



MITRAJAYA HOLDINGS BERHAD  
(Company No. 268257-T)



**Moving forward**

ANNUAL REPORT 2014



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## Board of Directors

Independent Non-Executive Chairman  
**General Tan Sri Ismail  
Bin Hassan (R)**

Group Managing Director  
**Tan Eng Piow**

Executive Directors  
**Foo Chek Lee  
Cho Wai Ling**

Independent Non-Executive Directors  
**Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim  
Ir Zakaria Bin Nanyan  
Roland Kenneth Selvanayagam**

## Secretary

**Leong Oi Wah**  
(MAICSA No. 7023802)

## Registered Office

No. 9, Blok D,  
Pusat Perdagangan Puchong Prima,  
Persiaran Prima Utama,  
Taman Puchong Prima,  
47150 Puchong,  
Selangor Darul Ehsan.  
Tel : (603) 8060 9999  
Fax: (603) 8060 9998

## Auditors

**Baker Tilly Monteiro Heng (AF 0117)**  
Baker Tilly MH Tower,  
Level 10, Tower 1, Avenue 5,  
Bangsar South City,  
59200 Kuala Lumpur.

## Principal Bankers

- ABSA Bank Limited (South Africa)
- Affin Bank Berhad
- AmBank (M) Berhad
- Amlslamic Bank Berhad
- Bank of China (Malaysia) Berhad
- CIMB Islamic Bank Berhad
- Hong Leong Bank Berhad
- Hong Leong Islamic Bank Berhad
- HSBC Amanah Malaysia Berhad
- Malayan Banking Berhad
- OCBC Bank (Malaysia) Berhad

## Share Registrar

**Tricor Investor Services Sdn Bhd (629261-T)**  
Level 17, The Gardens North Tower,  
Mid Valley City,  
Lingkaran Syed Putra,  
59200 Kuala Lumpur.  
Tel: (603) 2264 3883  
Fax: (603) 2282 1886

## Solicitors

**Joseph Ting & Co.**  
Suite 12, 13 & 14,  
6th Floor, IOI Business Park,  
No.1, Persiaran Puchong Jaya Selatan,  
Bandar Puchong Jaya, 47170 Puchong,  
Selangor Darul Ehsan.

**Tee Bee Kim & Partners**  
No. 25A & 27A (1st Floor),  
Jalan 52/1, Merdeka Square,  
46200 Petaling Jaya,  
Selangor Darul Ehsan.

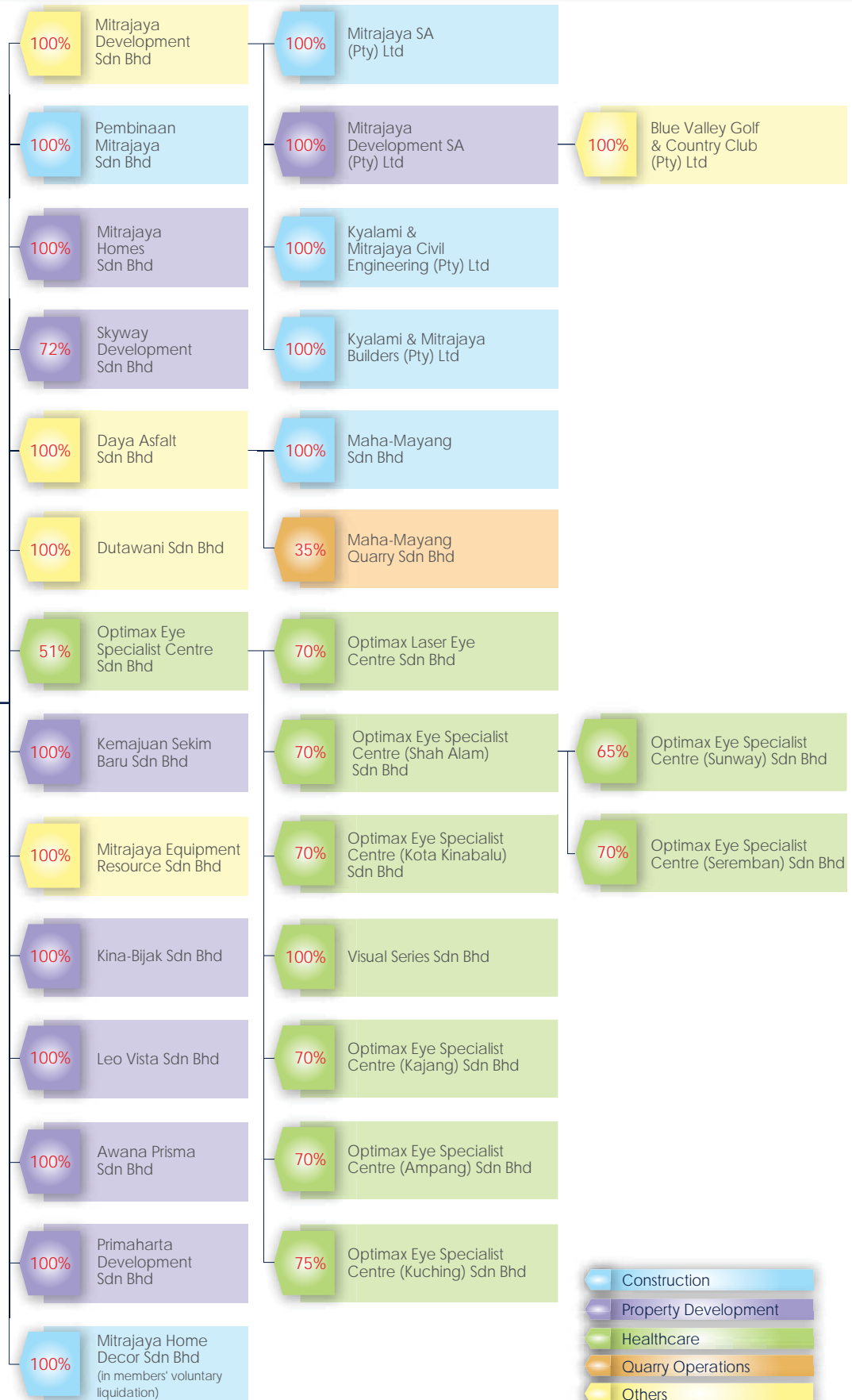
**Van Der Merwe Du Toit**  
Brooklyn Place,  
Cnr Bronkhors and Dey Streets,  
Brooklyn, Docex 110 Pretoria,  
Republic of South Africa.

## Stock Exchange Listing

**Main Market of Bursa Malaysia Securities Berhad**  
Stock Name : MITRA  
Stock Code : 9571



# CORPORATE STRUCTURE





## Seated From Left To Right:

Tan Eng Piow

General Tan Sri Ismail Bin Hassan (R)

Cho Wai Ling

## Standing From Left To Right:

Ir Zakaria Bin Nanyan

Foo Chek Lee

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim

Roland Kenneth Selvanayagam





## DIRECTORS' PROFILE

### GENERAL TAN SRI ISMAIL BIN HASSAN (R)

General Tan Sri Ismail Bin Hassan (R), aged 72, was appointed as an Independent Non-Executive Director of Mitrajaya Holdings Berhad ("MHB") on 9 August 2000. He was appointed the Chairman of the Company on 26 November 2009. He is also the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee. He is also a Director of Pembinaan Mitrajaya Sdn Bhd.

He graduated from the Universiti Sains Malaysia with a Bachelor of Social Sciences Degree (Hons in Politics). In the Military Professional Education, Tan Sri Ismail graduated from Command and General Staff College, Fort Leavenworth, Kansas, USA (on Commandant's List) in 1975, from Joint Services Staff College Canberra, Australia, in 1982 and he is also a graduate of the National Defense University, Washington, DC, USA in 1987. Later he was inducted into the NDU International Fellows Hall of Fame, in recognition of outstanding achievement accorded to the graduates of the University who had achieved the highest rank/appointment in their respective Service.

Prior to joining MHB, Tan Sri Ismail has served as a Commission Officer in the Malaysian Army for 36 years and he held many key appointments at Field Command, Training Command and the Ministry of Defence levels before retiring as Chief of Army in December 1997.

Currently, he also holds directorships in Asma Agro (M) Sdn Bhd and Camire Sdn Bhd.

### TAN ENG PIOW

Tan Eng Piow, aged 61, was appointed as Group Managing Director of MHB on 9 September 1994. He is one of the founding members of Pembinaan Mitrajaya Sdn Bhd.

He holds a Bachelor of Civil Engineering (Honours) degree from University of Malaya, which was obtained in 1977. He is also a Member of the Institution of Engineers Malaysia.

He began his career as Works Engineer with Jabatan Kerja Raya – JKR (Public Works Department) from 1977 to 1979. From 1980 till 1985, he was a Project Manager with Perkuat Kuari Sdn Bhd (Quarry Operation).

He has over 36 years of extensive technical and management experience in the construction industry and has been actively involved in the management and operations of the MHB Group. He also oversees the Group's development, growth and expansion.

### FOO CHEK LEE

Foo Chek Lee, aged 60, was appointed a Director of MHB on 1 August 1995. Currently, he is an Executive Director of MHB. He is also the Managing Director of Pembinaan Mitrajaya Sdn Bhd.

He graduated from University Technology Malaysia in 1978 with a Bachelor of Civil Engineering (Honours) degree.

Prior to joining MHB, he served with Jabatan Kerja Raya (Public Works Department) for a period of 14 years. He last served as Assistant Director of Roads, JKR Kelantan Darul Naim from 1989 to 1991, after which he joined Pembinaan Mitrajaya Sdn Bhd as General Manager. He has over 35 years of extensive technical and management experience which includes all aspects of civil engineering construction and project management.

He is also currently serving as Deputy President of Master Builders Association Malaysia. He is a Board member of NIOSH Certification Sdn Bhd and alternate Board member of Construction Industry Development Board Malaysia (CIDB).



### CHO WAI LING

Cho Wai Ling, aged 42, was appointed as an Executive Director of MHB on 1 September 2014. She graduated from University of Malaya in 1998 with a Bachelor of Accountancy (Honours) Degree and has been a member of the Malaysian Institute of Accountants since 2001.

She started her career with MHB in 1999 as an Executive in the Finance & Accounts Department and rose from rank and file to managerial position and in 2005 was promoted to Group Finance Manager. She heads the Finance & Accounts Department and handles all corporate matters of the Group. In her position as Executive Director, her role was expanded to cover investor relations function and to assist the Group Managing Director on strategic management responsibilities.

### TAN SRI DATO' SERI MOHAMAD NOOR BIN ABDUL RAHIM

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim, aged 70, was appointed as Independent Non-Executive Director of MHB on 26 February 2002. He is the Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee.

He graduated with a Bachelor of Arts (Hons) from University of Malaya and joined the Malaysian civil service in 1968. He has held positions in the Government including State Secretary of Pulau Pinang, Kelantan Federal Development Director (Prime Minister's Department), Perak State Financial Officer, Director General of Kuala Lumpur City Hall, Under Secretary for Ministry of Defence and Ministry of Finance and Secretary General of Ministry of Domestic Trade and Consumer Affairs. His last post in the civil service was as the Secretary General of the Ministry of Home Affairs from 1998-2000.

Currently, he is Chairman of Prinsiptek Corporation Bhd and TSR Capital Berhad. He is also Independent Non-Executive Director of Pinehill Pacific Bhd. He is currently the Deputy President of The Olympic Council of Malaysia, a position held since 2011 and the Deputy President of Malaysian Tenpin Bowling Congress (MTBC). In 2014, he was elected as President of the Malaysian Petanque Association.

### IR ZAKARIA BIN NANYAN

Ir Zakaria Bin Nanyan, aged 72, was appointed as Independent Non-Executive Director of MHB on 26 February 2002. He is also a member of the Audit Committee and the Nomination and Remuneration Committee.

He graduated with B.Sc in Mechanical Engineering from the University of Strathclyde U.K. in 1972 and later obtained Masters of Science in Industrial Hygiene from the University of Pittsburgh U.S.A. He is a Professional Engineer and a member of The Institution of Engineers Malaysia.

Prior to his appointment to the MHB Board, he was the Director General of the Department of Occupational Safety and Health Malaysia, a position held from 1992 to 1998. He holds directorship in Pressure Care Sdn Bhd.

He is currently serving as Chairman of the Board of Examiners for the Site Safety Supervisors Course conducted by The Master Builders Association Malaysia.



### ROLAND KENNETH SELVANAYAGAM

Roland Kenneth Selvanayagam, aged 58, was appointed an Executive Director on 23 April 1998. On 1 July 2008, he was redesignated as Non-Executive Director as he left full time employment to start his own business. On 28 March 2011 where having met the Listing Requirements criteria for Independent Director, the Board re-designated him to be an Independent Non-Executive Director of the Company. He is also a member of the Audit Committee.

He is a professionally qualified accountant with over 30 years post qualifying commercial experience. Prior to his involvement with the MHB Group, he was employed variously within the British American Tobacco Group, Sears Roebuck Group and the PT Mayora Indah Group – where he was the pioneer General Manager for their Malaysian operations.

He was President of the Malaysian Division of the Chartered Institute of Management Accountants from June 1996 - May 1998. He is a recipient of the Institute's Bronze medal – awarded in recognition of services rendered to the Institute and the profession at large.

At various times, he has held directorships (listed & unlisted companies) in various countries including South Africa, Sri Lanka, Singapore, Thailand and Australia.

#### Notes:

- All Directors of MHB are Malaysian and do not have any conflict of interest with MHB.
- They have not been convicted for offences within the past 10 years other than traffic offences, if any.
- There is no family relationship amongst the Directors and major shareholders of MHB.



# 5 YEARS FINANCIAL HIGHLIGHTS



Year Ended 31 December	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000
Revenue	331,868	261,832	250,542	338,444	520,205
Profit before taxation	76,711	56,752	27,837	40,296	72,482
Profit for the year attributable to owners of the Company	49,878	40,797	17,930	29,316	53,769
Shareholders' fund	296,268	329,220	332,395	349,655	394,418
Paid-up capital	127,989	198,766	198,766	198,766	198,766
	Note1	Note2	Note2	Note2	Note2
Paid-up capital (weighted average)	120,399	386,283	394,557	394,442	394,130
Return on shareholders' fund (%)	16.84	12.39	5.39	8.38	13.63
Gross proposed dividend per share (sen)	12.0	5.0	2.0	2.0	5.0
Basic earnings per share (sen) Note 3	14.12	10.56	4.54	7.43	13.64
Net assets per share ("NAPS") (sen) Note 4	78	89	84	88	99
	Note 5				

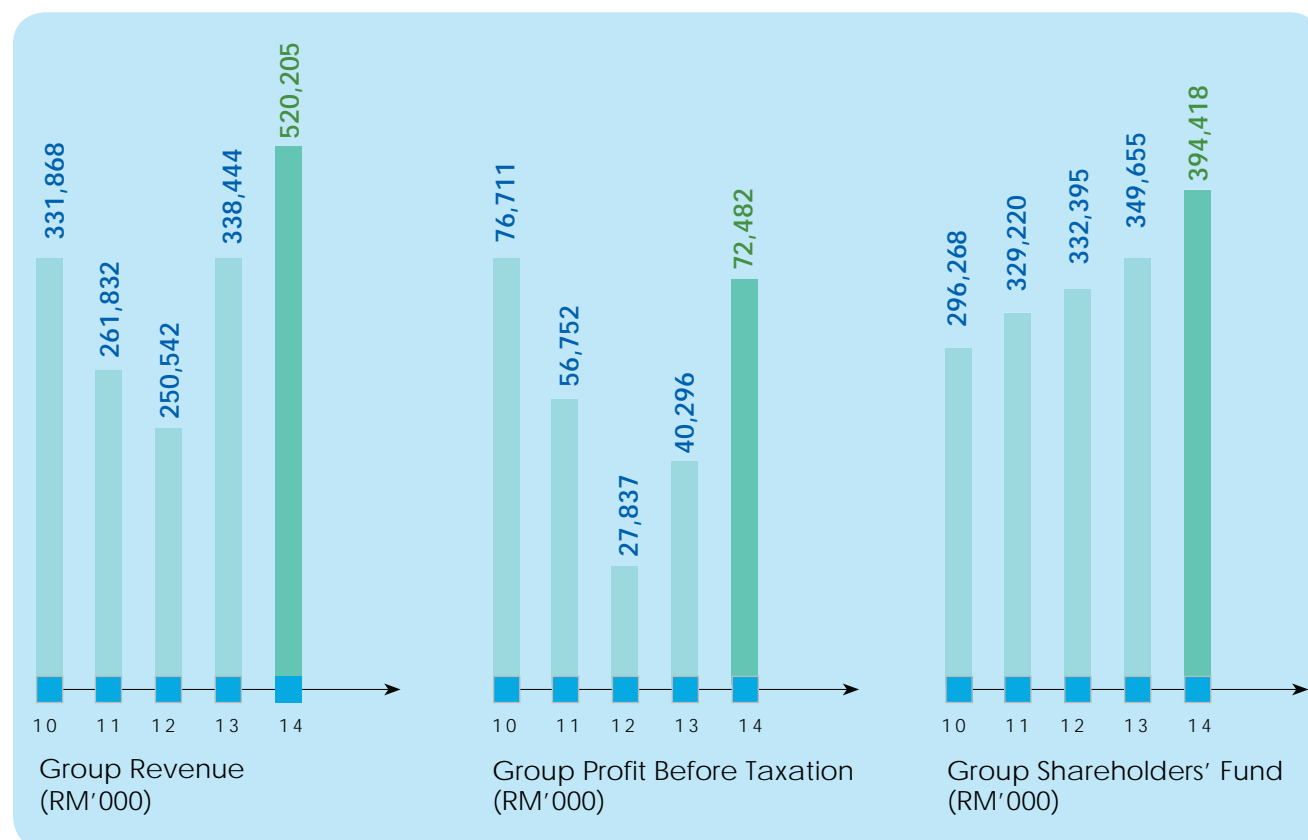
Note 1: Shares of RM1.00

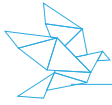
Note 2: Shares of RM0.50

Note 3: The basic earnings per share had been restated to reflect the adjustment arising from the share split and bonus issue completed in 2011.

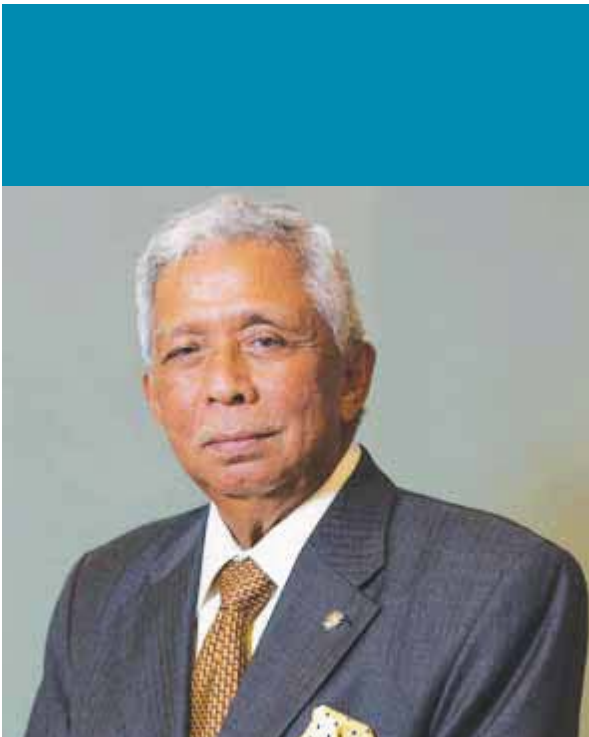
Note 4: The computation of NAPS does not take into account the number of shares bought back and treasury shares as shown in the Statement of Financial Position. The Board of Directors is of the view that the NAPS will be overstated by reflecting the shares bought back in the computation.

Note 5: The NAPS had been restated to reflect the adjustment arising from the share split and bonus issue completed in 2011.





# CHAIRMAN'S STATEMENT



**General Dato'  
Ismail Bin Hassan (R)**  
Independent Non-Executive Chairman

*On behalf of the Board of Directors, it is my pleasure to present the Annual Report and Financial Statements of Mitrajaya Holdings Berhad ("MHB" or "the Company") and its subsidiaries ("MHB Group" or "the Group") for the financial year ended 31 December 2014 ("FYE 2014").*

## Overview

MHB Group has delivered sterling results in achieving an all-time high revenue and profit in the FYE 2014. The Group posted a revenue of RM520.21 million, representing a growth of 53.7% from RM338.44 million reported in the previous financial year. This notable revenue growth was mainly attributable to increase in revenue from all divisions. The Construction division was the highest revenue contributor making up 71.3% of the Group's revenue. On crossing the RM0.5 billion revenue, the Group's profit before tax ("PBT") soared by 79.8% to RM72.48 million from RM40.30 million in the previous financial year. The improved PBT performance was mainly due to the Group's better results from its activities and overall encouraging business environment. Construction made up 50.3% of the Group's PBT and Property Development making up 25.0% for FYE 2014.

Correspondingly, the earnings per share about doubled to 13.64 sen compared to 7.43 sen in the previous financial year. The Group also maintained a healthy current ratio at 2.13 and net tangible asset of RM0.99 per share in 2014 as compared to 2.05 and RM0.88 respectively in 2013.

## Dividend

The Board is pleased to recommend a first and final single tier dividend of 5 sen per ordinary share in respect of the FYE 2014 (2013 : 2 sen). The dividend shall be subject to the shareholders' approval at the forthcoming Annual General Meeting.

## Corporate Development

On 13th March 2015, the Company announced its intention to undertake the following corporate exercises:-

- (i) proposed bonus issue of up to 222,630,874 new ordinary shares of RM0.50 each on the basis of one (1) bonus share for every two (2) existing ordinary shares of RM0.50 each ("MHB Shares");
- (ii) proposed issue of up to 89,052,349 free warrants ("Warrants-D") on the basis of one (1) free Warrants-D for every five (5) existing MHB Shares; and
- (iii) proposed establishment of a new employee share option scheme involving up to 15% of the issued and paid-up share capital of MHB (excluding treasury shares) to eligible directors and employees of MHB and its subsidiaries which are not dormant ("Proposed ESOS").



This corporate exercise will reward the existing shareholders for their continued support and at the same time, enhances the marketability and trading liquidity of MHB shares by way of larger capital base. For the purpose of recognising the vital contribution from the employees, the Proposed ESOS will allow the employees to participate in the Group's profitability and eventually realise the potential capital gain arising from the appreciation of the MHB Shares. These proposals will be subject to the shareholders' approval at forthcoming Extraordinary General Meeting.

## Market Outlooks and Prospects

For the whole of 2014, the Malaysian economy grew by 6% as compared with 4.7% in 2013. As a result of the sharp fall in oil prices since November 2014 and significant depreciation of the Ringgit against the US dollar, the Government has revised downward the growth to 4.5% - 5.5% for 2015 as announced in January 2015. Inflation is expected to increase 4% - 5%, largely due to the implementation of Goods and Services Tax ("GST") and the spillover effect of fuel subsidy reduction in October 2014. Domestic spending is expected to be moderate following the implementation of GST.



Wangsa 9 Residency

Nevertheless, Malaysia's construction industry is expected to register a significant growth at 10.7% in 2015, the fourth consecutive year of double-digit growth for the industry. The construction industry earnings prospect remains strong backed by mega highways, rail-lines development projects and implementation of affordable housing projects in Klang Valley and Putrajaya for a total development expenditures of RM48.5 billion as announced in the 2015 Budget. With its solid 30 years of experience in the infrastructure and building construction works as well as its track record on delivering all its jobs within agreed timelines, MHB is poised to reap the benefits of construction job awards mentioned above. Although the current outstanding order book at RM1.88 billion can take the Group through comfortably for the next few years, efforts will continue to replenish the order book. Our Construction division is committed to embrace innovative methods and value engineering processes in order to deliver quality products to our clients as well as maximising the return value to our stakeholders.

The property market industry on the other hand remains competitive but the demand for properties still remain high for projects located at prime locations. With Bank Negara Malaysia introducing measures to curb property speculation and mounting economic uncertainty, there is a cautious sentiment in the property market. Despite this cloud of caution, we are delighted to have received encouraging response for the launch of our Wangsa 9 Residency project since mid-2014. This project has recorded un-billed sales of RM156.75 million to-date. The gross development value of this project is estimated at RM680 million and is expected to contribute to the Group's earning from 2015 until the completion of the project in 2018. Also in the pipeline are our proposed mixed development project and affordable home at Puchong Prima with combined gross development value of RM1.57 billion.



