| Asset | | | | |
| Investment Properties (Note 17) | | | | |
| - Land | - | - | 47,458 | 47,458 |
| - Office properties | - | - | 401,968 | 401,968 |
| - Retail properties | - | - | - | - |
| FVTPL financial assets (Note 21) | - | - | 312 | 312 |
| As at 31 December 2013 | | | | |
| Asset | | | | |
| Investment Properties (Note 17) | | | | |
| - Land | - | - | 71,376 | 71,376 |
| - Office properties | - | - | 663,270 | 663,270 |
| - Retail properties | - | - | 498,419 | 498,419 |
| FVTPL financial assets (Note 21) | - | - | 312 | 312 |
| Company | | | | |
| As at 31 December 2014 | | | | |
| Asset | | | | |
| FVTPL financial assets (Note 21) | - | - | 312 | 312 |
| As at 31 December 2013 | | | | |
| Asset | | | | |
| FVTPL financial assets (Note 21) | - | - | 312 | 312 |

There were no material transfer between Level 1, Level 2 and Level 3 during the financial year.

The Group and Company do not have any financial liabilities carried at fair value nor any financial instruments classified as Level 2 as at 31 December 2014 and 31 December 2013.

Notes to the Financial Statements

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43. FAIR VALUE OF FINANCIAL INSTRUMENTS**A. Determination of fair value**Amounts due from subsidiaries and advances to/from subsidiaries.

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

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

The carrying amounts of current financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors and the risk characteristics of the financed project.

44. 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, foreign currency risk and market price risk.

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

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

(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 reputable financial institutions.

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

Exposure to credit risk

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

Notes to the Financial Statements
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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(a) Credit risk (cont'd.)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

| | 2014 | | 2013 | |
|-------------------------------|---------|------------|---------|------------|
| | RM'000 | % of total | RM'000 | % of total |
| Group | | | | |
| Property development | 595,855 | 87% | 133,676 | 68% |
| Property investment | 26,961 | 4% | 13,552 | 7% |
| Resorts operation | 3,781 | 1% | 3,738 | 2% |
| Investment holding and Others | 62,197 | 9% | 46,015 | 23% |
| | 688,794 | 100% | 196,981 | 100% |

(b) Liquidity risk

Liquidity risk is the risk that the Group or 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.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities with several banks.

Analysis of financial instruments by remaining contractual maturities

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

Notes to the Financial Statements
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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

| | On demand or within one year RM'000 | One to five years RM'000 | More than five years RM'000 | Total RM'000 |
|---|--|--------------------------------|-----------------------------------|------------------|
| 2014 | | | | |
| Group | | | | |
| Financial liabilities: | | | | |
| Trade and other payables | 820,329 | 368,654 | 859,605 | 2,048,588 |
| Security retainer accumulation funds | - | - | 27,260 | 27,260 |
| Borrowings | 1,003,923 | 2,036,784 | 77,820 | 3,118,527 |
| Total undiscounted financial liabilities | 1,824,252 | 2,405,438 | 964,685 | 5,194,375 |
| Company | | | | |
| Financial liabilities: | | | | |
| Other payables | 392,040 | - | - | 392,040 |
| Borrowings | 155,647 | 591,815 | - | 747,462 |
| Total undiscounted financial liabilities | 547,687 | 591,815 | - | 1,139,502 |
| 2013 | | | | |
| Group | | | | |
| Financial liabilities: | | | | |
| Trade and other payables | 474,918 | - | - | 474,918 |
| Security retainer accumulation funds | - | - | 27,260 | 27,260 |
| Borrowings | 432,189 | 1,534,642 | 217,356 | 2,184,187 |
| Total undiscounted financial liabilities | 907,107 | 1,534,642 | 244,616 | 2,686,365 |
| Company | | | | |
| Financial liabilities: | | | | |
| Other payables | 190,754 | - | - | 190,754 |
| Borrowings | 26,435 | 402,331 | 50,966 | 479,732 |
| Total undiscounted financial liabilities | 217,189 | 402,331 | 50,966 | 670,486 |

Notes to the Financial Statements
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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument 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.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

| | Group RM'000 | Company RM'000 |
|--|-----------------|-------------------|
| 31 December 2014 | | |
| Borrowings denominated in Ringgit Malaysia | | |
| Interest rates increase by 0.25 percentage point | (11,051) | (8,245) |
| Interest rates decrease by 0.25 percentage point | 11,051 | 8,245 |
| 31 December 2013 | | |
| Borrowings denominated in Ringgit Malaysia | | |
| Interest rates increase by 0.25 percentage point | (14,221) | (3,666) |
| Interest rates decrease by 0.25 percentage point | 14,221 | 3,666 |

(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 balances in other payables in a currency other than the functional currencies of Group. The foreign currency in which these transactions are denominated is US Dollars ("USD"), Taiwan Dollars ("TWD"), Thai Baht ("THB") and Rupiah ("RP").

The Group also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, foreign currency balances which is in USD amount to RM35,881,000 (2013: RM3,000,000), TWD amount to RM5,372,000 (2013: RM962,000), THB amount to RM7,428,000 (2013: RM3,009,000) and RP amount to RM499,000 (2013: RM862,000) for the Group.

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44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(d) Foreign currency risk (cont'd.)

Sensitivity analysis for foreign currency risk

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

| | Group 2014 RM'000 | Group 2013 RM'000 |
|-------------------------------------|-------------------------|-------------------------|
| | Profit before tax | Profit before tax |
| USD/RM - strengthened 5% (2013: 5%) | 1,794 | 819 |
| - weakened 5% (2013: 5%) | (1,794) | (819) |
| TWD/RM - strengthened 5% (2013: 5%) | 269 | 48 |
| - weakened 5% (2013: 5%) | (269) | (48) |
| THB/RM - strengthened 5% (2013: 5%) | 371 | 150 |
| - weakened 5% (2013: 5%) | (371) | (150) |
| RP/RM - strengthened 5% (2013: 5%) | 25 | 43 |
| - weakened 5% (2013: 5%) | (25) | (43) |

45. OPERATING LEASE ARRANGEMENTS

(a) The Group as lessee

The Group has entered into non-cancellable operating lease agreements for the use of office premises and equipment. These leases have an average life of 3 years with renewal or purchase option included in the contracts. There are no restrictions placed upon the Group by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases at the reporting date are as follows:

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Future minimum rentals payments: | | | | |
| Not later than 1 year | 2,452 | 1,163 | 407 | 407 |
| Later than 1 year and not later than 5 years | 4,481 | 1,819 | 839 | 1,428 |
| | 6,933 | 2,982 | 1,246 | 1,835 |

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45. OPERATING LEASE ARRANGEMENTS (CONT'D.)

(b) The Group as lessor

The Group has entered into cancellable operating lease agreements on its investment property portfolio. These leases have remaining cancellable lease terms of between 2 and 39 years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

| | Group | |
|--|---------|---------|
| | 2014 | 2013 |
| | RM'000 | RM'000 |
| Not later than 1 year | 50,846 | 67,578 |
| Later than 1 year and not later than 5 years | 39,397 | 70,768 |
| Later than 5 years | 17,282 | 91,915 |
| | 107,525 | 230,261 |

46. COMMITMENTS

| | Group | |
|--------------------------------------|-----------|-----------|
| | 2014 | 2013 |
| | RM'000 | RM'000 |
| Capital expenditure | | |
| Capital commitment | | |
| Approved and contracted for: | | |
| - Land held for property development | 771,900 | 2,455,600 |
| - Property, plant and equipment | 479,000 | 105,700 |
| Approved and not contracted for: | | |
| - Property, plant and equipment | 737,500 | 846,100 |
| | 1,988,400 | 3,407,400 |

Notes to the Financial Statements

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47. SEGMENTAL INFORMATION**(a) Business segments:**

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

- (i) Property development - development of residential and commercial properties
- (ii) Property investment and resort - Operation of clubhouse, shopping mall and investment properties, provision of golfing and other sporting and recreational facilities and rental of rooms and other related hotel facilities
- (iii) Investment holding and others - Investment income and manufacturing income

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segmental 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. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Notes to the Financial Statements
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47. SEGMENTAL INFORMATION (CONT'D.)

Segmental information by business segments:

| | Property development | | Property investment and resort | | Investment holding and others | | Adjustments and eliminations | | Notes | | Consolidated | |
|---|----------------------|-----------|--------------------------------|-----------|-------------------------------|-----------|------------------------------|-------------|--------|--------|--------------|-----------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue and expenses | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | |
| External sales | 1,569,287 | 1,215,141 | 143,354 | 142,384 | 259,717 | 117,978 | - | - | | | 1,972,358 | 1,475,503 |
| Inter-segment | 12,073 | 6,360 | 2,451 | 1,011 | 169,011 | 257,851 | (183,535) | (265,222) | (A) | | - | - |
| Total revenue | 1,581,360 | 1,221,501 | 145,805 | 143,395 | 428,728 | 375,829 | (183,535) | (265,222) | | | 1,972,358 | 1,475,503 |
| Results | | | | | | | | | | | | |
| Interest income | 16,775 | 20,115 | 9,927 | 618 | 32,975 | 32,870 | (49,075) | (44,539) | | | 10,602 | 9,064 |
| Depreciation and amortisation | (11,503) | (7,530) | (9,710) | (10,389) | (5,864) | (2,273) | (1,992) | (2,466) | | | (29,069) | (22,658) |
| Share of results of associate | - | - | - | - | 993 | 698 | - | 3,683 | | | 993 | 4,381 |
| Share of results of joint ventures | - | - | - | - | 3,866 | 2,955 | 11,491 | 76,378 | | | 15,357 | 79,333 |
| Other non-cash expenses | (16,516) | (19,992) | - | (13,722) | (1,345) | (53,802) | - | 73,048 | (B) | | (17,861) | (14,468) |
| Segment profit | 352,704 | 256,911 | 117,964 | 164,418 | 196,673 | 185,215 | (215,885) | (102,896) | (C) | | 451,456 | 503,648 |
| Assets | | | | | | | | | | | | |
| Investment in associates | - | - | - | - | 2,830 | 1,837 | (74) | (74) | | | 2,756 | 1,763 |
| Investment in jointly controlled entities | - | - | - | - | 84,843 | 53,119 | 179,567 | 133,050 | | | 264,410 | 186,169 |
| Additions to non-current assets | 1,391,923 | 76,357 | 9,266 | 32,855 | 19,488 | 44,648 | - | - | (D) | | 1,420,677 | 153,860 |
| Segment assets | 5,041,233 | 3,604,085 | 2,038,744 | 1,918,695 | 4,185,411 | 3,463,909 | (4,050,392) | (3,560,973) | | | 7,214,996 | 5,425,716 |
| Segment liabilities | 4,036,842 | 3,090,366 | 977,860 | 695,776 | 1,677,839 | 1,201,892 | (2,662,726) | (2,296,352) | | | 4,029,815 | 2,691,682 |

Notes to the Financial Statements
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47. SEGMENTAL INFORMATION (CONT'D.)

