FINANCIAL STATEMENTS

DIRECTORS' REPORT
for the year ended 31 December 2015

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

Principal activities

The principal activity of the Company is investment holding, whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results	**Group RM'000**	**Company RM'000**
Profit for the year attributable to:		
Owners of the Company	165,123	175,914
Non-controlling interests	(1,841)	–
	163,282	175,914

Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year under review except as disclosed in the financial statements.

Dividends

No dividend was paid during the financial year and the Directors do not recommend any dividend to be paid for the financial year under review.

Directors of the Company

Directors who served since the date of the last report are:

Lee Seng Huang
Law Chin Wat
Chung Tze Hien
Kong Wah Sang
Chew Hoy Ping
Dato' Lim Say Chong
Dato' Yusli bin Mohamed Yusoff
Loong Caesar

Directors' interests in shares

The direct and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those Directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares of RM0.50 each			
The Company	**At 1.1.2015**	**Acquired**	**Sold**	**At 31.12.2015**
Deemed interest				
Lee Seng Huang	**859,787,549**	**–**	**–**	**859,787,549**

By virtue of Lee Seng Huang's substantial interest in the shares of the Company, he is also deemed interested in the shares of all the subsidiaries during the financial year to the extent that the Company has an interest.

None of the other Directors holding office at 31 December 2015 has any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than as disclosed in Note 37 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares and debentures

There were no changes in the authorised, issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

Treasury shares

During the financial year, the Company repurchased 60,000 of its issued ordinary shares from the open market at an average price of RM0.367 per share. The total consideration paid was RM22,035 including transaction costs. The shares repurchased were retained as treasury shares.

As at 31 December 2015, the Company held a total of 222,259,800 treasury shares out of its 2,355,913,158 issued ordinary shares. Such treasury shares are held at a carrying amount of RM92.14 million and further relevant details are disclosed in Note 18 to the financial statements.

The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

Other statutory information (cont'd)

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

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2015 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report, other than certain items as disclosed in Notes 26, 27 and 30 to the financial statements.

Significant events during the year

The significant events are as disclosed in Note 40 to the financial statements.

Subsequent events

The subsequent events are as disclosed in Note 41 to the financial statements.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

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

Lee Seng Huang

Law Chin Wat

Date: 31 March 2016

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2015

	Note	Group		Company	
		2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Assets					
Property, plant and equipment	3	**1,087,824**	1,011,017	**2**	–
Prepaid land lease payments	4	**–**	–	**–**	–
Investment properties	5	**416,938**	21,962	**–**	–
Investments in subsidiaries	6	**–**	–	**599,430**	691,768
Investments in associates	7	**1,354,347**	1,181,490	**24,433**	1,507
Investments in joint ventures	8	**12,798**	2,534	**–**	–
Investment securities	9	**1,156**	88,447	**1,043**	1,043
Other investments	10	**5,080**	5,080	**5,051**	5,051
Goodwill	11	**2,722**	9,113	**–**	–
Inventories	12	**645,560**	813,842	**–**	–
Trade and other receivables	13	**–**	–	**362,643**	308,368
Other non-current assets	14	**14,742**	18,469	**–**	–
Deferred tax assets	15	**59,756**	53,750	**–**	–
Total non-current assets		**3,600,923**	3,205,704	**992,602**	1,007,737
Inventories	12	**725,387**	593,189	**–**	–
Trade and other receivables	13	**233,570**	260,710	**889,013**	675,069
Other current assets	16	**26,658**	18,360	**182**	31
Investment securities	9	**2,516**	6,682	**–**	–
Current tax assets		**3,549**	10,633	**57**	279
Cash and cash equivalents	17	**539,900**	600,796	**16**	57
Total current assets		**1,531,580**	1,490,370	**889,268**	675,436
Total assets		**5,132,503**	4,696,074	**1,881,870**	1,683,173

STATEMENTS OF FINANCIAL POSITION (cont'd)
as at 31 December 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Equity					
Share capital	18	**1,177,957**	1,177,957	**1,177,957**	1,177,957
Share premium		**579,863**	579,863	**579,863**	579,863
Treasury shares	18	**(92,137)**	(92,115)	**(92,137)**	(92,115)
Reserves	19	**305,608**	260,797	**108,335**	108,335
Retained earnings/(Accumulated losses)		**597,699**	432,711	**24,591**	(151,323)
Total equity attributable to owners of the Company		**2,568,990**	2,359,213	**1,798,609**	1,622,717
Non-controlling interests		**–**	44,346	**–**	–
Total equity		**2,568,990**	2,403,559	**1,798,609**	1,622,717
Liabilities					
Loans and borrowings	20	**932,341**	794,648	**–**	–
Trade and other payables	21	**13,431**	13,491	**–**	–
Provision for liabilities	22	**2,225**	2,179	**–**	–
Total non-current liabilities		**947,997**	810,318	**–**	–
Loans and borrowings	20	**1,314,683**	1,163,079	**81,174**	56,366
Trade and other payables	21	**264,443**	272,045	**2,087**	4,090
Other current liabilities	23	**6,604**	14,801	**–**	–
Current tax liabilities		**6,360**	6,979	**–**	–
Provision for liabilities	22	**23,426**	20,365	**–**	–
Derivative liabilities	24	**–**	4,928	**–**	–
Total current liabilities		**1,615,516**	1,482,197	**83,261**	60,456
Total liabilities		**2,563,513**	2,292,515	**83,261**	60,456
Total equity and liabilities		**5,132,503**	4,696,074	**1,881,870**	1,683,173

The notes on pages 66 to 170 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2015

	Note	Group		Company	
		2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Continuing operations					
Revenue	25	**888,639**	958,682	**26,581**	40,663
Other income	26	**186,910**	148,332	**160,200**	49,866
Land and property development costs		**(192,666)**	(287,017)	**–**	–
Finished goods and services rendered		**(104,035)**	(133,733)	**–**	–
Employee benefits expenses		**(272,104)**	(219,493)	**(576)**	(576)
Depreciation		**(55,399)**	(53,826)	**–**	(1)
Other expenses		**(257,159)**	(247,226)	**(7,100)**	(9,615)
Results from operating activities		**194,186**	165,719	**179,105**	80,337
Finance costs	28	**(113,343)**	(92,236)	**(2,860)**	(1,870)
Share of profit of associates		**70,579**	33,702	**–**	–
Share of profit of joint ventures		**9,291**	5,191	**–**	–
Profit before tax	27	**160,713**	112,376	**176,245**	78,467
Tax benefit/(expense)	29	**2,569**	(16,842)	**(331)**	(75)
Profit from continuing operations		**163,282**	95,534	**175,914**	78,392
Discontinued operation					
Profit net of tax from discontinued operation	30(b)	**–**	29,025	**–**	–
Profit for the year		**163,282**	124,559	**175,914**	78,392

STATEMENTS OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME (cont'd)

for the year ended 31 December 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Other comprehensive income/(expense)					
Foreign currency translation differences for foreign operations and share of other comprehensive income/(expense) in associates		**84,015**	(47,601)	**–**	–
Fair value movement of available-for-sale financial assets		**(11,932)**	8,301	**–**	–
Share of other comprehensive income/(expense) of associates		**5,722**	(2,767)	**–**	–
Reclassification to profit or loss on:					
- dilution of interest in an associate		**(544)**	–	**–**	–
- discontinued operation		**–**	(10,552)	**–**	–
- disposal of a subsidiary		**(16,099)**	–	**–**	–
- disposal of available-for-sale financial assets		**(16,486)**	–	**–**	–
Other comprehensive income/(expense) for the year		**44,676**	(52,619)	**–**	–
Total comprehensive income for the year		**207,958**	71,940	**175,914**	78,392
Profit attributable to:					
Owners of the Company		**165,123**	124,148	**175,914**	78,392
Non-controlling interests		**(1,841)**	411	**–**	–
Profit for the year		**163,282**	124,559	**175,914**	78,392
Total comprehensive income attributable to:					
Owners of the Company		**209,799**	71,529	**175,914**	78,392
Non-controlling interests		**(1,841)**	411	**–**	–
Total comprehensive income for the year		**207,958**	71,940	**175,914**	78,392
Earnings per ordinary share (sen):					
from continuing operations	31	**7.74**	4.47		
from discontinued operation	31	**–**	1.35		
		7.74	5.82		

The notes on pages 66 to 170 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2015

	Attributable to owners of the Company									
	Non-distributable						*Distributable*			
	Share capital RM'000	Share premium RM'000	Exchange reserve RM'000	Capital reserve RM'000	Other reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group										
At 1 January 2014	1,177,957	579,863	179,982	115,386	15,707	(92,049)	308,565	2,285,411	52,130	2,337,541
Fair value of movement of available-for-sale financial assets	–	–	–	–	8,301	–	–	8,301	–	8,301
Foreign currency translation differences for foreign operations and share of other comprehensive expense of associates	–	–	(45,184)	–	(2,417)	–	–	(47,601)	–	(47,601)
Share of other comprehensive expense of associates	–	–	–	–	(2,767)	–	–	(2,767)	–	(2,767)
Reserves of discontinued operation reclassified to profit or loss	–	–	(10,552)	–	–	–	–	(10,552)	–	(10,552)
Total other comprehensive (expense)/income for the year	–	–	(55,736)	–	3,117	–	–	(52,619)	–	(52,619)
Profit for the year	–	–	–	–	–	–	124,148	124,148	411	124,559
Total comprehensive (expense)/income for the year	–	–	(55,736)	–	3,117	–	124,148	71,529	411	71,940

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

for the year ended 31 December 2015

	← *Attributable to owners of the Company* →									
	← *Non-distributable* →						*Distributable*			
Group	**Share capital RM'000**	**Share premium RM'000**	**Exchange reserve RM'000**	**Capital reserve RM'000**	**Other reserve RM'000**	**Treasury shares RM'000**	**Retained earnings RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
Purchase of treasury shares	–	–	–	–	–	(66)	–	(66)	–	(66)
Dividends	–	–	–	–	–	–	–	–	(3,745)	(3,745)
Disposal of discontinued operation	–	–	–	–	–	–	(2)	(2)	(1,809)	(1,811)
Changes in ownership interests in subsidiaries	–	–	–	2,341	–	–	–	2,341	(2,641)	(300)
Total transactions with owners of the Company	–	–	–	2,341	–	(66)	(2)	2,273	(8,195)	(5,922)
At 31 December 2014	1,177,957	579,863	124,246	117,727	18,824	(92,115)	432,711	2,359,213	44,346	2,403,559
	Note 18		**Note 19**	**Note 19**	**Note 19**	**Note 18**				

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

for the year ended 31 December 2015

	← Attributable to owners of the Company →									
	← Non-distributable →						Distributable			
Group	**Share capital RM'000**	**Share premium RM'000**	**Exchange reserve RM'000**	**Capital reserve RM'000**	**Other reserve RM'000**	**Treasury shares RM'000**	**Retained earnings RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 January 2015	**1,177,957**	**579,863**	**124,246**	**117,727**	**18,824**	**(92,115)**	**432,711**	**2,359,213**	**44,346**	**2,403,559**
Fair value movement of available-for-sale financial assets	–	–	–	–	(11,932)	–	–	(11,932)	–	(11,932)
Foreign currency translation differences for foreign operations and share of other comprehensive income of associates	–	–	84,015	–	–	–	–	84,015	–	84,015
Share of other comprehensive income of associates	–	–	1,915	–	3,807	–	–	5,722	–	5,722
Reclassification to profit or loss on:										
- dilution of interest in an associate	–	–	(544)	–	–	–	–	(544)	–	(544)
- disposal of a subsidiary	–	–	–	(16,099)	–	–	–	(16,099)	–	(16,099)
- disposal of available-for-sale financial assets	–	–	–	–	(16,486)	–	–	(16,486)	–	(16,486)
Total other comprehensive income/(expense) for the year	–	–	85,386	(16,099)	(24,611)	–	–	44,676	–	44,676
Profit for the year	–	–	–	–	–	–	165,123	165,123	(1,841)	163,282
Total comprehensive income/(expense) for the year	–	–	**85,386**	**(16,099)**	**(24,611)**	–	**165,123**	**209,799**	**(1,841)**	**207,958**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

for the year ended 31 December 2015

	Attributable to owners of the Company									
	Non-distributable						*Distributable*			
Group	**Share capital RM'000**	**Share premium RM'000**	**Exchange reserve RM'000**	**Capital reserve RM'000**	**Other reserve RM'000**	**Treasury shares RM'000**	**Retained earnings RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
Purchase of treasury shares	–	–	–	–	–	(22)	–	(22)	–	(22)
Disposal of a subsidiary	–	–	–	–	–	–	–	–	(42,505)	(42,505)
Transfer within reserves	–	–	–	135	–	–	(135)	–	–	–
Total transactions with owners of the Company	–	–	–	135	–	(22)	(135)	(22)	(42,505)	(42,527)
At 31 December 2015	1,177,957	579,863	209,632	101,763	(5,787)	(92,137)	597,699	2,568,990	–	2,568,990
	Note 18		Note 19	Note 19	Note 19	Note 18				