### Corporate Social Responsibility

Being a corporate citizen, the Board recognises the importance of its corporate social responsibility towards the community and its workplace. Over the years, the Group has continuously made contributions and sponsored various charitable and social organisation events.

In December 2014, certain areas of the East Coast of Peninsular Malaysia was badly affected by the severe flooding. MHB participated in the flood relief by donating consumable goods to 100 flood victims in Maran, Pahang, and 120 flood victims in Gua Musang, Kelantan. In addition to this, the Group also gave financial aid of RM5,000 to each of the staff's family residing in the East Coast to re-build their houses that was damaged by the flood.



*Distribution of food items and basic necessities to the homeless community*

Working together with Reach Out Malaysia, MHB contributed 200 packs of food items and 400 bags of basic necessities to the homeless community in Kuala Lumpur in January 2015. The staff of MHB also paid a visit to the senior residents of Rumah Sejahtera Orang Tua Seri Kembangan, Selangor in February 2015. Food and electronic items were contributed to ease part of the financial burden of this old folks home's operation.



*Visit to Rumah Sejahtera Orang Tua Seri Kembangan*

Within the workplace, the Group will continue to ensure a safe, healthy conducive working environment for its employee and construction workers. MHB Sport Club also promotes the culture of 'Work Smart, Play Hard' amongst our staff by organising sport activities, excursion trips and family day carnivals. The Club remains a good conduit to enhance the well-being of our employees and fostering a strong team spirit.

### Acknowledgement

MHB's continued success owes a great deal to the efforts of our dedicated and talented workforce. On behalf of the Board, I would like to thank all the management team and staff for their contribution and commitment to the Group. I would also like to record my appreciation to my fellow board members, our shareholders, business associates, clients, bankers and various government agencies that have graciously supported us in seeing through our objectives.

**GENERAL TAN SRI ISMAIL BIN HASSAN (R)**  
Independent Non-Executive Chairman





Mitrajaya Holdings Berhad (“MHB” or the “Company”) has achieved several significant milestones during the financial year ended 31 December 2014 (“FYE 2014”). First and foremost, MHB and its subsidiaries (“MHB Group” or the “Group”) registered a record high revenue of RM520.21 million, an increase of 53.7% from the previous year’s revenue of RM338.44 million. Correspondingly, the Group’s profit before tax surged by 79.8% from RM40.30 million to RM72.48 million in 2014. This encouraging results will spur the Group to reach its next revenue target of RM1.0 billion in its next financial year.

## CONSTRUCTION

Pembinaan Mitrajaya Sdn Bhd (“PMSB”), the construction arm of the Group, continues to be the main thrust of the Group’s business activities. It registered yet another year of record earnings from work progress of the on-going projects. This division contributed RM370.67 million equivalent to 71.3% of the Group’s revenue. It represents an increase of 72.4% on the revenue of RM215.0 million reported in financial year ended 31 December 2013 (“FYE 2013”). On the back of this growth in revenue, the profit before tax rose by nearly three folds from RM13.25 million in FYE 2013 to RM36.45 million for the FYE 2014.

*Heriot-Watt University at Precint 5, Putrajaya*



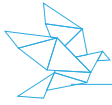
*PR1MA project at Precint 11, Putrajaya*



*South Agropolitan project at Gua Musang, Kelantan*

Among the notable projects which PMSB completed during the FYE 2014 and early 2015 were:-

- Package 4 (Dairy Complex) of the Muadzam Shah Cattle Research and Innovation Centre, Pahang;
- City Campus project for Heriot-Watt University at Precint 5, Putrajaya;
- Earthworks, Piling Works, Substructure, Basement Wall and Underground M&E Services for Parcel G1 & G3, Persiaran Arked, Seksyen U8, Bukit Jelutong, Selangor Darul Ehsan;
- 300 units of Houses, 15 units of Management Quarters, Amenities and Infrastructure Works for the South Kelantan Agropolitan project at Gua Musang, Kelantan; and
- 560 units of Medium Cost Public Apartment (PR1MA) at Precint 11, Putrajaya.



### CONSTRUCTION (cont'd)

Another significant milestone achieved by the Group in 2014 was its success in filling up the order books to above the RM1.0 billion mark. The following four new projects secured are worth a total of RM1.14 billion:-

- a) main building works for 2 blocks of condominiums at Symphony Hills, Cyberjaya (RM277.42 million);
- b) main contract works for Raffles American School at Nusajaya, Johor (RM269.78 million);
- c) main building works for 2 blocks of MK22 condominium at Mont Kiara (RM401.87 million); and
- d) business operation complex at Klang Valley (RM186.84 million).

In addition to the above, the construction division was also awarded another contract for RM229.87 million to construct 3 blocks of 20-Storey (1,062 units) Public Apartment “Perumahan Pejabat Awam 1 Malaysia” (PPA1M) in early 2015. This has boosted our outstanding order book to RM1.88 billion, a record high order book since its incorporation.

This division expects to perform well in the forthcoming financial years in view of its sizeable outstanding order book and will be a strong driver of growth for the Group. Moving forward, we are continuously evaluating and participating in the tender for new construction projects as part of our order book replenishment exercise.

### LOCAL PROPERTY DEVELOPMENT

The Property development division has also contributed higher revenue of RM98.72 million and profits before tax of RM18.15 million for the financial year ended 31 December 2014, an increase of 20.0% and 132.1% as compared to the previous financial year. The increase was mainly derived from the increased in profit recognition from the on-going project ‘280 Park Homes’.

This division has handed over phase 1 of 148 units in “280 Park Homes” to the purchasers in early 2015 and targets to hand over phase 2 (remaining 132 units) by end of 2015. This project consists of 11 blocks of 280 units of 6-storey duplex apartments with lift, gated and guarded with clubhouse facilities with total gross development value of RM330 million.



*280 Park Homes - Phase 1 completed in February 2015*

The Group has also launched a new residential project at Wangsa Maju, namely Wangsa 9 Residency during the FYE 2014. This project is for the proposed development of 3 tower blocks of 565 units of high-rise condominium with an estimated gross development value of RM680 million. The development is situated at a strategic location, right opposite to Wangsa Walk and within close proximity to the Sri Rampai LRT Station. The take up rate has been encouraging with current unbilled sales of RM160.03 million to be recognised progressively from 2015 onwards.

Besides this, the Group is also working on a mixed development project located on our last parcel of commercial land in Taman Puchong Prima. This project with estimated gross development value of RM1.5 billion comprising a 5-storey shopping mall with initial net lettable area of 700,000 sq ft and with a future extension of up to 1.0 million sq ft, 3 blocks of serviced apartment and 1 block of boutique 150 room hotel. The local authorities has approved our development order (Stage 1) in principle and we hope to initiate the first launching by next year.

Also in the pipeline is the plan for the proposed affordable home development at Puchong Prima comprising 408 units of apartment with built-up area of 900 sq ft per unit. We target to obtain the Development Order for work to commence by the second quarter of 2015.





## PROPERTY DEVELOPMENT IN SOUTH AFRICA

Our overseas property project in South Africa, Blue Valley Golf & Country Estate, has also increased its contribution to the Group. For FYE 2014, this division reported a revenue and profit before tax of RM22.44 million and RM7.81 million respectively, representing an increase of 29.8% and 74.2% over the previous financial year.

We are confident that this division will continue to increase its contribution to the Group's earnings for 2015 in view of its current unbilled sales of Rand 98.6 million. This unbilled sales revenue will be recognised progressively upon completion of the transfer of stands to the purchasers in 2015.



As part of the Group's strategy to enhance our return from the South Africa investment, this division has embarked on developing the Residential 2 lots instead of just selling the lots as land parcel. A total of 140 bungalow houses are expected to be developed over the next 3 years. Besides this, there are also plans to develop a business park consisting of neighbourhood shopping mall, office building and hotel in collaboration with Best Western Hotel. We expect both shopping mall and office building will generate recurring and sustainable income upon completion in 2017.

## HEALTHCARE

The Group's healthcare division which is undertaken by Optimax Eye Specialist Centre Sdn Bhd has reported a higher revenue and profit before tax of RM27.32 million and RM0.79 million respectively compared to revenue of RM20.62 million and profit before tax of RM0.59 million reported in the previous financial year. The margins for this division has been affected by the growing competition and the high operation cost.

## MANUFACTURING

For the year under review, the manufacturing division reported a lower revenue of RM1.13 million and profit before tax of RM0.37 million. The profit was mainly derived from the disposal gain on a crusher plant at Lanchang quarry after expiration of the lease agreement for the quarry land.

The Group through its wholly-owned subsidiary, Daya Asphalt Sdn Bhd ("DASB") has formed a joint venture with three individuals to take over the Lanchang quarry and commenced its operation since January 2015. DASB has 35% equity interest in this new associate company, Maha-Mayang Quarry Sdn Bhd.

## WORKFORCE DIVERSITY

The Group does not have a policy on workforce diversity of gender, ethnicity and age. However, the Group is committed to cultivate a climate of diversity and inclusiveness via our non-discriminatory recruitment process.

## ACKNOWLEDGEMENT

On behalf of the management team, I would like to express my gratitude and sincere appreciation to our shareholders, various government department, regulatory authorities, customers, bankers, consultants and business associates for their continued trust and support to the Group. I would like to thank our Board members and employees for their strong commitment and dedication towards continued success of the Group.

## TAN ENG PIOW

Group Managing Director



# CORPORATE GOVERNANCE STATEMENT

## INTRODUCTION

The Board of Directors (“the Board”) of Mitrajaya Holdings Berhad (“MHB” or “the Company”) is committed to ensure the fulfillment of the highest standards of Corporate Governance as set out in the Malaysian Code on Corporate Governance 2012 (“the Code”), which highlights the principles and recommendations of best practices on structures and processes that the Company may use in their operations towards achieving the optimal governance framework.

The Board welcomes the constructive recommendations of the Code and will always evaluate MHB and its subsidiaries (“MHB Group” or “the Group”) corporate governance practice and procedures as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and the financial performance of the Group.

During the financial year ended 31 December 2014, the Board considers that it has fundamentally applied the principles and recommendations of the Code and is pleased to report the actions taken by the Company to conform to the Code as set out below:-

## THE BOARD OF DIRECTORS

The Board Charter is the key point of reference for the Directors of the Board in relation to its role, powers, duties and functions and there is also a formal schedule of matters reserved for its decision. MHB is led and managed by a competent Board, comprising members with a wide range of experience, knowledge and skills in relevant fields such as engineering, architectural, construction and finance. Together, the Directors contribute to successfully direct and supervise the Group’s business activities, which are vital to the success of the Group and the enhancement of long-term shareholders’ value.

During the financial year ended 31 December 2014, the Board met a total of six (6) times. Details of the attendance are as follow:-

DIRECTORS	POSITION	BOARD MEETINGS ATTENDED
1. General Tan Sri Ismail Bin Hassan (R)	Independent Non-Executive Chairman	6/6
2. Tan Eng Piow	Group Managing Director	6/6
3. Foo Chek Lee	Executive Director	6/6
4. Cho Wai Ling ( <i>Appointed on 1.9.2014</i> )	Executive Director	1/1
5. Tan Sri Dato’ Seri Mohamad Noor Bin Abdul Rahim	Independent Non-Executive Director	6/6
6. Ir Zakaria Bin Nanyan	Independent Non-Executive Director	6/6
7. Roland Kenneth Selvanayagam	Independent Non-Executive Director	6/6

The Board has delegated specific responsibilities to the Audit Committee (“AC”) and the Nomination & Remuneration Committee (“NRC”). These Committees have the authority to examine particular issues and report back to the Board with their recommendation. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

## BOARD BALANCE

The Board currently comprises seven (7) Directors, categorised as follows:-

- Three (3) Executive Directors
- Four (4) Independent Non-Executive Directors

A brief profile of the Directors is presented on pages 6 to 9 of the Annual Report.



## BOARD BALANCE (cont'd)

The Board composition complies with paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") which requires that at least one-third of the Board members comprise Independent Directors. The Board has taken note of Recommendation 2.2 of the Code pertaining to the establishment of policy formalising the Company's approach to boardroom diversity. The appointment of Ms Cho Wai Ling to the Board on 1 September 2014 reflects that the Board recognised the value of a lady member of the Board and this is an initial step taken towards achieving a more gender diversified Board. The Company does not have a formal policy on diversity of gender, ethnicity and age as the Board views that its current composition already encompasses this.

There is a clear division of responsibility at the head of the Company to ensure that there is a balance of power and authority. The Board is led by the Independent Non-Executive Chairman, General Tan Sri Ismail Bin Hassan (R) and Mr Tan Eng Piow, as the Group Managing Director who is in charge of running the business and implementing the policies and strategies adopted by the Board.

The Independent Non-Executive Directors participate at the Board Meetings and also contribute in Board Committees that have been set up as part of the practice of good corporate governance within the Company. They provide an objective and independent view of the performance of Management in attempting to achieve the results to which the strategy of the Company is directed. The NRC have upon their assessment, concluded that each of the four (4) Independent Non-Executive Directors continues to demonstrate conduct and behavior that are essential indicators of independence and find that their length of service does not in any way interfere with their exercise of independent judgement and ability to act in the interest of the Company. The Board does not see a need to limit the tenure of the Independent Non-Executive Directors at this juncture.

Mr Tan Eng Piow, the Group Managing Director and Mr Foo Chek Lee, the Executive Director have been steeped in the infrastructure and property construction sector since the beginning of their respective careers, and have collectively extensive experience in engineering and construction.

The appointment of a Senior Independent Non-Executive Director to whom concerns may be conveyed has not been made, given that the Board's composition has a majority of Independent Non-Executive Directors reflecting the strong and independent element on the Board and the Chairman maintains an active and objective dialogue with Board members and encourages full deliberation of all matters submitted to the Board and Board Committee Meetings. The Board does not consider it necessary at this juncture to identify a Senior Independent Non-Executive Director.

The Board is satisfied that the current Board composition fairly reflects the investment of minority shareholders in the Company.

## BOARD COMMITTEES

The Board has established the AC and the NRC. Please refer to the AC Report and the NRC Report for further details.

## SUPPLY OF INFORMATION

The Chairman ensures that each Director is provided with timely notices of every Board Meeting and board papers for each agenda item. This is to ensure that Directors have sufficient time to prepare for discussions, and to obtain further explanation or clarification to facilitate the decision process and discharge of their duties. The Board has unrestricted access to timely and accurate information in the furtherance of its duties.

The Board has formalised procedures for Directors, whether as a full Board or in their individual capacity, to take independent advice where necessary, in the furtherance of their duties and at the Group's expense.

Every Director has access to the advice and services of the Company Secretary. The Board believes that the Company Secretary is capable of carrying out her duties to ensure the effective functioning of the Board and the terms of appointment of the Company Secretary permits her removal and appointment of a successor only by the Board as a whole.



## DIRECTORS' TRAINING

The Directors are mindful that they should receive appropriate continuous training and they have attended seminars and briefings in order to broaden their perspectives so that they keep abreast with developments in the market place and new statutory and regulatory requirements.

The following Directors attended the following training programs in 2014:-

Name	Title of Course
General Tan Sri Ismail Bin Hassan (R)	<ul style="list-style-type: none"><li>- Corporate Governance Review Roadmap to Boardroom Presence</li><li>- Briefing Session on Corporate Governance Guide: Towards Boardroom Excellence (2<sup>nd</sup> Edition) - An Update</li><li>- MAICSA Annual Conference 2014 - Challenges of the Changing Corporate &amp; Regulatory Landscape</li></ul>
Tan Eng Piow	<ul style="list-style-type: none"><li>- In-house Training on Goods &amp; Services Tax ("GST") by Folks Taxation Sdn Bhd</li><li>- In-house Training on GST by IFCA MSC Berhad</li><li>- MPSJ Green City - Role of Housing Developer, Consultants &amp; Contractors by MPSJ</li></ul>
Foo Chek Lee	<ul style="list-style-type: none"><li>- The Public Comment Session for Adequacy of OSH Legislation in the Malaysian Construction Industry</li><li>- Master Builders Association Malaysia Annual Safety &amp; Health Conference 2014</li><li>- In-house Training on GST by Folks Taxation Sdn Bhd</li><li>- In-house Training on GST by IFCA MSC Berhad</li></ul>
Cho Wai Ling	<ul style="list-style-type: none"><li>- Seminar on GST</li><li>- GST Workshop – Framework and Implementation</li><li>- GST for Property Development &amp; Constructions Seminar on Getting Ready for GST</li><li>- GST Planning on Registration, Transitional Period, Implementation, Group Structures and Related Risk (Advanced Level)</li><li>- Mandatory Accreditation Programme for Directors of Public Listed Companies</li><li>- In-house Training on GST by Folks Taxation Sdn Bhd</li><li>- In-house Training on GST by IFCA MSC Berhad</li></ul>
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	<ul style="list-style-type: none"><li>- Nominating Committee Program</li><li>- Ensuring Effectiveness of Audit Committee &amp; Independent Non-Executive Director Roles and Responsibilities</li></ul>
Ir Zakaria Bin Nanyan	<ul style="list-style-type: none"><li>- Master Builders Association Malaysia Annual Safety &amp; Health Conference 2014</li><li>- Corporate Governance Statement Reporting Workshop</li></ul>



## DIRECTORS' TRAINING (cont'd)

Name	Title of Course
Roland Kenneth Selvanayagam	<ul style="list-style-type: none"> <li>- CGMA Evening Talk - Emotional Intelligence Feb 2014</li> <li>- Developing Key Performance for Organisation Success</li> <li>- CGMA Evening Talk – Big Data</li> <li>- GST (Intermediate Level): Peace of Mind for Goods and Services Tax-Registration and Compliance</li> <li>- CGMA Evening Talk - How to Build Your Personal Brand</li> <li>- Corporate Governance Statement Reporting Workshop</li> <li>- In-house Training on GST by Folks Taxation Sdn Bhd</li> </ul>

The Board is regularly updated by the Company Secretary on the latest update/amendments on the Bursa Securities Main Market Listing Requirements and other regulatory requirements relating to the discharge of the Directors' duties and responsibilities.

## RE-ELECTION/RE-APPOINTMENT OF DIRECTORS

The Company's Articles of Association provides for all Directors (including the Managing Director) to retire at least once in each three (3) years at the Annual General Meeting ("AGM") and the retiring Director shall be eligible for re-election. The Directors who are due for re-election/re-appointment at the AGM will be first assessed by the NRC as to whether they meet the Board's expectations and have continued to perform in an exemplary manner, which will then submit its recommendation to the Board for deliberation and approval.

## DIRECTORS' REMUNERATION

The NRC is entrusted under its terms of reference to assist the Board in determining the framework of Executive Director's remuneration and the remuneration package for each Executive Director, drawing from outside advice as necessary. The NRC shall ensure that the level of remuneration is sufficient to attract and retain the Directors needed to run the Company successfully.

The Board as a whole shall determine the Non-Executive Directors' fees with the individual concerned abstaining from deliberations and voting on discussions in respect of his fee. The level of Directors' fee shall reflect the experience and responsibilities undertaken by the particular Non-Executive Director.

The breakdown of the remuneration of the Directors in the Company during the financial year is as follows:-

	FEES RM	SALARIES & OTHER EMOLUMENTS RM	TOTAL RM
Executive Director	-	2,227,388	2,227,388
Non-Executive Directors	100,000	163,806	263,806

The numbers of Directors whose remuneration fall into the following bands are as follow:-

RANGE OF REMUNERATION (RM)	EXECUTIVE	NON-EXECUTIVE
50,000 and below	-	1
100,001 – 150,000	1	3
850,001 – 900,000	1	-
1,200,001 – 1,250,000	1	-



## DIALOGUE BETWEEN THE COMPANY AND INVESTORS

The Board acknowledges the importance for shareholders to be informed of all key issues and major development affecting the Company. The dissemination of the information to shareholders and other stakeholders of the Company are made through the following:-

- The Annual Report;
- The AGM;
- The various disclosures and announcements made to the Bursa Securities including the Quarterly Financial Results and Annual Financial Results; and
- The Company's website, <http://www.mitrajaya.com.my>.

Briefings are held with analysts to clarify information in relation to the announcements. Dialogues with institutional investors and the press are held from time to time.

The Company has in place an Investor Relations Policy to ensure that shareholders, stakeholders, investors and the investment community are provided with relevant, timely and comprehensive information about the Company. This policy provides the guidance for communication through its designated spokespersons.

## AGM

The Company's AGM serves as a principal forum for dialogue with shareholders. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Members of the Board as well as the Auditors of the Company are present to answer questions raised at the meeting. The Executive Directors meet with members of the press after the AGM to answer any queries that may be raised.

## FINANCIAL REPORTING

In presenting the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates.

The quarterly and annual financial statements are reviewed by the AC and approved by the Board of Directors before its release to Bursa Securities.

## STATEMENT OF DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have to be made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgements and estimates as on pages 34 to 116.

The Directors have the responsibility in ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy, the financial position of the Group and the Company, which will then enable them to ensure that the financial statements comply with the requirements of the Companies Act, 1965.

The Directors have the overall responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.





## **INTERNAL CONTROL**

Please refer to the Statement on Risk Management and Internal Control for further details.

## **RELATIONSHIP WITH THE AUDITORS**

The External Auditors, Messrs. Baker Tilly Monteiro Heng has continued to report to the AC on their findings which are included as part of the Company's financial report with respect to each year's audit on the statutory financial statements. In doing so, the Company has established a transparent arrangement with the Auditors to meet their professional requirements.

The independent members of the AC make it a point to sit and discuss with the External Auditors without the presence of the Management Team to allow the External Auditors to broach issues in an uninhibited and private fashion.

## **INTERNAL AUDIT FUNCTION**

The Group's internal audit functions are outsourced to an external professional internal audit firm which reports to the AC. The risk management is undertaken in house and is chaired by an Executive Director. The Internal Auditors serves to assist the AC in the discharge of its duties and responsibilities. Its role is to undertake independent, regular and systematic reviews of internal controls, so as to provide the AC with independent and objective feedback and reports to enable the internal control systems continue to operate satisfactorily and effectively. The Internal Auditor recommends actions to ensure that proper controls are in place for the key operational areas and regular follow-ups are made to ensure the actions are implemented as soon as possible.



# AUDIT COMMITTEE REPORT

The Audit Committee of Mitrajaya Holdings Berhad comprises of four (4) members, all of whom are Independent Non-Executive Directors. The current members of the Audit Committee are as follow:-

## CHAIRMAN

General Tan Sri Ismail Bin Hassan (R) (*Independent Non-Executive Director*)

## MEMBERS

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim (*Independent Non-Executive Director*)

Ir Zakaria Bin Nanyan (*Independent Non-Executive Director*)

Mr Roland Kenneth Selvanayagam (*Independent Non-Executive Director*)

Mr Roland Kenneth Selvanayagam is a member of the Malaysian Institute of Accountants. With him as a member of the Audit Committee, the Company has met the requirement of Bursa Malaysia Securities Berhad in relation to a qualified member on the Audit Committee.

## DUTIES

The duties of the Audit Committee shall be:-

- to consider the appointment of the External Auditors, the audit fee, and any questions of resignation or dismissal.
- to discuss with the External Auditors, the audit plan, the evaluation of the system of internal control, the audit report and the assistance given by the employees of the Company to the External Auditors.
- to review the quarterly and annual financial statements before submission to the Board, focusing particularly on:-
  - any changes in accounting policies and practices;
  - significant and unusual events;
  - major judgemental areas;
  - significant adjustments arising from the audit;
  - the going concern assumption;
  - compliance with accounting standards; and
  - compliance with stock exchange and legal requirements.
- to review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work.
- to review the internal audit programme, process, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.
- to consider the major findings of internal investigations and Management's response.
- to discuss problems and reservations arising from the audit and any matter the auditors may wish to discuss (in the absence of Management where necessary).
- to recommend the nomination of a person or persons as External Auditors.
- to consider any other functions or duties as may be agreed to by the Audit Committee and the Board.