Inter-segment revenue are eliminated upon consolidation and reflected in the 'adjustment and eliminations' column. All other adjustments and eliminations are part of detail reconciliation presented below:

Notes: Nature of adjustments and eliminations to arrive at the amounts reported in the consolidated financial statements

- A. Inter-segment revenues are eliminated on consolidation
- B. Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

| | 2014 RM'000 | 2013 RM'000 |
|--|----------------|----------------|
| Share based payments | 17,113 | 13,341 |
| Impairment loss on financial assets | 748 | 266 |
| Fair value loss on marketable securities | - | 861 |
| | 17,861 | 14,468 |

- C. The following items are added to/(deducted from) segment profit to arrive at Profit before tax from continuing operations presented in the consolidated statement of comprehensive income:

| | 2014 RM'000 | 2013 RM'000 |
|------------------------------------|----------------|----------------|
| Share of results of associates | 993 | 4,381 |
| Share of results of joint ventures | 15,357 | 79,333 |
| Finance costs | (49,510) | (77,943) |

- D. Additions to non-current assets consist of:

| | 2014 RM'000 | 2013 RM'000 |
|------------------------------------|----------------|----------------|
| Property, plant and equipment | 97,057 | 88,648 |
| Investment properties | 31,157 | 23,480 |
| Land held for property development | 1,292,463 | 41,726 |
| | 1,420,677 | 153,854 |

Notes to the Financial Statements
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48. SIGNIFICANT EVENTS

- (A) During the financial year, the Group through its various subsidiaries and joint ventures entered into agreements to purchase various parcels of land located through Malaysia. A summary of material purchase is presented below:

Acquisitions in financial year ended 31 December 2011:

- (i) Transactions where the conditions precedents are not met as at 31 December 2014 are as follows:

| Location of property | Type | Area | Consideration RM'000 |
|--|----------|--------|-------------------------|
| (a) Mukim 13, Daerah of Timur Laut, State of Pulau Pinang. | Freehold | Penang | 655,805 |

- (ii) Transactions where the conditions precedents are substantially met as at 31 December 2014 are as follows:

| Location of property | Type | Area | Consideration RM'000 |
|--|----------|--------|-------------------------|
| (b) HSD 18777, Mukim 13, PT 4012, Daerah Timor Laut, Negeri Pulau Pinang | Freehold | Penang | 36,904 |
| (c) HSD 18778, Mukim 13, PT 4011, Daerah Timor Laut, Negeri Pulau Pinang | Freehold | Penang | 67,305 |
| (d) HSD 18779, Mukim 13, PT 4013, Daerah Timor Laut, Negeri Pulau Pinang | Freehold | Penang | 84,702 |

Acquisitions in financial year ended 31 December 2013:

- (i) Transactions where the conditions precedents are not met as at 31 December 2014 are as follows:

| Location of property | Type | Area | Consideration RM'000 |
|--|-----------|-------|-------------------------|
| (e) HS(D) 437846 PTD 194795 in the District of Johor Bahru, Mukim Plentong, State of Johor | Leasehold | Johor | 444,312 |

- (ii) Transactions where the conditions precedents are substantially met as at 31 December 2014 are as follows:

| Location of property | Type | Area | Consideration RM'000 |
|---|-----------|----------|-------------------------|
| (f) Gelang Patah, Johor in Mukim of Pulai, District of Johor Bahru, Johor | Freehold | Johor | 366,551 |
| (g) Geran 127933 Lot 3053 Mukim of Plentong Daerah of Johor Bahru State of Johor | Freehold | Johor | 18,524 |
| (h) HS(D) 455043 PTB 21345 and HS(D) 455049 PTB 21346, District of Johor Bahru | Freehold | Johor | 85,875 |
| (i) 11 parcels of leasehold land, Mukim Tanjong Duabelas, District of Kuala Langat, State of Selangor | Leasehold | Selangor | 1,297,259 |

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48. SIGNIFICANT EVENTS (CONT'D.)

Acquisitions in financial year ended 31 December 2014:

(i) Transactions where the conditions precedents are not met as at 31 December 2014 are as follows:

| Location of property | Type | Area | Consideration RM'000 |
|---|-----------|--------------|-------------------------|
| (j) Geran 94441 Lot 2119 Mukim of Plentong Daerah of Johor Bahru State of Johor | Freehold | Johor | 8,857 |
| (k) HSM 715, PTD 3997, Kg. Sungai Danga, Mukim Pulau, Daerah Johor Bahru, Negeri Johor | Leasehold | Johor | 11,300 |
| (l) PN 45934, Lot 1181 & Geran 35834, Lot 503, Seksyen 67, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur. | Freehold | Kuala Lumpur | 93,168 |

(ii) Transactions where the conditions precedents are substantially met as at 31 December 2014 are as follows:

| Location of property | Type | Area | Consideration RM'000 |
|--|-----------|-------|-------------------------|
| (m) PM 134, Lot 44998, Kg. Sungai Danga, Mukim Pulau, Daerah Johor Bahru, Negeri Johor | Leasehold | Johor | 11,500 |

Disposals in financial year ended 31 December 2013:

(i) Transactions where the conditions precedents are substantially met as at 31 December 2014 are as follows:

| Location of property | Type | Area | Consideration RM'000 |
|---|-----------|--------------|-------------------------|
| (a) Lot 4258 & 4259 at Mukim Ampang, Negeri Selangor | Freehold | Selangor | 35,000 |
| (b) Lot No. 371, Section 63, District of Kuala Lumpur | Leasehold | Kuala Lumpur | 132,435 |
| (c) HSD 18421, Mukim 13, PT 3985 Daerah Timor Laut, Negeri Pulau Pinang | Freehold | Penang | 113,827 |

Disposal in financial year ended 31 December 2014:

(i) Transactions where the conditions precedents are substantially met as at 31 December 2014 are as follows:

| Location of property | Type | Area | Consideration RM'000 |
|--|-----------|----------|-------------------------|
| (d) Town Lease No. 017541409, Sadong Jaya, Karamunsing, District of Kota Kinabalu, Sabah | Leasehold | Sabah | 9,811 |
| (e) Mukim Tanjong Duabelas, District of Kuala Langat, State of Selangor | Leasehold | Selangor | 288,666 |
| (f) Town Lease No. 017529332, Kg Ayer, District of Kota Kinabalu, Sabah | Freehold | Sabah | 21,912 |

Notes to the Financial Statements
31 DECEMBER 2014

48. SIGNIFICANT EVENTS (CONT'D.)

Disposal in financial year ended 31 December 2014: (cont'd.)

- (i) Transactions where the conditions precedents are substantially met as at 31 December 2014 are as follows: (cont'd.)

| Location of property | Type | Area | Consideration RM'000 |
|---|-----------|----------|-------------------------|
| (g) HS (D) 256477, HS(D) 256478, HS(D) 256479, HS(D) 256480, HS(D) 256481, HS(D) 256482, HS(D) 256483, HS(D)256484, HS(D) 256485, HS(D) 256486, HS(D) 256487, HS(D) 256488, HS(D) 256489, HS(D) 256490, HS(D) 256491, HS(D) 256492, HS(D) 256493, HS(D) 256494, HS(D) 256495, HS(D) 256496, Lot PT Nos 1793, 1794, 1795,1796, 1797, 1798, 1799, 1800, 1801, 1802, 1803, 1804, 1805, 1806, 1807, 1808, 1809, 1810, 1811 and 1812, all within Mukim Pekan Serdang, District of Petaling, Selangor Darul Ehsan | Leasehold | Selangor | 6,768 |

- (ii) During the financial year, the Group through its subsidiaries have not completed the following disposals of land:

| Location of property | Type | Area | Consideration RM'000 |
|--|-----------|--------------|-------------------------|
| (h) HSM 21199, PT 17400, Mukim and District of Petaling Jaya, Selangor | Freehold | Selangor | 40,000 |
| (i) Geran 723, Lot 497; Geran 27822, Lot 498; Geran 25984, Lot 499, Geran 29428, Lot 504; Geran 34327, Lot 512; Geran 34328, Lot 513; Geran 37937, Lot 1160 & H.S.(D) 119063, PT134 Seksyen 67, Bandar Kuala Lumpur, Daerah Kuala Lumpur | Freehold | Kuala Lumpur | 448,440 |
| (j) Geran 295496, Lot 4887, Bandar Subang Jaya, Daerah Petaling, Negeri Selangor | Freehold | Selangor | 37,553 |
| (k) PN 74909 for No. Lot 62161, Bandar Sunway, District of Petaling, State of Selangor | Leasehold | Selangor | 106,766 |

- (B) On 12 February 2014, the Company entered into a Shareholders Agreement with Lasallian Asia Partnership for International School ("LAPIS") and Tropicana SJII Education Management Sdn. Bhd. (formerly known as Tropicana Education Sdn. Bhd.) ("TSEM"), a wholly-owned subsidiary of the Company ("TSEM Shareholders Agreement"). The Company also entered into a Shareholders Agreement with LAPIS, Warisan Istimewa Sdn. Bhd. ("WISB") and Tropicana Education Management Sdn. Bhd. ("TEM") ("TEM Shareholders Agreement").

The purpose of the TSEM Shareholders Agreement and the TEM Shareholders Agreement is to establish an international school to be known as "St. Joseph's Institution International (Malaysia) (Tropicana PJ Campus)" or such other name as may be mutually agreed upon and approved by the relevant authorities ("International School") and shall encompass the followings:

- (i) the construction of the International School by TEM on the land held under the title Pajakan Negeri Lot 53742 – Lot 53746, Pekan Baru Sungai Buloh, Daerah Petaling, Negeri Selangor ("TEM Land"). TEM is the registered proprietor and beneficial owner of the TEM Land; and
- (ii) the operation of the International School by TSEM.

49. SUBSEQUENT EVENT

On 26 January 2015, Tropicana City Sdn. Bhd. ("TCSB"), a wholly-owned subsidiary of Bakat Rampai Sdn. Bhd., which in turn is a wholly-owned subsidiary of the Company, had entered into a conditional sale and purchase agreement with AmTrustee Berhad ("AMT"), acting solely as trustee for Capitamalls Malaysia Trust, a Real Estate Investment Trust ("REIT") ("CMMT"), for the disposal of a 4-storey shopping mall and 12-storey office building ("Property") for a total disposal consideration of RM540,000,000 ("Disposal Consideration"), which will be fully satisfied in cash ("SPA") ("Proposed Disposal").

Barring any unforeseen circumstances, the Proposed Disposal is expected to be completed in the 3rd quarter of 2015.

Notes to the Financial Statements

31 DECEMBER 2014

50. MATERIAL LITIGATION

On 26 August 2013, the Company received an order from the Arbitral Tribunal to add the Company as a party to the arbitration proceedings between Dijaya-Malind JV (Mauritius) Limited (“DMML”), Dijaya-Malind Properties (India) Private Limited (“DMPPL”) and Starlite Global Enterprise (India) Limited (“SGEIL”) (“Order”).

The arbitration proceedings was previously instituted by DMML and DMPPL against SGEIL to seek the return of the deposit sum and damages arising from termination of the Deed of Novation cum Joint Development Agreement.

The Company appealed to the City Civil Court of Hyderabad against the Order which was dismissed on 2 June 2014. As our legal counsel opines the Order was erroneous and wrong in law, the Company has filed a further appeal to the High Court of Judicature of Andhra Pradesh.

51. 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 31 December 2013.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital refers to equity attributable to the equity holders of the Company.