The notes on pages 66 to 170 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2015

Company	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Other reserve RM'000	Treasury shares RM'000	(Accumu-lated losses)/ Retained earnings RM'000	Total equity RM'000
	← Non-distributable				→		
At 1 January 2014	1,177,957	579,863	108,228	107	(92,049)	(229,715)	1,544,391
Total comprehensive income for the year	–	–	–	–	–	78,392	78,392
Purchase of treasury shares	–	–	–	–	(66)	–	(66)
At 31 December 2014/1 January 2015	1,177,957	579,863	108,228	107	(92,115)	(151,323)	1,622,717
Total comprehensive income for the year	–	–	–	–	–	175,914	175,914
Purchase of treasury shares	–	–	–	–	(22)	–	(22)
At 31 December 2015	**1,177,957**	**579,863**	**108,228**	**107**	**(92,137)**	**24,591**	**1,798,609**
	Note 18		**Note 19**	**Note 19**	**Note 18**		

The notes on pages 66 to 170 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the year ended 31 December 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Cash flows from operating activities					
Profit before tax					
- Continuing operations		**160,713**	112,376	**176,245**	78,467
- Discontinued operation	30(b)	**–**	656	**–**	–
		160,713	113,032	**176,245**	78,467
Adjustments for:					
Bad debts recovered		**(14)**	(18)	**(14)**	(8)
Bad debts written off		**398**	3	**8**	3
Dividend income		**(19)**	(2,719)	**(26,581)**	(40,663)
Fair value adjustment of investment properties	5	**–**	(1,357)	**–**	–
Fair value loss/(gain) on financial assets at fair value through profit or loss		**1,993**	(2,249)	**–**	–
Gain on dilution of interests in associates		**(9,835)**	–	**–**	–
Gain on disposal of assets classified as held for sale		**–**	(13,854)	**–**	–
Gain on disposal of an investment property		**–**	(68)	**–**	–
Gain on disposal of investment securities		**(3,779)**	(945)	**–**	–
Gain on disposal of a subsidiary		**(50,385)**	–	**(9,191)**	(30,962)
Gain on partial disposal of an associate		**(1,411)**	–	**(2,023)**	–
Gain on waiver of amount due from subsidiaries		**–**	–	**–**	(350)
Impairment loss on financial assets					
- Investment securities		**61**	11,005	**–**	–
- Trade and other receivables		**1,155**	898	**–**	–
Impairment loss on investments in associates		**–**	–	**–**	2,605
Inventories written down		**20**	7,600	**–**	–
Interest income (including discontinued operation)		**(4,191)**	(5,795)	**(7,161)**	(2,144)
Interest expense (including discontinued operation)		**113,343**	92,273	**2,860**	1,870
Negative goodwill arising from acquisition of subsidiaries	38(ii)	**–**	(36,463)	**–**	–
Net unrealised foreign exchange (gain)/loss (including discontinued operation)		**(1,803)**	150	**(136,470)**	(16,401)

STATEMENTS OF CASH FLOWS (cont'd)

for the year ended 31 December 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Cash flows from operating activities (cont'd)					
Property, plant and equipment					
- Depreciation (including discontinued operation)	3	**55,399**	54,333	**–**	1
- Written off		**1,634**	9,920	**–**	2
- (Gain)/Loss on disposal		**(29)**	(1,166)	**–**	15
- Reversal of impairment loss	3	**–**	(5,214)	**–**	–
Provision for foreseeable loss on inventories		**1,242**	–	**–**	–
Provision for staff benefits		**14,052**	12,269	**–**	–
Reversal of impairment loss on					
- Trade and other receivables		**(193)**	(6,069)	**–**	–
- Investments in associates	7	**–**	(3,000)	**–**	–
- Inventories		**(571)**	(32)	**–**	–
- Investment securities		**(771)**	–	**–**	–
Share of profit of associates		**(70,579)**	(33,702)	**–**	–
Share of profit of joint ventures		**(9,291)**	(5,191)	**–**	–
Operating profit/(loss) before changes in working capital		**197,139**	183,641	**(2,327)**	(7,565)
Changes in working capital					
Inventories		**(110,746)**	(180,121)	**–**	–
Receivables		**12,014**	(21,607)	**92**	(39)
Other current assets		**(8,298)**	16,119	**(151)**	(30)
Other non-current assets		**4,225**	(13,014)	**–**	–
Financial assets at fair value through profit or loss		**3,277**	(184)	**–**	–
Payables		**20,141**	32,236	**(39)**	(481)
Other current liabilities		**(8,197)**	2,224	**–**	–
Intercompany balances		**–**	–	**(65,678)**	(134,528)
Cash generated from/(used in) operations		**109,555**	19,294	**(68,103)**	(142,643)
Interest paid		**(113,343)**	(92,273)	**(2,860)**	(1,870)
Interest received		**4,191**	5,795	**7,161**	2,144
Income tax refunded/(paid)		**3,624**	(21,694)	**(109)**	(106)
Staff benefits paid		**(14,071)**	(10,531)	**–**	–
Net cash used in operating activities		**(10,044)**	(99,409)	**(63,911)**	(142,475)

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Cash flows from investing activities					
Purchase of investment securities		**–**	(1,608)	**–**	–
Purchase of other investments		**–**	(19)	**–**	(19)
Purchase of property, plant and equipment		**(39,373)**	(111,086)	**(2)**	–
Purchase of an investment property		**(366,149)**	–	**–**	–
Proceeds from disposal of					
- Property, plant and equipment		**323**	2,206	**–**	1
- Assets classified as held for sale		**–**	32,719	**–**	–
- Investment property		**–**	400	**–**	–
- Investment securities and other investment		**65,506**	4,259	**–**	–
- Subsidiary		**–**	–	**35,196**	–
- Discontinued operation, net of cash and cash equivalents disposed of	30(b)	**–**	29,795	**–**	30,962
Disposal of a subsidiary, net of cash and cash equivalents disposed of	30(a)	**(9,306)**	–	**–**	–
Proceeds from partial disposal of an associate		**3,890**	–	**3,890**	–
Refurbishment of investment properties		**(27)**	(549)	**–**	–
Additional investments in associates		**–**	(115,883)	**–**	–
Additional investments in joint ventures		**(24)**	–	**–**	–
Proportionate consolidation of joint operations, net of cash and cash equivalents acquired		**1,985**	–	**–**	–
Acquisition of subsidiaries, net of cash and cash equivalents acquired	38(ii)	**–**	(348)	**–**	–
Proceeds from redemption of preference shares		**–**	–	**–**	2,148
Dividend received		**19**	2,719	**–**	17,930
Dividend received from associates and joint ventures		**38,486**	25,780	**–**	–
Net cash (used in)/generated from investing activities		**(304,670)**	(131,615)	**39,084**	51,022

STATEMENTS OF CASH FLOWS (cont'd)

for the year ended 31 December 2015

	Note	Group		Company	
		2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Cash flows from financing activities					
Acquisition of non-controlling interests		**–**	(300)	**–**	–
Purchase of treasury shares		**(22)**	(66)	**(22)**	(66)
Payment of finance lease liabilities		**(195)**	(6,312)	**–**	–
Dividend paid to non-controlling interests		**–**	(3,745)	**–**	–
Withdrawal of pledged deposits		**108,327**	30,872	**–**	–
Net drawdown of borrowings		**243,614**	212,259	**25,000**	56,000
Net cash generated from financing activities		**351,724**	232,708	**24,978**	55,934
Net increase/(decrease) in cash and cash equivalents		**37,010**	1,684	**151**	(35,519)
Effect of exchange rate fluctuations on cash held		**11,161**	(30,173)	**–**	–
Cash and cash equivalents at 1 January		**106,452**	134,941	**(309)**	35,210
Cash and cash equivalents at 31 December		**154,623**	106,452	**(158)**	(309)

Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group		Company	
		2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Cash and bank balances	17	**247,521**	193,187	**16**	57
Deposits	17	**292,379**	407,609	**–**	–
		539,900	600,796	**16**	57
Less: Pledged bank balances and deposits	17	**(383,855)**	(492,182)	**–**	–
Bank overdraft	20	**(1,422)**	(2,162)	**(174)**	(366)
		154,623	106,452	**(158)**	(309)

Purchase of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM39,559,000 (2014: RM118,980,000) of which RM186,000 (2014: RM7,894,000) were acquired by means of hire purchase and finance lease arrangements with the balance paid in cash.

The notes on pages 66 to 170 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Mulpha International Bhd. is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the principal place of business and registered office of the Company is as follows:

Principal place of business and registered office

PH2, Menara Mudajaya
No.12A, Jalan PJU 7/3
Mutiara Damansara
47810 Petaling Jaya
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2015 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in associates and joint ventures. The financial statements of the Company as at and for the financial year ended 31 December 2015 also include joint operations.

The principal activity of the Company is investment holding whilst the principal activities of the subsidiaries are as stated in Note 6.

These financial statements were authorised for issue by the Board of Directors on 31 March 2016.

1. Basis of preparation

(a) Statement of compliance

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

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 5, *Non-current Assets Held for Sale and Discontinued Operations (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements,* MFRS 12*, Disclosure of Interests in Other Entities* and MFRS 128*, Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138*, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141*, Agriculture – Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012-2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements – Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012-2014 Cycle)*

1. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, *Financial Instruments (2014)*
- MFRS 15, *Revenue from Contracts with Customers*

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 January 2016 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2016, except for MFRS 14 and Amendments to MFRS 116 and MFRS 141 which are not applicable to the Group and the Company.

- from the annual period beginning on 1 January 2018 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2018.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company except as mentioned below:

(i) MFRS 15, *Revenue from Contracts with Customers*

MFRS 15 replaces the guidance in MFRS 111, *Construction Contracts*, MFRS 118, *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue - Barter Transactions Involving Advertising Services*.

The Group will assess the financial impact that may arise from the adoption of MFRS 15.

(ii) MFRS 9, *Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group will assess the financial impact that may arise from the adoption of MFRS 9.

(iii) Amendments to MFRS 10, *Consolidated Financial Statements,* MFRS 12*, Disclosure of Interests in Other Entities* and MFRS 128*, Investments in Associates and Joint Ventures – Investment Entities: Applying the Consolidation Exception*

The amendments to MFRS 10, MFRS 12 and MFRS 128 require an investment entity parent to fair value a subsidiary providing investment-related services that is itself an investment entity, an intermediate parent owned by an investment entity group can be exempt from preparing consolidated financial statements and a non-investment entity investor can retain the fair value accounting applied by its investment entity associate or joint venture.

The Group will assess the financial impact that may arise from the adoption of the amendments.

1. Basis of preparation (cont'd)

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

The Group has prepared its financial statements by applying the going concern assumption, notwithstanding that as at 31 December 2015, the current liabilities of the Group exceeded its current assets by RM83,936,000, thereby indicating the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

The validity of the going concern assumption is dependent upon the following:

(i) the Group is successful in raising funds from the proposed rights issue;
(ii) the banks continue to provide the required financing facilities to the Group; and
(iii) ability of the Group to generate sufficient cash from its operations

to enable the Group to fulfill its obligations as and when they fall due so as to ensure the Group's ability to continue as a going concern for the foreseeable future.

As at the date of this report, there is no reason for the Directors to believe that the banks will not continue to provide the required financing facilities, that the Group will not generate sufficient cash from its operations, and that the Group will not be able to raise the funds from the proposed rights issue. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to amounts and classification of liabilities that may be necessary if the Group is unable to continue as a going concern.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 5 - valuation of investment properties
- Note 6 - valuation of investments in subsidiaries
- Note 7 - valuation of investments in associates
- Note 11 - measurement of recoverable amounts of cash generating units
- Note 15 - recognition of capital allowances and tax losses carried forward
- Note 22 - provision and contingencies
- Note 38 - business combinations

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, 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. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses. The cost of investments includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

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

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former 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.

2. Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(v) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates 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 cost of the investment includes transaction costs.

(vi) 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.

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 accounts 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 or the Company has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method. Investments in joint venture 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 cost of the investment includes transaction costs.