## MEETING ATTENDANCE

The numbers of meetings attended by the Audit Committee members during the financial year ended 31 December 2014 were as follow:-

Members	No. of Attendance
General Tan Sri Ismail Bin Hassan (R) - Chairman	5/5
Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim	5/5
Ir Zakaria Bin Nanyan	5/5
Roland Kenneth Selvanayagam	5/5

## SUMMARY OF ACTIVITIES

During the financial year ended 31 December 2014, the Audit Committee carried out the following activities:-

- Reviewed the report by External Auditors on the review of the financial statements for financial year ended 31 December 2013;
- Reviewed the Internal Audit Reports, which highlighted the audit issues on the auditable areas of project management, procurement of construction materials, inventory management and fixed asset management;
- Reviewed and appraised the adequacy and effectiveness of Management response in resolving the audit issues reported;
- Reviewed the findings of the External Auditors and follow-up on the recommendations;
- Reviewed the unaudited quarterly financial results of the Group and the audited financial statements of the Group and Company and recommended the same to the Board;
- Reviewed the Audit Planning Memorandum for the financial year 2014 presented by the External Auditors;
- Reviewed and approved the Internal Audit Plan;
- Reviewed the recurrent related party transactions;
- Reviewed the Risk Management Committee reports;
- Reviewed the Statement on Risk Management and Internal Control and Audit Committee Report for the financial year ended 31 December 2013;
- Assessed the independence and performance of the External Auditors;
- Recommended the External Auditors fees and the re-appointment of External Auditors; and
- Reviewed the performance of the Internal Auditors.

The Independent members of the Audit Committee also held discussion with the External Auditors during the year without the presence of the Executive Directors and Senior Management.



# NOMINATION AND REMUNERATION COMMITTEE REPORT

The Nomination and Remuneration Committee (“NRC”) comprises of the following members who are all Independent Non-Executive Directors:-

## **CHAIRMAN**

Tan Sri Dato’ Seri Mohamad Noor Bin Abdul Rahim

## **MEMBERS**

General Tan Sri Ismail Bin Hassan (R)

Ir Zakaria Bin Nanyan

## **DUTIES**

The duties of the NRC shall be:-

- To review regularly the Board of Directors (“the Board”) structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary.
- To propose new nominees for appointment to the Board. In making the recommendations, the NRC shall consider the candidates:-
  - skills, knowledge, expertise and experience;
  - professionalism;
  - integrity; and
  - in the case of candidates for the position of Independent Directors, the NRC shall also evaluate the candidates’ ability to discharge such responsibilities or functions as expected from Independent Non-Executive Directors.
- To assess Directors on an on-going basis, the effectiveness of the Board as a whole, the Committees of the Board and the contribution of each individual Director.
- To recommend to the Board, Directors to fill the seats on the Board Committees.
- To review annually the Board’s mix of skills and experience and other qualities including core competencies which Non-Executive Directors should bring to the Board.
- To recommend to the Board for the continuation (or not) in service of Executive Director(s) and Director(s) who are due for retirement by rotation.
- To orientate and educate new Directors as to the nature of the business, current issues within the Company and the corporate strategy, the expectations of the Company concerning input from the Directors and the general responsibilities of Directors.
- To recommend the remuneration policy and review the payment of Directors’ fees and allowance.

## **SUMMARY OF ACTIVITIES**

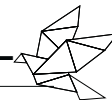
During the financial year ended 31 December 2014, the NRC in discharging its functions and duties carried out the following activities:-

- Reviewed the size and composition of the Board and Board Committee;
- Discussed and recommended the appointment of Ms Cho Wai Ling as an Executive Director to the Board taking into account the gender diversity on the Board;
- Reviewed the mix of skill and experience and other qualities of the Board;
- Assessed the effectiveness of the Board as a whole, the Board Committees and the Directors;
- Discussed and recommended the re-election and re-appointment of retiring Directors;
- Assessed and confirmed the independence of the Independent Directors; and
- Reviewed and recommended the payment of Directors fee.

The NRC upon its annual assessment carried out for financial year 2014, was satisfied that:-

- The size and composition of the Company Board is optimum with appropriate mix of knowledge skills, attribute and core competencies;
- The Board has been able to discharge its duties professionally and effectively;
- All the Directors continues to uphold the highest governance standards in discharging their duties and responsibilities;
- All the members of the Board are well qualified to hold their positions as Directors of the Company in view of their respective working experience, academic and professional qualifications, depth of knowledge, skills and experience and their personal qualities;
- The Independent Directors, namely General Tan Sri Ismail Bin Hassan (R), Tan Sri Dato’ Seri Mohamad Noor Bin Abdul Rahim, Ir Zakaria Bin Nanyan and Mr Roland Kenneth Selvanagyagam are demonstrably independent;
- The Directors are able to devote sufficient time commitment to their roles and responsibilities as evidenced by their attendance records; and
- All the Directors have received training during the financial year ended 31 December 2014 that is relevant and would serve to enhance their effectiveness in the Board.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL



## Introduction

The Board of Directors (“the Board”) of Mitrajaya Holdings Berhad (“MHB”) is pleased to present its Statement on Risk Management and Internal Control for the financial year ended 31 December 2014, which has been prepared pursuant to paragraph 15.26(b) of Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements and as guided by Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“the Guidelines”). This statement outlines the nature and state of the internal control of the MHB and its subsidiaries (“the Group”).

## Board's Responsibility

The Board is responsible for the Group's internal control and risk management system to safeguard shareholders' investment and the Group's assets as well as reviewing the adequacy and effectiveness of the said system.

In view of the limitations inherent in any system of risk management and internal control, the system is designed to manage, rather than eliminate, the risk of failure to achieve the Group's business and corporate objectives. The system can therefore only provide reasonable, but not absolute assurance, against material misstatement or loss.

The Group has an on-going process for identifying, evaluating and managing the significant risks it faces. The Board regularly reviews the results of this process, including measures taken by Management to address areas of key risks as identified. This process has been in place for the financial year under review and up to the date of approval of this Statement.

## Risk Management

The Group has a structured risk management framework, which includes a risk management assessment process to identify significant risks and the mitigating measures thereof. The framework also addresses the compilation of risk register and specific risk profiles of each business divisions and the functional units in the Group. The risk action plans and internal controls that Management has taken and/or is taking are documented in the minutes of the Risk Management Committee (“RMC”) meetings. The RMC comprises key management staff and it is chaired by the Executive Director. Significant risks affecting the Group's Strategic and business plans are escalated to the Board at scheduled meetings.

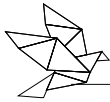
The abovementioned risk management practices of the Group serves as the on-going process used to identify, evaluate and manage significant risks of the Group.

## Internal Audit Function

The Audit Committee evaluates the internal audit function to assess its effectiveness in discharge of its responsibilities. The Group's internal audit function is outsourced to a professional services firm to assist the Board and Audit Committee in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control systems. The Group internal audit function reports directly to the Audit Committee.

During the financial year ended 31 December 2014, audits were carried out in accordance to the internal audit plan that has been reviewed and approved by the Audit Committee. Observations from these audits are presented, together with Management's response and proposed action plans, to the Audit Committee for its review. The internal audit function also follows up and reports to the Audit Committee on the status of implementation of action plans by Management on the recommendations highlighted in the internal audit reports, especially on areas where material internal control deficiencies or lapses have been noted. Further details of the activities of the internal audit function are provided in the Audit Committee Report.

The total fees incurred for the outsourcing of the Internal Audit function for the financial year ended 31 December 2014 was RM51,000.



## Other Key Elements of Internal Control

The key elements of the Group's internal control system are described below:-

- Limits of authority and responsibility

Clearly defined and documented lines and limits of authority, responsibility and accountability have been established through the relevant charters/terms of reference, organizational structures and appropriate authority limits.

- Written policies and procedures

Clearly defined internal policies and procedures as set out in the Group's Standard Operating Procedures Manual are regularly updated to reflect changing risks or to address operational deficiencies.

- Planning, monitoring and reporting

- o The Audit Committee reviews the Group's quarterly financial performance, together with Management, which is subsequently reported to the Board; and
- o Comprehensive information, which includes the monthly management reports covering all key financial and operational indicators, is provided to Senior Management for the monitoring of performance against strategic plan.

- International Standards Certification

The Group's ISO-quality policies and procedures are implemented by its 2 subsidiaries, Pembinaan Mitrajaya Sdn Bhd ("PMSB") and Optimax Eye Specialist Centre Sdn Bhd ("OESC").

Both PMSB and OESC have been certified to ISO 9001:2008 and ISO 9001:2000 Quality Management System since year 2000 and 2007 respectively.

In addition, PMSB has been certified to the following 2 standards in August 2010:-

- (a) Environmental Management System to ISO 14001:2004 standard; and
- (b) Occupational Health and Safety Management System to OHSAS 18001:2007 standard and MS 1722: Part 1:2005.

Internal and external audits are carried out to ensure the adherence and application of the policies implemented.

- Related Party Transactions

Related party transactions are disclosed, reviewed, and monitored by the Board on a periodic basis.

## Assurance provided by the Group Managing Director and Group Finance Manager

In line with the Guidelines, the Group Managing Director and Group Finance Manager have provided assurance to the Board in writing stating 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.

The Board is of the view that the risk management and internal control systems are satisfactory and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report. The Board continues to take pertinent measures to sustain and, where required, to improve the Group's risk management and internal control systems in meeting the Group's strategic objectives.





## SHARE BUY-BACK

During the financial year ended 31 December 2014, the Company bought back a total of 140,000 ordinary shares of RM0.50 each, which are listed on the Main Market of Bursa Malaysia Securities Berhad on the open market. The details of the shares bought back during the year are as follows:-

Monthly Breakdown	No. of Shares Bought Back & Retained as Treasury Shares	Buy-back Price Per Share		Average Cost Per Share (RM)	Total cost (excluding commission and brokerage paid) (RM)
		Lowest (RM)	Highest (RM)		
January	100,000	0.480	0.480	0.480	48,000
February	-	-	-	-	-
March	-	-	-	-	-
April	-	-	-	-	-
May	-	-	-	-	-
June	20,000	0.845	0.845	0.845	16,900
July	-	-	-	-	-
August	-	-	-	-	-
September	-	-	-	-	-
October	-	-	-	-	-
November	-	-	-	-	-
December	20,000	1.100	1.100	1.100	22,000

As at 31 December 2014, a total of 3,432,646 ordinary shares of RM0.50 each were held as treasury shares. None of the treasury shares held were resold or cancelled during the financial year.

## OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

There were no issue of options, warrants or convertible securities during the financial year ended 31 December 2014.

## AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR)

The Company did not sponsor any ADR or GDR programme.

## SANCTION AND/OR PENALTY

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the regulatory bodies.

## NON-AUDIT FEES

The amount of non-audit fees payable to external auditors by the Group for the financial year 2014 is RM10,800.

## PROFIT GUARANTEE

The Company did not receive any profit guarantee during the financial year.

## MATERIAL CONTRACTS INVOLVING DIRECTORS'/MAJOR SHAREHOLDERS' INTEREST

There were no material contracts of the Company and its subsidiaries involving Directors' and major shareholders' interests for the financial year under review.



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# DIRECTORS' REPORT



The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31st December 2014.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activity whilst the principal activities of the subsidiaries are as disclosed in Note 7 to the financial statements. There has been no significant change in the nature of these principal activities during the financial year.

## RESULTS

	Group RM	Company RM
Net profit for the financial year	53,284,740	100,163,669
Attributable to:-		
Owners of the Company	53,768,982	100,163,669
Non-controlling interests	(484,242)	-
	53,284,740	100,163,669

## DIVIDEND

The amounts of dividends paid by the Company since the end of the previous financial year were as follows:-

	RM
In respect of the financial year ended 31st December 2013:-	
First and final single tier dividend of 4% on 394,119,155 ordinary shares of RM0.50/- each, paid on 12th September 2014	7,882,383

At the forthcoming Annual General Meeting, a first and final single tier dividend of RM0.05/- per share will be proposed for shareholders' approval.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31st December 2015.

## RESERVES AND PROVISIONS

All material transfers to and from reserves and provisions during the financial year have been disclosed in the financial statements.



### **BAD AND DOUBTFUL DEBTS**

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances that would render the amount written off for bad debts, or the amount of the allowance for doubtful debts, in the financial statements of the Group and of the Company inadequate to any substantial extent.

### **CURRENT ASSETS**

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company had been written down to an amount that they might be expected to be realised.

At the date of this report, the Directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

### **VALUATION METHODS**

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

### **CONTINGENT AND OTHER LIABILITIES**

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

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

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

### **CHANGE OF CIRCUMSTANCES**

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



## ITEMS OF AN UNUSUAL NATURE

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

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 and of the Company for the financial year in which this report is made.

## ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company did not issue any shares or debentures.

## WARRANTS

### Warrants 2011/2016

By virtue of a Deed Poll executed on 21st June 2011 for the 47,729,947 Warrants 2011/2016 ("Warrants 2011/2016") issued in connection with the Share Split and Bonus Issue allotted and credited on 1st July 2011, each Warrants 2011/2016 entitles the registered holder the right at any time during the exercise period from 5th July 2011 to 4th July 2016 to subscribe in cash for one new ordinary share at an exercise price of RM0.90/- each.

No Warrants 2011/2016 were exercised during the financial year.

## TREASURY SHARES

The shareholders of the Company by an ordinary resolution passed in the fifteenth Annual General Meeting held on 17th June 2008, approved the mandate for the Company's plan to repurchase its own ordinary shares. On 18th June 2014, the shareholders of the Company at the twenty-first Annual General Meeting granted their mandate for the Company's renewal of authority to repurchase its own ordinary shares.

During the financial year, the Company repurchased 140,000 (2013: 304,600) shares from the open market at an average price of RM0.63/- (2013: RM0.44/-) per share. The total consideration paid for the repurchase, was RM87,534/- (2013: RM133,176/-) and they were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 in Malaysia.

As at 31st December 2014, the Company held as treasury shares a total of 3,432,646 of its 397,531,801 issued ordinary shares. Such treasury shares are held at a carrying amount of RM1,038,417/- (2013: RM950,883/-) and further relevant details are disclosed in Note 16(b) to the financial statements.

## EMPLOYEES' SHARE OPTION SCHEME

The Company's Employees' Share Option Scheme ("ESOS") is governed by the by-laws approved by the shareholders of the Company at an Extraordinary General Meeting held on 26th May 2004. The main features of the ESOS are:-

- (a) the ESOS offers the eligible employees, including Executive Directors of the Group and of the Company, options to subscribe for new ordinary shares of RM0.50 each in the Company. These eligible person(s) shall not participate in more than one ESOS implemented by any company within the Group at any one time;



## EMPLOYEES' SHARE OPTION SCHEME (cont'd)

- (b) the ESOS is for a period of 5 years commencing from 2nd July 2004, subject to an extension for a further period of 5 years commencing from the expiration of the aforesaid 5 years;
- (c) the maximum number of shares to be offered shall not exceed 10% of the issued and paid-up capital of the Company at any point in time during the existence of the ESOS and the number of shares of the Company that may be offered to each eligible employee is determined by a Committee appointed by the Board of Directors in accordance with the ESOS By-Laws;
- (d) the options granted under the ESOS cannot be assigned, transferred or otherwise disposed of in any manner whatsoever; and
- (e) the new shares allotted upon the exercise of the ESOS options shall rank pari passu with the existing issued ordinary shares of the Company.

No ESOS was granted during the current financial year and the scheme was lapsed on 1st July 2014.

## DIRECTORS

The Directors in office since the date of the last report are:-

General Tan Sri Ismail Bin Hassan (R)

Tan Eng Piow

Foo Chek Lee

Cho Wai Ling

- Appointed on 1.9.2014

Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim

Ir Zakaria Bin Nanyan

Roland Kenneth Selvanayagam

## DIRECTORS' INTERESTS

According to the register of directors' shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia, the interests of those Directors who held office at the end of the financial year in shares and warrants of the Company and its related corporations during the financial year ended 31st December 2014 are as follows:-

	Number of ordinary shares of RM0.50/- each			
	At 1.1.2014	Bought	Sold	At 31.12.2014
<b>The Company</b>				
<b>Direct interest</b>				
Tan Eng Piow	161,330,659	451,000	-	161,781,659
Foo Chek Lee	723,335	-	-	723,335
<b>Indirect interest</b>				
Tan Eng Piow	2,170,000	-	-	2,170,000
Foo Chek Lee	21,700	-	-	21,700





## DIRECTORS' INTERESTS (cont'd)

	Number of Warrants 2011/2016 Issued Pursuant To the Deed Poll dated 21.6.2011 exercisable at any time from 5.7.2011 to 4.7.2016			
	At 1.1.2014	Granted	Exercised	At 31.12.2014
<b>The Company</b>				
<b>Direct interest</b>				
Tan Eng Piow	19,448,390	-	-	19,448,390
Foo Chek Lee	87,500	-	-	87,500
<b>Indirect interest</b>				
Tan Eng Piow	262,500	-	-	262,500
Foo Chek Lee	2,625	-	-	2,625

By virtue of their interests in the shares and warrants of the Company, the Directors in the above are also deemed interested in the shares of the subsidiaries of the Company to the extent the Company has an interest.

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

## DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during the financial year, did there subsist any arrangement to which the Company or a related corporation was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in, and/or debentures of the Company or any other body corporate, other than as may arise from the share options granted.

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 30 to the financial statements or the fixed salary of a full time employee of the Company and its related corporations) 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 for any deemed benefits which may arise from transactions entered into in the ordinary course of business as disclosed in Note 37(b) to the financial statements.



### AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

On behalf of the Board,

.....  
**TAN ENG PIOW**

Director

.....  
**FOO CHEK LEE**

Director

Selangor Darul Ehsan

Date: 15th April 2015

# STATEMENTS OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2014



		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	41,394,540	37,684,961	1	1
Land held for property development	5	87,107,349	120,837,686	-	-
Investment properties	6	9,327,091	9,409,049	-	-
Investment in subsidiaries	7	-	-	140,695,694	85,695,694
Goodwill on consolidation	8	3,248,574	3,226,690	-	-
Deferred tax assets	9	1,939,595	2,882,289	-	-
<b>Total non-current assets</b>		<b>143,017,149</b>	<b>174,040,675</b>	<b>140,695,695</b>	<b>85,695,695</b>
<b>Current assets</b>					
Amount due from customers for contract work	10	20,031,362	6,629,490	-	-
Property development costs	11	174,302,210	110,555,965	-	-
Inventories	12	93,940,741	124,909,930	-	-
Trade and other receivables	13	183,474,923	123,218,706	112,167	953,316
Tax recoverable		1,171,575	1,588,895	-	-
Amount due from subsidiaries	14	-	-	188,475,840	152,961,001
Cash and cash equivalent	15	23,918,656	19,100,801	11,372,538	10,024,035
<b>Total current assets</b>		<b>496,839,467</b>	<b>386,003,787</b>	<b>199,960,545</b>	<b>163,938,352</b>
<b>TOTAL ASSETS</b>		<b>639,856,616</b>	<b>560,044,462</b>	<b>340,656,240</b>	<b>249,634,047</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	16	198,765,901	198,765,901	198,765,901	198,765,901
Treasury shares	16(b)	(1,038,417)	(950,883)	(1,038,417)	(950,883)
Reserves	17	196,690,596	151,840,000	134,635,147	42,353,861
<b>Shareholders' funds</b>		<b>394,418,080</b>	<b>349,655,018</b>	<b>332,362,631</b>	<b>240,168,879</b>
Non-controlling interests		749,781	1,258,523	-	-
<b>Total equity</b>		<b>395,167,861</b>	<b>350,913,541</b>	<b>332,362,631</b>	<b>240,168,879</b>



# STATEMENTS OF FINANCIAL POSITION

AS AT 31ST DECEMBER 2014 (cont'd)

		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
<b>Non-current liabilities</b>					
Borrowings	19	19,043,850	19,087,862	-	-
Deferred tax liabilities	9	1,101,634	1,582,026	-	-
<b>Total non-current liabilities</b>		20,145,484	20,669,888	-	-
<b>Current liabilities</b>					
Amount due to customers for contract work	10	11,224,697	4,968,897	-	-
Trade and other payables	24	125,249,140	118,800,243	7,035,340	7,764,993
Amount due to subsidiaries	25	-	-	224,172	818,349
Borrowings	19	82,966,507	62,525,271	635,495	138,031
Tax payable		5,102,927	2,166,622	398,602	743,795
<b>Total current liabilities</b>		224,543,271	188,461,033	8,293,609	9,465,168
<b>TOTAL LIABILITIES</b>		244,688,755	209,130,921	8,293,609	9,465,168
<b>TOTAL EQUITY AND LIABILITIES</b>		639,856,616	560,044,462	340,656,240	249,634,047

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

# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014



		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
Revenue	26	520,204,899	338,443,757	95,600,000	15,250,000
Cost of sales	27	(409,757,406)	(263,292,156)	-	-
<b>GROSS PROFIT</b>		<b>110,447,493</b>	<b>75,151,601</b>	<b>95,600,000</b>	<b>15,250,000</b>
Other income		5,082,969	8,454,258	6,819,917	9,961,383
Administrative expenses		(24,353,020)	(20,388,759)	(486,392)	(388,968)
Other operating expenses		(15,094,908)	(19,548,344)	(58,381)	(102,325)
<b>OPERATING PROFIT</b>	28	<b>76,082,534</b>	<b>43,668,756</b>	<b>101,875,144</b>	<b>24,720,090</b>
Finance costs	31	(3,600,205)	(3,373,207)	(38,262)	(34,752)
<b>PROFIT BEFORE TAXATION</b>		<b>72,482,329</b>	<b>40,295,549</b>	<b>101,836,882</b>	<b>24,685,338</b>
Taxation	32	(19,197,589)	(11,643,768)	(1,673,213)	(2,101,060)
<b>PROFIT NET OF TAXATION</b>		<b>53,284,740</b>	<b>28,651,781</b>	<b>100,163,669</b>	<b>22,584,278</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>					
Foreign currency translation		(1,036,003)	(4,032,138)	-	-
Other comprehensive loss for the year, net of tax		(1,036,003)	(4,032,138)	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>52,248,737</b>	<b>24,619,643</b>	<b>100,163,669</b>	<b>22,584,278</b>
<b>Profit/(loss) attributable to:</b>					
Owners of the Company		53,768,982	29,316,171	100,163,669	22,584,278
Non-controlling interests		(484,242)	(664,390)	-	-
		<b>53,284,740</b>	<b>28,651,781</b>	<b>100,163,669</b>	<b>22,584,278</b>
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the Company		52,732,979	25,284,033	100,163,669	22,584,278
Non-controlling interests		(484,242)	(664,390)	-	-
		<b>52,248,737</b>	<b>24,619,643</b>	<b>100,163,669</b>	<b>22,584,278</b>
<b>Earnings per share (sen)</b>					
- basic	33(a)	13.64	7.43		
- diluted	33(b)	13.64	7.43		

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



# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014

Attributable to owners of the parent

Group	Note	Share capital		Other reserves	← Non-distributable →			Distributable Retained profits	Equity		Non-controlling interests	Total equity
		RM	RM		RM	RM	RM		RM	RM		
At 1st January 2014		198,765,901	(4,949,658)		(18,764,646)	13,814,988		156,789,658	(950,883)	349,655,018	1,258,523	350,913,541
Profit for the financial year		-	-		-	-		53,768,982	-	53,768,982	(484,242)	53,284,740
Realisation of revaluation reserves	18	-	(2,861,749)		346,373	(3,208,122)		2,861,749	-	-	-	-
<b>Other comprehensive income</b>												
Foreign currency translation		-	(1,036,003)		(1,036,003)	-		-	-	(1,036,003)	-	(1,036,003)
<b>Transactions with owners</b>												
		198,765,901	(8,847,410)		(19,454,276)	10,606,866		213,420,389	(950,883)	402,387,997	774,281	403,162,278
Purchase of treasury shares	16(b)	-	-		-	-		-	(87,534)	(87,534)	-	(87,534)
Dividends on ordinary shares	34	-	-		-	-		(7,882,383)	-	(7,882,383)	-	(7,882,383)
Acquisition of non- controlling interest		-	-		-	-		-	-	-	(24,500)	(24,500)
Total transactions with owners		-	-		-	-		(7,882,383)	(87,534)	(7,969,917)	(24,500)	(7,994,417)
<b>At 31st December 2014</b>		<b>198,765,901</b>	<b>(8,847,410)</b>		<b>(19,454,276)</b>	<b>10,606,866</b>		<b>205,538,006</b>	<b>(1,038,417)</b>	<b>394,418,080</b>	<b>749,781</b>	<b>395,167,861</b>



# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (cont'd)