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2014 RM'000 | 2013 RM'000 | 2014 RM'000 | 2013 RM'000 |
| Borrowings | 2,437,968 | 1,917,510 | 548,455 | 483,660 |
| Less: Cash and bank balances | (452,627) | (497,233) | (138,340) | (61,718) |
| Net debt | 1,985,341 | 1,420,277 | 410,115 | 421,942 |
| Equity attributable to the owners of the parent | 2,932,969 | 2,570,256 | 2,108,032 | 1,961,074 |
| Gearing ratio | 0.68 | 0.55 | 0.19 | 0.22 |

52. COMPARATIVE FIGURES

The prior year’s comparative figures of the Company have been restated to conform with current year’s presentation as follows:

| | As previously stated RM'000 | Reclassification RM'000 | As restated RM'000 |
|----------------|-----------------------------------|----------------------------|-----------------------|
| Other income | 1 | 19,196 | 19,197 |
| Finance income | 51,790 | (19,196) | 32,594 |

Notes to the Financial Statements
31 DECEMBER 2014

53. SUPPLEMENTARY INFORMATION - BREAKDOWN OF RETAINED EARNINGS/(ACCUMULATED LOSSES) INTO REALISED AND UNREALISED

The breakdown of the retained earnings/(accumulated losses) of the Group and of the Company as at 31 December 2014 and 31 December 2013 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2011 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.

| | 2014 | 2013 |
|--|---------------|---------------|
| Group | RM'000 | RM'000 |
| Total retained earnings of the Company and its subsidiaries | | |
| - Realised profits | 639,917 | 258,318 |
| - Unrealised profits | 416,238 | 477,675 |
| | 1,056,155 | 735,993 |
| Total share of retained earnings from joint ventures | | |
| - Realised profits | 97,137 | 84,229 |
| Total share of retained earnings from associate | | |
| - Realised profits | 2,251 | 1,258 |
| | 1,155,543 | 821,480 |
| Add: Consolidation adjustments | (277,647) | (224,347) |
| Retained earnings as per financial statements | 877,896 | 597,133 |
| | | |
| | 2014 | 2013 |
| Company | RM'000 | RM'000 |
| Total retained earnings/(accumulated losses) of the Company and its subsidiaries | | |
| - Realised profits/(losses) | 33,136 | (34,953) |
| - Unrealised profits | 20,646 | 22,011 |
| Retained earnings/(accumulated losses) as per financial statements | 53,782 | (12,942) |

ANALYSIS OF SHAREHOLDINGS

AS AT 30 APRIL 2015

SHARE CAPITAL

| | |
|----------------------------------|---|
| Authorised share capital | : RM3,000,000,000.00 |
| Issued and paid-up share capital | : RM1,447,456,428 |
| Adjusted issued share capital | : RM1,424,640,128 (excluding 22,816,300 treasury shares) |
| Class of shares | : Ordinary shares of RM1.00 each |
| Voting rights | : 1 vote per shareholder on a show of hands 1 vote per ordinary share held |

DISTRIBUTION OF SHAREHOLDINGS

| Sizes of Shareholdings | No. of Holders | % | Total Shareholdings | % |
|------------------------|----------------|---------------|----------------------|---------------|
| 1 - 99 | 355 | 3.24 | 6,144 | 0.00 |
| 100 to 1,000 | 2,065 | 18.85 | 1,866,419 | 0.13 |
| 1,001 to 10,000 | 6,190 | 56.50 | 29,368,551 | 2.06 |
| 10,001 to 100,000 | 2,024 | 18.48 | 62,406,856 | 4.38 |
| 100,001 to 71,232,005* | 319 | 2.91 | 1,169,992,158 | 82.13 |
| 71,232,006 and above** | 2 | 0.02 | 161,000,000 | 11.30 |
| Total | 10,955 | 100.00 | 1,424,640,128 | 100.00 |

Notes:

* Less than 5% of total issued share capital

** 5% and above of total issued share capital

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

(excluding bare trustees)

| Names | Direct Interest | No. of Shares Held | | |
|-----------------------------|-----------------|--------------------|----------------------------|-------|
| | | % | Deemed Interest | % |
| Tan Sri Dato' Tan Chee Sing | 400,491,230 | 28.11 | 604,355,827 ⁽¹⁾ | 42.42 |
| Aliran Firasat Sdn Bhd | 291,354,290 | 20.45 | - | - |
| Golden Diversity Sdn Bhd | 165,986,016 | 11.65 | - | - |
| Impeccable Ace Sdn Bhd | 147,015,521 | 10.32 | - | - |

Notes:

(1) Deemed interested by virtue of his interests in Aliran Firasat Sdn Bhd, Golden Diversity Sdn Bhd and Impeccable Ace Sdn Bhd pursuant to Section 6A of the Companies Act, 1965 ("Act").

DIRECTORS' SHAREHOLDINGS IN THE COMPANY AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS

| Names | Direct Interest | No. of Shares Held | | |
|-----------------------------------|-----------------|--------------------|----------------------------|-------|
| | | % | Deemed Interest | % |
| Tan Sri Dato' Tan Chee Sing | 400,491,230 | 28.11 | 604,855,827 ⁽¹⁾ | 42.46 |
| Dato' Yau Kok Seng | 4,600,000 | 0.32 | - | - |
| Datuk Kong Woon Jun | 362,200 | 0.03 | - | - |
| Dato' Ng Tian Sang @ Ng Kek Chuan | 2,000,000 | 0.14 | - | - |
| Diana Tan Sheik Ni | 200,000 | 0.01 | - | - |

Notes:

(1) Deemed interested by virtue of his interests in Aliran Firasat Sdn Bhd, Golden Diversity Sdn Bhd and Impeccable Ace Sdn Bhd pursuant to Section 6A of the Act as well as via his spouse, Puan Sri Datin Chan Shao Tsiu pursuant to Section 134(12)(c) of the Act.

Analysis of Shareholdings
AS AT 30 APRIL 2015

THIRTY LARGEST REGISTERED SHAREHOLDERS ACCORDING TO THE RECORD OF DEPOSITORS

(Without aggregating the securities from different securities account belonging to the same depositor)

| No. | Names of Shareholders | No. of Shares | % |
|-----|--|----------------------|--------------|
| 1. | UOBM Nominees (Tempatan) Sdn Bhd United Overseas Bank Nominees (Pte) Ltd for Tan Chee Sing | 86,000,000 | 6.04 |
| 2. | Scotia Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Aliran Firasat Sdn Bhd | 75,000,000 | 5.26 |
| 3. | CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Golden Diversity Sdn Bhd (CBM & EDG) | 61,939,944 | 4.35 |
| 4. | Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad for Impeccable Ace Sdn Bhd | 60,000,000 | 4.21 |
| 5. | Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing | 57,200,000 | 4.02 |
| 6. | CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing, Dato (1835 Ansa) | 53,918,018 | 3.78 |
| 7. | Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Aliran Firasat Sdn Bhd (001) | 53,000,000 | 3.72 |
| 8. | Aliran Firasat Sdn Bhd | 52,884,290 | 3.71 |
| 9. | RHB Nominees (Tempatan) Sdn Bhd Bank of China (Malaysia) Berhad Pledged Securities Account for Aliran Firasat Sdn Bhd | 49,970,000 | 3.51 |
| 10. | RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Golden Diversity Sdn Bhd | 46,989,008 | 3.30 |
| 11. | Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad for Aliran Firasat Sdn Bhd | 43,000,000 | 3.02 |
| 12. | RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Impeccable Ace Sdn Bhd | 39,016,992 | 2.74 |
| 13. | Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Impeccable Ace Sdn Bhd | 37,500,000 | 2.63 |
| 14. | Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing (8118939) | 36,750,000 | 2.58 |
| 15. | CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Bank Berhad (EDP 2) | 35,481,900 | 2.49 |
| 16. | RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing (Aliran) | 34,500,000 | 2.42 |
| 17. | Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Enhance Summer Sdn Bhd | 29,600,000 | 2.08 |
| 18. | Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing (021) | 29,500,000 | 2.07 |
| 19. | Maybank Nominees (Tempatan) Sdn Bhd DBS Bank for Tan Chee Sing (212286) | 29,000,000 | 2.04 |
| 20. | Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Golden Diversity Sdn Bhd | 24,000,000 | 1.68 |
| 21. | HSBC Nominees (Asing) Sdn Bhd HSBC-FS for Lynas Asia Fund | 21,500,000 | 1.51 |
| 22. | RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Aliran Firasat Sdn Bhd | 17,500,000 | 1.23 |
| 23. | Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account for Vincent Tan Chee Yioun (00-33029-016) | 17,300,000 | 1.21 |
| 24. | Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Golden Diversity Sdn Bhd (41405751840A) | 16,908,008 | 1.19 |
| 25. | MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Sri Dato' Vincent Tan Chee Yioun (MGN-VTC0001M) | 16,000,000 | 1.12 |
| 26. | Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Lim Wee Chai (PBCL-0G0025) | 15,000,000 | 1.05 |
| 27. | Maybank Nominees (Asing) Sdn Bhd DSB Bank for Gan Cheong & Ngan Chong Hoo (211923) | 12,292,400 | 0.86 |
| 28. | Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad for Tan Chee Sing | 11,270,000 | 0.79 |
| 29. | Scotia Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing | 10,100,000 | 0.71 |
| 30. | Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing (A/C 2) | 9,000,000 | 0.63 |
| | Total | 1,082,120,560 | 75.95 |

ANALYSIS OF WARRANT HOLDINGS

AS AT 30 APRIL 2015

WARRANT 2009/2019

No. of warrants issued : 160,707,498
 No. of warrants outstanding : 153,557,696
 Exercise price of the warrants : RM1.00 each
 Expiry date of the warrants : 8 December 2019

DISTRIBUTION OF WARRANT HOLDINGS

| Sizes of Warrant Holdings | No. of | | No. of Warrants | |
|--------------------------------|-----------------|---------------|--------------------|---------------|
| | Warrant Holders | % | | % |
| 1 - 99 warrants | 354 | 12.72 | 18,355 | 0.01 |
| 100 - 1,000 warrants | 600 | 21.57 | 398,162 | 0.26 |
| 1,001 - 10,000 warrants | 1,133 | 40.73 | 4,727,257 | 3.08 |
| 10,001 - 100,000 warrants | 572 | 20.56 | 20,141,738 | 13.12 |
| 100,001 - 7,677,883 warrants* | 120 | 4.31 | 59,419,611 | 38.69 |
| 7,677,884 warrants and above** | 3 | 0.11 | 68,852,573 | 44.84 |
| Total | 2,782 | 100.00 | 153,557,696 | 100.00 |

Notes :

* Less than 5% of total warrants issued

** 5% and above of total warrants issued

DIRECTORS' WARRANT HOLDINGS

| Names | No. of Warrants Held | | | |
|-----------------------------|----------------------|-------|---------------------------|-------|
| | Direct Interest | % | Deemed Interest | % |
| Tan Sri Dato' Tan Chee Sing | 49,304,036 | 32.11 | 24,800,950 ⁽¹⁾ | 16.15 |

(1) Deemed interested by virtue of his interests in Impeccable Ace Sdn Bhd and Golden Diversity Sdn Bhd pursuant to Section 6A of the Companies Act, 1965.