2. Significant accounting policies (cont'd)

(a) Basis of consolidation (cont'd)

(vii) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

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 a deficit balance.

(viii) Transactions eliminated on consolidation

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

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

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

2. Significant accounting policies (cont'd)

(b) Foreign currency (cont'd)

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period, except for goodwill and fair value adjustments arising from business combinations before 1 January 2011 (the date when the Group first adopted MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, are translated to RM at exchange rates at the dates of the transactions.

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

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

(c) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

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

Fair value through profit or loss category comprises financial assets that are held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial assets that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial assets categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

(b) Loans and receivables

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

(c) Available-for-sale financial assets

Available-for-sale category comprises investment in equity and debt securities instruments that are not held for trading.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. Other financial assets categorised as available-for-sale are subsequently measured at their fair values with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair value hedges which are recognised in profit or loss. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest calculated for a debt instrument using the effective interest method is recognised in profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to review for impairment (see Note 2(l)(i)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of equity instruments that do not have a quoted price in an active market for identical instruments whose fair values otherwise cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

2. Significant accounting policies (cont'd)

(c) Financial instruments (cont'd)

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Fair value arising from financial guarantee contracts are classified as deferred income and is amortised to profit or loss using a straight-line method over the contractual period or, when there is no specified contractual period, recognised in profit or loss upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

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

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged between knowledgeable willing parties in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items when available and replacement cost when appropriate.

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

2. Significant accounting policies (cont'd)

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

(i) Recognition and measurement (cont'd)

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• Freehold buildings	20 - 99 years
• Leasehold buildings	over period of lease
• Leasehold land	perpetuity
• Land improvements	10 - 40 years
• Plant, machinery, office equipment and furniture	3 - 20 years
• Motor vehicles	4 - 8 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

(e) Investment in works of art and club memberships

Works of art and club memberships are measured at cost less any accumulated impairment losses. Works of art are deemed inexhaustible and are not depreciated.

2. Significant accounting policies (cont'd)

(f) Leased assets

(i) Finance lease

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

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

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

(ii) Operating leases

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

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

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

(g) Intangible assets

(i) Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted associates and joint venture, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates and joint venture.

(ii) Amortisation

Goodwill is not amortised but is tested for impairment annually and whenever there is an indication that they may be impaired.

2. Significant accounting policies (cont'd)

(h) Investment property

(i) Investment property carried at fair value

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

Investment properties are measured initially at cost and subsequently at fair value with any change therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

The Directors estimate the fair values of the Group's certain investment properties without involvement of independent valuers. Fair value is arrived at by reference to market evidence of transaction prices for similar properties within the same/adjacent location.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

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

(ii) Reclassification to/from investment property

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

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

(i) Inventories

(i) Properties held for development

Properties held for development consists of land or such portions thereof on which no development activities have been carried out or where development activities are not expected to be completed within the Group's operating cycle of 2 to 3 years. Such land is classified as non-current asset and is measured at cost less any accumulated impairment losses.

Properties held for development is classified as property under development at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the Group's operating cycle of 2 to 3 years.

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

2. Significant accounting policies (cont'd)

(i) Inventories (cont'd)

(ii) Properties under development

Properties under development comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. Borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Cost of properties under development not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value.

(iii) Completed properties

Completed properties held for sale are measured at the lower of cost and net realisable value. The cost of completed properties includes expenditures incurred in the acquisition of land, direct cost and appropriate proportions of common cost attributable to developing the properties to completion and borrowing costs.

(iv) Others

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

- Raw material: Purchase costs on a first-in-first-out/weighted average basis.
- Finished goods and work-in-progress: Costs of direct materials and labour, and a proportion of production overheads based on normal operating capacity. These costs are assigned on a first-in-first-out/weighted average basis.

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

(j) Non-current assets held for sale or distribution to owners

Non-current assets, or disposal group comprising assets and liabilities that are expected to be recovered primarily through sale or distribution to owners rather than through continuing use, are classified as held for sale or distribution.

Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group are measured at the lower of their carrying amount and fair value less costs of disposal.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

2. Significant accounting policies (cont'd)

(k) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(l) Impairment

(i) Financial assets

All financial assets (except for financial assets categorised as fair value through profit or loss, investments in subsidiaries, and investments in associates and joint ventures) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the impairment loss of the financial asset is estimated.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in the other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial 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.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

(ii) Other assets

The carrying amounts of other assets (except for inventories, deferred tax asset and investment property measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

2. Significant accounting policies (cont'd)

(l) Impairment (cont'd)

(ii) Other assets (cont'd)

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

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

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(m) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(iii) Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

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

2. Significant accounting policies (cont'd)

(n) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(o) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(p) Revenue and other income

(i) Revenue from property development

Revenue from property development is measured at the fair value of the consideration receivable and is recognised, in the profit or loss when significant risks and rewards of ownership have been transferred to the buyer based on the following key considerations:-

(a) the risks and rewards of the properties under development passes to the buyer on delivery in its entirety at a single time on vacant possession and not continuously as construction progresses;

(b) the Group entities maintain control over the properties under development during the construction period, i.e. the Group entities retain the obligation to construct the property in accordance with terms of the Sale and Purchase Agreement and correspondingly, construction risks is retained with the Group entities;

(c) the Sale and Purchase Agreement does not give the right to the buyer to take over the work-in-progress during construction; and

(d) the buyers have limited ability to influence the design of the property.

2. Significant accounting policies (cont'd)

(p) Revenue and other income (cont'd)

(ii) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

(iii) Services

Revenue from services rendered is recognised in profit or loss in the period the services provided to the customers.

(iv) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as other income.

(v) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(vi) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(vii) Management fee income

Management fee income from the provision of management services is recognised when services are rendered.

(q) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

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

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

2. Significant accounting policies (cont'd)

(r) Income tax

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

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

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

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2(h), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

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

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

(s) Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

(t) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

2. Significant accounting policies (cont'd)

(u) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment's results are reviewed regularly by the Group's chief operating decision maker, which in this case is the Exco Committee which comprises Executive Chairman, Executive Directors and Group Chief Financial Officer, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(v) Contingencies

(i) Contingent liabilities

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

(ii) Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statements of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

(w) Fair value measurements

Fair value of an asset or a liability, except for 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.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in the circumstances that caused the transfers.

3. Property, plant and equipment

Group	Land RM'000	Land improve-ments RM'000	Buildings RM'000	*Plant and equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Cost						
At 1 January 2014	156,982	–	945,076	401,188	37,233	1,540,479
Additions	8,172	1,722	22,908	68,513	17,665	118,980
Disposals	–	–	(99)	(7,907)	(99)	(8,105)
Written off	–	(410)	(5,854)	(17,670)	–	(23,934)
Reclassifications	26,435	26,582	(45,043)	25,410	(33,384)	–
Acquisition of subsidiaries	–	–	–	1,764	–	1,764
Disposal of a subsidiary	–	–	(36,578)	(8,193)	–	(44,771)
Assets fully depreciated reinstated	–	–	–	12,200	–	12,200
Effect of movements in exchange rates	(5,360)	(946)	(23,725)	(13,588)	(444)	(44,063)
At 31 December 2014/1 January 2015	186,229	26,948	856,685	461,717	20,971	1,552,550
Additions	–	158	295	7,389	31,717	39,559
Disposals	–	–	–	(777)	–	(777)
Written off	–	–	(1,647)	(2,257)	–	(3,904)
Reclassifications	–	–	6,175	25,066	(31,241)	–
Increase of share in joint operations	–	–	167	1,484	–	1,651
Disposal of a subsidiary	–	–	(902)	(406)	(80)	(1,388)
Effect of movements in exchange rates	17,939	2,659	82,547	46,132	2,053	151,330
At 31 December 2015	**204,168**	**29,765**	**943,320**	**538,348**	**23,420**	**1,739,021**

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

Group	Land RM’000	Land improve-ments RM’000	Buildings RM’000	*Plant and equipment RM’000	Capital work-in-progress RM’000	Total RM’000
Depreciation and impairment loss						
At 1 January 2014						
Accumulated depreciation	–	–	166,566	219,950	–	386,516
Accumulated impairment losses	709	–	153,626	6,072	–	160,407
	709	–	320,192	226,022	–	546,923
Depreciation for the year	–	2,007	20,050	32,276	–	54,333
Disposals	–	–	(99)	(6,966)	–	(7,065)
Written off	–	(281)	(1,023)	(12,710)	–	(14,014)
Reclassifications	(709)	13,082	(9,486)	(2,887)	–	–
Acquisition of subsidiaries	–	–	–	1,619	–	1,619
Disposal of a subsidiary	–	–	(23,210)	(7,989)	–	(31,199)
Assets fully depreciated reinstated	–	–	–	12,200	–	12,200
Reversal of impairment loss	–	(510)	–	(4,704)	–	(5,214)
Effect of movements in exchange rates	–	(448)	(8,924)	(6,678)	–	(16,050)
At 31 December 2014/1 January 2015						
Accumulated depreciation	–	7,989	165,146	228,821	–	401,956
Accumulated impairment losses	–	5,861	132,354	1,362	–	139,577
	–	13,850	297,500	230,183	–	541,533
Depreciation for the year	–	696	21,289	33,414	–	55,399
Disposals	–	–	–	(483)	–	(483)
Written off	–	–	(606)	(1,664)	–	(2,270)
Reclassifications	–	–	167	(167)	–	–
Increase of share in joint operations	–	–	8	1,219	–	1,227
Disposal of a subsidiary	–	–	(104)	(111)	–	(215)
Effect of movements in exchange rates	–	1,412	30,279	24,315	–	56,006
At 31 December 2015						
Accumulated depreciation	–	9,521	203,176	285,249	–	497,946
Accumulated impairment losses	–	6,437	145,357	1,457	–	153,251
	–	15,958	348,533	286,706	–	651,197

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

Group	Land RM'000	Land improve-ments RM'000	Buildings RM'000	*Plant and equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Carrying amounts						
At 1 January 2014	156,273	-	624,884	175,166	37,233	993,556
At 31 December 2014/1 January 2015	186,229	13,098	559,185	231,534	20,971	1,011,017
At 31 December 2015	204,168	13,807	594,787	251,642	23,420	1,087,824

* Plant and equipment comprise plant, machinery, office equipment, motor vehicles, furniture and fittings.

Company	*Plant and equipment RM'000
Cost	
At 1 January 2014	1,701
Disposals	(26)
Written off	(59)
At 31 December 2014/1 January 2015	1,616
Additions	2
At 31 December 2015	**1,618**
Depreciation	
At 1 January 2014	1,682
Depreciation for the year	1
Disposals	(10)
Written off	(57)
At 31 December 2014/1 January 2015	1,616
Depreciation for the year	–
At 31 December 2015	**1,616**
Carrying amounts	
At 1 January 2014	19
At 31 December 2014/1 January 2015	–
At 31 December 2015	**2**

* Plant and equipment comprise plant, machinery, office equipment, motor vehicles, furniture and fittings.

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

(i) Net carrying amounts of assets pledged as security for borrowings as disclosed in Note 20 are as follows:

	Group 2015 RM'000	Group 2014 RM'000
Land	**197,498**	171,410
Land improvements	**7,128**	7,399
Buildings	**544,731**	521,093
Plant and equipment	**220,311**	77,892
	969,668	777,794

(ii) The following are assets held by the Group which earn rental income under operating leases. The details of future annual rentals receivable under the operating leases are included in Note 35.

Group	Land and buildings RM'000
At 31 December 2015	
Cost	**215,541**
Accumulated depreciation	**(39,978)**
Net carrying amount	**175,563**
At 31 December 2014	
Cost	118,926
Accumulated depreciation	(14,985)
Net carrying amount	103,941

(iii) The carrying amount of plant, machinery, office equipment, furniture and motor vehicles held under hire purchase and finance leases as at the reporting date was RM127,000 (2014: RM89,000).

(iv) Included in the total carrying amounts of land are:

	Group 2015 RM'000	Group 2014 RM'000
Freehold land	**195,498**	178,334
Leasehold land with unexpired lease period of more than 50 years	**8,670**	7,895
Plant and equipment	**204,168**	186,229

(v) The Group's capital work-in-progress relates to refurbishment of hotels' assets.