Group	Note	Attributable to owners of the parent								
		Share capital RM	Other reserves Total RM	Non-distributable →		Distributable Retained profits RM	Treasury shares RM	Equity attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
At 1st January 2013		198,765,901	(917,520)	(14,732,508)	13,814,988	135,364,162	(817,707)	332,394,836	1,922,913	334,317,749
Profit for the financial year		-	-	-	-	29,316,171	-	29,316,171	(664,390)	28,651,781
Other comprehensive income										
Foreign currency translation		-	(4,032,138)	(4,032,138)	-	-	-	(4,032,138)	-	(4,032,138)
		198,765,901	(4,949,658)	(18,764,646)	13,814,988	164,680,333	(817,707)	357,678,869	1,258,523	358,937,392
Transactions with owners										
Purchase of treasury shares	16(b)	-	-	-	-	-	(133,176)	(133,176)	-	(133,176)
Dividends on ordinary shares	34	-	-	-	-	(7,890,675)	-	(7,890,675)	-	(7,890,675)
Total transactions with owners		-	-	-	-	(7,890,675)	(133,176)	(8,023,851)	-	(8,023,851)
At 31st December 2013		198,765,901	(4,949,658)	(18,764,646)	13,814,988	156,789,658	(950,883)	349,655,018	1,258,523	350,913,541

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



# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014)

Company	Note	Attributable to owners of the Company			Total equity RM
		Share capital RM	Treasury shares RM	Distributable Retained profits RM	
At 1st January 2013		198,765,901	(817,707)	27,660,258	225,608,452
Profit for the financial year		-	-	22,584,278	22,584,278
		198,765,901	(817,707)	50,244,536	248,192,730
<b>Transactions with owners</b>					
Purchase of treasury shares	16(b)	-	(133,176)	-	(133,176)
Dividends on ordinary shares	34	-	-	(7,890,675)	(7,890,675)
Total transactions with owners		-	(133,176)	(7,890,675)	(8,023,851)
<b>At 31st December 2013</b>		<b>198,765,901</b>	<b>(950,883)</b>	<b>42,353,861</b>	<b>240,168,879</b>
Profit for the financial year		-	-	100,163,669	100,163,669
		198,765,901	(950,883)	142,517,530	340,332,548
<b>Transactions with owners</b>					
Purchase of treasury shares	16(b)	-	(87,534)	-	(87,534)
Dividends on ordinary shares	34	-	-	(7,882,383)	(7,882,383)
Total transactions with owners		-	(87,534)	(7,882,383)	(7,969,917)
<b>At 31st December 2014</b>		<b>198,765,901</b>	<b>(1,038,417)</b>	<b>134,635,147</b>	<b>332,362,631</b>

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

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014



	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Profit before taxation	72,482,329	40,295,549	101,836,882	24,685,338
Adjustments for:				
Bad debts written off	-	29,785	-	-
Depreciation of:				
- property, plant and equipment	9,419,908	9,916,790	-	-
- investment properties	81,958	85,678	-	-
Dividend income	-	-	(95,600,000)	(15,250,000)
Gain on disposal of:				
- property, plant and equipment	(1,672,633)	(1,040,760)	-	-
- investment in an associate	-	(4,224,208)	-	(4,126,032)
Impairment losses on:-				
- investment properties	-	185,997	-	-
Interest expense	3,600,205	3,373,207	38,262	34,752
Interest income	(570,257)	(451,563)	(6,819,917)	(5,835,350)
Property, plant and equipment written off	446,116	1,811,727	-	-
Reversal of impairment loss on trade receivable	(200)	(300)	-	-
Unrealised loss from foreign exchange	-	6,135	-	-
	83,787,426	49,988,037	(544,773)	(491,292)
Changes in working capital:-				
Advances from subsidiaries	-	-	(3,109,017)	(8,840,530)
Amount due (to)/from customers on contract work	(5,718,628)	(2,606,852)	-	-
Inventories	30,965,150	35,242,275	-	-
Property development costs	(32,487,434)	(47,965,091)	-	-
Trade and other receivables	(60,323,996)	(3,261,708)	841,149	(951,596)
Trade and other payables	6,647,200	77,319	(729,653)	(687,947)
	22,869,718	31,473,980	(3,542,294)	(10,971,365)
Tax paid	(15,376,814)	(8,333,210)	(2,018,405)	(1,652,534)
Net Operating Cash Flows	7,492,904	23,140,770	(5,560,699)	(12,623,899)



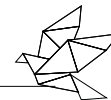
# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (cont'd)

	<b>Group</b>		<b>Company</b>	
	<b>2014 RM</b>	<b>2013 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Dividend received	-	-	62,600,000	15,250,000
Interest received	570,257	451,563	6,819,917	5,835,350
Additional investment in a subsidiary	(24,500)	-	(55,000,000)	-
Proceeds from disposal of property, plant and equipment	1,679,000	1,080,688	-	-
Proceeds from disposal of investment in an associate	-	10,126,032	-	10,126,032
Subsequent expenditure on land held for development	(14,085)	(3,450)	-	-
Purchase of property, plant and equipment (Note 4(b))	(6,688,968)	(6,834,250)	-	-
Net Investing Cash Flows	(4,478,296)	4,820,583	14,419,917	31,211,382
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>				
Interest paid	(3,600,205)	(3,373,207)	(38,262)	(34,752)
Drawdown/(Repayment) of bankers' acceptance	18,684,000	(4,234,000)	-	-
Drawdown of on-shore foreign currency loan	3,106,079	-	-	-
Repayment of borrowings	(3,532,879)	(3,154,752)	-	-
Payment of hire purchase	(2,459,808)	(5,544,172)	-	-
Drawdown/(Repayment) of short term revolving credit	10,000,000	(2,000,000)	-	-
Dividends paid	(7,882,383)	(7,890,675)	(7,882,383)	(7,890,675)
Purchase of treasury shares	(87,534)	(133,176)	(87,534)	(133,176)
Net Financing Cash Flows	14,227,270	(26,329,982)	(8,008,179)	(8,058,603)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	17,241,878	1,631,371	851,039	10,528,880
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	(97,706)	(180,574)	-	-
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	(17,167,328)	(18,618,125)	9,886,004	(642,876)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	(23,156)	(17,167,328)	10,737,043	9,886,004
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS:</b>				
Deposits with licensed banks	18,999,274	11,863,377	11,368,559	10,020,006
Cash and bank balances	4,919,382	7,237,424	3,979	4,029
Bank overdrafts	(23,941,812)	(36,268,129)	(635,495)	(138,031)
	(23,156)	(17,167,328)	10,737,043	9,886,004

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2014 (cont'd)



On 17th April 2013, the Company entered into a Sales and Purchase of Share Agreement with Kumpulan Perubatan (Johor) Sdn. Bhd. ("KPJ") to dispose the investment in an associate of 6 million ordinary shares of RM1/- each in Rawang Specialist Hospital Sdn. Bhd. for a cash consideration of RM10,126,032/-.

Details of the net assets disposed and the net cash flows from the disposal of the associate are as follows:-

	<b>2013 RM</b>
Share of net assets disposed off	5,901,824
Proceeds of disposal	(10,126,032)
	<hr/>
Gain on disposal to the Group	(4,224,208)
	<hr/>

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



# NOTES TO THE FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company is principally engaged in investment holding activity whilst the principal activities of the subsidiaries are as disclosed in Note 7 to the financial statements. There has been no significant change in the nature of these principal activities during the financial year.

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

The registered office and principal place of business of the Company are located at No. 9, Blok D, Pusat Perdagangan Puchong Prima, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor Darul Ehsan.

The financial statements are expressed in Ringgit Malaysia. All financial information presented in RM has been rounded to the nearest RM, unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 15th April 2015.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with the Financial Reporting Standards ("FRSs") and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis, other than as disclosed in the significant accounting policies in Note 2.3.

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

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





## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.2 New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int")

#### (a) Adoption of Amendments/Improvements to FRSs and New IC Int

The Group and the Company had adopted the following amendments/improvements to FRSs and new IC Int that are mandatory for the current financial year:-

##### Amendments/Improvements to FRSs

FRS 10	Consolidated Financial Statements
FRS 12	Disclosure of Interests in Other Entities
FRS 127	Separate Financial Statements
FRS 132	Financial Instruments: Presentation
FRS 136	Impairment of Assets
FRS 139	Financial Instruments: Recognition and Measurement

##### New IC Int

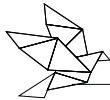
IC Int 21	Levies
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The adoption of the above amendments/improvements to FRSs and new IC Int do not have any significant effect on the financial statements of the Group and of the Company.

#### (b) New FRSs, and Amendments/Improvements to FRSs that are issued, but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new FRSs and amendments/improvements to FRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

		Effective for financial periods beginning on or after
<u>New FRSs</u>		
FRS 9	Financial Instruments	1 January 2018
<u>Amendments/Improvements to FRSs</u>		
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2014
FRS 2	Share-based Payment	1 July 2014
FRS 3	Business Combinations	1 July 2014
FRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
FRS 7	Financial Instruments: Disclosures	1 January 2016
FRS 8	Operating Segments	1 July 2014
FRS 10	Consolidated Financial Statements	1 January 2016
FRS 11	Joint Arrangements	1 January 2016
FRS 12	Disclosures of Interests in Other Entities	1 January 2016
FRS 13	Fair Value Measurement	1 July 2014
FRS 101	Presentation of Financial Statements	1 January 2016
FRS 116	Property, Plant and Equipment	1 July 2014/ 1 January 2016
FRS 119	Employee Benefits	1 July 2014/ 1 January 2016



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.2 New FRSs, Amendments/Improvements to FRSs and New IC Int (cont'd)

#### (b) New FRSs, and Amendments/Improvements to FRSs that are issued, but not yet effective and have not been early adopted (cont'd)

		Effective for financial periods beginning on or after
FRS 124	Related Party Disclosures	1 July 2014
FRS 127	Separate Financial Statements	1 January 2016
FRS 128	Investments in Associates and Joint Ventures	1 January 2016
FRS 138	Intangible Assets	1 July 2014/ 1 January 2016
FRS 140	Investment Property	1 July 2014

A brief discussion on the above significant new FRSs and amendments/improvements to FRSs are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and the Company.

#### ***FRS 9 Financial Instruments***

FRS 9 introduces a package of improvements which includes a classification and measurement model, a single forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

#### Classification and measurement

FRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statement of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statement of financial position.

#### Impairment

FRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.2 New FRSs, Amendments/Improvements to FRSs and New IC Int (cont'd)

#### (b) New FRSs, and Amendments/Improvements to FRSs that are issued, but not yet effective and have not been early adopted (cont'd)

##### ***FRS 9 Financial Instruments (cont'd)***

###### Hedge accounting

FRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

##### ***Amendments to FRS 1 First-time Adoption of Financial Reporting Standards***

Amendments to FRS 1 relates to the IASB's Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that a first-time adopter is permitted but not required to apply a new or revised Standard that is not yet mandatory but is available for early application.

##### ***Amendments to FRS 2 Share-based Payment***

Amendments to FRS 2 clarifies the definition of 'vesting conditions' by separately defining 'performance condition' and 'service condition' to ensure consistent classification of conditions attached to a share-based payment.

##### ***Amendments to FRS 3 Business Combinations***

Amendments to FRS 3 clarifies that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to FRS 132 Financial Instruments: Presentation. It also clarifies that contingent consideration that is classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In addition, amendments to FRS 3 clarifies that FRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in FRS 11 *Joint Arrangements*) in the financial statements of the joint arrangement itself.

##### ***Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations***

Amendments to FRS 5 introduces specific guidance when an entity reclassifies an asset (or disposal group) from held-for-sale to held-for-distribution to owners (or vice versa), or when held-for-distribution is discontinued.

##### ***Amendments to FRS 7 Financial Instruments: Disclosures***

Amendments to FRS 7 provides additional guidance to clarify whether servicing contracts constitute continuing involvement for the purposes of applying the disclosure requirements of FRS 7.

The Amendments also clarify the applicability of Disclosure – Offsetting Financial Assets and Financial Liabilities (Amendments to FRS 7) to condensed interim financial statements.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.2 New FRSs, Amendments/Improvements to FRSs and New IC Int (cont'd)

#### (b) New FRSs, and Amendments/Improvements to FRSs that are issued, but not yet effective and have not been early adopted (cont'd)

##### ***Amendments to FRS 8 Operating Segments***

Amendments to FRS 8 requires an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments. This includes a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

The Amendments also clarifies that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly to the chief operating decision maker.

##### ***Amendments to FRS 10 Consolidated Financial Statements and FRS 128 Investments in Associates and Joint Ventures***

These Amendments address an acknowledged inconsistency between the requirements in FRS 10 and those in FRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the Amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not), as defined in FRS 3 Business Combinations. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

##### ***Amendments to FRS 11 Joint Arrangements***

Amendments to FRS 11 clarifies that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in FRS 3 Business Combinations, it shall apply the relevant principles on business combinations accounting in FRS 3, and other FRSs, that do not conflict with FRS 11. Some of the impact arising may be the recognition of goodwill, recognition of deferred tax assets/liabilities and recognition of acquisition-related costs as expenses. The Amendments do not apply to joint operations under common control and also clarify that previously held interests in a joint operation are not re-measured if the joint operator retains joint control.

##### ***Amendments to FRS 13 Fair Value Measurement***

Amendments to FRS 13 relates to the IASB's Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that when IASB issued IFRS 13, it did not remove the practical ability to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, if the effect of discounting is immaterial.

The Amendments also clarifies that the scope of the portfolio exception of FRS 13 includes all contracts accounted for within the scope of FRS 139 *Financial Instruments: Recognition and Measurement* or FRS 9 *Financial Instruments*, regardless of whether they meet the definition of financial assets or financial liabilities as defined in FRS 132 *Financial Instruments: Presentation*.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.2 New FRSs, Amendments/Improvements to FRSs and New IC Int (cont'd)

#### (b) New FRSs, and Amendments/Improvements to FRSs that are issued, but not yet effective and have not been early adopted (cont'd)

##### ***Amendments to FRS 101 Presentation of Financial Statements***

Amendments to FRS 101 improves the effectiveness of disclosures. The Amendments clarifies guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

##### ***Amendments to FRS 116 Property, Plant and Equipment***

Amendments to FRS 116 clarifies the accounting for the accumulated depreciation/amortisation when an asset is revalued. It clarifies that:-

- the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; and
- the accumulated depreciation/amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

Amendments to FRS 116 prohibits revenue-based depreciation because revenue does not reflect the way in which an item of property, plant and equipment is used or consumed.

##### ***Amendments to FRS 119 Employee Benefits***

Amendments to FRS 119 provides a practical expedient in accounting for contributions from employees or third parties to defined benefit plans.

If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.

However, if the amount of the contributions is dependent on the number of years of service, an entity is required to attribute those contributions to periods of service using the same attribution method required by FRS 119 for the gross benefit (i.e. either based on the plan's contribution formula or on a straight-line basis).

In addition, the Amendments clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability and the depth of the market for high quality corporate bonds should be assessed at a currency level.

##### ***Amendments to FRS 124 Related Party Disclosures***

Amendments to FRS 124 clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.2 New FRSs, Amendments/Improvements to FRSs and New IC Int (cont'd)

#### (b) New FRSs, and Amendments/Improvements to FRSs that are issued, but not yet effective and have not been early adopted (cont'd)

##### ***Amendments to FRS 127 Separate Financial Statements***

Amendments to FRS 127 allows a parent and investors to use the equity method in its separate financial statements to account for investments in subsidiaries, joint ventures and associates, in addition to the existing options.

##### ***Amendments to FRS 138 Intangible Assets***

Amendments to FRS 138 introduces a rebuttable presumption that the revenue-based amortisation method is inappropriate (for the same reasons as per the Amendments to FRS 116). This presumption can be overcome only in the limited circumstances:-

- in which the intangible asset is expressed as a measure of revenue, i.e. in the circumstance in which the predominant limiting factor that is inherent in an intangible asset is the achievement of a revenue threshold; or
- when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

##### ***Amendments to FRS 140 Investment Property***

Amendments to FRS 140 clarifies that the determination of whether an acquisition of investment property meets the definition of both a business combination as defined in FRS 3 and investment property as defined in FRS 140 requires the separate application of both Standards independently of each other.

##### ***Amendments to FRS 10 Consolidated Financial Statements, FRS 12 Disclosures of Interests in Other Entities and FRS 128 Investments in Associates and Joint Ventures***

These Amendments addresses the following issues that have arisen in the application of the consolidation exception for investment entities:-

- Exemption from presenting consolidated financial statements:  
the Amendments clarifies that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Consolidation of intermediate investment entities:  
the Amendments clarifies that only a subsidiary is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.
- Policy choice for equity accounting for investments in associates and joint ventures:  
the Amendments allows a non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interest in subsidiaries, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture.





## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.2 New FRSs, Amendments/Improvements to FRSs and New IC Int (cont'd)

#### (c) MASB Approved Accounting Standards, MFRSs

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1st January 2012, the MASB had on 19th November 2011 issued a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1st January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1st January 2012, with the exception of entities subject to the application of MFRS 141 *Agriculture* and/or IC Int 15 *Agreements for the Construction of Real Estate* ("Transitioning Entities"). The Transitioning Entities are given an option to defer the adoption of MFRSs Framework and shall apply the MFRSs framework for annual periods beginning on or after 1st January 2017. Transitioning Entities also include those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1st January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework. As such, the Group and the Company will prepare their first MFRSs financial statements using the MFRSs framework for financial year ending 31st December 2017. The main effects arising from the transition to the MFRSs Framework are discussed below.

The effect is based on the Group's and the Company's best estimates at the reporting date. The financial effects may change or additional effects may be identified, prior to the completion of the Group's and the Company's first MFRSs based financial statements.

#### **Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")**

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs.

The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.2 New FRSs, Amendments/Improvements to FRSs and New IC Int (cont'd)

#### (c) MASB Approved Accounting Standards, MFRSs (cont'd)

##### ***MFRS 15 Revenue from Contracts with Customers***

The core principle of MFRS 15 is that an entity recognises revenue to 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. An entity recognises revenue in accordance with the core principle by applying the following steps:-

- Identify the contracts with a customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The Group is currently assessing the impact of the adoption of this standard.

##### ***Amendments to MFRS 116 Property, Plant and Equipment and Amendments to MFRS 141 Agriculture***

With the Amendments, bearer plants would come under the scope of MFRS 116 and would be accounted for in the same way as property, plant and equipment. A bearer plant is defined as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Nevertheless, the produce growing on the bearer plant would remain within the scope of MFRS 141. This is because the growth of the produce directly increases the expected revenue from the sale of the produce. Moreover, fair value measurement of the growing produce provides useful information to users of financial statements about future cash flows that an entity will actually realise as the produce will ultimately be detached from the bearer plants and sold separately.

The Group does not expect any impact on the financial statements arising from the adoption of this standard.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Significant Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements:-

#### 2.3.1 Basis of Consolidation

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

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

In business combination achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Any excess of the cost of acquisition over the Group's share in the net fair value of the identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.3.6. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised as bargain purchase gain in profit or loss on the date of acquisition.

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

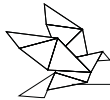
Transaction costs for acquisition between 1st January 2006 and 31st December 2010, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Transaction costs for acquisition on or after 1st January 2011 will no longer be capitalised as part of the cost of acquisition but will be expensed immediately.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date such control ceases.

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

Prior to 1st January 2011, if the Group retained any interest in the previous subsidiary, such interest was measured at the carrying amount at the date that control was lost and this carrying amount would be regarded as cost on initial measurement of the investment.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Significant Accounting Policies (cont'd)

#### 2.3.2 Transactions with Non-Controlling Interests

Non-controlling interests represents the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group within equity in the consolidated statement of financial position, separately from parent shareholders' equity. Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity.

The losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have deficit balance. The change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share.

Prior to 1st January 2011, where losses applicable to the non-controlling interests exceed the Company's interests in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interest, were charged against the Group's interest except to the extent that the non-controlling interests had a binding obligation to, and was able to, make additional investment to cover the losses. If the subsidiary subsequently reported profits, the Group's interest was allocated with all such profits until the non-controlling interests' share of losses previously absorbed by the Group had been recovered.

#### 2.3.3 Foreign Currency

##### (i) Functional and Presentation Currency

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

##### (ii) Foreign Currency Transactions

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

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



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Significant Accounting Policies (cont'd)

#### 2.3.3 Foreign Currency (cont'd)

##### (ii) Foreign Currency Transactions (cont'd)

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

##### (iii) Foreign Operations

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

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

#### 2.3.4 Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are stated at cost less any accumulated depreciation and accumulated impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:-

Buildings	2%
Fixtures, fittings and office equipment	10% - 50%
Renovations	10% - 20%
Plant and machinery	10% - 40%
Motor vehicles	20% - 25%

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



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Significant Accounting Policies (cont'd)

#### 2.3.4 Property, Plant and Equipment and Depreciation (cont'd)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

Depreciation of property, plant and equipment which are used for a specific project will be charged to that particular project. Depreciation of other property, plant and equipment are charged to profit or loss accordingly.

#### 2.3.5 Investment Properties

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

Freehold land of the Group under investment properties have not been revalued since they were first revalued in 1993. The Directors have not adopted a policy of regular revaluations of such assets. As permitted under the transitional provisions of International Accounting Standard No. 16 ("IAS16") (Revised), Property, Plant and Equipment, these assets continue to be stated at their 1993 valuation less accumulated depreciation. Surplus arising from revaluation is credited directly to revaluation reserve.

#### 2.3.6 Intangible Assets

##### Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

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

For acquisition between 1st January 2006 and 31st December 2010, goodwill represents the excess of the cost of the acquisition over the Group's net interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree.

For acquisition on or after 1st January 2011, the Group consider the following in measuring goodwill at the acquisition date:-

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

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





## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Significant Accounting Policies (cont'd)

#### 2.3.6 Intangible Assets (cont'd)

##### Goodwill (cont'd)

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit, including allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed off and the portion of the cash-generating unit retained.

As permitted under the transitional provision of FRS 121: *The Effects of Changes in Foreign Exchange Rates*, goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1st January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.3.3 (iii).

#### 2.3.7 Subsidiaries

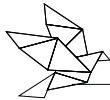
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.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

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

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

#### 2.3.8 Joint Arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Significant Accounting Policies (cont'd)

#### 2.3.8 Joint Arrangements (cont'd)

Joint arrangements are classified and accounted for as follows:-

- A joint arrangement is classified as “joint operation” when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group and the Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.
- A joint arrangement is classified as “joint venture” when the Group has rights only to the net assets of the arrangements. The Group for its interest in the joint venture using the equity method.

#### 2.3.9 Financial Assets

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

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

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

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

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

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

Financial asset at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current or non-current based on the settlement date.

##### (ii) *Loans and receivables*

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

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



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Significant Accounting Policies (cont'd)

#### 2.3.9 Financial Assets (cont'd)

##### (ii) *Loans and receivables (cont'd)*

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

##### (iii) *Held-to-maturity investment*

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

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

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

##### (iv) *Available-for-sale financial assets*

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

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

##### (v) *Available-for-sale financial assets*

Investment in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

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

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



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Significant Accounting Policies (cont'd)

#### 2.3.9 Financial Assets (cont'd)

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

#### 2.3.10 Impairment of Non Financial Assets

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

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

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

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

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

#### 2.3.11 Impairment of Financial Assets

The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in subsequent period.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Significant Accounting Policies (cont'd)

#### 2.3.11 Impairment of Financial Assets (cont'd)

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

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

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

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

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

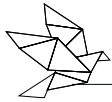
If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised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

(ii) *Unquoted equity securities carried at cost*

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

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

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



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Significant Accounting Policies (cont'd)

#### 2.3.11 Impairment of Financial Assets (cont'd)

##### *(iii) Available-for-sale financial assets (cont'd)*

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

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

#### 2.3.12 Construction Contracts

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

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

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

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

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

#### 2.3.13 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.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Significant Accounting Policies (cont'd)

#### 2.3.13 Land Held for Property Development and Property Development Costs (cont'd)

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

#### 2.3.14 Inventories

Inventories are stated at the lower of cost and net realisable value and cost is determined based on the following methods:-

Raw materials	First-in-first-out
Medicine and consumables	First-in-first-out
Quarry products	Weighted Average
Completed development properties	Specific identification

The cost of raw materials comprises costs of purchase. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and appropriate proportions of production overheads. The cost of unsold completed development units and leasehold land comprises cost associated with the acquisition of land, construction costs and appropriate proportions of common development costs.

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





## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Significant Accounting Policies (cont'd)

#### 2.3.15 Cash and Cash Equivalents

For the purposes of the statements of cash flows, cash and cash equivalents include cash in hand and at bank, deposits at call and short term highly liquid investments which subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

#### 2.3.16 Financial Liabilities

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

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

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

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

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

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

*(ii) Other financial liabilities*

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

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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

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



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Significant Accounting Policies (cont'd)

#### 2.3.17 Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because of a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group as issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period and the amount initially recognised less cumulative amortisation.

#### 2.3.18 Leases

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

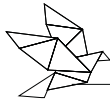
Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for depreciable property, plant and equipment.