Analysis of Warrant Holdings
AS AT 30 APRIL 2015

THIRTY LARGEST WARRANT HOLDERS ACCORDING TO THE RECORD OF DEPOSITORS

(Without aggregating the securities from different securities account belonging to the same Depositor)

| No. | Names of Warrant Holders | No. of Warrants | % |
|--------------|---|--------------------|--------------|
| 1. | RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Chee Sing (Aliran) | 45,000,000 | 29.30 |
| 2. | Amsec Nominees (Tempatan) Sdn Bhd Impeccable Ace Sdn Bhd | 15,636,917 | 10.18 |
| 3. | Maybank Nominees (Asing) Sdn Bhd Pledged Securities Account for San Tuan Sam | 8,215,656 | 5.35 |
| 4. | UOBM Nominees (Asing) Sdn Bhd United Overseas Bank Nominees (Pte) Ltd for Fortune First Limited | 5,717,921 | 3.72 |
| 5. | Golden Diversity Sdn Bhd | 5,264,333 | 3.43 |
| 6. | Tng Kee Meng | 4,360,000 | 2.84 |
| 7. | CIMB Group Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Golden Diversity Sdn Bhd (CBM & EDG) | 3,899,700 | 2.54 |
| 8. | UOBM Nominees (Asing) Sdn Bhd United Overseas Bank Nominees (Pte) Ltd for Novel Glory Investments Limited | 3,715,000 | 2.42 |
| 9. | Goh Cheah Hong | 2,487,892 | 1.62 |
| 10. | Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank (M) Berhad for Tan Chee Sing | 2,476,000 | 1.61 |
| 11. | Tan Chee Sing | 1,617,901 | 1.05 |
| 12. | Ng Cheek What | 1,046,900 | 0.68 |
| 13. | Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Siew Eng @ Ong Chai (8040800) | 1,013,700 | 0.66 |
| 14. | Tey Yee Yee | 853,946 | 0.56 |
| 15. | Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Looi Boon Han (MY0992) | 787,800 | 0.51 |
| 16. | Eg Kaa Chee | 765,842 | 0.50 |
| 17. | Choong Yoke Lee | 727,141 | 0.47 |
| 18. | Law Sook Kuan | 675,933 | 0.44 |
| 19. | Goh Vin Cci | 670,000 | 0.44 |
| 20. | Yeoh Keat Chuan | 669,100 | 0.44 |
| 21. | Tang Kee Hoon | 620,000 | 0.40 |
| 22. | RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Poh Kwee (551004) | 603,640 | 0.39 |
| 23. | Low Bee Keng | 600,000 | 0.39 |
| 24. | Maybank Nominees (Tempatan) Sdn Bhd Shum Thin Woon | 560,000 | 0.36 |
| 25. | Public Invest Nominees (Asing) Sdn Bhd Exempt An for Phillip Securities Pte Ltd (Clients) | 520,220 | 0.34 |
| 26. | Mercsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chong Han Wah | 450,000 | 0.29 |
| 27. | Lim Peck Hoon | 435,100 | 0.28 |
| 28. | Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Jeat Ghee | 410,113 | 0.27 |
| 29. | Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Goh Cheah Wah (E-TAI) | 406,680 | 0.26 |
| 30. | RHB Capital Nominees (Tempatan) Sdn Bhd RHB Securities Singapore Pte. Ltd. for Lee Chee Seng (2K/91278) | 400,000 | 0.26 |
| TOTAL | | 110,607,435 | 72.00 |

LIST OF PROPERTIES

AS AT 31 DECEMBER 2014

| Title Reference | Purpose/ Existing Use | Tenure | Year of Acquisition/ Year of Completion* | Approx. Age of Building (Years) | Land Area Approx (acres) | Built-up Area/ Net Lettable Area (sq ft) | Fair value/Net Book Value @ 31 Dec 2014 (RM' Million) | Revaluation Value (RM' Million) | Date of Revaluation |
|---|--|--|---|---------------------------------------|-----------------------------|--|--|---------------------------------------|------------------------|
| ADVENT NEXT SDN BHD | | | | | | | | | |
| Geran 5826, Lot 474, Seksyen 19, Bandar Kuala Lumpur, District of Kuala Lumpur, Negeri Wilayah Persekutuan | Hotel | Freehold | 2012 | 3.5 | 0.12 | 107,519 | 45.09 | 54.00 | Jul-12 |
| DAYA PETALING SDN BHD | | | | | | | | | |
| PN 15978, Lot 102 Seksyen 27, Town of Petaling Jaya, District of Petaling, Selangor | Intan Square (8-Storey Commercial Building) | Leasehold (99 years) expiring on 19.11.2102 | 2012 | 5 | 0.49 | 41,622 | 27.00 | 27.00 | Jan-15 |
| RHYTHM QUEST SDN BHD | | | | | | | | | |
| HSD455043 PTB21345 & HSD455049 PTB21346 Township and District of Johor Bahru, State of Johor | Land held for development | Freehold | 2014 | - | 5.97 | - | 85.87 | - | - |
| SAPPHIRE INDEX SDN BHD | | | | | | | | | |
| HSD39242, PT41267, Mukim Tanjung Duabelas, District of Kuala Langat | Land held for development | Leasehold (99 years) expiring on 09.11.2110 | 2014 | - | 41.10 | - | 38.43 | - | - |
| HSD39252 PT41285, HSD39263 PT41303, HSD39264 PT41305, HSD39266 PT41308, HSD39265 PT41306, HSD39241 PT41266, HSD39235 PT41255, HSD39272 PT41336, HSD39243 PT41269, HSD39246 PT41274, HSD39247 PT41275, HSD39248 PT41277, HSD39249 PT41278, HSD39251 PT41284, HSD39253 PT41290, HSD39254 PT41291, HSD39270 PT41330, HSD39239 PT41263, HSD39240 PT41265, HSD39238 PT41262, HSD39234 PT41253, HSD39275 PT41339, HSD39236 PT41258, HSD39273 PT41337, HSD39274 PT41338 Mukim Tanjung Duabelas District of Kuala Langat. | Land held for development | Leasehold (99 years) expiring on 09.11.2110 | 2014 | - | 398.81 | - | 372.90 | - | - |
| TROPICANA BUKIT BINTANG DEVELOPMENT SDN BHD | | | | | | | | | |
| GRN 4723/27822/25984, Lot 497/498/499, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur | 2-Storey Commercial Building and Car Park | Freehold | 2012 | - | 1.22 | - | 113.15 | 113.15 | Jan-14 |
| HSD 119062, GRN 29428/34327/34328/37937, Lot PT133 (Formerly known as Lot 511), 504/512/513/1160, Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur | 3-Storey Commercial Building and Car Park | Freehold | 2012 | - | 1.92 | - | 106.85 | 106.85 | Jan-14 |

List of Properties
AS AT 31 DECEMBER 2014

| Title Reference | Purpose/ Existing Use | Tenure | Year of Acquisition/ Year of Completion* | Approx. Age of Building (Years) | Land Area Approx (acres) | Built-up Area/ Net Lettable Area (sq ft) | Fair value/Net Book Value @ 31 Dec 2014 (RM' Million) | Revaluation Value (RM' Million) | Date of Revaluation |
|--|--|---|---|---------------------------------------|-----------------------------|--|--|---------------------------------------|------------------------|
| TROPICANA CHERAS SDN BHD | | | | | | | | | |
| HSD 152358-152383 PT56834-56861, HSD 152429-152432 PT56842-56863, HSD 152384-152405 PT56864-56885, HSD152433 PT56886, HSD152436-152439 PT56887-56890, HSD152434 PT56891, HSD 152406-152428 PT56892-56914, HSD152440 PT56910, HSD152435 PT56915, HSD152441-152442 PT56917-56918, Mukim Cheras, Ulu Langat, Selangor | Land under construction | Freehold | 2008 | - | 3.91 | 303,658 | 6.48 | 0.00 | - |
| HSD 152262 PT56738, Mukim Cheras, Ulu Langat, Selangor | Land under construction | Freehold | 2008 | - | 1.04 | - | 1.43 | - | - |
| PT56919, Mukim Cheras, Ulu Langat, Selangor | Land under construction | Freehold | 2008 | - | 1.87 | - | 2.60 | - | - |
| TROPICANA CITY SDN BHD | | | | | | | | | |
| HSD 136188 Lot PT8, Bandar Petaling Jaya, Tambahan 1, District of Petaling, Negeri Selangor | Land under construction | Freehold | 1995 | - | 1.01 | 139,211 | 6.35 | - | - |
| Geran 54431, Lot 45821, Seksyen 39, Bandar Petaling Jaya, District of Petaling, Negeri Selangor | 4-Storey Shopping Mall | Freehold | 2008* | 6 | 4.78 | 435,373 | 473.00 | 473.00 | Jan-15 |
| Geran 54431, Lot 45821, Seksyen 39, Bandar Petaling Jaya, District of Petaling, Negeri Selangor | 12-Storey Office Tower | Freehold | 2010* | 4 | 0.29 | 101,246 | 59.00 | 59.00 | Jan-15 |
| TROPICANA COLISEUM (IPOH) SDN BHD | | | | | | | | | |
| Lot No.26749S, GRN 144938 (Previously known as PT 234518, HSD 190863), Town of Ipoh (S), District of Kinta, Perak | Coliseum Square (7-Storey Commercial Building) | Freehold | 2012 | 4.5 | 1.31 | 49,991 | 23.00 | 23.00 | Jan-15 |
| TROPICANA DANGA BAY SDN BHD | | | | | | | | | |
| H.S.(D) 471883 PT 22901, Bandar Johor Bahru, District of Johor Bahru, Negeri Johor | Land under construction | Freehold | 2010 | - | 6.00 | - | 49.66 | - | - |
| H.S.(D) 471884 PT 22902, Bandar Johor Bahru, District of Johor Bahru, Negeri Johor | Land under construction | Freehold | 2010 | - | 3.51 | - | 31.88 | - | - |
| H.S.(D) 471884 PT 22902, Bandar Johor Bahru, District of Johor Bahru, Negeri Johor | Land held for development | Freehold | 2010 | - | 18.93 | - | 171.66 | - | - |
| H.S.(D) 471884 PT 22902, Bandar Johor Bahru, District of Johor Bahru, Negeri Johor | Land held for investment | Freehold | 2010 | - | 6.09 | - | 55.27 | - | - |
| TROPICANA DANGA LAGOON SDN BHD | | | | | | | | | |
| Lot 3432, 3433, 3434, 3435, 3440, 3441, 3442, 3443, 3445, 3446 and 3447, Mukim Pulai, District of Johor Bahru, Negeri Johor | Land held for development | Leasehold (999 years) expiring on 17/01/2911 | 2012 | - | 55.07 | - | 108.72 | - | - |

List of Properties
AS AT 31 DECEMBER 2014

| Title Reference | Purpose/ Existing Use | Tenure | Year of Acquisition/ Year of Completion* | Approx. Age of Building (Years) | Land Area Approx (acres) | Built-up Area/ Net Lettable Area (sq ft) | Fair value/Net Book Value @ 31 Dec 2014 (RM' Million) | Revaluation Value (RM' Million) | Date of Revaluation |
|--|------------------------------------|---|---|---------------------------------------|-----------------------------|--|--|---------------------------------------|------------------------|
| TROPICANA DESA MENTARI SDN BHD | | | | | | | | | |
| GM800 Lot313, GM801 Lot321, GM802-806 Lot324-328, GM786 Lot337, GM808 Lot339, GM787 Lot340, GM809-810 Lot342-343, GRN436669 Lot795, GRN105314 Lot797, GM1119-1202 Lot65678-65681, Gelang Patah, Mukim Pulau, District of Johor Bahru, Johor | Land under construction | Freehold | 2014 | - | 256.66 | - | 366.55 | - | - |
| TROPICANA DEVELOPMENT (JOHOR BAHRU) SDN BHD | | | | | | | | | |
| GRN 26977 Lot 4271, Bandar Johor Bahru, District of Johor Bahru, Negeri Johor | Land held for development | Freehold | 1991 | - | 21.69 | - | 23.89 | - | - |
| TROPICANA DEVELOPMENT (SABAH) SDN BHD | | | | | | | | | |
| (i) CL215311658, (ii) CL215311667, (iii) CL215011902 and (iv) CL215010807 (1/2 share), District of Penampang, Sabah | 4-Storey Commercial Building | Leasehold (999 years) expiring on (i)&(ii) 12.05.2920 (iii)15.10.2915 (iv) 05.10.2912 | 2012 | 4 | 3.49 | 55,127 | 36.30 | 36.30 | Jan-15 |
| CL215322660 District of Penampang, Sabah. | 5-Storey Commercial Building | Leasehold (99 years) expiring on 31.12.2080 | 2012 | 3.5 | 1.39 | 44,207 | 26.00 | 26.00 | Jan-15 |
| CL215312922 District of Penampang, Sabah. | 3-Storey Commercial Building | Leasehold (99 years) expiring on 31.12.2070 | 2012 | 7 | 2.68 | 34,713 | 25.00 | 25.00 | Jan-15 |
| TROPICANA DEVELOPMENT SDN BHD | | | | | | | | | |
| Geran 51952, Lot 194, Seksyen 58, Bandar Kuala Lumpur, District of Kuala Lumpur, Negeri Wilayah Persekutuan | Land under construction | Freehold | 2010 | - | 0.52 | - | 75.77 | 50.82 | Nov-09 |
| Geran 51952, Lot 194, Seksyen 58, Bandar Kuala Lumpur, District of Kuala Lumpur, Negeri Wilayah Persekutuan | Land held for investment | Freehold | 2010 | - | 0.76 | - | 125.80 | 74.98 | Nov-09 |
| TROPICANA EDUCATION MANAGEMENT SDN BHD | | | | | | | | | |
| HS(D) 296471 PT12687 (formerly known as PN 90286 Lot 53742, PN 91907 Lot 53743, PN90198 Lot 53744, PN 90287 Lot 53745, PN 90197 Lot 53746), Pekan Baru Sungai Buloh, District of Petaling, Negeri Selangor | Land held for investment | Leasehold (99 years) expiring on 27.09.2106 | 2010 | - | 6.07 | 72,310 | 121.30 | 100.00 | Jun-13 |