4. Prepaid land lease payments

	Note	Group 2015 RM'000	Group 2014 RM'000
Long term leasehold land			
At 1 January		**–**	733
Disposal	30(b)	**–**	(733)
At 31 December		**–**	–

5. Investment properties

	Group 2015 RM'000	Group 2014 RM'000
At 1 January	**21,962**	18,449
Addition	**366,149**	–
Transfer from inventories	**–**	1,939
Capital expenditure capitalised	**27**	549
Fair value adjustment of investment properties	**–**	1,357
Disposal	**–**	(332)
Disposal of a subsidiary (Note 30(a))	**(2,984)**	–
Effect of movements in exchange rates	**31,784**	–
At 31 December	**416,938**	21,962

Included in the above are:

	Group 2015 RM'000	Group 2014 RM'000
At fair value		
Freehold land and buildings	**416,938**	20,023
At cost		
Building under construction	**–**	1,939
	416,938	21,962

On 18 December 2014, Norwest City Pty Limited, an indirect wholly-owned subsidiary of the Company entered into a Contract for the Sale of Land with Norwest Marketown Pty Limited as trustee for Norwest Lakeside Unit Trust ("Vendor") for the proposed acquisition of Norwest Marketown and certain surrounding lands located at Norwest Boulevard, Baulkham Hills, NSW, Australia from the Vendor for a total purchase consideration (inclusive of acquisition costs) of AUD127.1 million (equivalent to RM366.1 million). The said acquisition was completed on 27 February 2015.

5. Investment properties (cont'd)

Investment properties comprise a commercial property that is leased to third parties. Each of the leases contains an initial non-cancellable period of 2 to 20 years, with annual rents indexed to consumer prices (see Note 35). Subsequent renewals are negotiated with the lessee and on average renewal periods are 5 years. No contingent rents are charged.

Investment properties of the Group with a carrying amount of RM397,933,000 (2014: RM1,939,000 which was under construction work-in-progress) is pledged as a security for bank borrowings as disclosed in Note 20.

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2015 RM'000	**2014 RM'000**
Rental income	**21,427**	461
Direct operating expenses:		
- income generating investment properties	**6,550**	265
- non-income generating investment properties	**133**	123

5.1 Fair value information

Fair value of investment properties are categorised as follows:

	2015			2014		
Group	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**
Freehold land and buildings	**14,058**	**402,880**	**416,938**	14,052	5,971	20,023

Level 2 fair value

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

5. Investment properties (cont'd)

5.1 Fair value information (cont'd)

Level 3 fair value

The following table shows a reconciliation of Level 3 fair values:

		Group	
	Note	2015 RM'000	2014 RM'000
At 1 January		**5,971**	1,356
Addition		**366,149**	–
Disposal		**–**	(332)
Disposal of a subsidiary		**(1,024)**	–
Transfer into Level 3	a	**–**	4,947
Effect of movements in exchange rates		**31,784**	–
At 31 December		**402,880**	5,971

Note a – Transfer into Level 3
In 2013, this property was valued using the sales comparison approach, as there was a valuation report near reporting date, which resulted in a Level 2 fair value. In 2014, the Group estimated the fair value of the property based on market research on similar properties listed for sale within the same locality. The revised valuation technique for the property uses significant unobservable inputs. The fair value was therefore reclassified to Level 3.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
The Group estimates the fair value of certain investment properties based on the comparison of the Group's investment properties with similar properties that were listed for sale within the same locality or other comparable localities.	Market price of property in vicinity compared.	The estimated fair value would increase/(decrease) if market prices of property were higher/(lower).
The Group estimates the fair value of certain investment properties using the capitalisation rate methodology which considers the net passing income and percentage rent, present value of cost not paid by tenants and rental reversions capitalised at the core capitalisation rate.	Capitalisation rate of 6.38% and current passing base rentals.	The estimated fair value would increase/(decrease) if the expected capitalisation rate was (higher)/lower, and the current passing base rentals were higher/(lower).

5. Investment properties (cont'd)

5.1 Fair value information (cont'd)

Level 3 fair value (cont'd)

Valuation processes applied by the Group for Level 3 fair value

The fair value of investment properties is determined based on:

i) the comparison of the Group's investment properties with similar properties that were listed for sale within the same locality or other comparable localities; and

ii) internal valuation using the capitalisation rate method which is the rate of return on investment properties based on the income that the property is expected to generate.

Assessment of the fair values of the Group's investment properties is undertaken annually. The changes in Level 3 fair values are analysed by the management based on the assessment undertaken.

6. Investments in subsidiaries

	Company	
	2015 **RM'000**	**2014** **RM'000**
At cost		
Quoted shares in Malaysia	**–**	52,799
Unquoted shares in Malaysia	**414,017**	453,556
Foreign unquoted shares	**242,271**	242,271
	656,288	748,626
Less: Accumulated impairment losses	**(56,858)**	(56,858)
	599,430	691,768
Market value of quoted shares in Malaysia	**–**	55,144

Movement in the accumulated impairment losses are as follows:

	Company	
	2015 **RM'000**	**2014** **RM'000**
At 1 January/31 December	**56,858**	56,858

6. Investments in subsidiaries (cont'd)

Details of the subsidiaries are as follows:

Name of entity	Country of incorporation	Principal activities	Proportion of ownership interest 2015 %	2014 %
Subsidiaries of Mulpha International Bhd.				
Leisure Farm Corporation Sdn. Bhd.	Malaysia	Property development, property investment and resort operation	**100**	100
M Sky Services Sdn. Bhd.	Malaysia	Private air transportation services	**100**	100
Mulpha Land & Property Sdn. Bhd.	Malaysia	Property development	**100**	100
Mulpha Ventures Sdn. Bhd.	Malaysia	Licensed money lending and trading in securities	**100**	100
Mulpha Capital Holdings Sdn. Bhd.	Malaysia	Investment holding	**100**	100
Mulpha Far East Sdn. Bhd.	Malaysia	Investment holding	**100**	100
Mulpha Infrastructure Holdings Sdn. Bhd.	Malaysia	Investment holding	**100**	100
Thriven Global Berhad[2] (formerly known as Mulpha Land Berhad) ("Thriven") (listed on Bursa Securities)	Malaysia	Investment holding, property development	**–**	62
Mulpha Group Services Sdn. Bhd.	Malaysia	Investment holding and provision of management services	**100**	100
Mulpha SPV Limited	Malaysia (Labuan)	Issuance of medium term notes	**100**	100
Mulpha Australia Limited[1]	Australia	Investment holding	**100**	100
Rosetec Investments Limited[5]	British Virgin Islands	Investment holding	**100**	100
Subsidiaries of Leisure Farm Corporation Sdn. Bhd.				
Leisure Farm Horticulture Services Sdn. Bhd.	Malaysia	Maintenance and upkeep of landscape services	**100**	100
Leisure Farm Equestrian Sdn. Bhd.	Malaysia	Investment holding, property development and property investment	**100**	100
Leisure Farm Polo Club Berhad	Malaysia	Dormant	**100**	100

6. Investments in subsidiaries (cont'd)

Details of the subsidiaries are as follows (cont'd):

Name of entity	Country of incorporation	Principal activities	Proportion of ownership interest 2015 %	2014 %
Subsidiaries of Thriven Global Berhad				
Bukit Punchor Development Sdn. Bhd.[2]	Malaysia	Property development	–	70
Dynamic Unity Sdn. Bhd.[2]	Malaysia	Investment holding	–	100
Indahview Sdn. Bhd.[2]	Malaysia	Investment holding	–	100
MLB Quarry Sdn. Bhd.[2]	Malaysia	Licensing of a quarry plant	–	60
Mulpha Argyle Property Sdn. Bhd.[2]	Malaysia	Property development	–	51
Eco Green Services Sdn. Bhd.[2]	Malaysia	Maintenance services and facilities management services	–	100
Mulpha Properties (M) Sdn. Bhd.[2]	Malaysia	Property ownership and management	–	100
Mayfair Ventures Sdn. Bhd.[2]	Malaysia	Property development and property investment	–	51
Bakat Stabil Sdn. Bhd.[2]	Malaysia	Property development and property investment	–	100
Subsidiary of Dynamic Unity Sdn. Bhd.				
Golden Cignet Sdn. Bhd.[2]	Malaysia	Property development	–	100
Subsidiaries of Mulpha Capital Holdings Sdn. Bhd.				
Mulpha Capital Markets Sdn. Bhd.	Malaysia	Provision of corporate advisory and professional services and investment holding	**100**	100
Mulpha Capital Asset Management Sdn. Bhd.		Dormant	**70**	70
Subsidiary of Mulpha Capital Markets Sdn. Bhd.				
Mulpha Credit Sdn. Bhd.	Malaysia	Dormant	**100**	100

6. Investments in subsidiaries (cont'd)

Details of the subsidiaries are as follows (cont'd):

Name of entity	Country of incorporation	Principal activities	Proportion of ownership interest 2015 %	2014 %
Subsidiaries of Mulpha Group Services Sdn. Bhd.				
Mulpha Strategic Limited[5]	British Virgin Islands	Investment holding and funds management	**100**	100
Manta Equipment (Malaysia) Sdn. Bhd.	Malaysia	Dormant	**70**	70
Subsidiaries of Mulpha Australia Limited				
Bimbadgen Estate Pty. Limited[1]	Australia	Winery and vineyard	**100**	100
Mulpha Australia (Holdings) Pty. Limited[1]	Australia	Investment holding	**100**	100
Caldisc Pty. Limited[1]	Australia	Administration	**100**	100
Enacon Parking Pty. Limited[1]	Australia	Car park operator	**100**	100
HD Diesels Pty. Limited[1]	Australia	Investment holding and hotelier	**100**	100
Mulpha Investments Pty. Limited[1]	Australia	Investment holding	**100**	100
Mulpha Sanctuary Cove Pty. Limited[1]	Australia	Investment holding	**100**	100
Mulpha Hotel Investments (Australia) Pty. Limited[1]	Australia	Investment holding	**100**	100
Mulpha Hotel Management Pty. Limited[1]	Australia	Investment holding	**100**	100
Mulpha (Hotel Bonds) Group Pty. Limited[1]	Australia	Dormant	**100**	100
Mulpha Core Plus Trust[1]	Australia	Investment holding	**100**	100
Mulpha Core Plus Pty. Limited[1]	Australia	Trustee	**100**	100
Mulpha Education Group Pty. Limited[1]	Australia	Investment holding and administration	**100**	100
Norwest City Pty. Limited[1]	Australia	Trustee	**100**	100
MAL Hayman Pty. Limited[1] [4]	Australia	Management of construction contract refurbishments	**100**	–
Norwest Flexi Pty. Limited[1] [3]	Australia	Trustee	**100**	–
Mulpha Funds Management Pty. Limited[1] [3]	Australia	Dormant	**100**	–

6. Investments in subsidiaries (cont'd)

Details of the subsidiaries are as follows (cont'd):

Name of entity	Country of incorporation	Principal activities	Proportion of ownership interest 2015 %	2014 %
Subsidiaries of Mulpha Sanctuary Cove Pty. Limited				
Mulpha Sanctuary Cove (Developments) Pty. Limited[1]	Australia	Property ownership and development	**100**	100
Mulpha Sanctuary Cove International Boat Show Pty. Limited[1]	Australia	Boat show operator	**100**	100
Sanctuary Cove (Real Estate) Pty. Limited[1]	Australia	Investment holding	**100**	100
Mulpha Sanctuary Cove Hotel Operations Pty. Limited[1]	Australia	Hotelier	**100**	100
Mulpha Sanctuary Cove Marine Village Pty. Limited[1]	Australia	Property ownership	**100**	100
Mulpha Sanctuary Cove Marina Pty. Limited[1]	Australia	Marina operations	**100**	100
Mulpha Sanctuary Cove Hotel Investments Pty. Limited[1]	Australia	Land and property ownership	**100**	100
Subsidiaries of Mulpha Sanctuary Cove (Developments) Pty. Limited				
Mulpha Sanctuary Cove (Alpinia) Pty. Limited[1]	Australia	Land ownership	**100**	100
Mulpha SPV2 Pty Limited[1]	Australia	Dormant	**100**	100
Subsidiary of HD Diesels Pty. Limited				
Salzburg Apartments (Perisher Valley) Pty. Limited[1]	Australia	Investment holding	**100**	100
Subsidiaries of Mulpha Hotel Investments (Australia) Pty. Limited				
Mulpha Hotels Holdings Trust[1]	Australia	Investment holding	**100**	100
Mulpha Hotels Holdings Pty. Limited[1]	Australia	Trustee	**100**	100
Subsidiaries of Mulpha Hotels Holdings Trust				
Mulpha Hotels Australia Trust[1]	Australia	Investment holding	**100**	100
Mulpha Hotels Australia Pty. Limited[1]	Australia	Trustee	**100**	100