#### 2.3.19 Provisions for Liabilities

Provisions are recognised when the Group has a present obligation 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 the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer 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 finance cost.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Significant Accounting Policies (cont'd)

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

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

#### 2.3.21 Employee Benefits

##### (i) *Short Term Employee Benefits*

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

##### (ii) *Defined Contribution Plans*

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiary companies make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in profit or loss as incurred.

##### (iii) *Share-based Compensation*

The Company Employee Share Options Scheme ("ESOS"), an equity-settled, share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

The Company recognised the impact of the estimate of the number of options that are expected to become exercisable on vesting date, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share option reserve until the option is exercised, upon which it will be transferred directly to retained profits.

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Significant Accounting Policies (cont'd)

#### 2.3.22 Revenue Recognition

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. The following specific recognition criteria must also be met before revenue is recognised:-

(i) *Construction Contracts*

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.3.12.

(ii) *Sale of properties*

Revenue from sale of development properties is accounted for by the stage of completion method as described in Note 2.3.13(ii).

(iii) *Golf Management, Photorefractive and Keratectomy*

Revenue of the Group from golf management and photorefractive keratectomy are recognised when services are rendered.

(iv) *Sales of Goods*

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership to the buyer. 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.

(v) *Interest Income*

Interest income is recognised on an accrual basis using the effective interest method.

(vi) *Dividend Income*

Dividend income of the Group and of the Company is recognised when the right to receive payment is established.

(vii) *Rental Income*

Rental income is recognised on a straight line basis over the term of the lease.

#### 2.3.23 Income Taxes

(i) *Current Tax*

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

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



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Significant Accounting Policies (cont'd)

#### 2.3.23 Income Taxes (cont'd)

##### (ii) *Deferred Tax*

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

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

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year 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 end of the reporting period.

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

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



## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Significant Accounting Policies (cont'd)

#### 2.3.23 Income Taxes (cont'd)

##### (iii) Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:-

- where the sales tax incurred in 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; and
- receivables and payables that are stated with 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 statements of financial position.

#### 2.3.24 Segment Reporting

For management purposes, the Group is organised into operating segments based on their products and services which are reviewed regularly by the chief operating decision maker, which is the Group Managing Director of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

#### 2.3.25 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.

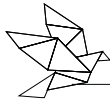
Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in liabilities in the period in which they are declared.

#### 2.3.26 Treasury Shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

#### 2.3.27 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

### 2.3 Significant Accounting Policies (cont'd)

#### 2.3.28 Fair Value Measurements

The Group adopted FRS 13 Fair Value Measurement which prescribed that fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

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

## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amounts recognised in the financial statements include the following:-

### (i) Deferred Tax Assets (Note 9)

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised. 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.

### (ii) Net Realisable Values of Inventories (Note 12)

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

As at the end of the reporting period, the Directors of the Company are of the opinion that there is no adjustment required resulting from the review.

### (iii) Depreciation of Property, Plant and Equipment (Note 4)

The cost of property, plant and machinery is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and machinery to be within 2 to 50 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.





## 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

### (iv) Impairment of Investment Properties (Note 6)

The Group assesses impairment of investment properties when events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. The Group considers internal and external factors such as market price and latest transacted price of properties within the same vicinity and nature.

The Group assessed the market price of the investment properties based on information available through internal research and Directors' best estimates.

Where there is objective evidence, impairment losses are recognised in profit or loss. As at the end of the reporting period, the Directors of the Company are of the opinion that there is no adjustment required to the financial statements.

### (v) Impairment of Investment in Subsidiaries (Note 7)

The Group reviews the investment in subsidiaries for impairment when there is an indication of impairment. The Group and the Company carried out the impairment test based on a variety of estimation including fair value less costs to sell and valuation techniques. Valuation techniques include amongst others, and in some cases, based on current market indicators and estimates that provide reasonable approximations to the detailed computation.

As at the end of the reporting period, the directors of the Company are of the opinion that there is no adjustment required resulting from the impairment review.

### (vi) Impairment of Goodwill (Note 8)

The Group determines whether goodwill is impaired on an annual basis. This requires an estimation of the value-in-use of the Cash Generating Units ("CGU") to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flow from the CGU and also 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 are given in Note 8.

As at the end of the reporting period, the Directors of the Company are of the opinion that there is no adjustment required resulting from the impairment review.

### (vii) Impairment of Loans and Receivables (Note 13)

The Group assesses at the end of each reporting period 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 receivables at the end of the reporting period is disclosed in Note 39.



### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

#### (viii) Construction (Note 10)

The Group recognises contract revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that the contract costs incurred for work performed to date bear to the estimated total contract costs.

Significant judgements is required in determining the stage of completion, the extent of contract costs incurred, the estimated total costs, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

#### (ix) Property Development (Note 11)

The Group recognises property development revenue and expenses 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 to date bear to the estimated total property development costs and taking into consideration the actual sales made against the total estimated gross development value of the project.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the property development costs. In making these judgements, the Group evaluates based on past experience and by relying on the work of specialists.

#### (x) Income Tax (Note 32)

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



#### 4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM	Buildings RM	Fixtures, fittings and office equipment RM	Renovations RM	Motor vehicles RM	Plant and machinery RM	Total RM
<b>Group 2014 Cost</b>							
At 1st January 2014	1,185,667	7,160,399	7,906,295	6,455,178	10,987,367	98,177,703	131,872,609
Additions	-	-	1,056,753	238,334	3,180,692	9,139,339	13,615,118
Disposals	-	-	(32,073)	-	(593,094)	(2,317,348)	(2,942,515)
Written off	-	-	(548,627)	-	-	(577,357)	(1,125,984)
Exchange differences	(31,557)	-	(12,745)	-	(16,718)	(25,141)	(86,161)
At 31st December 2014	1,154,110	7,160,399	8,369,603	6,693,512	13,558,247	104,397,196	141,333,067
<b>Accumulated Depreciation</b>							
At 1st January 2014	-	1,368,678	6,438,180	3,623,540	7,594,863	75,162,387	94,187,648
Depreciation for the financial year	-	143,208	567,901	513,225	1,658,626	6,536,948	9,419,908
Disposals	-	-	(31,862)	-	(587,081)	(2,317,205)	(2,936,148)
Written off	-	-	(476,169)	-	-	(203,699)	(679,868)
Exchange differences	-	-	(11,357)	-	(16,718)	(24,938)	(53,013)
At 31st December 2014	-	1,511,886	6,486,693	4,136,765	8,649,690	79,153,493	99,938,527
<b>Carrying Amount</b>							
At 31st December 2014	1,154,110	5,648,513	1,882,910	2,556,747	4,908,557	25,243,703	41,394,540



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

## 4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold land RM	Buildings RM	Fixtures, fittings and office equipment RM	Renovations RM	Motor vehicles RM	Plant and machinery RM	Total RM
<b>Group 2013 Cost</b>							
At 1st January 2013	1,362,286	7,160,399	7,740,289	6,525,858	9,919,503	97,245,536	129,953,871
Additions	-	-	619,093	21,388	1,155,286	6,803,983	8,599,750
Disposals	-	-	(44,207)	-	(4,160)	(801,903)	(850,270)
Written off	-	-	(349,861)	(92,068)	(9,800)	(4,956,144)	(5,407,873)
Exchange differences	(176,619)	-	(59,019)	-	(73,462)	(113,769)	(422,869)
At 31st December 2013	1,185,667	7,160,399	7,906,295	6,455,178	10,987,367	98,177,703	131,872,609
<b>Accumulated Depreciation</b>							
At 1st January 2013	(1,541)	1,225,470	6,267,081	3,158,637	6,393,029	71,869,516	88,912,192
Depreciation for the financial year	-	143,208	465,242	526,224	1,289,251	7,492,865	9,916,790
Disposals	-	-	(39,033)	-	(4,159)	(767,150)	(810,342)
Written off	-	-	(204,100)	(61,321)	(9,797)	(3,320,928)	(3,596,146)
Exchange differences	1,541	-	(51,010)	-	(73,461)	(111,916)	(234,846)
At 31st December 2013	-	1,368,678	6,438,180	3,623,540	7,594,863	75,162,387	94,187,648
<b>Carrying Amount</b>							
At 31st December 2013	1,185,667	5,791,721	1,468,115	2,831,638	3,392,504	23,015,316	37,684,961



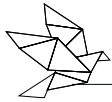
## 4. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	<b>Office equipment</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
<b>Company</b>		
<b>Cost</b>		
At 1st January/31st December	1,511	1,511
<b>Accumulated Depreciation</b>		
At 1st January/31st December	1,510	1,510
<b>Carry Amount</b>		
At 31st December	1	1

(a) Carrying amount of property, plant and equipment held under hire purchase are as follows:-

	<b>Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
Plant and machinery	6,867,819	6,893,469
Motor vehicles	3,551,734	1,499,871
	10,419,553	8,393,340

- (b) During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM13,615,118/- (2013: RM8,599,750/-) of which RM6,926,150/- (2013: RM1,765,500/-) were acquired by means of hire purchase.
- (c) Included in property, plant and equipment is a building and certain plant and machinery with carrying amount of RM3,047,705/- (2013: RM5,300,953/-) which is pledged to a financial institution to secure the term loan facility granted to a subsidiary of the Company as disclosed in Note 22 to the financial statements.



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

## 5. LAND HELD FOR PROPERTY DEVELOPMENT

Group 2014	Freehold land RM	Leasehold land RM	Development cost RM	Total RM
<b>Cost</b>				
At 1st January	55,333,762	62,400,427	3,803,497	121,537,686
Additions	-	-	14,085	14,085
Transfer to property development costs (Note 11)	(17,420,692)	(16,323,730)	-	(33,744,422)
At 31st December	37,913,070	46,076,697	3,817,582	87,807,349
<b>Accumulated impairment losses</b>				
At 1st January/31st December	700,000	-	-	700,000
<b>Net carrying amount</b>				
At 31st December	37,213,070	46,076,697	3,817,582	87,107,349
<b>2013</b>				
<b>Cost</b>				
At 1st January	55,323,762	62,423,317	3,787,157	121,534,236
Additions	10,000	-	16,340	26,340
Reversal	-	(22,890)	-	(22,890)
At 31st December	55,333,762	62,400,427	3,803,497	121,537,686
<b>Accumulated impairment losses</b>				
At 1st January/31st December	700,000	-	-	700,000
<b>Net carrying amount</b>				
At 31st December	54,633,762	62,400,427	3,803,497	120,837,686

The carrying amount of RM41.94 million (2013: RM 41.94 million) of the land held for development of the Group has been charged to financial institutions to secure the term loan facility granted to the Group as disclosed in the Note 22 to the financial statements.

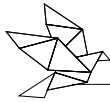


## 6. INVESTMENT PROPERTIES

	Group 2014 RM	2013 RM
<b>Cost or valuation</b>		
At 1st January/31st December		
- At cost	11,217,862	11,217,862
- At valuation	700,000	700,000
	<u>11,917,862</u>	<u>11,917,862</u>
<b>Accumulated depreciation</b>		
At 1st January	240,644	154,966
Depreciation for the financial year	81,958	85,678
	<u>322,602</u>	<u>240,644</u>
At 31st December		
<b>Accumulated impairment losses</b>		
At 1st January	2,268,169	2,082,172
Impairment losses for the financial year	-	185,997
	<u>2,268,169</u>	<u>2,268,169</u>
At 31st December		
<b>Carrying amount</b>		
- At cost	8,627,091	8,709,049
- At valuation	700,000	700,000
	<u>9,327,091</u>	<u>9,409,049</u>
At 31st December		

- (a) Certain freehold lands of the Group were revalued by the Directors in the financial year 1993 based on an independent valuation carried out on an existing use basis. The property has continued to be stated on the basis of the 1993 valuation, as allowed by the transitional provisions of IAS16 (Revised), Property, Plant and Equipment, issued by the Malaysian Accounting Standards Board by virtue of which a reporting enterprise is allowed to retain revalued amounts on the basis of their previous revaluations (subject to continuity in depreciation policy and the requirement to write an asset down to its recoverable amount). The above-mentioned freehold lands were revalued on 25th October 1993.
- (b) At 31st December 2014, had the revalued freehold lands of the Company been carried under the cost model, the carrying amount would have been RM 360,044/- (2013: RM360,044/-).
- (c) In the previous financial year, impairment losses of RM185,997/- was made based on information available through internal assessment.





## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 6. INVESTMENT PROPERTIES (cont'd)

#### (d) Fair value information

The market value for the above investment properties of approximately RM20.4 million (2013: RM21.3 million) are determined based on information available through internal research and Director's best estimate.

Fair value of investment properties are categorised as follows:-

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>Group</b>				
2014	-	-	20,439,448	20,439,448
2013	-	-	21,297,288	21,297,288

#### Policy on transfer between levels

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

#### Level 1 fair value

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

#### Level 2 fair value

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

#### Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment property.

### 7. INVESTMENT IN SUBSIDIARIES

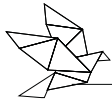
	Company	
	2014 RM	2013 RM
<b>Unquoted shares - at cost</b>		
At 1st January	85,695,694	85,695,694
Add: Addition during the financial year	55,000,000	-
At 31st December	140,695,694	85,695,694



## 7. INVESTMENT IN SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows:-

Name of Company	Principal Place of Business/ Country of Incorporation	Proportion Ownership Interest/ Voting Rights		Principal activities
		2014 %	2013 %	
Held by the Company:-				
Pembinaan Mitrajaya Sdn. Bhd.	Malaysia	100	100	Civil engineering, building and road construction works and supply of construction material
Daya Asphalt Sdn. Bhd.	Malaysia	100	100	Investment holding
Dutawani Sdn. Bhd.	Malaysia	100	100	Maintenance of properties
Mitrajaya Homes Sdn. Bhd.	Malaysia	100	100	Construction and property development
Mitrajaya Equipment Resource Sdn. Bhd.	Malaysia	100	100	Dormant
Mitrajaya Development Sdn. Bhd.	Malaysia	100	100	Investment holding
Mitrajaya Home Décor Sdn. Bhd. # ^	Malaysia	100	100	Renovations work
Primaharta Development Sdn. Bhd.	Malaysia	100	100	Property development
Leo Vista Sdn. Bhd.	Malaysia	100	100	Property development
Awana Prisma Sdn. Bhd.	Malaysia	100	100	Property development
Kina-Bijak Sdn. Bhd.	Malaysia	100	100	Property development
Skyway Development Sdn. Bhd.	Malaysia	72	72	Property development
Optimax Eye Specialist Centre Sdn. Bhd.	Malaysia	51	51	Photorefractive keratectomy and related services
Kemajuan Sekim Baru Sdn. Bhd.	Malaysia	100	100	Property development



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

## 7. INVESTMENT IN SUBSIDIARIES (cont'd)

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Proportion Ownership/ Voting Rights		Principal activities
		2014 %	2013 %	
<b>Held through Daya Asphalt Sdn. Bhd.:-</b>				
Maha-Mayang Sdn. Bhd.	Malaysia	100	100	Quarry operations and subcontract for land scaping and road works
<b>Held through Mitrajaya Development Sdn. Bhd.:-</b>				
Mitrajaya SA (Pty) Ltd. *	South Africa	100	100	Civil engineering, building and road construction works and property development
Kyalami & Mitrajaya Civil Engineering (Pty) Ltd. *	South Africa	100	100	Civil engineering, building and road construction works and property development
Kyalami & Mitrajaya Builders (Pty) Ltd. *	South Africa	100	100	Builders
Mitrajaya Development SA (Pty) Ltd. *	South Africa	100	100	Property development
<b>Held through Mitrajaya Development SA (Pty) Ltd.:-</b>				
Blue Valley Golf and Country Club (Pty) Ltd.*	South Africa	100	100	Golf management
<b>Held through Optimax Eye Specialist Centre Sdn. Bhd.:-</b>				
Optimax Laser Eye Centre Sdn. Bhd.	Malaysia	70	70	Photorefractive keratectomy and related services
Optimax Eye Specialist Centre (Shah Alam) Sdn. Bhd.	Malaysia	70	70	Photorefractive keratectomy and related services
Optimax Eye Specialist Centre (Kota Kinabalu) Sdn. Bhd.	Malaysia	70	70	Photorefractive keratectomy and related services
Visual Series Sdn. Bhd.	Malaysia	100	51	Photorefractive keratectomy and related services
Optimax Eye Specialist Centre (Kajang) Sdn. Bhd.	Malaysia	70	70	Photorefractive keratectomy and related services



## 7. INVESTMENT IN SUBSIDIARIES (cont'd)

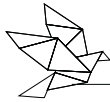
Name of Company	Principal Place of Business/ Country of Incorporation	Effective Proportion Ownership/ Voting Rights		Principal activities
		2014 %	2013 %	
<b>Held through Optimax Eye Specialist Centre Sdn. Bhd.:- (cont'd)</b>				
Optimax Eye Specialist Centre (Ampang) Sdn. Bhd.	Malaysia	70	70	Photorefractive keratectomy and related services
Optimax Eye Specialist Centre (Kuching) Sdn. Bhd.	Malaysia	75	75	Photorefractive keratectomy and related services
<b>Held through Optimax Eye Specialist Centre (Shah Alam) Sdn. Bhd.:-</b>				
Optimax Eye Specialist Centre (Sunway) Sdn. Bhd.	Malaysia	65	65	Photorefractive keratectomy and related services
Optimax Eye Specialist Centre (Seremban) Sdn. Bhd.	Malaysia	70	70	Photorefractive keratectomy and related services

\* Audited by audit firm other than Baker Tilly Monteiro Heng. These subsidiaries are audited by Nexia SAB&T Chartered Accountants Incorporated.

# The subsidiary is under members' voluntary winding up.

^ Subsidiary without audited financial statements and auditors' report but the unaudited financial statements of the subsidiary were adopted by the Group of the purpose of the financial statements of the Group.

- (a) On 30th December 2014, the Company subscribed for additional 55 million ordinary shares of RM1/- each in Pembinaan Mitrajaya Sdn. Bhd. for a cash consideration of RM55 million.
- (b) On 19th February 2014, a 51% owned subsidiary, Optimax Eye Specialist Centre Sdn. Bhd. ("OESC"), acquired the remaining 49% shares in Visual Series Sdn. Bhd. ("VSSB") for a cash consideration of RM24,500/-. This resulted in VSSB become a wholly owned subsidiary of OESC.
- (c) The Group does not have any material non-controlling interests.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 8. GOODWILL ON CONSOLIDATION

	<b>Group</b>	
	<b>2014 RM</b>	<b>2013 RM</b>
At 1st January	3,226,690	3,130,524
Exchange differences	21,884	96,166
At 31st December	<u>3,248,574</u>	<u>3,226,690</u>

Goodwill has been allocated to the Group's cash generating units ("CGU") identified according to business segments as follows:-

	<b>2014 RM</b>	<b>2013 RM</b>
Property development	2,290,701	2,268,817
Others	957,873	957,873
	<u>3,248,574</u>	<u>3,226,690</u>

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount. As the Directors are of the opinion that since all the CGU's are to be held on a long term basis, value in use would best reflect its recoverable amount. The value in use is determined by discounting future cash flows over a five year period. The future cash flows are based on management's five-year business plan, which is the best estimate of future performance. The ability to achieve the business plan targets is a key assumption in determining the recoverable amount for each CGU.

There remains a risk that, due to unforeseen changes in the economies in which the CGUs operate and/or global economic conditions, the ability to achieve management's business plan will be adversely affected. In calculating the value in use for each cash-generating unit, management has applied a pre-tax discount rate of 10.8% and a growth rate of 5% to 10%. The following describes each key assumption on which management has based its cash flow projections for the purposes of impairment testing of goodwill.

- (a) The pre-tax discount rate used based on the weighted average cost of capital of the Company;
- (b) Growth rate has been used based on industry outlook for that segment; and
- (c) The profit margins used in the projections are based on the budgeted profit margins.

The directors believe that no reasonably possible change in any of the above key assumptions would cause the carrying values of the CGU to materially exceed their recoverable amounts.



## 9. DEFERRED TAX ASSETS/(LIABILITIES)

(a) The deferred tax assets and liabilities are made up of the following:-

	<b>Group</b>	
	<b>2014 RM</b>	<b>2013 RM</b>
At 1st January	(1,300,263)	(1,721,132)
Recognised in profit or loss (Note 32)	462,302	420,869
At 31st December	(837,961)	(1,300,263)
Presented after appropriate offsetting:-		
Deferred tax assets	(1,939,595)	(2,882,289)
Deferred tax liabilities	1,101,634	1,582,026
	(837,961)	(1,300,263)

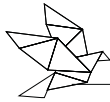
(b) The components of recognised deferred tax assets and liabilities are as follows:-

	<b>Group</b>	
	<b>2014 RM</b>	<b>2013 RM</b>
Deferred tax assets:-		
- Unrealised profit arising from development activities	(1,939,595)	(2,882,289)
Deferred tax liabilities:-		
- Accelerated capital allowances	1,101,634	1,582,026
	(837,961)	(1,300,263)

(c) Deferred tax assets have not been recognised in respect of the following temporary difference items:-

	<b>Group</b>	
	<b>2014 RM</b>	<b>2013 RM</b>
Unused tax losses	13,750,495	16,615,663
Unabsorbed capital allowances	5,711,612	8,595,395
Other taxable temporary differences	(261,609)	(2,388,522)
	19,200,498	22,822,536

The availability of the unused tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the respective subsidiaries are subject to no substantial changes in shareholdings of those subsidiaries under Section 44(5A) and (5B) of Income Tax Act, 1967 and guidelines issued by the tax authorities.



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

## 10. AMOUNT DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORK

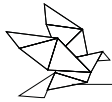
	<b>Group</b>	
	<b>2014 RM</b>	<b>2013 RM</b>
Aggregate construction contract costs incurred to date	667,252,283	345,439,589
Add: Attributable profits	87,469,022	36,264,740
	754,721,305	381,704,329
Less: Progress billings	(745,526,684)	(379,685,718)
	9,194,621	2,018,611
Exchange differences	(387,956)	(358,018)
	8,806,665	1,660,593
Amount due from customers for contract work	20,031,362	6,629,490
Amount due to customers for contract work	(11,224,697)	(4,968,897)
	8,806,665	1,660,593
Recognised during the financial year		
- Contract revenue (Note 26)	370,673,790	215,757,584
Charged to profit or loss during the financial year		
- Contract cost (Note 27)	319,994,982	192,211,124
Retention sums on contracts:-		
- included within trade receivables (Note 13)	33,768,314	22,989,223
Retention sums on contracts:-		
- included within trade payables (Note 24)	20,241,553	16,266,727





# 11. PROPERTY DEVELOPMENT COSTS

	Leasehold land RM	Freehold land RM	Development Cost RM	Total RM
<b>Group 2014</b>				
At 1st January 2014	13,878,014	27,238,502	177,249,869	218,366,385
Add:				
Incurred during the financial year	-	-	73,676,389	73,676,389
Transfer from/(to):				
Land held for property development (Note 5)	16,323,730	17,420,692	-	33,744,422
Inventories	(4,200)	-	(37,800)	(42,000)
Less:				
Completed project	(1,001,200)	-	(11,252,886)	(12,254,086)
Exchange differences	-	(943,011)	(2,526,963)	(3,469,974)
At 31st December 2014	29,196,344	43,716,183	237,108,609	310,021,136
<b>Accumulated development cost recognised in Profit or Loss</b>				
At 1st January 2014	2,205,343	15,585,747	90,019,330	107,810,420
Add:				
Recognised during the financial year	2,599,389	2,155,972	37,828,238	42,583,599
Less:				
Completed project	(1,001,200)	-	(11,252,886)	(12,254,086)
Exchange differences	-	(499,658)	(1,921,349)	(2,421,007)
At 31st December 2014	3,803,532	17,242,061	114,673,333	135,718,926
<b>Carrying amount</b>				
At 31st December 2014	25,392,812	26,474,122	122,435,276	174,302,210



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

## 11. PROPERTY DEVELOPMENT COSTS (cont'd)

	Leasehold land RM	Freehold land RM	Development Cost RM	Total RM
<b>Group</b>				
<b>2013</b>				
<b>Cost</b>				
At 1st January 2013	13,878,014	31,382,309	117,063,955	162,324,278
Add:				
Additions Incurred during the financial year	-	-	70,524,309	70,524,309
Exchange differences	-	(4,143,807)	(10,338,395)	(14,482,202)
At 31st December 2013	13,878,014	27,238,502	177,249,869	218,366,385
<b>Accumulated development cost recognised in Profit or Loss</b>				
At 1st January 2013	748,417	14,990,694	64,771,429	80,510,540
Add:				
Recognised during the financial year	1,456,926	2,731,701	33,083,588	37,272,215
Exchange differences	-	(2,136,648)	(7,835,687)	(9,972,335)
At 31st January 2013	2,205,343	15,585,747	90,019,330	107,810,420
<b>Carrying amount</b>				
At 31st December 2013	11,672,671	11,652,755	87,230,539	110,555,965
			<b>2014 RM</b>	<b>2013 RM</b>
Finance costs capitalised during the financial year			1,292,468	1,405,568



## 12. INVENTORIES

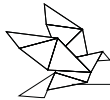
	Group	
	2014 RM	2013 RM
<b>At Cost</b>		
Completed development units	64,440,828	94,828,511
Finished goods - quarry products	-	780,639
Leasehold land	28,424,020	28,424,020
Raw materials	-	34,889
Medicine and consumables	1,053,673	819,650
Other stocks	22,220	22,221
	<b>93,940,741</b>	<b>124,909,930</b>

Included in the inventories are completed development units approximately RM46.6 million (2013: RM71.8 million) which are pledged to financial institution to secure banking facilities as disclosed in Note 20 to the financial statements.