List of Properties
AS AT 31 DECEMBER 2014

| Title Reference | Purpose/ Existing Use | Tenure | Year of Acquisition/ Year of Completion* | Approx. Age of Building (Years) | Land Area Approx (acres) | Built-up Area/ Net Lettable Area (sq ft) | Fair value/Net Book Value @ 31 Dec 2014 (RM' Million) | Revaluation Value (RM' Million) | Date of Revaluation |
|---|---|--|---|---------------------------------------|-----------------------------|--|--|---------------------------------------|------------------------|
| TROPICANA GOLF & COUNTRY RESORT BERHAD | | | | | | | | | |
| Tropicana Golf & Country Resort, 47410 Petaling Jaya, Negeri Selangor | Club House | Leasehold (99 years) expiring on 25.10.2090 | 1994 | 22 | 17.42 | 356,792 | 78.97 | - | - |
| Tropicana Golf & Country Resort, 47410 Petaling Jaya, Negeri Selangor | Golf Course | Leasehold (99 years) expiring on 25.10.2090 | 1994 | - | 220.36 | - | 36.80 | - | - |
| Lot 89553, No Hakmilik 92831, Mukim Bandar Damansara, District of Petaling, Negeri Selangor | Land held for development | Leasehold (99 years) expiring on 04.04.2109 | 1991 | - | 1.77 | - | 0.64 | - | - |
| Lot 946/948, No Hakmilik 15851/15852, Mukim Bandar Damansara, District of Petaling, Negeri Selangor | Land held for investment | Leasehold (99 years) expiring on 25.10.2090 | 1991 | - | 0.53 | - | 0.05 | - | - |
| Lot PT 426, HSD 276798, Mukim Bandar Damansara, District of Petaling, Negeri Selangor | Land held for development | Leasehold (99 years) expiring on 22.09.2109 | 1991 | - | 5.73 | - | 5.91 | - | - |
| Lot 204, No Hakmilik 30648, Mukim Bandar Damansara, District of Petaling, Negeri Selangor | Showcase | Leasehold (99 years) expiring on 25.10.2090 | 2012* | - | 0.89 | - | 4.26 | - | - |
| TROPICANA HARAPAN SDN BHD | | | | | | | | | |
| Jalan Harapan, GRN 22702 & 45709, Lot 1 & 4, Seksyen 1, Pekan Sungai Penchala, District of Petaling, Selangor | Land held for development | Freehold | 2012 | - | 2.82 | - | 13.50 | 22.00 | Mar 2012 |
| TROPICANA INDAH SDN BHD | | | | | | | | | |
| Lot No. 53725 to 53736, Pekan Baru Sungai Buloh, District of Petaling, Negeri Selangor | Land under construction | Leasehold (99 years) expiring on 11.11.2101 | 1994 | - | 1.75 | 88,949 | 0.52 | - | - |
| Geran 79950 Lot 52582, Pekan Baru Sungai Buloh, District of Petaling, Negeri Selangor | Land under construction | Leasehold (99 years) expiring on 24.04.2106 | 1994 | - | 14.65 | 3,807,385 | 3.52 | - | - |
| Geran 79948 Lot 52581, Pekan Baru Sungai Buloh, District of Petaling, Negeri Selangor | Showcase | Leasehold (99 years) expiring on 24.04.2106 | 1994 | - | 2.95 | 13,057 | 1.74 | - | - |
| TROPICANA JAYA SDN BHD | | | | | | | | | |
| PT 14, HSD 124212, Town of Subang Jaya, District of Petaling, Selangor | Jaya Square (6-Storey Commercial Building) | Leasehold (99 years) expiring on 11.01.2098 | 2012 | 8.5 | 0.70 | 45,554 | 20.00 | 20.00 | Jan-15 |

List of Properties
AS AT 31 DECEMBER 2014

| Title Reference | Purpose/ Existing Use | Tenure | Year of Acquisition/ Year of Completion* | Approx. Age of Building (Years) | Land Area Approx (acres) | Built-up Area/ Net Lettable Area (sq ft) | Fair value/Net Book Value @ 31 Dec 2014 (RM' Million) | Revaluation Value (RM' Million) | Date of Revaluation |
|---|---------------------------------|---|---|---------------------------------------|-----------------------------|--|--|---------------------------------------|------------------------|
| TROPICANA KAJANG HILL SDN BHD | | | | | | | | | |
| HSD161503-161791 PT37791-38079, PT38080-38082, Lot 32, Bandar Batu 18, Semenyih, District of Ulu Langat, Negeri Selangor | Land under construction | Freehold | 2012 | - | 68.45 | 1,896,249 | 127.63 | - | - |
| PT38083-38090, Geran 313183 Lot 1258 Bandar Batu 18, Semenyih, District of Ulu Langat, Negeri Selangor | Land held for development | Freehold | 2012 | - | 62.05 | 5,660,887 | 100.37 | - | - |
| TROPICANA KEMAYAN DEVELOPMENT SDN BHD | | | | | | | | | |
| PN 25820-25821, Lot 24131-24132, Pekan Bukit Kepayang, District of Seremban, Negeri Sembilan | Land held for investment | Leasehold (99 years) expiring on 17.04.2095 | 2012 | - | 2.00 | - | 8.44 | 9.00 | Mar 2012 |
| TROPICANA KL DEVELOPMENT SDN BHD | | | | | | | | | |
| Lot 734 Seksyen 57, Bandar Kuala Lumpur. No.25, Jalan Sultan Ismail, 50250 Kuala Lumpur | Land held for development | Freehold | 2010 | - | 0.54 | - | 53.11 | - | - |
| TROPICANA LAGOON SDN BHD (fka KASH CONCEPT SDN BHD) | | | | | | | | | |
| PM 42 Lot 44996 and PM 43 Lot 44997, Mukim Pulau, District of Johor Bahru, Negeri Johor | Land held for development | Leasehold (99 years) expiring on 01.02.2091 | 2013 | - | 2.71 | - | 3.53 | - | - |
| TROPICANA LAHAD DATU DEVELOPMENT SDN BHD | | | | | | | | | |
| CL115355612, District of Lahad Datu, Sabah | Land held for investment | Leasehold (999 years) expiring on 08.05.2933 | 2012 | - | 1.25 | - | 3.75 | 3.75 | Jan-15 |
| TROPICANA LAND (SANDAKAN) SDN BHD | | | | | | | | | |
| CL075318697, District of Sandakan, Sabah | Land held for investment | Leasehold (999 years) expiring on 09.07.2887 | 2012 | - | 1.52 | - | 3.50 | 3.50 | Mar 2012 |
| TROPICANA LAND SDN BHD | | | | | | | | | |
| HSD 330120 PTD 123308 and GRN 422076 Lot 85652, Mukim Pulau, Johor Bahru, Negeri Johor | Land held for development | Freehold | 2012 | - | 4.41 | - | 18.49 | - | - |
| TROPICANA LANDMARK SDN BHD | | | | | | | | | |
| CL015628056, District of Kota Kinabalu, Sabah | Land under construction | Leasehold (999 years) expiring on 31.12.2913 | 2012 | - | 1.31 | - | 3.49 | 3.49 | Mar 2012 |
| TROPICANA LIDO DEVELOPMENT SDN BHD | | | | | | | | | |
| (i) CL215377763, (ii) CL215173649, (iii) CL215173658, (iv) CL215278710 and (v) CL215278701, District of Penampang, Sabah | Land held for investment | Leasehold (99 years) expiring on 12.09.2060 | 2012 | - | 1.67 | - | 10.00 | 10.00 | Jan-15 |

List of Properties
AS AT 31 DECEMBER 2014

| Title Reference | Purpose/ Existing Use | Tenure | Year of Acquisition/ Year of Completion* | Approx. Age of Building (Years) | Land Area Approx (acres) | Built-up Area/ Net Lettable Area (sq ft) | Fair value/Net Book Value @ 31 Dec 2014 (RM' Million) | Revaluation Value (RM' Million) | Date of Revaluation |
|--|---|---|---|---------------------------------------|-----------------------------|--|--|---------------------------------------|------------------------|
| TROPICANA LINTAS DEVELOPMENT SDN BHD | | | | | | | | | |
| (i) CL015539992 and (ii) CL015540002, District of Kota Kinabalu, Sabah | Land held for investment | Leasehold (999 years) expiring on 24.08.2920 | 2012 | - | 1.15 | - | 7.00 | 7.00 | Jan-14 |
| TROPICANA MACALISTER AVENUE (PENANG) SDN BHD | | | | | | | | | |
| (i) Geran 35440 Lot 914, (ii) Geran 35443 Lot 918, (iii) Geran 35441, Lot 915 and (iv) Geran 5670 Lot 916, Seksyen 13 (Jalan Macalister), Town of Georgetown, District of Timor Laut, Pulau Pinang | Land held for development | Freehold | 2012 | - | 2.09 | - | 43.00 | 41.50 | Mar 2012 |
| TROPICANA MENTARI DEVELOPMENT SDN BHD | | | | | | | | | |
| Lot No. 62161, PN 74909, Town of Sunway, District of Petaling, Selangor | Land held for development | Leasehold (99 years) expiring on 29.08.2104 | 2012 | - | 5.57 | - | 20.06 | 75.00 | Feb 2012 |
| TROPICANA METRO SDN BHD | | | | | | | | | |
| GM 17092/11455, Lot 82748/10788 Section 31, Town of Klang, District of Klang, Selangor | 4-Storey Commercial Building | Freehold | 2012 | 18 | 2.15 | 60,357 | 22.00 | 22.00 | Jan-15 |
| TROPICANA METROPARK SDN BHD | | | | | | | | | |
| HS (D) 287218-287221, 287224-287227, PT19, PT21-PT22, PT26-PT28, Pekan Country Heights, Petaling, Selangor | Land held for development | Freehold | 2011 | - | 39.17 | - | 324.97 | - | - |
| HS (D) 287219 PT20, HS (D) 287222 PT23, HS (D) 287223 PT24, HS (D) 287224 PT25, Pekan Country Heights, Petaling, Selangor | Land under construction | Freehold | 2011 | - | 20.59 | - | 92.02 | - | - |
| HS (D) 287218, PT19, Pekan Country Heights, Petaling, Selangor | Showcase | Freehold | 2012* | - | 4.39 | 22,098 | 9.41 | - | - |
| TROPICANA PLAZA SDN BHD | | | | | | | | | |
| GRN 74958, Lot 11672, Seksyen 67, (Jalan Tun Razak), Town and District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur | Dijaya Plaza (19-Storey Commercial Building) | Freehold | 2012 | 3 | 0.91 | 149,025 | 130.00 | 130.00 | Jan-15 |
| TROPICANA PROPERTIES (KENINGAU) SDN BHD | | | | | | | | | |
| CL135366344, District of Keningau, Sabah | 2-Storey Commercial Building | Leasehold (999 years) expiring on 03.01.2917 | 2012 | 17.5 | 2.00 | 11,668 | 6.60 | 6.60 | Jan-15 |