6. Investments in subsidiaries (cont'd)

Details of the subsidiaries are as follows (cont'd):

Name of entity	Country of incorporation	Principal activities	Proportion of ownership interest 2015 %	2014 %
Subsidiaries of Mulpha Australia (Holdings) Pty. Limited				
Mulpha Hotel (Sydney) Pty. Limited[1]	Australia	Trustee	**100**	100
Mulpha Transport House Pty. Limited[1]	Australia	Property ownership	**100**	100
Mulpha Hotel (Sydney) Trust[1]	Australia	Property ownership	**100**	100
Mulpha Hotel Operations Pty. Limited[1]	Australia	Hotelier	**100**	100
Subsidiary of Mulpha Investment Pty. Limited				
Mulpha Norwest Pty. Limited[1]	Australia	Property ownership and development	**100**	100
Subsidiary of Mulpha Education Group Pty. Limited				
iLead Training Pty. Limited[1]	Australia	Training organisation	**100**	100
Subsidiaries of Mulpha Hotels Australia Trust				
Mulpha Hotel Pty. Limited[1]	Australia	Hotelier	**100**	100
Mulpha Hotel Trust[1]	Australia	Property ownership and development	**100**	100
Subsidiaries of Mulpha Norwest Pty. Limited				
Norwest Real Estate Pty. Limited[1]	Australia	Property development	**100**	100
Mulpha SPV 3 Pty. Limited[1]	Australia	Dormant	**100**	100
Subsidiaries of Mulpha Hotel Trust				
Hotel Land Trust[1]	Australia	Land ownership	**100**	100
Mulpha Hotel Bonds (Holdings) Pty. Limited[1]	Australia	Investment holding	**100**	100
Bistrita Pty. Limited[1]	Australia	Trustee	**100**	100

6. Investments in subsidiaries (cont'd)

Details of the subsidiaries are as follows (cont'd):

Name of entity	Country of incorporation	Principal activities	Proportion of ownership interest 2015 %	2014 %
Subsidiary of Mulpha Hotel Bonds (Holdings) Pty. Limited				
Mulpha Hotel Bonds Pty. Limited[1]	Australia	Bond holder	**100**	100
Subsidiaries of Mulpha Core Plus Trust				
Norwest City Trust[1]	Australia	Property ownership and development	**100**	100
Flexi Trust[1] [3]	Australia	Property ownership and development	**100**	–
Subsidiaries of Mulpha Strategic Limited				
Jumbo Hill Group Limited[5]	British Virgin Islands	Investment holding	**100**	100
Flame Gold Group Limited[5]	British Virgin Islands	Investment holding	**100**	100
View Link Global Limited[5]	British Virgin Islands	Investment holding and consultancy services	**100**	100

[1] Subsidiaries audited by other member firms of KPMG International.
[2] Subsidiaries disposed of during the financial year. The financial impact of the Group is as disclosed in Note 30(a).
[3] Subsidiaries incorporated during the financial year.
[4] Subsidiaries acquired during the financial year.
[5] Not required to be audited pursuant to the relevant regulations of the country of incorporation.

6. Investments in subsidiaries (cont'd)

(a) Additional investments in subsidiaries

During the financial year, the Company made an additional investment of redeemable preference shares in a subsidiary amounting to RM50,000,000.

(b) Disposal of a subsidiary/Redemption of redeemable preference shares

During the financial year, the Company undertook the following transactions:

(i) Disposal of 75 million ordinary shares of Thriven with cost of investment of RM28,005,000. The disposal resulted in a gain of RM9,191,000 to the Company. The remaining of the cost of investment of RM24,794,000 was classified as investments in associates in the Company level. The effects of the disposal to the Group are disclosed in Note 30(a).

(ii) Net redemption of redeemable preference shares of certain existing subsidiaries amounting to RM89,540,000.

In the previous year, the Company undertook the following transactions:

(i) Disposal of its wholly-owned subsidiary, AF Investment Limited with cost of investment of RM1. The disposal resulted in a gain of RM30,962,000 to the Company. The effects of the disposal to the Group are disclosed in Note 30(b).

(ii) Redemption of redeemable preference shares of a subsidiary amounting to RM2,148,000.

Non-controlling interest in subsidiaries

The Group does not have subsidiaries with material non-controlling interests in the current year subsequent to the disposal of equity interest in Thriven as disclosed in Note 6(b)(i).

6. Investments in subsidiaries (cont'd)

Non-controlling interest in subsidiaries (cont'd)

The Group's subsidiaries that have material non-controlling interests ("NCI") in the previous year are as follows:

	Thriven Global Berhad*	Other subsidiaries with immaterial NCI	Total
2014			
NCI percentage of ownership interest and voting interest	38.07%		
Carrying amount of NCI (RM'000)	44,675	(329)	44,346
Profit allocated to NCI (RM'000)	140	271	411

Summarised financial information before intra-group elimination	
As at 31 December	**RM'000**
Non-current assets	55,154
Current assets	269,624
Non-current liabilities	(98,591)
Current liabilities	(85,385)
Net assets	140,802
Year ended 31 December	
Revenue	45,076
Profit for the year	5,225
Total comprehensive income	5,225
Cash flows from operating activities	21,647
Cash flows from investing activities	(9,276)
Cash flows from financing activities	(16,157)
Net decrease in cash and cash equivalents	(3,786)
Dividends paid to NCI	3,745

* Thriven Global Berhad was formally known as Mulpha Land Berhad

7. Investments in associates

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
At cost:				
Quoted shares in Malaysia	**75,037**	44,208	**22,926**	–
Unquoted shares in Malaysia	**55**	55	**–**	–
Foreign quoted shares	**1,226,874**	1,226,874	**–**	–
Foreign unquoted shares	**137,846**	137,846	**21,963**	21,963
Exchange difference	**233,257**	123,758	**–**	–
	1,673,069	1,532,741	**44,889**	21,963
Share of post-acquisition reserves	**(310,392)**	(342,921)	**–**	–
	1,362,677	1,189,820	**44,889**	21,963
Less: Accumulated impairment losses	**(8,330)**	(8,330)	**(20,456)**	(20,456)
	1,354,347	1,181,490	**24,433**	1,507
At market value:				
Quoted shares				
- In Malaysia	**178,776**	174,416	**36,837**	–
- Foreign	**1,293,271**	807,512	**–**	–
	1,472,047	981,928	**36,837**	–

Movement in the accumulated impairment losses account is as follows:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
At 1 January	**8,330**	12,530	**20,456**	17,851
(Reversal)/Charge for the year	**–**	(3,000)	**–**	2,605
Written off during the year	**–**	(1,200)	**–**	–
At 31 December	**8,330**	8,330	**20,456**	20,456

7. Investments in associates (cont'd)

Details of the associates are as follows:

Name of entity	Country of incorporation	Principal activities	Proportion of ownership interest 2015 %	2014 %
Held by Mulpha International Bhd.				
Rotol Singapore Ltd.[(2)]	Singapore	Investment holding	**38.00**	38.00
Thriven Global Berhad[(3)] (formerly known as Mulpha Land Berhad) ("Thriven")	Malaysia	Investment holding, property development and property investment	**24.45**	–
Held through Mulpha Infrastructure Holdings Sdn. Bhd.				
Mudajaya Group Berhad ("Mudajaya")	Malaysia	Building contractor and civil engineering	**22.34**	22.34
Held through Mulpha Australia Limited				
AVEO Group[(2)] ("AVEO")	Australia	Ownership and management of retirement villages and property development	**2.65**	2.74
Held through Rosetec Investments Limited				
AVEO [(2)]	Australia	Ownership and management of retirement villages and property development	**22.81**	23.52
Held through View Link Global Limited				
New Pegasus Holdings Limited[(1)] ("New Pegasus")	British Virgin Island	Investment holding	**33.00**	33.00

(1) Associates audited by other member firms of KPMG International.
(2) Associates not audited by other member firms of KPMG International.
(3) Subsidiary which became an associate during the financial year upon partial disposal of equity interest as disclosed in Note 30(a).

7. Investments in associates (cont'd)

The following table summarises the information of the Group's associates and reconciles the information to the carrying amount of the Group's interest in the associates:

Group **2015**	**AVEO** **RM'000**	**Mudajaya** **RM'000**	**New Pegasus** **RM'000**	**Thriven** **RM'000**
Summarised financial information				
As at 31 December				
Non-current assets	**9,736,178**	**871,254**	**757,150**	**65,637**
Current assets	**902,066**	**1,169,716**	**71,874**	**334,830**
Non-current liabilities	**(1,085,797)**	**(404,791)**	**(410,759)**	**(107,881)**
Current liabilities	**(4,635,843)**	**(546,197)**	**(30,696)**	**(129,678)**
Net assets	**4,916,604**	**1,089,982**	**387,569**	**162,908**
Year ended 31 December				
Profit	**272,728**	**2,392**	**22,580**	**376**
Other comprehensive income	**1,460**	**5,960**	**522**	**–**
Total comprehensive income	**274,188**	**8,352**	**23,102**	**376**
Included in the total comprehensive income is:				
Revenue	**1,281,880**	**543,509**	**154,026**	**56,810**

7. Investments in associates (cont'd)

The following table summarises the information of the Group's associates and reconciles the information to the carrying amount of the Group's interest in the associates (cont'd):

Group **2015**	**AVEO** **RM'000**	**Mudajaya** **RM'000**	**New Pegasus** **RM'000**	**Thriven** **RM'000**	**Other immaterial associates** **RM'000**	**Total** **RM'000**
Reconciliation of net assets to carrying amount as at 31 December						
Group's share of net assets	**937,180**	**252,340**	**128,205**	**34,304**	**2,318**	**1,354,347**
Group's share of results for the year ended 31 December						
Group's share of profit/(loss)	**70,716**	**(456)**	**(884)**	**1,080**	**123**	**70,579**
Group's share of other comprehensive income	**640**	**1,343**	**2,773**	**–**	**966**	**5,722**
Group's share of total comprehensive income	**71,356**	**887**	**1,889**	**1,080**	**1,089**	**76,301**
Other information						
Dividends received	**20,529**	**–**	**17,811**	**–**		

7. Investments in associates (cont'd)

The following table summarises the information of the Group's associates and reconciles the information to the carrying amount of the Group's interest in the associates (cont'd):

Group **2014**	**AVEO** **RM'000**	**Mudajaya** **RM'000**	**New Pegasus** **RM'000**
Summarised financial information			
As at 31 December			
Non-current assets	8,531,190	891,779	679,794
Current assets	942,495	960,225	60,206
Non-current liabilities	(1,056,495)	(410,513)	(352,950)
Current liabilities	(4,257,045)	(355,821)	(15,049)
Net assets	4,160,145	1,085,670	372,001
Year ended 31 December			
Profit/(Loss)	153,105	(70,462)	29,235
Other comprehensive income/(expense)	3,135	1,424	(8,402)
Total comprehensive income/(expense)	156,240	(69,038)	20,833
Included in the total comprehensive income is:			
Revenue	1,331,140	1,050,805	103,741

7. Investments in associates (cont'd)

The following table summarises the information of the Group's associates and reconciles the information to the carrying amount of the Group's interest in the associates (cont'd):

Group 2014	AVEO RM'000	Mudajaya RM'000	New Pegasus RM'000	Other immaterial associates RM'000	Total RM'000
Reconciliation of net assets to carrying amount as at 31 December					
Group's share of net assets	806,016	251,453	122,793	1,228	1,181,490
Group's share of results for the year ended 31 December					
Group's share of profit/(loss)	41,828	(15,613)	9,647	(2,160)	33,702
Group's share of other comprehensive income/(expense)	689	2,670	(2,773)	(3,353)	(2,767)
Group's share of total comprehensive income/(expense)	42,517	(12,943)	6,874	(5,513)	30,935
Other information					
Dividends received	14,954	10,826	–		

7. Investments in associates (cont'd)

(i) On 9 March 2015, Thriven was regarded as an associated company of the Group and the Company subsequent to the Call Option exercise as mentioned in Note 30(a). The effect of the Call Option exercise reduced the Group's and the Company's shareholding in Thriven from 61.93% to 29.08%.

On 17 April 2015, the Group and the Company further disposed of 5 million ordinary shares of Thriven with cost of investment of RM2,479,000 and RM1,868,000 respectively which reduced the Group's and the Company's shareholding in Thriven from 29.08% to 26.89%. This resulted in a gain on partial disposal of RM1,411,000 and RM2,023,000 at the Group level and the Company level respectively.