During the financial year, inventories of the Group recognised as cost of sale amounted to RM 36,924,364/- (2013: RM 39,818,687/-).

## 13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>Trade receivables</b>				
Trade receivables	110,121,901	90,827,269	-	-
Retention sums on contracts (Note 10)	33,768,314	22,989,223	-	-
Stakeholder sums on property development	168,000	331,800	-	-
	144,058,215	114,148,292	-	-
Less: Allowance for impairment	(202,108)	(202,308)	-	-
	<b>143,856,107</b>	<b>113,945,984</b>	<b>-</b>	<b>-</b>
Accrued billings in respect of property development costs	8,256,805	-	-	-
<b>Other receivables</b>				
Other receivables	15,613,367	3,881,513	112,167	953,316
Advances to sub-contractors	7,871,368	2,750,185	-	-
Deposits	6,281,545	1,334,099	-	-
Prepayments	1,595,731	1,306,925	-	-
	<b>183,474,923</b>	<b>123,218,706</b>	<b>112,167</b>	<b>953,316</b>



## 13. TRADE AND OTHER RECEIVABLES (cont'd)

### (a) Trade receivables

Trade receivables are non-interest bearing and the Group's normal trade credit terms ranging from 30 to 90 days (2013: 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis. The credit period varies from customers to customers after taking into consideration their payment track record, financial background, length of business relationship and size of transactions. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables of the Group is an amount of RM1,625,436/- (2013: RM3,248,000/-) due from certain Directors of the Company and companies in which certain Directors have interest in.

Stakeholder sums on property development are amounts held by the purchasers' solicitors.

#### Ageing analysis of trade receivables

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

	Group	
	2014 RM	2013 RM
Neither past due nor impaired	113,739,976	89,532,697
Past due not impaired:-		
1 to 30 days	19,190,920	16,740,257
31 to 90 days	3,000,158	350,052
91 to 120 days	169,488	846,813
More than 121 days	7,755,565	6,476,165
	30,116,131	24,413,287
Impaired	202,108	202,308
	144,058,215	114,148,292

#### 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 Company'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 Company has trade receivables amounting to RM30,116,131/- (2013: RM24,413,287/-) that are past due at the end of the reporting period but not impaired.

**13. TRADE AND OTHER RECEIVABLES (cont'd)****(a) Trade receivables (cont'd)***Receivables that are past due but not impaired (cont'd)*

Included in the total amount due but not impaired are amount of approximately RM7.3 million (2013: RM5.8 million) in relation to contract works performed. Based on the opinion of the Directors, these balances due are within the normal operating cycle of the construction industry.

The Directors are of the opinion that no impairment is required based on past experience and the likelihood of recoverability of these receivables.

*Receivables that are impaired*

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

	<b>Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
<b>Individually impaired</b>		
Trade receivables		
- nominal value	202,108	202,308
Less : Allowance for impairment	(202,108)	(202,308)
	-	-

Movement in allowance accounts:-

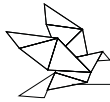
	<b>Group</b>	
	<b>2014</b>	<b>2013</b>
	<b>RM</b>	<b>RM</b>
As at 1st January	202,308	202,608
Reversal of impairment loss	(200)	(300)
As at 31st December	202,108	202,308

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties or have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

**(b) Deposits**

Included in the deposits of the Group are down payment paid for the acquisition of plant and equipment amounting to RM4,541,703/- that have not been completed as at 31st December 2014. The balance of these purchase considerations are disclosed as capital commitment in Note 38 to financial statements.

- (c)** The Group has no significant concentration of credit risk that may arise from exposures to a single or group of receivables.



## 14. AMOUNT DUE FROM SUBSIDIARIES

Included in the amount due from subsidiaries are amounts of RM188,443,593/- (2013: RM152,928,755/-) of which the balances are non-trade, unsecured, repayable on demand, bears interest rate at 3.45% to 5.85% (2013: 3.10% to 5.60%) per annum and are to be settled in cash. The remaining balance of amount due from the other subsidiaries is non-trade, unsecured, repayable on demand, bears no interest and are to be settled in cash.

## 15. CASH AND BANK BALANCES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Cash in hand and at banks	4,919,382	7,237,424	3,979	4,029
Deposits with licensed banks	18,999,274	11,863,377	11,368,559	10,020,006
	23,918,656	19,100,801	11,372,538	10,024,035

(a) Included in cash and bank balances for the Group is an amount of RM538,710/- (2013: RM272,514/-) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966.

(b) The interest rates and maturity period of deposits are as follows:-

	Group	
	2014 RM	2013 RM
Interest rates (%)	3.2 - 6.1	3.43
Maturity period (days)	30-180	30-180

## 16. SHARE CAPITAL

	Group and Company			
	2014		2013	
	Number of Shares Unit	RM	Number of Shares Unit	RM
<b>Ordinary shares of RM0.50/- each</b>				
Authorised:-				
At 1st January/31st December	1,000,000,000	500,000,000	1,000,000,000	500,000,000
Issued and fully paid:-				
At 1st January/31st December	397,531,801	198,765,901	397,531,801	198,765,901

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.



## 16. SHARE CAPITAL (cont'd)

### (a) Free Warrants 2011/2016

Warrants 2011/2016 granted and issued to subscribe for new ordinary shares of the Company are as follows:-

	Number of unexercised warrants	
	2014	2013
Warrants 2011/2016	47,729,947	47,729,947

By virtue of a Deed Poll executed on 21st June 2011 for the 47,729,947 Warrants 2011/2016 ("Warrants 2011/2016") issued in connection with the Share Split and Bonus Issue allotted and credited on 1st July 2011, each Warrants 2011/2016 entitles the registered holder the right at any time during the exercise period from 5th July 2011 to 4th July 2016 to subscribe in cash for one new ordinary share at an exercise price of RM0.90/- each.

There were no warrants exercised during the financial year.

### (b) Treasury Shares

The shareholders of the Company by an ordinary resolution passed in the fifteenth Annual General Meeting held on 17th June 2008, approved the mandate for the Company's plan to repurchase its own ordinary shares. On 18th June 2014, the shareholders of the Company at the twenty-first Annual General Meeting granted their mandate for the Company's renewal of authority to repurchase its own ordinary shares.

During the financial year, the Company repurchased 140,000 shares (2013: 304,600 shares) from the open market at an average price of RM0.63/- (2013: RM0.44/-) per share. The total consideration paid for the repurchase, was RM87,534/- (2013: RM133,176/-) and they were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 in Malaysia.

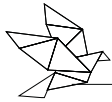
The total issued and fully paid ordinary shares as at 31st December 2014 is 397,531,801 (2013: 397,531,801), out of which 3,432,646 (2013: 3,292,646) are held as treasury shares by the Company. Such treasury shares are held at a carrying amount of RM1,038,417/- (2013: RM950,883/-). As at 31st December 2014, the number of outstanding ordinary shares in issue and fully paid is therefore 394,099,155 (2013: 394,239,155) ordinary shares of RM0.50/- each.

## 17. RESERVES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Non-distributable:-				
Other reserves (Note 18)	(8,847,410)	(4,949,658)	-	-
Distributable:-				
Retained profits	205,538,006	156,789,658	134,635,147	42,353,861
	196,690,596	151,840,000	134,635,147	42,353,861

The credit in the Section 108 balance as at 31st December 2013 expired in accordance with the Finance Act 2007. With effect from 1st January 2014, the Company will be able to distribute dividends out of its retained earnings under the single tier system.





# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

## 18. OTHER RESERVES

	Exchange reserves RM	Revaluation reserves RM	Total RM
<b>Group</b>			
At 1st January 2013	(14,732,508)	13,814,988	(917,520)
<b>Other comprehensive income:-</b>			
Foreign currency translation	(4,032,138)	-	(4,032,138)
At 31st December 2013	(18,764,646)	13,814,988	(4,949,658)
<b>Other comprehensive income:-</b>			
Foreign currency translation	(1,036,003)	-	(1,036,003)
Realisation of revaluation reserves	346,373	(3,208,122)	(2,861,749)
At 31st December 2014	(19,454,276)	10,606,866	(8,847,410)

### (a) Exchange reserves

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

### (b) Revaluation reserves

The balance represents net revaluation surplus arising from valuation of freehold lands.

## 19. BORROWINGS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>Current Liabilities</b>				
Secured:-				
Bank overdrafts (Note 20)	23,306,317	36,130,098	-	-
Bankers' acceptance (Note 21)	27,096,000	8,412,000	-	-
On Shore foreign currency loan (Note 21)	3,106,079	-	-	-
Short term revolving credit (Note 21)	21,000,000	11,000,000	-	-
Term loans (Note 22)	3,060,388	3,008,082	-	-
Hire purchase and finance lease payables (Note 23)	4,762,228	3,837,060	-	-
	82,331,012	62,387,240	-	-
Unsecured:-				
Bank overdrafts (Note 20)	635,495	138,031	635,495	138,031
	82,966,507	62,525,271	635,495	138,031



## 19. BORROWINGS (cont'd)

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>Non-current Liabilities</b>				
Secured:-				
Term loans (Note 22)	14,820,376	18,405,562	-	-
Hire purchase and finance lease payables (Note 23)	4,223,474	682,300	-	-
	19,043,850	19,087,862	-	-
<b>Total Borrowings</b>				
Secured:-				
Bank overdrafts (Note 20)	23,306,317	36,130,098	-	-
Bankers' acceptance (Note 21)	27,096,000	8,412,000	-	-
On Shore foreign currency loan (Note 21)	3,106,079	-	-	-
Short term revolving credit (Note 21)	21,000,000	11,000,000	-	-
Term loans (Note 22)	17,880,764	21,413,644	-	-
Hire purchase and finance lease payables (Note 23)	8,985,702	4,519,360	-	-
	101,374,862	81,475,102	-	-
Unsecured:-				
Bank overdrafts (Note 20)	635,495	138,031	635,495	138,031
	102,010,357	81,613,133	635,495	138,031

## 20. BANK OVERDRAFTS

The bank overdrafts amounting to RM23,306,317/- (2013: RM36,130,098/- ) bear interest rates ranging from 6.85% to 8.35% (2013: 6.60% to 8.10%) per annum are secured by:-

- completed development units as disclosed in Note 12; and
- corporate guarantee provided by the Company.

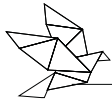
The unsecured bank overdrafts bear interest rates ranging from 7.60% to 7.85% (2013: 7.60%) per annum.

## 21. SHORT TERM BORROWINGS

The bankers acceptance bear interest rates ranging from 4.24% to 5.20% (2013: 3.98% to 4.90%) per annum and are secured by corporate guarantees provided by the Company.

The on shore foreign currency loan bear interest rate at 3.49% (2013: Nil) per annum and are secured by corporate guarantees provided by the Company.

The short term revolving credit bear interest rates ranging from 4.56% to 5.60% (2013: 4.38% to 5.35%) per annum and are secured by corporate guarantees provided by the Company.



## NOTES TO THE FINANCIAL STATEMENTS (cont'd)

### 22. TERM LOANS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Repayment term:-				
Within the next twelve months	3,060,388	3,008,082	-	-
After the next twelve months				
- not later than two years	2,132,230	3,088,809	-	-
- later than two years but not later than five years	6,135,275	6,240,223	-	-
- later than five years	6,552,871	9,076,530	-	-
	14,820,376	18,405,562	-	-
	17,880,764	21,413,644	-	-

- (i) The Term Loan I bears interest rate at 6.60% - 6.85% (2013: 6.60%) per annum and repayable by 84 (2013: 84) monthly instalments. The term loan is secured by:-
- specific debentures created over certain plant and machinery (Note 4); and
  - corporate guarantee provided by the Company.
- (ii) The Term Loan II bear interest rate at 5.60% - 5.85% (2013: 5.60%) per annum and repayable by (2013: 144) months. The term loan is secured by:-
- facility agreement of RM21.0 million;
  - a first party first legal charge for RM21.0 million over a piece of land held under Lot PT29 'A' Seksyen 28, Daerah Petaling, Negeri Selangor (Note5); and
  - corporate guarantee provided by the Company.



## 23. HIRE PURCHASE AND FINANCE LEASE PAYABLES

	Group 2014 RM	2013 RM
Minimum hire purchase payments:-		
- not later than one year	5,098,332	3,956,917
- later than one year but not later than two years	4,473,004	699,653
	9,571,336	4,656,570
Less: Future finance charges	(585,634)	(137,210)
Present value of hire purchase payables	8,985,702	4,519,360
Represented by:-		
Current		
- not later than one year	4,762,228	3,837,060
Non-current		
- later than one year but not later than five years	4,223,474	682,300
	8,985,702	4,519,360

The hire purchase bears interest rates ranging from 2.38% to 3.70% (2013: 2.48% to 3.20%) per annum.

## 24. TRADE AND OTHER PAYABLES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>Trade payables</b>				
Trade payables	75,537,411	63,322,650	-	-
Retention sum (Note 10)	20,241,553	16,266,727	-	-
	95,778,964	79,589,377	-	-
Progress billings in respect of property development costs	3,822,007	8,460,626	-	-
<b>Other payables</b>				
Other payables	14,027,917	25,638,796	6,900,940	7,626,843
Accruals	11,620,252	5,111,444	134,400	138,150
	25,648,169	30,750,240	7,035,340	7,764,993
	125,249,140	118,800,243	7,035,340	7,764,993

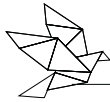
### (a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group ranging from immediate to 90 days (2013: 90 days).

Included in trade payables of the Group are amounts totalling RM1,715,917/- (2013: RM1,839,346/-) due to companies in which certain Directors have interest in.

### (b) Other payables

Included in other payables of the Group are amounts totalling RM418,418/- (2013: RM454,166/-) due to companies in which certain Directors have interest in.



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

## 25. AMOUNT DUE TO SUBSIDIARIES

Amount due to subsidiaries is non-trade, unsecured, repayable on demand, bear no interest and is to be settled in cash.

## 26. REVENUE

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Revenue from construction works (Note 10)	370,673,790	215,757,584	-	-
Revenue from sales of development properties	121,156,346	95,877,257	-	-
Sales of quarry products	1,057,648	3,266,640	-	-
Photorefractive keratectomy services	27,317,115	20,623,790	-	-
Dividend income from subsidiaries	-	-	95,600,000	15,250,000
Others	-	2,918,486	-	-
	520,204,899	338,443,757	95,600,000	15,250,000

## 27. COST OF SALES

	Group	
	2014 RM	2013 RM
Construction costs (Note 10)	319,994,982	192,211,124
Development costs	73,391,870	60,004,018
Photorefractive keratectomy services	15,003,276	8,172,819
Others	1,367,278	2,904,195
	409,757,406	263,292,156

## 28. OPERATING PROFIT

Operating profit has been arrived at:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
After charging:-				
Audit fees:-				
- statutory audit:-				
- current year	202,094	200,174	32,500	23,000
- prior years	(38,412)	9,858	(45,370)	600
- other services	10,800	13,300	7,500	8,000



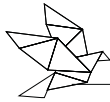
## 28. OPERATING PROFIT (cont'd)

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Bad debts written off	-	29,785	-	-
Depreciation of:-				
- property, plant and equipment	9,419,908	9,916,790	-	-
- investment properties	81,958	85,678	-	-
Directors' remuneration (Note 30)	4,671,845	3,567,589	143,806	147,706
Employee benefits expense (Note 29)	42,221,316	31,834,702	-	-
Hire of plant and machinery	12,057,679	8,116,344	-	-
Impairment losses on investment properties	-	185,997	-	-
Loss from foreign exchange:-				
- realised	19,349	205,067	-	-
- unrealised	-	6,135	-	-
Office rental	1,329,522	1,334,166	-	-
Property, plant and equipment written-off	446,116	1,811,727	-	-
And crediting:-				
Gain from foreign exchange:-				
- realised	32,369	-	-	-
Gain on disposal of:-				
- property, plant and equipment	1,672,633	1,040,760	-	-
- investment in an associate	-	4,224,208	-	4,126,032
Interest income				
- subsidiaries	-	-	6,428,583	5,736,290
- other interest income	570,257	451,563	391,334	99,060
Rental income				
- building	1,798,599	1,919,189	-	-
- others	203,300	201,842	-	-
Reversal of impairment loss on trade receivable	200	300	-	-

## 29. EMPLOYEE BENEFITS EXPENSE

	Group	
	2014 RM	2013 RM
Wages and salaries	33,789,854	26,199,872
Social security costs	239,492	201,600
Defined contribution plans	4,370,733	2,804,025
Other staff related expenses	3,821,237	2,629,205
	<b>42,221,316</b>	<b>31,834,702</b>

The key management personnel cost is as disclosed in Note 37(c) to the financial statements.



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

## 30. DIRECTORS' REMUNERATION

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
<b>Directors of the Company</b>				
Executive				
- salaries and allowances	1,532,207	1,401,000	-	-
- defined contribution plans	270,848	142,260	-	-
- bonuses	367,833	190,000	-	-
- others	56,500	55,000	-	-
	2,227,388	1,788,260	-	-
Non-Executive				
- allowances	158,760	163,720	38,760	43,720
- defined contribution plans	5,046	3,986	5,046	3,986
- fees	100,000	100,000	100,000	100,000
Total	2,491,194	2,055,966	143,806	147,706
<b>Directors of subsidiaries</b>				
Executive				
- salaries and allowances	1,355,600	821,177	-	-
- defined contribution plans	195,614	104,640	-	-
- bonuses	581,157	536,064	-	-
- others	48,280	49,742	-	-
	2,180,651	1,511,623	-	-
Total	4,671,845	3,567,589	143,806	147,706

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

	Number of Directors			
	2014		2013	
	Executive Directors	Non- Executive Directors	Executive Directors	Non- Executive Directors
<b>Company</b>				
Below RM100,000	-	4	-	4
RM100,001 - RM400,000	1	-	-	-
RM400,001 - RM800,000	-	-	1	-
RM800,001 - RM1,200,000	2	-	1	-
<b>The Company and its subsidiaries</b>				
Below RM100,000	-	4	1	4
RM100,001 - RM400,000	3	-	3	-
RM400,001 - RM800,000	3	-	2	-
RM800,001 - RM1,200,000	2	-	1	-





## 31. FINANCE COSTS

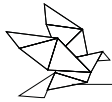
	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Interest expenses				
- hire purchase	327,933	335,453	-	-
- bank borrowings	3,246,000	2,976,268	38,262	34,752
- others	26,272	61,486	-	-
	3,600,205	3,373,207	38,262	34,752

## 32. TAXATION

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Income tax				
- current year				
- Malaysian income tax	16,608,530	9,537,552	1,676,147	2,059,694
- Foreign income tax	1,969,528	1,812,812	-	-
- prior years				
- Malaysian income tax	157,229	(127,465)	(2,934)	41,366
	18,735,287	11,222,899	1,673,213	2,101,060
Deferred tax (Note 9)				
- current year	1,680,663	450,652	-	-
- prior years	(1,218,361)	(29,783)	-	-
	462,302	420,869	-	-
	19,197,589	11,643,768	1,673,213	2,101,060

Domestic income tax is calculated at the statutory rate of 25% (2013: 25%) of the estimated taxable profit for the year. The statutory tax rate will be reduced to 24% from the current year's rate of 25% effective year of assessment 2016.

Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdiction.



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

## 32. TAXATION (cont'd)

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

	<b>Group</b>		<b>Company</b>	
	<b>2014 RM</b>	<b>2013 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
Profit before taxation	72,482,329	40,295,549	101,836,882	24,685,338
Tax at applicable statutory tax rate of 25% (2013: 25%)	18,120,582	10,073,887	25,459,221	6,171,335
Tax effects arising from				
- effect of different tax rates in other country	201,828	179,724	-	-
- effect of different tax rates in local country *	-	(412,603)	-	(412,603)
- non-deductible expenses	3,227,861	1,636,645	117,070	115,720
- non-taxable income	(195,611)	(70,947)	(23,900,144)	(3,814,758)
Deferred tax assets not recognised during the year	1,104,817	547,546	-	-
Utilisation of previous unrecognised tax losses and capital allowances	(1,974,106)	(17,598)	-	-
Deferred tax relating to reversal of temporary differences	(86,173)	(135,638)	-	-
Changes in tax rate	(140,477)	-	-	-
(Over)/Under-accrual in prior years	(1,061,132)	(157,248)	(2,934)	41,366
Tax expense for the year	19,197,589	11,643,768	1,673,213	2,101,060

\* The gain on disposal of associate is subject to real property gain tax.

## 33. EARNINGS PER SHARE

### (a) Basic

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

	<b>Group</b>	
	<b>2014 RM</b>	<b>2013 RM</b>
Profit for the year attributable to owners of the Company	53,768,982	29,316,171
Number of shares in issue as of 1st January	394,239,155	394,543,755
Effect of:-		
Share buyback	(108,667)	(102,234)
Weighted average number of ordinary shares in issue	394,130,488	394,441,521
Basic earnings per share (sen)	13.64	7.43



## 33. EARNINGS PER SHARE (cont'd)

### (b) Diluted

No consideration is taken for the Warrants 2011/2016 for financial year 2014 as the effect is not dilutive. In addition, there are no diluted earnings per share arising from ESOS as there is no ESOS granted and outstanding as at the end of the reporting period.

## 34. DIVIDENDS

	Amount		Net dividends per ordinary share	
	2014 RM	2013 RM	2014 RM	2013 RM
Dividend on ordinary shares:-				
- First and final single tier dividend of 4% on 394,553,755 ordinary shares of RM0.50 each paid for the year ended 31st December 2012	-	7,890,675	-	0.02
- First and final single tier dividend of 4% on 394,119,155 ordinary shares of RM0.50 each paid for the year ended 31st December 2013	7,882,383	-	0.02	-

## 35. FINANCIAL GUARANTEES AND CONTINGENCIES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Corporate guarantees to financial institutions for:-				
- banking facilities granted to subsidiaries	-	-	301,664,947	241,628,549
- hire purchase facilities granted to subsidiaries	-	-	5,741,321	3,014,096
Corporate guarantees to trade payables of subsidiaries	-	-	3,034,935	3,034,935
Performance guarantees extended to third parties				
- project related	10,376,454	8,792,192	-	1,502,825
	10,376,454	8,792,192	310,441,203	249,180,405

At the end of the reporting period, it was not probable that the counterparty to the financial guarantee contract will claim under the contract.



### 36. SEGMENT REPORTING

#### General Information

The Group identifies its operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and assess their performance.

The information reported to the Group's chief operating decision maker to make decisions about resources to be allocated and for assessing their performance is based on the nature of the industry (business segments) and operational location (geographical segments) of the Group.

#### Measurement of Reportable Segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Transactions between reportable segments are measured on the basis that is similar to those external customers.

Segment statements of comprehensive income are profit earned or loss incurred by each segment without allocation of central administrative costs, non-operating investment revenue, finance costs and income tax expense. There are no significant changes from prior financial year in the measurement methods used to determine reported segment statements of comprehensive income.

All the Group's assets are allocated to reportable segments other than assets used centrally for the Group and deferred tax assets.

All the Group's liabilities are allocated to reportable segments other than liabilities incurred centrally for the Group.

#### (a) Business Segments

The Group operates predominantly in the construction, property development, healthcare and manufacturing and trading industries involving various types of activities as disclosed in Note 7 to the financial statements.