List of Properties
AS AT 31 DECEMBER 2014

| Title Reference | Purpose/ Existing Use | Tenure | Year of Acquisition/ Year of Completion* | Approx. Age of Building (Years) | Land Area Approx (acres) | Built-up Area/ Net Lettable Area (sq ft) | Fair value/Net Book Value @ 31 Dec 2014 (RM' Million) | Revaluation Value (RM' Million) | Date of Revaluation |
|--|--|---|---|---------------------------------------|-----------------------------|--|--|---------------------------------------|------------------------|
| TROPICANA PROPERTIES (KLANG) SDN BHD | | | | | | | | | |
| PT 4215 Seksyen 23, Town of Klang, District of Klang, Selangor | Casa Klang (4-Storey Commercial Building) | Freehold | 2012 | 3 | 1.52 | 68,522 | 30.00 | 30.00 | Jan-15 |
| TROPICANA PROPERTIES (PUCHONG) SDN BHD | | | | | | | | | |
| HSM 21199, PT 17400, Locality of Batu 10, Jalan Puchong, Mukim and District of Petaling, State of Selangor | Casa Square (4-Storey Commercial Building) | Freehold | 2012 | 8 | 1.41 | 105,171 | 54.00 | 54.00 | Sep-14 |
| TROPICANA PROPERTIES (SABAH) SDN BHD | | | | | | | | | |
| CL015106377, District of Kota Kinabalu, Sabah | 3-Storey Commercial Building | Leasehold (999 years) expiring on 30.12.2914 | 2012 | 3 | 0.23 | 17,709 | 9.00 | 9.00 | Jan-15 |
| (i) TL017511830, (ii) TL017511849, and (iii) CL015105674, (iv) CL015138860, District of Kota Kinabalu, Sabah | 4-Storey Commercial Building | Leasehold (999 years) expiring on (i), (ii) & (iii)31.12.2913 (iv)31.12.2098 | 2012 | 4 | 0.86 | 27,288 | 14.00 | 14.00 | Jan-15 |
| CL015562348, District of Kota Kinabalu, Sabah | 4-Storey Commercial Building | Leasehold (999 years) expiring on 26.08.2916 | 2012 | 17 | 0.45 | 17,137 | 9.00 | 9.00 | Jan-15 |
| TROPICANA PROPERTIES (SANDAKAN) SDN BHD | | | | | | | | | |
| (i) Suburban Lease 077902179, (ii) TL077555081 and (iii) TL077555161, District of Sandakan, Sabah | 3-Storey Commercial Building | Leasehold (999 years) expiring on (i)01.04.2893 (ii) & (iii) 31.12.2910 | 2012 | 4 | 1.88 | 32,637 | 12.80 | 12.80 | Jan-15 |
| TROPICANA PROPERTIES ODEON SDN BHD | | | | | | | | | |
| PT26584, HSD119107, Mukim Batu, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur | Odeon Club (2 1/2-Storey Commercial Building) | Leasehold (60 years) expiring on 12.01.2032 | 2012 | - | 0.84 | - | 11.00 | 11.00 | Jan-15 |
| TROPICANA RAHANG DEVELOPMENT SDN BHD | | | | | | | | | |
| GRN 233167, Lot 23858, Town and District of Seremban, Negeri Sembilan | Land held for investment | Freehold | 2012 | - | 2.42 | - | 4.84 | 4.84 | Mar 2012 |
| TROPICANA SERDANG SURIA SDN BHD | | | | | | | | | |
| PT 1789 and PT 1791, Persiaran Serdang Perdana, Taman Serdang Perdana Sek 4, 43300 Seri Kembangan | Land under construction | Leasehold (99 years) expiring on 21.06.2108 | 1996 | - | 5.31 | - | 1.00 | - | - |

List of Properties
AS AT 31 DECEMBER 2014

| Title Reference | Purpose/ Existing Use | Tenure | Year of Acquisition/ Year of Completion* | Approx. Age of Building (Years) | Land Area Approx (acres) | Built-up Area/ Net Lettable Area (sq ft) | Fair value/Net Book Value @ 31 Dec 2014 (RM' Million) | Revaluation Value (RM' Million) | Date of Revaluation |
|---|--|---|---|---------------------------------------|-----------------------------|--|--|---------------------------------------|------------------------|
| TROPICANA SUBANG SOUTH DEVELOPMENT SDN BHD | | | | | | | | | |
| SS 13/4, Subang Jaya, GRN 295496, Lot 4887, Town of Subang Jaya, District of Petaling, Selangor | Land held for investment | Freehold | 2012 | - | 2.46 | - | 18.61 | 23.60 | Mar 2012 |
| TROPICANA TAWAU DEVELOPMENT SDN BHD | | | | | | | | | |
| (i) TL107504138, (ii) TL107504147, (iii) TL107504156, (iv) TL107504165 and (v) TL107504174, District Tawau, Sabah | Land held for investment | Leasehold (999 years) expiring on 31.12.2895 | 2012 | - | 0.80 | - | 6.71 | 6.71 | Jan-15 |
| TROPICANA WISMA TT SDN BHD | | | | | | | | | |
| PN 74910, Lot 62141, Town of Sunway, District of Petaling, Selangor | Wisma TT (7-Storey Commercial Building) | Leasehold (99 years) expiring on 29.08.2104 | 2012 | 4 | 1.83 | 64,941 | 27.00 | 27.00 | Jan-15 |
| TROPICANA IVORY SDN BHD^^ | | | | | | | | | |
| PT 3945, Mukim 13, Timur Laut, Pulau Pinang | Land held for development | Freehold | 2012 | - | 10.55 | - | 110.49 | - | - |
| Parcel 2B-PT 3984, H.S.D 18420, Mukim 13, Timur Laut, Pulau Pinang | Land held for development | Freehold | 2013 | - | 3.74 | - | 39.14 | - | - |
| Parcel 3A- PT 4011, H.S.D 18778, Mukim 13, Timur Laut, Pulau Pinang | Land held for development | Freehold | 2014 | - | 6.44 | - | 67.31 | - | - |
| Parcel 3B- PT 4012- H.S.D 18777, Mukim 13, Timur Laut Pulau Pinang | Land held for development | Freehold | 2014 | - | 3.53 | - | 36.90 | - | - |
| Parcel 3C - PT 4013- H.S.D 18779, Mukim 13, Timur Laut Pulau Pinang | Land held for development | Freehold | 2014 | - | 8.10 | - | 84.70 | - | - |
| TROPICANA DANGA COVE SDN BHD^^ | | | | | | | | | |
| HS (D) 531557-531668, PTD 220022-220133, Mukim Plentong, District of Johor Bahru | Land under construction | Freehold | 2011 | - | 11.63 | 506,603 | 9.00 | - | - |
| 261 plots on Mukim Plentong, District of Johor Bahru, Johor | Land under construction | Freehold | 2011 | - | 19.58 | 852,905 | 17.00 | - | - |
| Part of 1377 Plots on Mukim Plentong, District of Johor Bahru, Johor | Land held for development | Freehold | 2011 & 2012 & 2013 | - | 186.48 | 8,123,069 | 214.50 | - | - |
| Part of 1377 Plots on Mukim Plentong, District of Johor Bahru, Johor | Land held for investment | Freehold | 2011 | - | 18.76 | 817,186 | 201.00 | 201.00 | Jan-15 |

^^Joint venture developments

CORPORATE DIRECTORY

MAIN CONTACT NUMBERS

Head Office

Tel : +603 7710 1018

Customer loyalty & Services

Tel : +603 7728 3018

Property Sales Hotline

Tel : +603 7728 2018

Tropicana City Mall - Leasing & Marketing

Tel : +603 7710 1818

CORPORATE OFFICES

TROPICANA CORPORATION BERHAD

Head Office

Level 7, 9, 10-12,

Tropicana City Office Tower

No. 3, Jalan SS20/27

47400 Petaling Jaya

Selangor Darul Ehsan, Malaysia

Tel : +603 7710 1818

Fax : +603 7725 3035

Email : corpcomm@tropicana.com.my

Website : www.tropicana.com.my

Office hours : 9am - 6pm (Monday - Friday)

Closed (Saturday & Sunday)

TROPICANA GOLF & COUNTRY

RESORT BERHAD

Clubhouse

Jalan Kelab Tropicana

Tropicana Golf & Country Resort

47410 Petaling Jaya

Selangor Darul Ehsan, Malaysia

Tel : +603 7804 8888

Fax : +603 7804 3688

Email : gm@tropicana.com.my

Website : www.tropicana.com.my

Office hours : 9am - 6pm (Monday - Friday)

9am - 1pm (Saturday) Closed (Sunday)

TROPICANA CITY SDN BHD

Marketing & Leasing

Lot B1-01, Basement 1

Tropicana City Mall

No.3, Jalan SS20/27

47400 Petaling Jaya

Selangor Darul Ehsan, Malaysia

Tel : +603 7710 1818

Fax : +603 7710 0202

Email : enquiries@tropicana.com.my

Website : www.tropicana.com.my

Operating hours for Tropicana City Mall :

10am - 10pm (Monday - Sunday)

Customer Service : +603 7710 0101

Toll Free: 1800-88-0101

Office hours for Management Office :

9am - 6pm (Monday - Friday)

Closed (Saturday & Sunday)

PROPERTY GALLERY & SHOW UNITS

TROPICANA PROPERTY GALLERY

Tropicana City Mall

Lot G-25/26/27/28, Ground Floor

Tropicana City Mall

No. 3, Jalan SS20/27

47400 Petaling Jaya

Selangor, Darul Ehsan

Tel : 03 7728 2018

Email : enquiry@tropicana.com.my

Operating hours : 10am - 10pm (Monday - Sunday)

TROPICANA AMAN

Property Sales Gallery

Tropicana Aman

35 Jalan Anggerik Vanilla BF31/BF

Kota Kemuning Seksyen 13

40460 Shah Alam, Selangor

Tel : +603 5131 4888

Website : www.tropicana.com.my

Operating hours : 9.30am-6pm (Monday - Sunday)

TROPICANA METROPARK (SUBANG)

Property Sales Gallery & Show Unit

Lot 38515, Jalan Delima 1/1,

Taman Perindustrian Teknologi Tinggi Subang

40000 Subang, Selangor Darul Ehsan

Tel : +603 5636 6888 / +603 5637 3018

Email : enquiry@tropicana.com.my

Website : www.tropicana.com.my

Operating hours : 9.30am - 6.30pm (Monday - Sunday)

TROPICANA 218 MACALISTER (PENANG)