Subsequently, on 25 June 2015, Thriven had placed out 10% of its issued shares to third parties via a private placement. Consequently, the Group's and the Company's shareholding in Thriven was diluted from 26.89% to 24.45%. This resulted in a gain on dilution of interest in associate amounting to RM2,395,000 at the Group level.

(ii) On 29 May 2015, AVEO placed out 3.19% of its issued shares to third parties. Consequently, the Group's shareholding in AVEO was diluted from 26.26% to 25.46%. This resulted in a gain on dilution of interest in associate amounting to RM7,440,000 at the Group level.

(iii) View Link Global Limited, a wholly-owned subsidiary of Mulpha Strategic Limited which is wholly-owned by Mulpha Group Services Sdn. Bhd. and is in turn a wholly-owned subsidiary of the Company, had on 20 February 2014 subscribed for 33 shares of US$1.00 each, representing 33% of the share capital of New Pegasus Holdings Limited, a company incorporated in the British Virgin Islands for a total consideration of GBP21.34 million (equivalent to approximately RM115.88 million). The principal activity of New Pegasus Holdings Limited is investment holding which owns a property in London through its wholly-owned subsidiary.

(iv) The quoted shares of a foreign associate with a carrying value of RM937,180,000 (2014: RM806,016,000) are pledged as security for other borrowings as disclosed in Note 20.

8. Investments in joint ventures

	Note	Group 2015 RM'000	Group 2014 RM'000
Unquoted shares at cost		**3,040**	3,016
Add: Share of post-acquisition profit		**9,145**	-
Exchange differences		**613**	(482)
		12,798	2,534
The movements of investments in joint ventures are as follows:			
Carrying amount at 1 January		**2,534**	157,557
Addition		**24**	–
Disposal of interest in a joint venture	38(ii)	**–**	(169,145)
Share of net result from investment in joint ventures		**9,291**	5,191
Dividend received		**(146)**	–
Exchange differences		**1,095**	8,931
Carrying amount at 31 December		**12,798**	2,534

Details of the joint ventures are as follows:

Name of entity	Country of incorporation	Principal activities	Effective ownership interest 2015 %	Effective ownership interest 2014 %
Held through Mulpha Sanctuary Cove (Management) Pty. Limited				
SC Realty Pty. Limited[1]	Australia	Real estate agency	**50.00**	50.00
Held through Mulpha Norwest Pty. Limited				
Spamb Pty. Limited[1] [2]	Australia	Property developer	**60.00**	–
Held through Mulpha Credit Sdn. Bhd.				
Mondrian Real Estate Services Sdn. Bhd. (formerly known as Mondrian Property Consultants Sdn. Bhd.)[1] [2]	Malaysia	Providing real estate project marketing and brokerage services	**45.00**	–

[1] Joint ventures not audited by other member firms of KPMG International.
[2] Joint ventures acquired during the financial year.

8. Investments in joint ventures (cont'd)

The following tables summarise the financial information of joint ventures and also reconcile the summarised financial information to the carrying amount of the Group's interests in joint ventures, which is accounted for using the equity method.

	Group	
	2015 RM'000	**2014 RM'000**
Summarised financial information		
As at 31 December		
Non-current assets	**17**	43
Current assets	**26,998**	576
Current liabilities	**(10,412)**	(137)
	16,603	482
Year ended 31 December		
Total comprehensive income	**15,764**	5,191
Included in the total comprehensive income is:		
Revenue	**28,099**	54,074
Reconciliation of net assets to carrying amount as at 31 December		
Group's share of net assets	**12,798**	2,534
Group's share of results for the year ended 31 December		
Group's share of total comprehensive income	**9,291**	5,191
Other information		
Cash dividends received by the Group	**146**	–

9. Investment securities

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Non-current				
Available-for-sale financial assets				
Foreign quoted shares	**112**	78,516	**–**	–
Unquoted shares				
- In Malaysia	**1,000**	1,000	**1,000**	1,000
- Foreign	**44**	8,931	**43**	43
	1,156	88,447	**1,043**	1,043
Current				
Financial assets at fair value through profit or loss				
Quoted shares				
- In Malaysia	**431**	491	**–**	–
- Foreign	**2,085**	1,945	**–**	–
Unquoted investment funds	**–**	4,246	**–**	–
	2,516	6,682	**–**	–
	3,672	95,129	**1,043**	1,043
Market value of quoted investments	**2,628**	80,952	**–**	–

The current investment securities with a carrying value of RM2,516,000 (2014: RM6,682,000) are pledged to financial institutions for credit facilities granted to subsidiaries as disclosed in Note 20.

10. Other investments

Group	Club memberships RM'000	Investments in works of art RM'000	Total RM'000
At 1 January 2014	959	4,102	5,061
Additions	–	19	19
At 31 December 2014/1 January 2015/ 31 December 2015	**959**	**4,121**	**5,080**

Company	Club memberships RM'000	Investments in works of art RM'000	Total RM'000
At 1 January 2014	930	4,102	5,032
Additions	–	19	19
At 31 December 2014/1 January 2015/ 31 December 2015	**930**	**4,121**	**5,051**

11. Goodwill

Group	Goodwill on consolidation RM'000	Purchased goodwill RM'000	Total RM'000
At 1 January 2014	8,921	198	9,119
Exchange differences	–	(6)	(6)
At 31 December 2014/1 January 2015	8,921	192	9,113
Disposal of a subsidiary (Note 30(a))	(6,409)	–	(6,409)
Exchange differences	–	18	18
At 31 December 2015	**2,512**	**210**	**2,722**

11. Goodwill (cont'd)

Impairment tests for goodwill

Allocation of goodwill

Goodwill has been allocated to the Group's CGUs identified according to country of operation and business segment as follows:

	Malaysia RM'000	Australia RM'000	Total RM'000
At 31 December 2015			
Boat show	**–**	**210**	**210**
Investment business	**2,512**	**–**	**2,512**
	2,512	**210**	**2,722**
At 31 December 2014			
Boat show	–	192	192
Investment business	2,512	–	2,512
Property development	6,409	–	6,409
	8,921	192	9,113

11. Goodwill (cont'd)

Key assumptions used

Property development segment

In the previous year, the recoverable amount of the CGU was determined based on the value in use ("VIU") calculation. The VIU was calculated using the pre-tax cash flow projections based on financial budgets approved by management. VIU was determined by discounting the future cash flows generated from the development of properties of the CGU and was based on the following key assumptions:

i) Cash flows projected were based on the gross development value of projects planned and that there will be continual demand for quality residential properties; and

ii) The pre-tax discount rates of 6% was applied in discounting the cash flows and were based on the estimated cost of funds of the CGU.

The values assigned to the key assumptions represent management's assessment of future trends in the industry and were based on both external sources and internal sources (historical data).

Based on the impairment test undertaken, no additional impairment loss was required to be recognised.

The above estimates were particularly sensitive in the following areas:

i) Fluctuations in future planned revenues and development costs arising from fluctuations in raw material costs and constructions costs; and

ii) Fluctuations in the discount rate used and general interest rates.

Investment business segment

The recoverable amount of quoted securities held is determined based on observable market prices, less costs to sell.

Where there is no observable market price for unquoted securities, recoverable amount is determined based on the VIU calculation, using pre-tax cash flow projections over a 3 to 5 year period. Pre-tax discount rate of 6% (2014: 6%) is applied in discounting the cash flows and was based on the estimated cost of funds of the CGU.

These estimates are sensitive towards fluctuations in the discount rate and general interest rates.

Based on the impairment test undertaken, no additional impairment loss is required to be recognised.

12. Inventories

	Group 2015 RM'000	Group 2014 RM'000
Non-current assets		
Properties held for development		
- Cost of acquisition for freehold land	**460,939**	401,561
- Capitalised development cost	**184,621**	412,281
Total non-current inventories	**645,560**	813,842
Current assets		
Properties under development		
- Cost of acquisition for freehold land	**176,831**	261,835
- Capitalised development cost	**484,934**	236,822
	661,765	498,657
Completed properties	**42,964**	74,730
Finished goods	**3,118**	3,345
Work-in-progress	**7,818**	7,543
Other consumables	**9,722**	8,914
	63,622	94,532
Total current inventories	**725,387**	593,189
Total inventories	**1,370,947**	1,407,031

Included in properties under development of the Group is interest capitalised during the financial year amounting to RM2,227,000 (2014: RM10,398,000).

Certain properties held for development and properties under development amounting to RM886,196,000 (2014: RM603,444,000) are pledged to financial institutions as security for banking facilities granted as disclosed in Note 20.

13. Trade and other receivables

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Non-current					
Non-trade					
Amount due from a subsidiary	13.1	**–**	–	**362,643**	308,368
		–	–	**362,643**	308,368
Current					
Trade					
Trade receivables	13.2	**80,820**	87,053	**–**	–
Less: Allowance for impairment losses		**(1,405)**	(5,389)	**–**	–
		79,415	81,664	**–**	–
Accrued billings	13.3	**5,174**	–	**–**	–
		84,589	81,664	**–**	–
Non-trade					
Other receivables		**142,900**	173,658	**103,306**	103,315
Less: Allowance for impairment losses	13.4	**–**	(1,315)	**–**	–
		142,900	172,343	**103,306**	103,315
Deposits		**5,837**	6,703	**48**	125
Amounts due from associates		**244**	–	**22**	–
Amounts due from subsidiaries	13.1	**–**	–	**785,637**	571,629
		148,981	179,046	**889,013**	675,069
		233,570	260,710	**889,013**	675,069
Total trade and other receivables		**233,570**	260,710	**1,251,656**	983,437

13. Trade and other receivables (cont'd)

13.1 Amounts due from subsidiaries

Company	2015 RM'000	2014 RM'000
Bearing interest	**452,397**	289,987
Non-interest bearing	**695,883**	590,010
	1,148,280	879,997

The non-interest bearing amounts due from subsidiaries are unsecured and receivable on demand.

The non-current amount due from a subsidiary consist of the following:

(i) Foreign unquoted cumulative redeemable preference shares ("CRPS") amounted to RM253,246,000 (2014: RM230,591,000) owing by Mulpha Australia Limited ("MAL"), a wholly owned subsidiary of the Company. The Company has no intention of holding them to maturity nor converting them to equity. The CRPS is subject to dividend of 9.50% (2014: 9.50%) per annum.

(ii) Unsecured loan owing by MAL amounted to RM40,821,000 (2014: RM33,630,000) is subject to interest of 7.00% (2014: 7.00%) per annum; and

(iii) Remaining amount owing by MAL was accrued dividend payables on CRPS and interest on the unsecured loan as mentioned in Note 13.1(i) and 13.1(ii) respectively.

The current amounts due from subsidiaries are unsecured, non-interest bearing and receivable on demand except for amounts due from subsidiaries amounting to RM14,564,000 (2014: RM25,766,000) and RM143,766,000 (2014: Nil) which are subject to interest of 4.05% (2014: 4.05%) per annum and 8.50% (2014: Nil) per annum respectively.

13.2 Trade receivables

Included in trade receivables of the Group in the current year is an amount of RM716,000 due from an associate company of the Group. The amount is subject to normal trade terms.

13.3 Accrued billings

The accrued billings represent the amount due from customers of which services have been rendered but billings have yet to be issued. Included in accrued billings of the Group in the current year are amounts of RM524,000 due from an associate company of the Group, RM1,380,000 due from a company related to a director of the Company and RM2,754,000 due from a company related to a person connected to a director of the Company.

13. Trade and other receivables (cont'd)

13.4 Allowance for impairment losses

The movements in the allowance for impairment losses of other receivables during the financial year were:

Group	Individually impaired 2015 RM'000	2014 RM'000
At 1 January	**1,315**	7,243
Charge for the year	**–**	449
Bad debts written off	**–**	(308)
Reversal of impairment loss	**–**	(6,069)
Disposal of a subsidiary	**(1,315)**	–
At 31 December	**–**	1,315

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

14. Other non-current assets

	Group 2015 RM'000	2014 RM'000
Prepayments and others	**14,742**	18,469

15. Deferred tax assets

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

Group	Assets 2015 RM'000	Assets 2014 RM'000	Liabilities 2015 RM'000	Liabilities 2014 RM'000	Net 2015 RM'000	Net 2014 RM'000
Inventories	**12,963**	10,645	**–**	–	**12,963**	10,645
Provision for liabilities and other payables	**20,456**	16,768	**–**	–	**20,456**	16,768
Unabsorbed capital allowances	**36,451**	31,835	**–**	–	**36,451**	31,835
Fair value adjustment	**–**	365	**(268)**	–	**(268)**	365
Tax losses	**33,759**	33,938	**–**	–	**33,759**	33,938
Accelerated capital allowances	**–**	–	**(21,564)**	(20,875)	**(21,564)**	(20,875)
Receivables and others	**–**	–	**(22,041)**	(18,926)	**(22,041)**	(18,926)
Tax assets/(liabilities)	**103,629**	93,551	**(43,873)**	(39,801)	**59,756**	53,750
Set off of tax	**(43,873)**	(39,801)	**43,873**	39,801	**–**	–
Net tax assets/(liabilities)	**59,756**	53,750	**–**	–	**59,756**	53,750

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Unutilised tax losses	**103,090**	109,988	**335**	335
Unabsorbed capital allowances	**7,134**	7,134	**3,646**	3,646
Other deductible temporary differences	**11,491**	49,920	**–**	–
	121,715	167,042	**3,981**	3,981

15. Deferred tax assets (cont'd)

Unrecognised deferred tax assets (cont'd)

The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available in subsidiaries against which the Group can utilise the benefits there from.