## 36. SEGMENT REPORTING (cont'd)

### (a) Business Segments (cont'd)

	Construction		Property development		Investment in South Africa		Healthcare		Manufacturing and trading		Others		Eliminations		Note	
	2014	2013	2014	2013	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	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>																
External sales	370,674	215,006	98,718	82,254	22,438	17,293	27,317	20,624	1,058	3,267	-	-	-	-	520,205	338,444
Inter-segment sales	-	-	-	5,821	-	-	-	-	67	193	95,600	15,250	(95,667)	(21,264)	-	-
<b>Total segment revenue</b>	<b>370,674</b>	<b>215,006</b>	<b>98,718</b>	<b>88,075</b>	<b>22,438</b>	<b>17,293</b>	<b>27,317</b>	<b>20,624</b>	<b>1,125</b>	<b>3,460</b>	<b>95,600</b>	<b>15,250</b>	<b>(95,667)</b>	<b>(21,264)</b>	<b>520,205</b>	<b>338,444</b>
<b>Segment results</b>	<b>38,089</b>	<b>14,514</b>	<b>25,713</b>	<b>16,088</b>	<b>7,811</b>	<b>4,484</b>	<b>1,279</b>	<b>1,144</b>	<b>671</b>	<b>976</b>	<b>(167)</b>	<b>3,719</b>	<b>2,687</b>	<b>2,744</b>	<b>76,083</b>	<b>43,669</b>
Results from operating activities																
Finance cost	(1,643)	(1,264)	(7,559)	(8,268)	-	-	(489)	(553)	(299)	(256)	(38)	(37)	6,428	7,005	(3,600)	(3,373)
Taxation															(19,198)	(11,644)
Profit net of tax															53,285	28,652
Non-controlling interest															484	664
Net profit attributable to owners of the parent															53,769	29,316
<b>Segments assets</b>	<b>222,493</b>	<b>144,637</b>	<b>336,068</b>	<b>333,205</b>	<b>54,088</b>	<b>52,474</b>	<b>18,628</b>	<b>21,822</b>	<b>2,621</b>	<b>1,646</b>	<b>4,019</b>	<b>3,378</b>	<b>-</b>	<b>-</b>	<b>637,917</b>	<b>557,162</b>
Unallocated corporate assets															1,940	2,882
<b>Total assets</b>															<b>639,857</b>	<b>560,044</b>
<b>Segment liabilities</b>	<b>155,023</b>	<b>97,169</b>	<b>58,895</b>	<b>75,992</b>	<b>9,974</b>	<b>11,675</b>	<b>12,096</b>	<b>14,998</b>	<b>131</b>	<b>276</b>	<b>8,569</b>	<b>9,021</b>	<b>-</b>	<b>-</b>	<b>244,688</b>	<b>209,131</b>
<b>Total liabilities</b>															<b>244,688</b>	<b>209,131</b>



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

## 36. SEGMENT REPORTING (cont'd)

### (a) Business Segments (cont'd)

	Construction		Property development		Investment in South Africa		Healthcare		Manufacturing and trading		Others		Eliminations		Consolidated	
	2014	2013	2014	2013	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	RM'000	RM'000	RM'000	RM'000
Capital expenditure	5,661	2,018	331	1,085	13	2	684	3,729	-	-	-	-	-	-	6,689	6,834
Depreciation	4,197	4,591	2,020	1,883	22	28	3,244	3,480	1	3	17	17	-	-	9,501	10,002
Impairment loss of investment properties	-	186	-	-	-	-	-	-	-	-	-	-	-	-	-	186
Non-cash items other than depreciation	(301)	(367)	61	1,581	-	6	12	233	(999)	(646)	-	(4,224)	-	-	(1,227)	(3,417)



## 36. SEGMENT REPORTING (cont'd)

(b) Reconciliation of segment results are as follow:-

	2014 RM'000	2013 RM'000
Elimination of inter-segment finance costs	6,428	7,005
Elimination of inter-segment profits	(3,782)	(4,431)
Others	41	170
	<u>2,687</u>	<u>2,744</u>

(c) Other non-cash items other than depreciation and impairment loss of property, plant and equipment and investment properties consist of the following:-

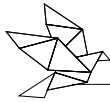
	2014 RM'000	2013 RM'000
Bad debts written off	-	30
Gain on disposal of:-		
- property, plant and equipment	(1,673)	(1,041)
- investment in an associate	-	(4,224)
Unrealised loss from foreign exchange	-	6
Property, plant and equipment written-off	446	1,812
	<u>(1,227)</u>	<u>(3,417)</u>

## (d) Geographical Information

The Group's five major business segments are operating in two principal geographical areas. In Malaysia, its home country, the Group is principally involved in the civil engineering, building and road construction works and property development. In South Africa, the Group is principally involved in civil engineering, construction works, property development and golf management.

	Malaysia		South Africa		Consolidated	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total revenue from external customers	497,767	321,151	22,438	17,293	520,205	338,444
Non current assets (exclude deferred tax assets)	128,650	158,709	12,428	12,449	141,078	171,158





## 37. RELATED PARTY TRANSACTIONS

### (a) Identification of Related Parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:-

- (i) Direct subsidiaries; and
- (ii) Key management personnel which comprise persons (including the Directors of the Company) having the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

### (b) Related party transactions and balances

Related party transactions other than disclosed elsewhere in the financial statements are shown below. Information on outstanding balances with related parties of the Company are disclosed in Notes 13, 24 and 25.

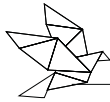
Group	2014 RM	2013 RM
Transactions with companies in which Directors have substantial controlling interests:-		
Purchases of hardware by certain subsidiaries from Mitrajaya Trading Sdn. Bhd., a company in which a director of the Company has interest in	4,002,098	3,527,849
Rent payable by certain subsidiaries to Modal Saujana Sdn. Bhd., a company in which a director of Optimax Eye Specialist Centre Sdn. Bhd. ("OESC") has interest in	124,500	120,000
Rent payable by OESC to Sena Diecasting Industries Sdn. Bhd., a company in which a director of OESC has interest in	15,600	15,600
Rent payable by OESC to Sena Letrik Sdn. Bhd., a company in which a director of OESC has interest in	94,800	94,800
Casual wages payable by OESC to Sena Letrik (M) Sdn. Bhd., a company in which a director of OESC has interest in	-	14,220
Sale of development properties to companies in which a director of the Company has interest in	4,334,200	-
Sale of development properties to a company in which a person connected to a director of the Company has interest in	2,508,600	-
Sale of development properties to the directors of the Company	6,003,200	4,060,000
Sale of development properties to immediate family members of the Company's director	8,327,800	-



### 37. RELATED PARTY TRANSACTIONS (cont'd)

#### (b) Related party transactions and balances (cont'd)

Group	2014 RM	2013 RM
Transactions with companies in which Directors have substantial controlling interests:- (cont'd)		
Subcontract for electrical, telephone and SMATV services, air-conditioning and mechanical ventilation services and office rental payable by certain subsidiaries to Sena Letrik Sdn. Bhd., a company in which a director of OESC has interest in	682,305	773,184
Staff secondment payable by OESC to Sena Diecasting Industries Sdn. Bhd., a company in which a director of OESC has interest in	-	17,240
Subcontractor work, mobilisation cost, hire of plant and machinery and transportation charges payable by certain subsidiaries to Pembinaan Segamuda Sdn. Bhd. , a company in which a person connected to a director of the Company has interest in	552,116	868,112
Doctor fees payable by OESC to See Well Services Sdn. Bhd., a company in which a director of OESC has interest in	1,796,435	1,561,035
Doctor fees payable by Optimax Eye Specialist Centre (Shah Alam) Sdn. Bhd. ("OESC-SA") to RZ70 Sdn. Bhd., a company in which a director of OESC- SA has interest in	413,773	-
Doctor fees payable by Optimax Eye Specialist Centre (Seremban) Sdn. Bhd. ("OESC-Seremban") to Sura Vision Sdn Bhd., a company in which a director of OESC-Seremban has interest in	282,897	306,717
Doctor fees payable by Optimax Eye Specialist Centre (Kajang) Sdn. Bhd. ("OESC-Kajang") to Aquiline Vision Sdn. Bhd., a company in which a director of OESC-Kajang has interest in	140,046	260,541
Doctor fees payable by Optimax Eye Specialist OESC-SA to Azlina Eye Services Sdn. Bhd., a company in which a director of OESC-SA has interest in	21,024	540,969
Consultation fees payable by OESC to Optimax Healthcare Services Sdn. Bhd., a company in which a director of OESC has interest in	42,000	74,200
Consultation fees payable by OESC to Sena Letrik Sdn. Bhd., a company in which a director of OESC has interest in	21,000	-



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

## 37. RELATED PARTY TRANSACTIONS (cont'd)

### (b) Related party transactions and balances (cont'd)

Company	2014 RM	2013 RM
Transactions with subsidiaries:-		
Exempt dividend income from:-		
- Daya Asphalt Sdn. Bhd.	-	(620,000)
- Pembinaan Mitrajaya Sdn. Bhd.	( 61,000,000)	-
- Primaharta Development Sdn. Bhd.	( 10,900,000)	(7,150,000)
- Mitrajaya Homes Sdn. Bhd.	(3,000,000)	-
- Leo Vista Sdn. Bhd.	( 10,700,000)	(6,350,000)
- Awana Prisma Sdn. Bhd.	-	(1,130,000)
- Kina-Bijak Sdn. Bhd.	( 10,000,000)	-
Interest income from:-		
- Kina-Bijak Sdn. Bhd.	(1,579,198)	(1,945,185)
- Maha-Mayang Sdn. Bhd.	(299,459)	(256,435)
- Mitrajaya Homes Sdn. Bhd.	(2,357,858)	(1,523,880)
- Skyway Development Sdn. Bhd.	(2,132,749)	(1,982,268)
- OESC	(47,700)	( 28,523)
- Primaharta Development Sdn. Bhd.	(11,619)	-

### (c) Key management personnel remuneration

The remuneration of the key management personnel during the financial year is as follows:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Salaries and allowances	3,607,587	2,866,120	38,760	43,720
Defined contribution plans	626,453	319,274	5,046	3,986
Bonuses	1,206,490	906,564	-	-
Fees	100,000	100,000	100,000	100,000
Others	122,780	124,242	-	-
Total	5,663,310	4,316,200	143,806	147,706

Included in the key management personnel is:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Directors' remuneration	4,671,845	3,567,589	143,806	147,706

Key management personnel are defined as the members of Board of Directors of the Company and its subsidiaries whereby the authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly lies.



## 38. CAPITAL COMMITMENT

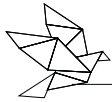
	Group 2014 RM	2013 RM
<b>Property, plant and equipment</b>		
Approved and contracted for	23,409,437	-
Approved but not contracted for	4,273,700	-
	<u>27,683,137</u>	<u>-</u>

## 39. FINANCIAL INSTRUMENTS

### (a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 2.3 describe how classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:-

	Loans and receivables RM	Financial liabilities at amortised cost RM	Total RM
<b>Group 2014</b>			
<b>Financial Assets</b>			
Amount due from customers for contract work	20,031,362	-	20,031,362
Trade and other receivables *	169,466,121	-	169,466,121
Cash and cash equivalents	23,918,656	-	23,918,656
	<u>193,384,777</u>	<u>-</u>	<u>193,384,777</u>
<b>Financial Liabilities</b>			
Borrowings	-	102,010,357	102,010,357
Trade and other payables #	-	121,427,133	121,427,133
	<u>-</u>	<u>223,437,490</u>	<u>223,437,490</u>



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

## 39. FINANCIAL INSTRUMENTS (cont'd)

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

	Loans and receivables RM	Financial liabilities at amortised cost RM	Total RM
<b>Group 2013</b>			
<b>Financial Assets</b>			
Amount due from customers for contract work	6,629,490	-	6,629,490
Trade and other receivables *	119,161,596	-	119,161,596
Cash and cash equivalents	19,100,801	-	19,100,801
	<b>138,262,397</b>	<b>-</b>	<b>138,262,397</b>
<b>Financial Liabilities</b>			
Borrowings	-	81,613,133	81,613,133
Trade and other payables #	-	110,339,617	110,339,617
	<b>-</b>	<b>191,952,750</b>	<b>191,952,750</b>
<b>Company 2014</b>			
<b>Financial Assets</b>			
Amount due from subsidiaries	188,475,840	-	188,475,840
Trade and other receivables	112,167	-	112,167
Cash and cash equivalents	11,372,538	-	11,372,538
	<b>199,960,545</b>	<b>-</b>	<b>199,960,545</b>
<b>Financial Liabilities</b>			
Amount due to subsidiaries	-	224,172	224,172
Borrowings	-	635,495	635,495
Trade and other payables	-	7,035,340	7,035,340
	<b>-</b>	<b>7,895,007</b>	<b>7,895,007</b>



### 39. FINANCIAL INSTRUMENTS (cont'd)

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

	Loans and receivables RM	Financial liabilities at amortised cost RM	Total RM
<b>Company 2013</b>			
<b>Financial Assets</b>			
Amount due from subsidiaries	152,961,001	-	152,961,001
Trade and other receivables	953,316	-	953,316
Cash and cash equivalents	10,024,035		10,024,035
	163,938,352	-	163,938,352
<b>Financial Liabilities</b>			
Amount due to subsidiaries	-	818,349	818,349
Borrowings	-	138,031	138,031
Trade and other payables	-	7,764,993	7,764,993
	-	8,721,373	8,721,373

\* Down payment paid for acquisition of plant and equipment, advances to sub-contractors and prepayments were excluded from trade and other receivables.

# Progress billings in respect of property development costs were excluded from trade and other payables.

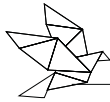
#### (b) Financial Risk Management and Objectives

The Group seeks to manage effectively the various risks namely credit, interest rate, liquidity and foreign currency risks, to which the Group is exposed to in its daily operations.

##### (i) Credit Risk

Credit risks, or the risk of counterparties defaulting, are controlled by application of credit approvals, limits and monitoring procedures. Credit risks are minimised and monitored by strictly limiting the Group's associations to customers with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures. The Group through its Directors and management reviews all significant exposure to individual customers and counterparties and reviews any major concentration of credit risk related to any financial instruments.

The management has a credit procedure in place to monitor and minimise the exposure of default. Trade receivables and amount due from subsidiaries are monitored on a regular and an ongoing basis.



## 39. FINANCIAL INSTRUMENTS (cont'd)

### (b) Financial Risk Management and Objectives (cont'd)

#### (i) Credit Risk (cont'd)

As at the end of the reporting period, there were no significant concentrations of credit risk in the Group and the Company. The maximum exposure to credit risk for the Group and the Company is represented by the carrying amount of each financial instrument.

As at the end of the reporting period, there were no significant concentrations of credit risk in the Group and the Company. The maximum exposure to credit risk for the Group and the Company is represented by the carrying amount of each financial instrument.

#### (ii) Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing debt; the Group had no substantial long term interest-bearing assets as at 31st December 2014. The investments in financial assets are mainly short term in nature and have been mostly placed in short term deposit and marketable securities.

The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings. The Group reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The Group's primary interest rate risk relates to interest-bearing debts as at 31st December 2014.

	Effective Interest Rate %	Within 1 Year RM	Carrying Amount 1 - 5 Years RM	more than 5 Years RM	Total RM
<b>Group</b>					
<b>2014</b>					
<b>Financial Liabilities</b>					
Bank overdrafts	6.85 - 8.35	23,941,812	-	-	23,941,812
Bankers' acceptances	4.24 - 5.20	27,096,000	-	-	27,096,000
On shore foreign currency loan	3.49	3,106,079	-	-	3,106,079
Term loans	5.60 - 6.85	3,060,388	8,267,505	6,552,871	17,880,764
Short term revolving credit	4.56 - 5.60	21,000,000	-	-	21,000,000
<b>2013</b>					
<b>Financial Liabilities</b>					
Bank overdrafts	6.60 - 8.10	36,268,129	-	-	36,268,129
Bankers' acceptances	3.98 - 4.90	8,412,000	-	-	8,412,000
Term loans	5.60 - 7.20	3,008,082	9,329,032	9,076,530	21,413,644
Short term revolving credit	4.38 - 5.35	11,000,000	-	-	11,000,000



**39. FINANCIAL INSTRUMENTS (cont'd)****(b) Financial Risk Management and Objectives (cont'd)****(ii) Interest Rate Risk (cont'd)**

	Interest Rate %	Effective Within 1 Year RM	Carrying Amount 1 - 5 Years RM	more than 5 Years RM	Total RM
<b>Company</b>					
<b>2014</b>					
<b>Financial Liabilities</b>					
Bank overdrafts	7.60 - 7.85	635,495	-	-	635,495
<b>2013</b>					
<b>Financial Liabilities</b>					
Bank overdrafts	7.60	138,031	-	-	138,031

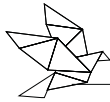
Interest rate risk sensitivity

An increase in market interest rates by 1% on financial liabilities of the Group which have variable interest rates at the end of the reporting period would decrease the profit before tax by RM930,247/- (2013: RM770,938). This analysis assumes that all other variables remain unchanged.

A decrease in market interest rates by 1% on financial liabilities of the Group which have variable interest rates at the end of the reporting period would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain unchanged.

**(iii) 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.



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

## 39. FINANCIAL INSTRUMENTS (cont'd)

### (b) Financial Risk Management and Objectives (cont'd)

#### (iii) Liquidity Risk (cont'd)

##### 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 end of the reporting period based on contractual undiscounted repayment obligations.

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
<b>Group</b>						
<b>2014</b>						
<b>Financial liabilities</b>						
Borrowings	102,010,357	106,711,811	84,230,420	15,275,777	7,205,614	106,711,811
Trade and other payables	121,427,133	121,427,133	121,427,133	-	-	121,427,133
	223,437,490	228,138,944	205,657,553	15,275,777	7,205,614	228,138,944
<b>2013</b>						
<b>Financial liabilities</b>						
Borrowings	81,613,133	84,775,335	63,805,399	13,604,920	7,365,016	84,775,335
Trade and other payables	110,339,617	110,339,617	110,339,617	-	-	110,339,617
	191,952,750	195,114,952	174,145,016	13,604,920	7,365,016	195,114,952

**39. FINANCIAL INSTRUMENTS (cont'd)****(b) Financial Risk Management and Objectives (cont'd)****(iii) Liquidity Risk (cont'd)****Analysis of financial instruments by remaining contractual maturities(cont'd)**

	<b>Carrying Amount RM</b>	<b>Contractual Undiscounted Cash Flows RM</b>	<b>On demand or within one year RM</b>
<b>Company</b>			
<b>2014</b>			
<b>Financial liabilities</b>			
Amount due to subsidiaries	224,172	224,172	224,172
Borrowings	635,495	635,495	635,495
Trade and other payables	7,035,340	7,035,340	7,035,340
	<b>7,895,007</b>	<b>7,895,007</b>	<b>7,895,007</b>
<b>2013</b>			
<b>Financial liabilities</b>			
Amount due to subsidiaries	818,349	818,349	818,349
Borrowings	138,031	138,031	138,031
Trade and other payables	7,764,993	7,764,993	7,764,993
	<b>8,721,373</b>	<b>8,721,373</b>	<b>8,721,373</b>

**(iv) Foreign Currency Risk**

The Group is exposed to currency translation risk arising from its net investments in subsidiaries in South Africa.

The Group does not hedge their investment in South Africa.

**(c) Fair values****(i) Determination of Fair Value**

The carrying amounts of cash and cash equivalents, receivables, deposits and prepayments, payables and accruals and short term borrowings are reasonable approximation of fair values due to the relatively short term nature of these financial instruments.



# NOTES TO THE FINANCIAL STATEMENTS (cont'd)

## 39. FINANCIAL INSTRUMENTS (cont'd)

### (c) Fair values (cont'd)

#### (ii) Fair Value Hierarchy

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

	Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	RM	RM
<b>Group</b>						
<b>2014</b>						
<b>Financial liabilities</b>						
Term loans	-	(17,880,764)	-	(17,880,764)	(17,880,764)	(17,880,764)
Hire purchase and finance lease payables	-	(8,990,227)	-	(8,990,227)	(8,990,227)	(8,985,702)
	-	(26,870,991)	-	(26,870,991)	(26,870,991)	(26,866,466)
<b>2013</b>						
<b>Financial liabilities</b>						
Term loans	-	(21,413,644)	-	(21,413,644)	(21,413,644)	(21,413,644)
Hire purchase and finance lease payables	-	(4,534,386)	-	(4,534,386)	(4,534,386)	(4,519,360)
	-	(25,948,030)	-	(25,948,030)	(25,948,030)	(25,933,004)

## 40. CAPITAL MANAGEMENT

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

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company 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 31st December 2014 and 31st December 2013.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, term loan, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the Company.



#### 40. CAPITAL MANAGEMENT (cont'd)

	2014 RM	Group 2013 RM
Borrowings	102,010,357	81,613,133
Trade and other payables (Note 24) #	121,427,133	110,339,617
Less: Cash and bank equivalent (Note 15)	(23,918,656)	(19,100,801)
Net debt	199,518,834	172,851,949
Equity attributable to the owners of the Company	394,418,080	349,655,018
Total capital	394,418,080	349,655,018
<b>Capital and net debt</b>	<b>593,936,914</b>	<b>522,506,967</b>
<b>Gearing ratio</b>	<b>34%</b>	<b>33%</b>

# Progress billings in respect of property development costs were excluded from trade and other payables.

#### 41. SUBSEQUENT EVENTS

- (a) On 13th March 2015, the Company announced to undertake the following:-
- (i) Bonus issue of up to 222,630,874 new ordinary shares of RM0.50/- each in the Company on the basis of one Bonus Share for every two existing ordinary shares of RM0.50/- each in the Company on an entitlement date to be determined and announced later;
  - (ii) Bonus issue of up to 89,052,349 free warrants in the Company on the basis of one free Warrants for every five existing ordinary shares held on the entitlement date; and
  - (iii) Establishment of a new employee share option scheme involving up to 15% of the issued and paid-up capital of the Company (excluding treasury shares) to eligible directors and employees of the Company and its subsidiaries which are not dormant.
- (b) On 15th April 2015, the Company announced its notification to the non-controlling interests of Optimax Eye Specialist Centre Sdn. Bhd. ("OESC") its intention to dispose all of its interest in OESC to its non-controlling interests. The total consideration on the disposal are still in the process of discussion.



## SUPPLEMENTARY INFORMATION

### ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

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

On 20th December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

Pursuant to the directive, the amounts of realised and unrealised profits or losses included in the retained profits of the Group and the Company as at 31st December are as follows:-

	<b>Group</b>		<b>Company</b>	
	<b>2014 RM</b>	<b>2013 RM</b>	<b>2014 RM</b>	<b>2013 RM</b>
<b>Total retained profits:</b>				
- Realised	268,799,266	222,535,580	134,635,147	42,353,861
- Unrealised	837,961	1,294,129	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Consolidated adjustments	269,637,227 (64,099,221)	223,829,709 (67,040,051)	134,635,147 -	42,353,861 -
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December	205,538,006	156,789,658	134,635,147	42,353,861

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

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

# STATEMENT BY DIRECTORS

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



In the opinion of the Directors, the financial statements set out on pages 34 to 116 are drawn up in accordance with the 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 31st December 2014 and of their financial performance and the cash flows for the financial year then ended.

The supplementary information set out on page 117 have been prepared in accordance with the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants.

On behalf of the Board,

**TAN ENG PIOW**

Director

**FOO CHEK LEE**

Director

Selangor Darul Ehsan

Date: 15th April 2015

# STATUTORY DECLARATION

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

I, **CHO WAI LING**, being the director primarily responsible for the financial management of Mitrajaya Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 34 to 116 and the supplementary information set out on page 117 are 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.

**CHO WAI LING**

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 15th April 2015.

Before me,

W661

TAN KIM CHOOI

Commissioner for Oaths



# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF MITRAJAYA HOLDINGS BERHAD

(Incorporated in Malaysia)

### **Report on the Financial Statements**

We have audited the financial statements of Mitrajaya Holdings Berhad, which comprise the statements of financial position as at 31st 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 financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 34 to 116.