Property Gallery

16, Jalan Anson

10400 Penang

Tel : +604 2105 888

Email : enquiry@tropicana.com.my

Website : www.tropicana218.com.my

Operating hours : 9.30am - 6.30pm (Monday - Sunday)

TROPICANA LANDMARK (SABAH)

Property Gallery & Show Unit

Level 4, Penampang Point

Mile 4, Jalan Penampang

Kota Kinabalu

Sabah

Tel : +608 8723 322

Email : enquiry@tropicana.com.my

Website : www.tropicana.com.my

Operating hours : 9.30am - 6.30pm (Monday - Sunday)

PENANG WORLDCITY

Property Gallery

Persiaran Bayan Indah

11900 Bayan Lepas

Penang

Tel : +604 6596 888

Fax : +604 6553 888

Email : talk2us@penangworldcity.com

Website : www.penangworldcity.com

Operating hours : Monday - Friday : 8.30am - 6pm

Saturday & Sunday : 11am - 6pm

TROPICANA DANGA BAY/ TROPEZ RESIDENCES/ BORA RESIDENCES (JOHOR)

Property Gallery & Show unit

Lot PTB 22902, Teluk Danga

Jalan Persiaran Abu Bakar Sultan

80200 Johor Bahru, Johor

Tel : +607 234 1585

Email : enquiry@tropicana.com.my

Website : www.tropicana.com.my

Operating hours : 9.30am - 6.30pm (Monday - Sunday)

TROPICANA DANGA COVE/OASIS

Property Gallery

Lot PTB 22902, Teluk Danga

Persiaran Abu Bakar Sultan

80200, Johor Bahru, Johor Darul Takzim, Malaysia

Tel : +607 2341 585

Email : admin@tropicana.com.my

Website : www.tropicana.com.my

Operating hours : 9.30am - 6.30pm (Monday - Sunday)

Corporate Directory

TROPICANA HEIGHTS (KAJANG)**Property Gallery & Show Unit**

Tropicana Heights Show Village
Off Jalan P6/2,
43500 Semenyih, Kajang
Selangor Darul Ehsan, Malaysia
Tel : +6018 323 8818
Email : enquiry@tropicanaCorp.com.my
Website : www.tropicanaheights.com.my
Operating hours : 9.30am - 6.30pm (Monday - Sunday)

TROPICANA GARDENS (KOTA DAMANSARA)**Property Gallery & Show Unit**

Lot 52581, Jalan PJU 3/21
Tropicana Indah Resort Homes
Kota Damansara
47410 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603 7880 0989
Email : enquiry@tropicanaCorp.com.my
Website : www.tropicanaGardens.com.my
Operating hours : 9.30am - 6.30pm (Monday - Sunday)

TROPICANA PROPERTY GALLERY (SINGAPORE)

01-16 TripleOne Somerset
111 Somerset Road
238164 Singapore
Tel : +65 6612 8389
Fax : +65 6612 8559
Email : sgsales@tropicanaCorp.com.my
Website : www.tropicanaCorp.com.my
Operating hours : 10am - 10pm (Monday - Sunday & Public Holiday)

PROPERTY MANAGEMENT OFFICE**TROPICANA CITY****Property Management Office**

Tropicana City Mall & Office Tower
Lot B1-01, Basement 1
Tropicana City Mall
No.3, Jalan SS20/27
47400 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603 7710 1818
Fax : +603 7710 0202
Email : enquiries@tropicanaCityMall.com
Website : www.tropicanaCityMall.com
Office hours : 9am - 6pm (Monday - Friday)
Closed (Saturday & Sunday)

TROPICANA MANAGEMENT SERVICES SDN BHD (TMS)**Property Management Office**

Jalan Kelab Tropicana
Tropicana Golf & Country Resort
47410 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603 7804 8888
Fax : +603 7805 5044
Email : tms@tropicanaGolf.com
Office hours : 9am - 6pm (Monday - Friday)
9am - 1pm (Saturday) Closed (Sunday)

TROPICANA GRANDE**Property Management Office**

Level 1, Management Office
Block A, Tropicana Grande Condominiums
No.3 Persiaran Tropicana
47410 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603 7610 0965
Fax : +603 7610 0968
Email : stephaniechua@tropicanaCorp.com.my
Office hours : 9am - 6pm (Monday - Friday)
9am - 1pm (Saturday) Closed (Sunday)

CASA INDAH 2 CONDOMINIUMS**Property Management Office**

A-02-01, Management Office
Casa Indah 2 Condominiums
No.2B, Persiaran Surian
Tropicana Indah Resort Homes PJU3
Kota Damansara
47410 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603 6142 6288/ 6388
Fax : +603 6142 6788
Email : casaindah2@tropicanaCorp.com.my
Office hours : 9am - 5.30pm (Monday - Friday)
9am - 1pm (Saturday) Closed (Sunday)

TROPICANA INDAH SDN. BHD.**Property Management Office**

Jalan Kelab Tropicana
Tropicana Golf & Country Resort
47410 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603 7804 8888
Fax : +603 7805 5044
Email : tms@tropicanaGolf.com
Office hours : 9am - 6pm (Monday - Friday)
9am - 1pm (Saturday) Closed (Sunday)

CASA TROPICANA CONDOMINIUMS**Property Management Office**

B-5-17, Block B
Casa Tropicana
No.5 Jalan Persiaran Tropicana PJU 3
Tropicana Golf & Country Resort
47410 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603 7883 0982
Fax : +603 7883 0292
Email : casatropicana@tropicanaCorp.com.my
Office hours : 9am - 5.30pm (Monday - Friday)
9am - 1pm (Saturday) Closed (Sunday)

DAMANSARA INTAN E-BUSINESS PARK**Property Management Office**

A32B, Block A
Damansara Intan
No.1, Jalan SS20/27
47400 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : +603 7118 3111
Fax : +603 7118 3222
Email : gracewong@tropicanaCorp.com.my
Office hours : 9am - 5.30pm (Monday - Friday)
9am - 1pm (Saturday) Closed (Sunday)

TROPICANA DEVELOPMENT (JOHOR BAHRU) SDN BHD**Management Office**

Level 15, Menara MSC Cyberport
No.5, Jalan Bukit Meldrum,
80300 Johor Bahru, Johor Darul Takzim, Malaysia
Tel : +607 2266 888
Fax : +607 2266 288
Office hours : 9am - 6pm (Monday - Friday)
Closed (Saturday & Sunday)

TROPICANA DANGA BAY SDN BHD - TROPEZ**Tropez Residences Management Office**

#G-03, Blok B, Tropez Residen,
Persiaran Danga Perdana,
80200 Johor Bahru, Johor
Tel : +607 3005 000
Email : enquiry@tropicanaCorp.com.my
Operating hours : 9am - 5.30pm (Monday - Sunday)
9am - 1pm (Saturday)

TROPICANA CHERAS**Property Management Office**

For more information, please contact Sales & Marketing Department at:
Tel : +6013 2020746
Email : tropicanacheras@tropicanaCorp.com.my
Office hours : 9am - 5.30pm (Monday - Friday)
9am - 1pm (Saturday) Closed (Sunday)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 36th Annual General Meeting of Tropicana Corporation Berhad (“Tropicana” or “Company”) will be held at Ballroom 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia on Thursday, 18 June 2015 at 11.00 a.m. for the following purposes:-

AS ORDINARY BUSINESSES

- | | | |
|----|---|----------------------------|
| 1. | To receive the Audited Financial Statements for the year ended 31 December 2014 together with the Reports of the Directors and Auditors thereon. | Please see Note (i) below |
| 2. | To declare a final single tier share dividend on the basis of 1.3 treasury share for every 100 existing ordinary shares of RM1.00 each held in the Company in respect of the financial year ended 31 December 2014. | Ordinary Resolution 1 |
| 3. | To re-elect the following Directors who retire by rotation in accordance with Article 97 of the Company’s Articles of Association and, being eligible, have offered themselves for re-election:- | |
| | 3.1 Dato’ Dickson Tan Yong Loong | Ordinary Resolution 2 |
| | 3.2 Datuk Kong Woon Jun | Ordinary Resolution 3 |
| | 3.3 Datuk Seri Panglima Mohd Annuar Bin Zaini | Ordinary Resolution 4 |
| 4. | To note that Dato’ Ng Tian Sang @ Ng Kek Chuan, a Director who retires by rotation in accordance with Article 97 of the Company’s Article of Association, has expressed his intention not to seek re-election. Hence, he will retain office until the close of the 36th Annual General Meeting. | Please see Note (ii) below |
| 5. | To approve the payment of Directors’ fees amounting to RM712,291.00 in respect of the financial year ended 31 December 2014. | Ordinary Resolution 5 |
| 6. | To re-appoint Messrs Ernst & Young as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. | Ordinary Resolution 6 |

AS SPECIAL BUSINESSES

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without modifications:-

- | | | |
|----|---|-----------------------|
| 7. | PROPOSED AUTHORITY FOR DIRECTORS TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 | Ordinary Resolution 7 |
|----|---|-----------------------|

“RESOLVED THAT pursuant to Section 132D of the Companies Act, 1965 and subject always to the Company’s Articles of Association, the Directors of the Company be and are hereby authorised to issue shares in the Company from time to time to such person(s) and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the nominal value of the issued and paid-up capital (excluding treasury shares) of the Company for the time being and that the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued, on Bursa Malaysia Securities Berhad and that such approval shall continue in force until:-

- (a) the conclusion of the Annual General Meeting commencing next after the date on which this approval was given; or
- (b) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held,

whichever is the earlier; but any approval may be previously revoked or varied by the Company in general meeting.”

Notice of Annual General Meeting

8. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES**

Ordinary Resolution 8

“**RESOLVED THAT** subject to Section 67A of the Companies Act, 1965 (“**Act**”) and Part IIIA of the Companies Regulations, 1966, the provisions of the Company’s Articles of Association, the requirements of Bursa Malaysia Securities Berhad and other relevant authority, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares of RM1.00 each in the Company through Bursa Malaysia Securities Berhad as may be determined by the Directors of the Company from time to time provided that:-

- (a) the aggregate number of shares, which may be purchased pursuant to this resolution, does not exceed 10% of the issued and paid-up share capital of the Company at the time of purchase and further, provided that the Company continues to maintain a shareholding spread that is in compliance with the requirements of Bursa Malaysia Securities Berhad after the share purchase;
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the total retained profits and share premium account of the Company at the time of purchase;
- (c) upon the completion of the purchases of the shares of the Company, the Directors of the Company be authorised to deal with those shares in the following manner:-
 - (i) cancel the shares so purchased; or
 - (ii) retain the shares so purchased as treasury shares; or
 - (iii) retain part of the shares so purchased as treasury shares and cancel the remainder; or
 - (iv) distribute the treasury shares as dividend to shareholders and/or resell them on Bursa Malaysia Securities Berhad and/or cancel all or part of them; or

in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Malaysia Securities Berhad and any other relevant authority for the time being in force;

- (d) the authority conferred by this resolution will commence immediately after the conclusion of this Annual General Meeting and will continue to be in force until:-
 - (i) the conclusion of the next Annual General Meeting of the Company, unless the authority is renewed, either conditionally or unconditionally, by ordinary resolution passed at that meeting; or
 - (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by law to be held; or
 - (iii) revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting;

whichever occurs first,

AND THAT the Directors of the Company be authorised to take all such steps as are necessary or expedient to implement or to give effect to the purchases of the shares of the Company with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or permitted by the relevant authorities and/or deem fit by the Directors in the best interest of the Company.”