Pursuant to guidelines issued by the Malaysian tax authorities in 2008, the Ministry of Finance ("MOF") has exempted all companies from the provision of Section 44(5A) and Paragraph 75A of Schedule 3 except dormant companies. Therefore, all active subsidiaries are allowed to carry forward their unabsorbed capital allowances and business losses.

The components and movements of deferred tax assets and liabilities during the financial year are as follows:

	Note	Group 2015 RM'000	Group 2014 RM'000
At 1 January		**53,750**	23,915
Recognised in profit or loss		**4,283**	(9,364)
Realisation upon acquisition of remaining shares in a former joint venture	38(ii)	**–**	38,192
Acquisition of subsidiaries	38(ii)	**–**	3,763
Disposal of a subsidiary	30(a)	**(2,502)**	–
Exchange adjustments		**4,225**	(2,756)
At 31 December		**59,756**	53,750

16. Other current assets

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Prepayments	**26,658**	18,360	**182**	31

17. Cash and cash equivalents

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Cash and bank balances	**247,521**	193,187	**16**	57
Deposits with licensed banks	**292,379**	407,609	**–**	–
	539,900	600,796	**16**	57

17. Cash and cash equivalents (cont'd)

Bank balances and deposits amounting to RM383,855,000 (2014: RM492,182,000) of the Group are pledged to licensed banks as security for banking facilities granted to certain subsidiaries and the Company as disclosed in Note 20.

Included in the cash and bank balances of the Group is an amount of RM13,000 (2014: RM5,363,000) maintained under the Housing Developers Accounts pursuant to the Housing Developers (HDA) Regulations 1991, which are restricted from use in other operations.

An amount of RM2,803,000 (2014: RM2,515,000) held in an interest reserve account by a subsidiary was pledged to the bank for borrowings by the Group as disclosed in Note 20.

The weighted average effective interest rates as at 31 December 2015 for the Group was 0.5% (2014: 0.5%) per annum.

The average maturities of fixed deposits for the Group as at reporting date was 71 days (2014: 28 days).

18. Share capital and treasury shares

Share capital

	Group and Company			
	Amount 2015 RM'000	**Number of shares 2015 '000**	**Amount 2014 RM'000**	**Number of shares 2014 '000**
Authorised:				
Ordinary shares of RM0.50 each	**2,000,000**	**4,000,000**	2,000,000	4,000,000

	Group and Company			
	Number of ordinary shares of RM0.50 each		Amount	
	Share capital '000	**Treasury shares '000**	**Share capital RM'000**	**Treasury shares RM'000**
Issued and fully paid:				
At 1 January 2014	2,355,913	(222,049)	1,177,957	(92,049)
Purchase of treasury shares	–	(150)	–	(66)
At 31 December 2014/ 1 January 2015	**2,355,913**	**(222,199)**	**1,177,957**	**(92,115)**
Purchase of treasury shares	**–**	**(60)**	**–**	**(22)**
At 31 December 2015	**2,355,913**	**(222,259)**	**1,177,957**	**(92,137)**

18. Share capital and treasury shares (cont'd)

(a) Share capital

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

(b) Treasury shares

Under the Company's current share buyback scheme approved by its shareholders, the Company proposed to purchase up to a maximum of 235,591,315 ordinary shares of RM0.50 each. The purpose of the scheme is to allow the Company to buy back its shares when the market does not fully reflect the value of its shares.

As at 31 December 2015, the details of the Company's share purchase are as follows:

		Number of shares purchased	Total cosnsideration RM'000	Average price* RM
2010	Purchased	11,055,700	5,442	0.490
2011	Purchased	33,333,500	13,910	0.417
2012	Purchased	114,396,400	46,903	0.410
2013	Purchased	63,264,200	25,794	0.408
2014	Purchased	150,000	66	0.440
2015	Purchased	**60,000**	**22**	**0.367**
		222,259,800	**92,137**	

During the financial year, the Company purchased 60,000 shares from the open market, as follows:

Month	Number of shares purchased	Total consideration RM'000	Highest price RM	Lowest price RM	Average price* RM
March	50,000	19	0.383	0.383	0.383
September	10,000	3	0.290	0.290	0.290
	60,000	22			

* The average price includes transaction costs.

The purchases of shares were funded by internal funds. The shares purchased have been retained as treasury shares.

Of the total 2,355,913,158 (2014: 2,355,913,158) issued and fully paid ordinary shares as at 31 December 2015, 222,259,800 (2014: 222,199,800) are held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

19. Reserves

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-distributable				
Exchange reserve	**209,632**	124,246	**–**	–
Capital reserve	**101,763**	117,727	**108,228**	108,228
Other reserve	**(5,787)**	18,824	**107**	107
	305,608	260,797	**108,335**	108,335

The movements in reserves are shown in the statements of changes in equity.

The nature and purpose of each category of reserve are as follows:

(a) Exchange reserve

The exchange reserve represents foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries as well as from the translation of foreign currency loans used to hedge the investments in foreign subsidiaries.

(b) Capital reserve

This reserve includes:

(i) reserve arising from the cancellation of treasury shares representing the nominal value of the shares repurchased and cancelled;

(ii) reserve arising from the capitalisation of bonus issue of a certain subsidiary; and

(iii) changes in ownership interests in subsidiaries.

(c) Other reserve

Other reserve comprises mainly share of post acquisition reserve of associates and available-for-sale reserve.

20. Loans and borrowings

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Non-current				
Finance lease liabilities				
- secured	**8,777**	8,004	**–**	–
Bonds - secured	**101,939**	620,189	**–**	–
Term loans				
- secured	**821,625**	166,455	**–**	–
	932,341	794,648	**–**	–
Current				
Finance lease liabilities				
- secured	**148**	132	**–**	–
Bank overdraft				
- secured	**1,422**	2,162	**174**	366
Bonds - secured	**647,170**	3,150	**–**	–
Revolving credit				
- secured	**226,483**	210,862	**81,000**	56,000
Term loans				
- secured	**432,821**	941,648	**–**	–
- unsecured	**6,639**	5,125	**–**	–
	1,314,683	1,163,079	**81,174**	56,366
Total borrowings	**2,247,024**	1,957,727	**81,174**	56,366

(a) Obligations under finance lease:

These obligations are secured by the leased assets as disclosed in Note 3. The finance lease and hire purchase payables were subjected to interest ranging from 5.5% to 8.6% (2014: 7.0% to 8.6%) per annum during the financial year.

(b) The bank overdrafts, revolving credit and term loans are secured by the following:

(i) Corporate guarantees by the Company and certain of its subsidiaries;

(ii) Pledge of land, buildings and plant and equipment of certain subsidiaries, as disclosed in Note 3(i);

(iii) Pledge of investment properties with a carrying amount of RM397,933,000 (2014: RM1,939,000) as disclosed in Note 5;

20. Loans and borrowings (cont'd)

(b) The bank overdrafts, revolving credit and term loans are secured by the following (cont'd):

(iv) Pledge over quoted shares of a foreign associate as disclosed in Note 7(iv);

(v) Pledge over current investment securities as disclosed in Note 9;

(vi) Pledge of inventories of certain subsidiaries as disclosed in Note 12;

(vii) Deposits of the Company and certain subsidiaries and an interest reserve account of a subsidiary, as disclosed in Note 17;

(viii) Floating charge over assets of certain subsidiaries; and

(ix) In the previous financial year, term loans included a loan of RM81.27 million and a bank overdraft of RM2.15 million obtained by a subsidiary whereby the 49% joint venture partners had agreed to indemnify and reimburse the subsidiary for its share of any losses incurred by the subsidiary.

(c) Bonds

(i) In the previous financial year, a subsidiary in Labuan issued medium term notes amounting to USD90 million with interest rate of 8% per annum which is fully repayable in September 2016. This subsidiary also issued medium term notes amounting to USD60 million with interest rate of 8.5% per annum in 2013 which is repayable in full in November 2016. Both the bonds are secured by corporate guarantee by the Company.

(ii) A subsidiary in Australia issued bonds in 1999 for a term of 30 years. The bond has an effective interest rate of 7.90% (2014: 8.17%) per annum and is payable quarterly in arrears. These bonds are secured against the freehold land of a subsidiary as disclosed in Note 3(i).

(d) Finance lease liabilities

Finance lease liabilities are payables as follows:

Group	Future minimum lease payments 2015 RM'000	Interest 2015 RM'000	Present value of minimum lease payments 2015 RM'000	Future minimum lease payments 2014 RM'000	Interest 2014 RM'000	Present value of minimum lease payments 2014 RM'000
Less than one year	**168**	**20**	**148**	161	29	132
Between one and five years	**110**	**3**	**107**	259	150	109
More than five years	**8,670**	**–**	**8,670**	7,895	–	7,895
	8,948	**23**	**8,925**	8,315	179	8,136

21. Trade and other payables

	Group		Company	
	2015 RM'000	2014 RM'000	**2015 RM'000**	2014 RM'000
Non-current				
Non-trade				
Other payables	**13,431**	13,491	**–**	–
Current				
Trade				
Trade payables	**47,822**	62,327	**–**	–
Non-trade				
Other payables	**147,852**	138,773	**847**	885
Amounts due to related parties				
- Non-controlling interests of a subsidiary	**–**	2,142	**–**	–
- A company related to person connected to a director	**–**	8,375	**–**	–
- Subsidiaries	**–**	–	**1,240**	1,205
- Associate	**–**	18,967	**–**	–
- Deferred revenue	**68,769**	41,461	**–**	2,000
	264,443	272,045	**2,087**	4,090
Total trade and other payables	**277,874**	285,536	**2,087**	4,090

21. Trade and other payables (cont'd)

(a) Trade payables

These are generally non-interest bearing. The normal credit terms granted to the Group range from 30 to 90 days.

(b) Amounts due to related parties

(i) In the previous financial year, the amounts due to non-controlling interests and a company related to a person connected to a director of a subsidiary borne interest at 6.5% per annum, was unsecured and repayable on demand. The amounts were fully repaid in the current financial year.

(ii) Amounts due to subsidiaries are non-interest bearing, unsecured and repayable on demand.

(iii) In the previous financial year, the amount due to an associated company borne interest at 8.0% per annum, was unsecured and repayable by 7 June 2015.

(c) Other payables

The amounts are non-interest bearing and are normally settled on commercial terms except for the non-current portion where the amount due is not expected to be repaid within twelve months.

(d) Deferred revenue

Included in deferred revenue of the Group is an amount of RM66,904,000 (2014: RM39,461,000) arising from the disposal of development properties to third parties (2014: 2 parcels of land to an associated company). The balance of RM2,000,000 in the previous year relates to the call option agreement entered into between the Company with Teladan Kuasa Sdn. Bhd. with expiry date on 16 May 2015. See Note 30(a).

22. Provision for liabilities

	Note	Group 2015 RM'000	Group 2014 RM'000
Provision for staff benefits	(a)	**17,480**	15,935
Others		**8,171**	6,609
		25,651	22,544
Analysed as:			
Current		**23,426**	20,365
Non-current		**2,225**	2,179
		25,651	22,544

(a) Provision for staff benefits

	2015 RM'000	2014 RM'000
At 1 January	**15,935**	14,210
Provision for the year	**14,052**	12,269
Acquisition of subsidiaries (Note 38(ii))	**–**	984
Payments during the year	**(14,071)**	(10,531)
Exchange adjustments	**1,564**	(997)
At 31 December	**17,480**	15,935

Provision for staff benefits accrues to employees in subsidiaries in Australia who are entitled to a two-month paid leave after having served ten years of continuous employment.