### ***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 the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal controls as the directors determine are 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 the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

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





### **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 Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provision of the Companies Act, 1965 in Malaysia.
- (b) Other than the subsidiary without the auditors' report as indicated in Note 7 to the financial statements, we have considered the financial statements and the auditors' reports of the remaining subsidiaries of which we have not acted as auditors, which are disclosed in Note 7 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in a form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) Other than the subsidiary without the auditors' report as indicated in Note 7 to the financial statements, the auditors' reports on the financial statements of the remaining subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

### **Other Reporting Responsibilities**

The supplementary information set out on page 117 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with 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 ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

### **Other Matters**

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

**Baker Tilly Monteiro Heng**  
No. AF 0117  
Chartered Accountants

**Lock Peng Kuan**  
No. 2819/10/16 (J)  
Chartered Accountant

Kuala Lumpur  
Date: 15th April 2015



# SHAREHOLDING ANALYSIS

Authorised Share Capital	:	RM500,000,000
Issued & Paid-up Capital	:	RM202,765,840
Class of Shares	:	Ordinary shares of RM0.50 each
Voting Rights	:	One vote per share
No. of Treasury Shares Held	:	3,432,646
No. of Voting Shares	:	402,099,034

## ANALYSIS OF SHAREHOLDINGS AS AT 30 APRIL 2015

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	165	3.76	5,931	0.00
100 – 1,000	415	9.46	273,483	0.07
1,001 – 10,000	2,269	51.72	12,297,483	3.03
10,001 – 100,000	1,257	28.65	39,255,148	9.68
100,001 – less than 5% of issued shares	278	6.34	187,485,330	46.23
5% and above of issued shares	3	0.07	162,781,659	40.14
Treasury shares	N/A	N/A	3,432,646	0.85
<b>TOTAL</b>	<b>4,387</b>	<b>100</b>	<b>405,531,680</b>	<b>100.00</b>

## LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 30 APRIL 2015 (excluding treasury shares)

No.	Name	No. of Shares	%
1.	Tan Eng Piow	63,155,800	15.71
2.	Tan Eng Piow	53,125,859	13.21
3.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Eng Piow (M02)	46,500,000	11.56
4.	CitiGroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CIMB PRIN)	9,216,400	2.29
5.	Aw Eng Soon	8,308,168	2.07
6.	CitiGroup Nominees (Asing) Sdn Bhd UBS AG	4,929,537	1.23
7.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad - Kenanga Growth Fund	4,306,900	1.07
8.	CitiGroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (CIMB Equities)	4,213,200	1.05
9.	Kok Siew Leng	4,182,700	1.04
10.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Hong Leong Growth Fund	3,955,000	0.98
11.	CitiGroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)	3,848,500	0.96



## LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 30 APRIL 2015 (cont'd) (excluding treasury shares)

No.	Name	No. of Shares	%
12.	Maybank Nominees (Tempatan) Sdn Bhd Etika Insurance Berhad (Sharehldr's FD)	3,291,000	0.82
13.	DB (Malaysia) Nominee (Asing) Snd Bhd SSBT Fund SD4N for Government of the Province of Alberta	3,069,900	0.76
14.	Kok Yee Meng	2,967,250	0.74
15.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Hong Leong Penny Stockfund	2,893,000	0.72
16.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Li Cheng Thong @ Lee Chen Thung	2,779,000	0.69
17.	Amanah Raya Berhad Kumpulan Wang Bersama Syariah	2,700,000	0.67
18.	Song Kim Lee	2,500,000	0.62
19.	Maybank Nominees (Asing) Sdn Bhd Exempt An for DBS Bank Limited (Client A/C)	2,200,500	0.55
20.	CitiGroup Nominees (Tempatan) Sdn Bhd Universal Trustee (Malaysia) Berhad for CIMB Islamic Small Cap Fund	2,173,800	0.54
21.	Tan Mei Yin	2,170,000	0.54
22.	Kok Siew Keng	2,130,000	0.53
23.	Kee Gek Ching	2,064,300	0.51
24.	CitiGroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Arim)	2,000,000	0.50
25.	Lim Hock Chai	1,980,250	0.49
26.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Islamic Trustee Berhad for Pacific Dana Aman (3717 TR01)	1,966,200	0.49
27.	HSBC Nominees (Asing) Sdn Bhd Exempt An for the Bank of New York Mellon (Mellon ACCT)	1,910,800	0.48
28.	Amanah Raya Berhad Kumpulan Wang Bersama	1,900,000	0.47
29.	DB (Malaysia) Nominee (Asing) Sdn Bhd Deutsche Bank AG London	1,881,808	0.47
30.	HSBC Nominees (Asing) Sdn Bhd Morgan Stanley & Co. International PLC (Firm A/C)	1,775,200	0.44

## SUBSTANTIAL SHAREHOLDERS AS AT 30 APRIL 2015

No.	Name	Direct Interest	%	No Of Shares Indirect Interest	%
1.	Tan Eng Piow	162,781,659	40.48	-	-



# WARRANTHOLDING ANALYSIS

No. of 2011/2016 Warrants Issued : 47,729,947  
 No. of 2011/2016 Warrants Outstanding : 39,710,068  
 Voting Rights at Warrantholders' Meeting : One vote per warrant

## ANALYSIS OF WARRANTHOLDINGS AS AT 30 APRIL 2015

Size of Warrantholdings	No. of 2011/2016 Warrantholders	%	No. of 2011/2016 Warrants	%
Less than 100	563	22.79	23,505	0.06
100 – 1,000	704	28.50	402,273	1.01
1,001 – 10,000	928	37.57	3,257,918	8.21
10,001 – 100,000	244	9.88	7,399,104	18.63
100,001 – less than 5% of issued warrants	28	1.14	10,178,878	25.63
5% and above of issued warrants	3	0.12	18,448,390	46.46
<b>TOTAL</b>	<b>2,470</b>	<b>100.00</b>	<b>39,710,068</b>	<b>100.00</b>

## LIST OF THIRTY LARGEST 2011/2016 WARRANTHOLDERS AS AT 30 APRIL 2015

No.	Name	No. of Warrants	%
1.	Tan Eng Piow	7,896,875	19.89
2.	Tan Eng Piow	6,426,515	16.18
3.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Eng Piow (M02)	4,125,000	10.39
4.	Teo Swee Sek	1,750,000	4.41
5.	SJ Sec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohamad Naim Bin Fateh Mohamed (SMT)	1,265,000	3.19
6.	Aw Eng Soon	1,005,141	2.53
7.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Looi Lee Yee (Margin)	965,000	2.43
8.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Cheah Chee Siong (MY1891)	600,000	1.51
9.	Kok Kee Hing	594,000	1.50
10.	Geoffrey Lim Fung Keong	430,000	1.08
11.	Maybank Nominees (Tempatan) Sdn Bhd Teo Swee Sek	350,000	0.88
12.	Amsec Nominees (Tempatan) Sdn Bhd AmTrustee Bhd for Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	297,800	0.75
13.	Tan Mei Yin	262,500	0.66
14.	SJ Sec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohamad Syazwan Bin Mohamad Naim (SMT)	238,700	0.60



## LIST OF THIRTY LARGEST 2011/2016 WARRANTHOLDERS AS AT 30 APRIL 2015 (cont'd)

No.	Name	No. of Warrants	%
15.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad for Pacific Recovery Fund	211,600	0.53
16.	Chan Huan Keong	200,000	0.50
17.	Ong Yoke Meng	200,000	0.50
18.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Pacific Focus18 Fund (5071-401)	190,900	0.48
19.	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Tuan Hiok (8016234)	140,000	0.35
20.	Hong Chong Chet	139,000	0.35
21.	Wong Choi Kim	137,137	0.35
22.	Kok Siew Leng	137,000	0.35
23.	Foo May Fong	135,000	0.34
24.	Saw Kean Kok	135,000	0.34
25.	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Mooi Kim (RH3 Margin)	121,500	0.31
26.	Kenanga Nominees (Tempatan) Sdn Bhd -Pledged Securities Account for Julian Cheah Wai Meng	120,000	0.30
27.	Anchor Point Sdn Bhd	117,600	0.30
28.	Lau Seng Bee	110,500	0.28
29.	MayBank Nominees (Tempatan) Sdn Bhd Tan Kar Jin	109,300	0.28
30.	Cheah Chee Siong	108,200	0.27

## DIRECTORS' INTEREST AS AT 30 APRIL 2015

No.	Directors	INTEREST HELD							
		Direct	%	Ordinary Shares Indirect	%	Direct	%	Warrants Indirect	%
1.	Tan Eng Piow	162,781,659	40.48	2,170,000	0.54	18,448,390	46.46	262,500	0.66
2.	Foo Chek Lee	723,335	0.18	21,700	0.01	87,500	0.22	2,625	0.01

The other Directors do not have interest.

## Shares in related corporation

By virtue of their interest in the shares and warrants of the Company, the abovenamed Directors are deemed interested in the shares of the subsidiaries of the Company to the extent the Company has an interest.



# LIST OF PROPERTIES

The details on the Mitrajaya Holdings Berhad Group's properties as at 31 December 2014 are set out below:-

PROPRIETOR	LOCATION	DESCRIPTION	CURRENT USE	AGE OF BUILDING	TENURE	DATE OF EXPIRY	LAND AREA	BUILT-UP AREA	NET BOOK VALUE RM	DATE OF ACQUISITION/ REVALUATION*
PMSB	Lot 999, C.T. 3871 Mukim and District of Port Dickson, Negeri Sembilan.	Agricultural land	Planted with rubber trees	N/A	Freehold	N/A	10.71 acres	N/A	700,000	25.10.1993*
PMSB	Baiduri Apartments, Kijal Beach Resort Parcel No. 27B, South Block, Storey No. Two, Kijal, Kemaman, Terengganu D.I.	Apartment	Employees resort apartment	20 years	Freehold	N/A	N/A	850 sq.f.	116,560	28.06.1996
PMSB	D-01-09, Block D, Jalan Prima 5/1, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor.	Shoplot	Office	12 years	Freehold	N/A	N/A	1,498 sq.f.	303,333	07.07.2003
PMSB	D-02-03, Block D, Jalan Prima 5/1, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor.	Shoplot	Office	12 years	Freehold	N/A	N/A	663 sq.f.	110,200	14.10.2003
PMSB	5 units staff apartment Pangsapuri Teratai, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor. (E-04-04, F-04-05, A-04-06, F-04-07, A-04-08)	Apartment	Employees apartment	12 years	Freehold	N/A	N/A	4,000 sq.f.	295,620	07.04.2004
PMSB	29 units corporate office building Block D, Jalan Prima 5/1, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor. (D-02-02, D-02-04 to D-02-12, D-03-02 to D-03-12 & D-04-02 to D-04-09)	Shoplot	Office	12 years	Freehold	N/A	N/A	39,372 sq.f.	3,508,485	01.09.2004
PMSB	17-G, Blok D, Jaya 1, 72A Jalan Universiti, 46200 Petaling Jaya, Selangor.	Shoplot (Retail/Showroom)	Rented	7 years	Leasehold	12.04.2060	N/A	150 sq.m.	1,016,224	14.04.2006
PMSB	Apartment Mawar, Jalan Mawar 2, Prima Beruntung, 48300 Rawang, (E-402, F2-04, F2-06, F3-04, F3-06, F4-02, F4-04, F4-06)	Apartment	Vacant	13 years	Freehold	N/A	N/A	5,760 sq.f.	375,611	29.12.2010
PMSB	26 units of retail and office suites Menara Larkin Utama, Jalan Tun Abdul Razak Susur 5, Taman Dato' Onn, Johor Bahru, Johor.	Retail and office suites	Vacant	7 years	Leasehold	21.04.2093	N/A	13,082 sq.f.	2,371,338	15.12.2011

# LIST OF PROPERTIES (cont'd)



The details on the Mitrajaya Holdings Berhad Group's properties as at 31 December 2014 are set out below: (cont'd)

PROPRIETOR	LOCATION	DESCRIPTION	CURRENT USE	AGE OF BUILDING	TENURE	DATE OF EXPIRY	LAND AREA	BUILT-UP AREA	NET BOOK VALUE RM	DATE OF ACQUISITION/ REVALUATION*
PMSB	Lot no. PT2 to PT93 and PT367, Town of Kawasan Bandar XLIII, District of Melaka Tengah, State of Melaka.	92 parcels of bungalow lots	Vacant	N/A	99 years	09.11.2096	17.84 acres	N/A	28,424,020	31.12.2006
APSB	HS (M) 26788, PT 40761 HS (M) 30054, PT 40366 HS (M) 30055, PT 40352 Kg Sri Aman Dalam, Mukim Petaling, Daerah Petaling, Selangor.	Residential Land	Vacant	N/A	99 years	22.05.2099 12.09.2106 25.09.2106	2.00 acres	N/A	1,089,531	25.07.2007
KBSB	HS (D) 119815, PT 9926 Mukim Setapak, Daerah Kuala Lumpur, Wilayah Persekutuan.	Residential land	On-going development project	N/A	99 years	12.5.2114	7.52 acres	N/A	32,961,542	01.03.1999
KSBSB	Various sub-divided lots in Sungai Buntu, Mukim Pengerang, Daerah Kota Tinggi, Johor.	Residential Land	Vacant	N/A	Freehold	N/A	10.76 acres	N/A	4,874,472	27.12.1996
LVSB	HS (D) 247471, PT 78439 Kg Sri Aman Dalam, Mukim Petaling, Daerah Petaling, Selangor.	Residential Land	On-going development project	N/A	99 years	15.12.2107	19.46 acres	N/A	87,957,946	May 2004
LVSB	PN 100702, Lot 98379 PN 100703, Lot 98380 PN 100704 to 100708, Lot 98383 to 98387 Kg Sri Aman Dalam, Mukim Petaling, Daerah Petaling, Selangor.	Residential Land	Vacant	N/A	99 years	15.12.2107	4.30 acres	N/A	3,580,080	May 2004
LVSB	PT 10725 to PT 11033, HS (D) 38483 to 38782 and HS (D) 38784 to 38792 Mukim Serendah, Daerah Hulu Selangor, Selangor.	309 parcels of residential lots	Vacant	N/A	Freehold	N/A	9.81 acres	N/A	4,863,918	31.12.2006



# LIST OF PROPERTIES (cont'd)

The details on the Mitrajaya Holdings Berhad Group's properties as at 31 December 2014 are set out below: (cont'd)

PROPRIETOR	LOCATION	DESCRIPTION	CURRENT USE	AGE OF BUILDING	TENURE	DATE OF EXPIRY	LAND AREA	BUILT-UP AREA	NET BOOK VALUE RM	DATE OF ACQUISITION/ REVALUATION*
MHSB	HS (D) 8178, PT 7100 HS (D) 27478, PT 7563 HS (D) 18253 to 18255, PT 767 to 769 Mukim Serendah, Daerah Hulu Selangor, Selangor.	Industrial land	Vacant	N/A	Freehold	N/A	7.08 acres	N/A	4,901,060	11.12.1997
MHSB	HS (D) 97248, PT 29 'A' Seksyen 28, Mukim Bandar Petaling Jaya, Daerah Petaling, Selangor.	Industrial land	Vacant	N/A	99 years	11.04.2067	9.30 acres	N/A	41,947,522	28.08.2009
MDSA	Portion 251 & 252 of the farm Olievenhoutbosch 389, Registration Division J.R. Province of Gauteng, South Africa.	Land for Development	On-going development project	N/A	Freehold	N/A	62.49 hectares	N/A	22,143,327	07.04.2006*
OESC	Suite 1-9-E2, 9th Floor, CPS Tower, Centre Point Sabah, No. 1 Jalan Centre Point, 88000 Kota Kinabalu, Sabah.	Office Unit	Office	17 years	99 years	31.12.2082	N/A	3,855 sq.f.	895,266	04.03.2005
PHSB	PT1159 HS (D) 135348 Mukim Pekan Puchong Perdana, Daerah Petaling, Selangor.	Land for Development	Rented	N/A	Freehold	N/A	1.08 acre	N/A	1,961,871	17.05.1999
PHSB	PT435 to PT489 & PT1162 HS (D) 134624 to 134678 & 135351 Mukim Pekan Puchong Perdana, Daerah Petaling, Selangor.	Land for Development	Vacant	N/A	Freehold	N/A	9.57 acre	N/A	23,089,109	17.05.1999
SDSB	Geran 25563, Lot 481, Mukim Tanjung Duabelas, Daerah Kuala Langat, Selangor.	Land for Development	Planted with oil palm	N/A	Freehold	N/A	198 acres		29,202,396	19.01.2007

**Remarks:**  
Net book value of the development properties are stated at Group land cost together with the related development expenditure

**KEY:**  
 PMISB - Pembinaan Mitrajaya Sdn Bhd  
 APSB - Awana Prisma Sdn Bhd  
 KBSB - Kina-Bijak Sdn Bhd  
 KSBSB - Kemajuan Sekim Baru Sdn Bhd  
 LVSb - Leo Vista Sdn Bhd  
 MHSB - Mitrajaya Homes Sdn Bhd  
 MDSA - Mitrajaya Development SA (Proprietary) Limited  
 OESC - Optimax Eye Specialist Centre Sdn Bhd  
 SDSB - Skyway Development Sdn Bhd



# NOTICE OF ANNUAL GENERAL MEETING



**NOTICE IS HEREBY GIVEN THAT** the Twenty-Second Annual General Meeting of the Company will be held at **Melati Room 123, Grand Dorsett Subang Hotel, Jalan SS 12/1, 47500 Subang Jaya, Selangor Darul Ehsan** on **Tuesday, 23 June 2015** at **10.00 a.m.** for the following purposes:-

## AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2014 and the Reports of the Directors and Auditors thereon.
2. To declare a first and final single tier cash dividend of 5 sen per share in respect of the financial year ended 31 December 2014. **Resolution 1**
3. To approve the payment of Directors' Fees of RM100,000 for the financial year ended 31 December 2014. **Resolution 2**
4. To re-elect the following Directors retiring pursuant to the Articles of Association of the Company:-
  - 4.1 Tan Eng Piow (Article 84) **Resolution 3**
  - 4.2 Cho Wai Ling (Article 91) **Resolution 4**
5. To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration. **Resolution 5**
6. As Special Business:-  
To consider and if thought fit, pass the following Resolutions:-

### ORDINARY RESOLUTION

#### Re-Appointment of General Tan Sri Ismail Bin Hassan (R) as Director

"THAT pursuant to Section 129(6) of the Companies Act, 1965, General Tan Sri Ismail Bin Hassan (R) be hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."

**Resolution 6**

### ORDINARY RESOLUTION

#### Re-Appointment of Ir Zakaria Bin Nanyan as Director

"THAT pursuant to Section 129(6) of the Companies Act, 1965, Ir Zakaria Bin Nanyan be hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."

**Resolution 7**

### ORDINARY RESOLUTION

#### Re-Appointment of Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim

"THAT pursuant to Section 129(6) of the Companies Act, 1965, Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim be hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting."

**Resolution 8**



## **ORDINARY RESOLUTION**

## **Resolution 9**

### **Authority to issue shares pursuant to Section 132D of the Companies Act, 1965**

“THAT pursuant to Section 132D of the Companies Act, 1965 and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.”

## **ORDINARY RESOLUTION**

## **Resolution 10**

### **Proposed Renewal of Authority for the Company to purchase its own shares of up to 10% of the Issued and Paid-Up Share Capital (“Proposed Renewal of Share Buy-Back”)**

“THAT subject to the provisions under the Companies Act, 1965 (“Act”), the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and all prevailing laws, rules, regulations, orders and guidelines as well as the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to purchase such amount of ordinary shares of RM0.50 each in the Company (“MHB Shares”) as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of MHB Shares purchased pursuant to this resolution or held as treasury shares does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company at the time of purchase;

THAT the maximum amount of funds to be utilised for the purpose of the Proposed Renewal of Share Buy-Back shall not exceed the Company’s aggregate retained profits account;

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

- (i) to cancel the MHB Shares so purchased; or
- (ii) to retain the MHB Shares so purchased as treasury shares for distribution as share dividends to the shareholders of MHB and/or be resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be cancelled subsequently; or
- (iii) combination of (i) and (ii) above;



THAT the authority conferred by this resolution will be effective immediately from the passing of this Ordinary Resolution until:-

- (i) the conclusion of the Company's next AGM following the general meeting at which such resolution was passed at which time the authority would lapse unless renewed by ordinary resolution;
- (ii) the passing of the date on which the Company's next AGM is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution that the shareholders pass in general meeting;

whichever occurs first.

AND THAT the Directors be and are hereby authorised to take all steps as are necessary and/or to do all such acts and things as the Directors deem fit and expedient in the interest of the Company to give full effect to the aforesaid Proposed Renewal of Share Buy-Back with full powers to assent to any condition, modification, variation and/or amendment (if any) as may be imposed by the relevant authorities."

By Order of the Board

**LEONG OI WAH (MAICSA 7023802)**

Company Secretary

29 May 2015

## Notes:-

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/proxies who may but need not be a member/members of the Company to attend and vote in his/her stead. The provision of Section 149(1) (b) of the Act shall not apply to the Company.
2. When a member appoints more than one proxy (subject always to a maximum of two proxies at each meeting), the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if such appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at No. 9, Blok D, Pusat Perdagangan Puchong Prima, Persiaran Prima Utama, Taman Puchong Prima, 47150 Puchong, Selangor Darul Ehsan, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.
5. Depositors who appear in the Record of Depositors as at 16 June 2015 shall be regarded as member of the Company entitled to attend the Twenty-Second Annual General Meeting or appoint a proxy to attend and vote on his behalf.



## NOTICE OF ANNUAL GENERAL MEETING (cont'd)

### 6. Explanatory notes on Special Business:

#### Resolution No. 6, 7 & 8

The proposed Ordinary Resolutions, if passed will enable General Tan Sri Ismail Bin Hassan (R), Ir Zakaria Bin Nanyan and Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim to continue in office until the conclusion of the next annual general meeting.

#### Resolution No. 9

The proposed Ordinary Resolution will give powers to the Directors to issue up to a maximum ten percent (10%) of the issued share capital of the Company for the time being for such purposes as the Directors would consider in the best interest of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting of the Company.

The general mandate sought for issue of securities is a renewal of the mandate that was approved by the shareholders on 18 June 2014. The Company did not utilise the mandate that was approved last year. The renewal of the general mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

#### Resolution No. 10

Please refer to Statement to the Shareholders dated 29 May 2015.





MITRAJAYA HOLDINGS BERHAD  
(Company No. 268257-T)

## FORM OF PROXY

I/We, \_\_\_\_\_ (NRIC/ Co. No \_\_\_\_\_)

of \_\_\_\_\_

being a \*member/members of **MITRAJAYA HOLDINGS BERHAD** hereby appoint \_\_\_\_\_

\_\_\_\_\_ (NRIC/ Co.No \_\_\_\_\_) of \_\_\_\_\_

and/or failing him/her \_\_\_\_\_ (NRIC/ Co.No \_\_\_\_\_)

of \_\_\_\_\_

or the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Twenty-Second Annual General Meeting of the Company to be held at Melati Room 123, Grand Dorsett Subang Hotel, Jalan SS 12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Tuesday, 23 June 2015 at 10.00 a.m. and at any adjournment thereof.

\*My/Our proxy(ies) is/are to vote as indicated below:-

	Resolutions	For	Against
Resolution 1	To declare a first and final single tier cash dividend of 5 sen per share in respect of the financial year ended 31 December 2014.		
Resolution 2	To approve the payment of Directors' Fees of RM 100,000.		
Resolution 3	To re-elect Tan Eng Piow as Director.		
Resolution 4	To re-elect Cho Wai Ling as Director		
Resolution 5	To re-appoint Auditors and to authorise the Board of Directors to fix their remuneration.		
Resolution 6	To re-appoint General Tan Sri Ismail Bin Hassan (R) as Director.		
Resolution 7	To re-appoint Ir Zakaria Bin Nanyan as Director.		
Resolution 8	To re-appoint Tan Sri Dato' Seri Mohamad Noor Bin Abdul Rahim as Director.		
Resolution 9	To approve the authority to issue shares pursuant to Section 132D of the Companies Act, 1965.		
Resolution 10	To approve the proposed renewal of authority for the Company to purchase its own shares of up to 10% of the issued and paid-up share capital.		

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

Dated this \_\_\_\_\_ of \_\_\_\_\_ 2015

CDS Account No:	
Number of Shares	

\_\_\_\_\_  
[Signature/Common Seal of Shareholder(s)]

[\*Delete if not applicable]

### Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/proxies who may but need not be a member/members of the Company to attend and vote in his/her stead. The provision of Section 149(1) (b) of the Act shall not apply to the Company.
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AFFIX  
STAMP

**MITRAJAYA HOLDINGS BERHAD** (Company No: 268257-T)  
No. 9 Blok D  
Pusat Perdagangan Puchong Prima  
Persiaran Prima Utama  
Taman Puchong Prima  
47150 Puchong  
Selangor Darul Ehsan  
Malaysia

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No. 9, Blok D, Pusat Perdagangan Puchong Prima  
Persiaran Prima Utama, Taman Puchong Prima  
47150 Puchong, Selangor Darul Ehsan

**Tel :** (603) 8060 9999    **Fax :** (603) 8060 9998  
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**[www.mitrajaya.com.my](http://www.mitrajaya.com.my)**