9. **PROPOSED RENEWAL OF AUTHORITY TO ALLOT AND ISSUE ORDINARY SHARES OF RM1.00 EACH IN TROPICANA (“TROPICANA SHARES”) FOR THE PURPOSE OF TROPICANA’S DIVIDEND REINVESTMENT SCHEME THAT PROVIDES SHAREHOLDERS OF TROPICANA THE OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND ENTITLEMENTS IN NEW ORDINARY SHARES OF RM1.00 EACH IN TROPICANA**

Ordinary Resolution 9

“**RESOLVED THAT** pursuant to the Dividend Reinvestment Scheme (“**DRS**”) as approved by the shareholders of the Company at the 35th Annual General Meeting of the Company held on 26 June 2014, approval be and is hereby

Notice of Annual General Meeting

given to the Company to allot and issue such number of new Tropicana Shares for the DRS from time to time as may be required to be allotted and issued pursuant to the DRS until the conclusion of the next Annual General Meeting upon such terms and conditions and to such persons as the Directors, may in their absolute discretion, deem fit and in the best interest of the Company PROVIDED THAT the issue price of the said new Tropicana Shares shall be fixed by the Directors at a discount of not more than ten percent (10%) to the five (5)-day volume weighted average market price (“VWAMP”) of Tropicana Shares immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price; and the issue price shall not be less than the par value of Tropicana Shares of RM1.00 each at the material time.

AND THAT the Directors of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements, deeds, undertakings and documents as may be necessary or expedient in order to give full effect to the DRS with full power to assent to any conditions, modifications, variations and/or amendments to the terms of the DRS as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments by the Directors as they may in their absolute discretion deem fit, necessary and/or expedient in the best interest of the Company.

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

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT a final single tier dividend comprising the following in respect of the financial year ended 31 December 2014, if approved by the shareholders of the Company at the 36th Annual General Meeting of the Company, will be payable and credited into the depositors’ securities account on 15 July 2015:-

- Share dividend on the basis of 1.3 treasury share for every 100 existing ordinary shares of RM1.00 each held in the Company (“Share Dividend”). Any fractions arising from the distribution of Share Dividend will be disregarded.

The entitlement date shall be fixed on 25 June 2015 and a depositor shall qualify for entitlement only in respect of:-

- (a) Shares transferred into the depositor’s securities account before 4.00 p.m. on 25 June 2015 in respect of ordinary transfers;
- (b) Shares deposited into the depositor’s securities account before 12.30 p.m. on 23 June 2015 in respect of shares which are exempted from mandatory deposit; and
- (c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad,

subject to the approval of Bursa Malaysia Depository Sdn Bhd (“Bursa Depository”) for the transfer of treasury shares under the Share Buy-Back Account by bulk transfer method of debiting and crediting, the treasury shares to be distributed under the Share Dividend will be credited into the entitled depositors’ securities account maintained with Bursa Depository on 15 July 2015.

By Order of the Board
TROPICANA CORPORATION BERHAD

TEH PENG PENG (MAICSA 7021299)
Company Secretary

Petaling Jaya
27 May 2015

Notice of Annual General Meeting

Notes:-

- (i) Section 169 of the Companies Act, 1965 requires the Company to lay the audited financial statements and the reports of the directors and the auditors thereon at its annual general meeting. Article 67 of the Company's Articles of Association specifies that one of the ordinary businesses to be transacted at an annual general meeting of the Company is to consider and to adopt the audited financial statements. As such, this agenda item no. 1 is not a business which requires a resolution to be put to vote by the shareholders. This agenda item is for discussion and receipt only.
- (ii) Dato' Ng Tian Sang @ Ng Kek Chuan has indicated that he does not wish to seek for re-election at this Annual General Meeting as he wishes to concentrate on his own businesses. As such, this agenda item no. 4 is not a business which requires a motion to be put to vote by the shareholders. This agenda item is for notation only.
- (iii) For the purpose of determining a member who shall be entitled to attend this 36th Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 62(3) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 11 June 2015. Only a depositor whose name appears on such Record of Depositors shall be entitled to attend the meeting or appoint proxies to attend and/or vote on his/her behalf in the meeting.
- (iv) A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies (subject always to a maximum of two (2) proxies) to attend, speak and vote in his/her stead. A proxy may but need not be a member of the Company and Section 149(1)(b) of the Companies Act 1965 shall not apply to the Company. There is no restriction as to the qualification of the proxy.
- (v) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (vi) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (as defined under the Securities Industry (Central Depositories) Act 1991), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each account it holds.
- (vii) To be valid, the instrument appointing a proxy or proxies, under the hand of the appointer or his/her attorney duly authorised in writing, must be completed and deposited at the Company's Registered Office situated at Lot LG-A1, Lower Ground Floor, Tropicana City Mall, No. 3, Jalan SS 20/27, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.
- (viii) If the appointer is a corporation, the instrument appointing a proxy or proxies must be executed under its seal or under the hand of its duly authorised attorney.

EXPLANATORY NOTES ON SPECIAL BUSINESSES

Proposed Ordinary Resolution 7

Proposed authority for Directors to issue shares pursuant to Section 132D of the Companies Act, 1965

The general mandate sought by the Company under the proposed Ordinary Resolution 7 is to renew the previous general mandate granted to the Directors at the 35th Annual General Meeting held on 26 June 2014 to issue shares pursuant to Section 132D of the Companies Act, 1965. As at the date of this notice, no new shares in the Company were issued under the previous general mandate, which will lapse at the conclusion of the 36th Annual General Meeting and hence, no proceeds was raised therefrom.

The proposed Ordinary Resolution 7, if passed, will empower the Directors of the Company to issue and allot not more than 10% of the Company's total issued share capital speedily without having to convene a general meeting. This authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the 37th Annual General Meeting of the Company.

Instances for which the Company may issue new shares under this general mandate include but not limited to the purpose(s) of complying with public shareholding spread requirements and raising funds through private placement for purposes of working capital requirement and/or allowing the entry of strategic partners.

Proposed Ordinary Resolution 8

Proposed renewal of authority for the Company to purchase its own shares

The proposed Ordinary Resolution 8, if passed, will renew the shareholders' mandate for the Company to purchase and/or hold up to 10% of the issued and paid-up share capital of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the 37th Annual General Meeting. This authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the 37th Annual General Meeting of the Company.

Further information on this proposal is set out in the Share Buy-Back Statement to Shareholders dated 27 May 2015, which is despatched together with the Company's Annual Report 2014.

Proposed Ordinary Resolution 9

Proposed renewal of authority to allot and issue ordinary shares of RM1.00 each in Tropicana ("Tropicana Shares") for the purpose of Tropicana's Dividend Reinvestment Scheme ("DRS") that provides shareholders of Tropicana the option to elect to reinvest their cash dividend entitlements in new ordinary shares of RM1.00 each in Tropicana

The proposed Ordinary Resolution 9, if passed, will empower the Directors of the Company to allot and issue new ordinary shares in the Company in respect of dividends to be declared, if any, under the DRS. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the 37th Annual General Meeting.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

Pursuant to paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the notice convening an annual general meeting is to be accompanied by a statement furnishing details of individuals who are standing for election as director. This requirement excludes directors who are standing for re-election.

No individual is standing for election as a Director at the 36th Annual General Meeting of the Company.

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PROXY FORM



I/We (full name in block capitals) _____

NRIC No./Company No. _____ CDS Account No. _____

of (full address) _____

being a member/members of TROPICANA CORPORATION BERHAD hereby appoint (full name as per NRIC in block capitals) _____

_____ NRIC No. _____ of (full address)

_____ and/or failing him/her, _____

NRIC No. _____ of (full address) _____

and/or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the 36th Annual General Meeting of the Company to be held at Ballroom 1, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Thursday, 18 June 2015 at 11.00 a.m. or any adjournment thereof.

| NO. | RESOLUTIONS | FOR | AGAINST |
|-----|---|----------------|---------|
| - | To receive the Audited Financial Statements for the year ended 31 December 2014 together with the reports of the Directors and Auditors thereon. | Not applicable | |
| 1. | To approve the payment of a final single tier share dividend. | | |
| 2. | To re-elect Dato' Dickson Tan Yong Loong as Director. | | |
| 3. | To re-elect Datuk Kong Woon Jun as Director. | | |
| 4. | To re-elect Datuk Seri Panglima Mohd Annuar Bin Zaini as Director. | | |
| - | To note the retirement of Dato' Ng Tian Sang @ Ng Kek Chuan. | Not applicable | |
| 5. | To approve the payment of Directors' fees for the financial year ended 31 December 2014. | | |
| 6. | To re-appoint Messrs Ernst & Young as Auditors and to authorise the Directors to fix their remuneration. | | |
| 7. | To authorise Directors to issue shares of up to 10% of the issued capital for the time being pursuant to Section 132D of the Companies Act, 1965. | | |
| 8. | To renew the authority for the Company to purchase its own shares. | | |
| 9. | To renew the authority to issue shares for the purpose of the Dividend Reinvestment Scheme. | | |

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. In the absence of specific directions, your proxy will vote or abstain from voting at his discretion.

| |
|---------------------------|
| No. of shares held |
| |
| Contact no. |
| |

Signature/Seal of Shareholder(s)

Signed this _____ day of _____, 2015

Notes:-

- (i) Section 169 of the Companies Act, 1965 requires the Company to lay the audited financial statements and the reports of the directors and the auditors thereon at its annual general meeting. Article 67 of the Company's Articles of Association specifies that one of the ordinary businesses to be transacted at an annual general meeting of the Company is to consider and to adopt the audited financial statements. As such, this agenda item no. 1 is not a business which requires a resolution to be put to vote by the shareholders. This agenda item is for discussion and receipt only.
- (ii) Dato' Ng Tian Sang @ Ng Kek Chuan has indicated that he does not wish to seek for re-election at this Annual General Meeting as he wishes to concentrate on his own businesses. As such, this agenda item no. 4 is not a business which requires a motion to be put to vote by the shareholders. This agenda item is for notation only.
- (iii) For the purpose of determining a member who shall be entitled to attend this 36th Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 62(3) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 11 June 2015. Only a depositor whose name appears on such Record of Depositors shall be entitled to attend the meeting or appoint proxies to attend and/or vote on his/her behalf in the meeting.
- (iv) A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies (subject always to a maximum of two (2) proxies) to attend, speak and vote in his/her stead. A proxy may but need not be a member of the Company and Section 149(1)(b) of the Companies Act 1965 shall not apply to the Company. There is no restriction as to the qualification of the proxy.
- (v) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (vi) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (as defined under the Securities Industry (Central Depositories) Act 1991), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each account it holds.
- (vii) To be valid, the instrument appointing a proxy or proxies, under the hand of the appointer or his/her attorney duly authorised in writing, must be completed and deposited at the Company's Registered Office situated at Lot LG-A1, Lower Ground Floor, Tropicana City Mall, No. 3, Jalan SS 20/27, 47400 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time set for holding the meeting or at any adjournment thereof.
- (viii) If the appointer is a corporation, the instrument appointing a proxy or proxies must be executed under its seal or under the hand of its duly authorised attorney.

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**AFFIX
STAMP**

THE COMPANY SECRETARY
TROPICANA CORPORATION BERHAD (47908-K)
Lot LG-A1, Lower Ground Floor
Tropicana City Mall
No. 3, Jalan SS 20/27
47400 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Please fold here

TROPICANA CORPORATION BERHAD (47908-K)

Level 7, 9, 10, 11 & 12
Tropicana City Office Tower
No 3, Jalan SS 20/27, 47400 Petaling Jaya
Selangor Darul Ehsan, Malaysia
T : 03 7710 1018
F : 03 7710 1025
W : www.tropicanacorp.com.my