23. Other current liabilities

	Group 2015 RM'000	Group 2014 RM'000
Deferred revenue - advance billings on property sales	**6,604**	14,801

24. Derivative liabilities

	Group 2015 RM'000	Group 2014 RM'000
Derivatives held for market trading at fair value		
- Forward exchange contracts	–	4,628
- Currency options contracts	–	300
	–	4,928

Forward exchange and currency option contracts are used to manage the foreign currency exposures arising from the Group's receivables and payables denominated in currencies other than functional currencies of Group entities. All the forward exchange and currency options have maturities less than one year after the end of the reporting period. Where necessary, the forward exchange contracts and currency options contracts are rolled over at maturity.

25. Revenue

	Continuing operations		Discontinued operation (see Note 30)		Total	
Group	**2015 RM'000**	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Sale of goods	**–**	243	**–**	–	**–**	243
Performance of services	**479,868**	390,276	**–**	2,697	**479,868**	392,973
Sale of properties	**388,586**	565,602	**–**	–	**388,586**	565,602
Rental income	**18,519**	–	**–**	–	**18,519**	–
Interest income from money lending activities	**1,666**	2,561	**–**	–	**1,666**	2,561
	888,639	958,682	**–**	2,697	**888,639**	961,379
Company						
Dividends	**26,581**	40,663	**–**	–	**26,581**	40,663

26. Other income

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Bad debts recovered	**14**	18	**14**	8
Dividend income:				
- Foreign unquoted shares	**18**	2,693	**–**	–
- Foreign quoted shares	**1**	26	**–**	–
Fair value adjustment of investment properties	**–**	1,357	**–**	–
Fair value gain on financial assets at fair value through profit or loss	**–**	2,249	**–**	–
Gain on dilution of interests in associates	**9,835**	–	**–**	–
Gain on disposal of assets classified as held for sale	**–**	13,854	**–**	–
Gain on disposal of an investment property	**–**	68	**–**	–
Gain on disposal of investment securities	**4,152**	945	**–**	–
Gain on disposal of property, plant and equipment	**29**	1,166	**–**	–
Gain on foreign exchange:				
- Realised	**59,111**	32,991	**5,336**	–
- Unrealised	**1,816**	–	**136,470**	16,401
Gain on disposal of a subsidiary	**50,385**	–	**9,191**	30,962
Gain on partial disposal of an associate	**1,411**	–	**2,023**	–
Gain on waiver of amount due from subsidiaries	**–**	–	**–**	350
Insurance recoveries	**446**	2,675	**–**	–
Interest income:				
- Deposits with licensed banks	**2,840**	3,467	**73**	301
- Subsidiaries	**–**	–	**7,088**	1,843
- Others	**1,351**	2,325	**–**	–
Liquidated ascertained damages from contractor	**1,948**	3,001	**–**	–
Management fees received	**389**	–	**–**	–
Negative goodwill arising from acquisition of subsidiaries (Note 38(ii))	**–**	36,463	**–**	–

26. Other income (cont'd)

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Property maintenance and agency fee	**3,965**	–	**–**	–
Rental income from:				
- Investment property	**2,908**	–	**–**	–
- Land and buildings	**34,738**	25,645	**–**	–
Reversal of impairment loss on:				
- Trade and other receivables	**193**	6,069	**–**	–
- Inventories	**571**	32	**–**	–
- Property, plant and equipment	**–**	5,214	**–**	–
- Investment securities	**771**	–	**–**	–
- Investments in associates	**–**	3,000	**–**	–
Shared services income	**4,445**	3,993	**–**	–
Miscellaneous income	**5,573**	1,081	**5**	1
	186,910	148,332	**160,200**	49,866

27. Profit before tax

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Profit before tax is arrived at after charging:				
Auditors' remuneration:				
- Audit fees				
KPMG in Malaysia	**258**	395	**120**	115
Overseas affiliates of KPMG in Malaysia	**1,336**	1,076	**–**	–
- Non-audit fees				
KPMG in Malaysia	**13**	61	**13**	10
Overseas affiliates of KPMG in Malaysia	**186**	68	**–**	–
Bad debts written off:				
- Trade and other receivables	**398**	3	**8**	3
Impairment loss on financial assets:				
- Investment securities	**61**	11,005	**–**	–
- Trade and other receivables	**1,155**	898	**–**	–
Impairment loss on investments in associates	**–**	–	**–**	2,605
Inventories written down	**20**	7,600	**–**	–
Loss on disposal of investment securities	**373**	–	**–**	–
Fair value loss on financial assets at fair value through profit or loss	**1,993**	–	**–**	–
Loss on disposal of property, plant and equipment	**–**	–	**–**	15
Loss on foreign exchange:				
- Realised	**7**	2,480	**–**	5
- Unrealised	**13**	150	**–**	–
Loss on derivatives	**5,056**	1,225	**–**	–
Management fee paid	**–**	–	**1,581**	1,615
Minimum operating lease payments:				
- Land and buildings	**17,229**	6,330	**62**	67
- Plant and equipment	**18,264**	4,019	**–**	–

27. Profit before tax (cont'd)

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Provision for foreseeable loss on inventories	**1,242**	–	**–**	–
Property, plant and equipment:				
- Depreciation	**55,399**	53,826	**–**	1
- Written off	**1,634**	9,920	**–**	2
Employee benefits expenses (including key management personnel):				
- Pension costs - defined contribution plans	**16,200**	12,586	**61**	61
- Short-term accumulating compensated absences	**12,935**	11,007	**–**	–
- Social security costs	**47**	59	**–**	–
- Termination benefits	**–**	249	**–**	–
- Wages, salaries and others	**242,922**	195,592	**515**	515

28. Finance costs

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Interest expense on:				
- overdrafts	**89**	47	**47**	22
- revolving loans and term loans	**60,610**	56,369	**2,813**	1,848
- bonds	**54,842**	43,479	**–**	–
- others	**29**	2,739	**–**	–
	115,570	102,634	**2,860**	1,870
Less: Interest expense capitalised in properties under development (Note 12)	**(2,227)**	(10,398)	**–**	–
Total finance costs	**113,343**	92,236	**2,860**	1,870

29. Tax (benefit)/expense

Recognised in profit or loss

		Group		Company	
		2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Income tax (benefit)/expense on continuing operations		**(2,569)**	16,842	**331**	75
Income tax expense on discontinued operation (excluding gain on sale) (Note 30)		**–**	62	**–**	–
Total income tax (benefit)/expense		**(2,569)**	16,904	**331**	75
Current tax expense					
Malaysian	- current year	**1,669**	7,077	**332**	65
	- prior year	**45**	401	**(1)**	10
Overseas	- current	**–**	62	**–**	–
		1,714	7,540	**331**	75
Deferred tax expense					
- Origination and reversal of temporary differences		**(1,205)**	10,685	**–**	–
- Over provision in prior year		**(3,078)**	(1,321)	**–**	–
		(4,283)	9,364	**–**	–
Total income tax (benefit)/expense		**(2,569)**	16,904	**331**	75

29. Tax (benefit)/expense (cont'd)

Reconciliation of tax expense

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Profit before tax from continuing operations	**160,713**	112,376	**176,245**	78,467
Profit before tax from discontinued operation	**–**	656	**–**	–
Profit before tax	**160,713**	113,032	**176,245**	78,467
Income tax calculated using Malaysian tax rate of 25%	**40,178**	28,258	**44,061**	19,617
Different tax rates in other countries	**2,236**	(95)	**–**	–
Effect of lower tax rate on gain on disposal of investment property	**–**	(3,012)	**–**	–
Non-deductible expenses	**7,719**	9,247	**1,780**	1,578
Group relief	**–**	–	**(503)**	–
Income not subject to taxation	**(23,753)**	(17,162)	**(45,006)**	(21,130)
Benefits from previously unrecognised tax losses and unabsorbed capital allowances	**(11,931)**	–	**–**	–
Deferred tax assets not recognised during the year	**5,982**	10,311	**–**	–
Over provision of deferred tax in prior years	**(3,078)**	(1,321)	**–**	–
Under/(Over) provision of income tax in prior years	**45**	401	**(1)**	10
Shares of results of associates and joint ventures	**(19,967)**	(9,723)	**–**	–
Income tax (benefit)/expense recognised in profit or loss	**(2,569)**	16,904	**331**	75

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year. The corporate tax rates applicable to subsidiaries located in Australia and Hong Kong are 30% (2014: 30%) and 16.5% (2014: 16.5%) respectively.

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

During the current financial year, under the provision of S44A of the Malaysia Income Tax Act 1967, the Company has utilised RM2,010,000 of tax losses surrendered from a subsidiary.

30. Disposal of a subsidiary/Discontinued operation

(a) Thriven Global Berhad (formerly known as Mulpha Land Berhad) ("Thriven")

The Company entered into a call option agreement ("Call Option Agreement") on 17 May 2012 with Teladan Kuasa Sdn. Bhd. ("Option Holder") to grant the Option Holder the right to require the Company to sell to the Option Holder up to 75 million ordinary shares in Thriven (adjusted after the bonus issue exercise of Thriven) at an adjusted option price of RM0.47 per share ("Call Option"). The Option Holder has paid the Company a non-refundable cash consideration of RM2 million upon execution of the Call Option Agreement as disclosed in Note 21(d). As at 31 December 2014, Thriven is a 61.93% owned subsidiary of the Company.

The Option Holder is entitled to exercise the Call Option at any time during the period commencing from the date falling three (3) months after the date of the Call Option Agreement and ending on the day immediately preceding the third anniversary of the Call Option Agreement.

On 6 March 2015, the Option Holder exercised the entire Call Option. The sale and transfer of the 75 million ordinary shares by the Company to the Option Holder was completed on 9 March 2015. Upon completion, the Company owns 29.08% of Thriven and Thriven became an associated company of the Company. This resulted in a gain on disposal of a subsidiary of RM50,385,000 and RM9,191,000 recognised at the Group and the Company level respectively.

Effect of disposal on the financial position of the Group are as follows:

	2015 RM'000
Property, plant and equipment	1,173
Investment properties	2,984
Deferred tax assets	2,502
Inventories	222,883
Cash and bank balances	46,502
Trade and other receivables	4,383
Current tax assets	1,127
Trade and other payables	(57,267)
Bank borrowings	(151,973)
Total identifiable net assets	72,314
Attributable goodwill	6,409
Realisation of reserves	(16,099)
Non-controlling interests	(42,505)
Transfer to investments in associates	(33,308)
Gain on disposal of a subsidiary	50,385
Consideration received, satisfied in cash	37,196
Cash and cash equivalents disposed of	(46,502)
Net cash outflow	(9,306)

30. Disposal of a subsidiary/Discontinued operation (cont'd)

(b) AF Investments Limited

The Company had on 16 May 2014 entered into a Share Purchase Agreement with Lemongrass Master Fund I ("Purchaser") to dispose of its entire 100% equity interest in AF Investments Limited ("AFIL") to the Purchaser for a total net consideration of USD9.47 million (equivalent to approximately RM30.96 million). AFIL is a company incorporated in Hong Kong with a paid-up share capital of HKD2. The principal activity of AFIL is investment holding which holds 70% equity interest in Indochine Park Tower Joint Venture Company ("IPT"). IPT is the owner and operator of Indochine Park Tower, an 18-storey serviced residences building located at Ho Chi Minh City, Vietnam, which comprises 55 fully serviced 3-bedroom apartments and penthouses ranging from 128 to 249 square metres each. The disposal was completed in the second quarter of 2014. Certain comparative figures relating to consolidated statement of profit or loss and other comprehensive income has been re-presented to show the discontinued operation separately from continuing operations.

Profit attributable to the discontinued operation was as follows:

Results of discontinued operation

	Note	Group 1.1.2014 to disposal date RM'000
Revenue	25	2,697
Other income		21
Finished goods and services rendered		(127)
Employee benefits expense		(597)
Depreciation and amortisation		(507)
Other expenses		(794)
Results from operating activities		693
Finance costs		(37)
Profit before tax		656
Tax expense	29	(62)
Gain on disposal of discontinued operation		28,431
Profit for the year		29,025

30. Disposal of a subsidiary/Discontinued operation (cont'd)

(b) AF Investments Limited (cont'd)

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

	Group 1.1.2014 to disposal date RM'000
Interest income	(3)
Interest expense	37
Depreciation of property, plant and equipment	507
Realised loss on foreign exchange	4

	Group 2014 RM'000
Cash flows from/(used in) discontinued operation	
Net cash from operating activities	195
Net cash from investing activities	29,795
Net cash used in financing activities	(3,328)
Effect on cash flows	26,662

30. Disposal of a subsidiary/Discontinued operation (cont'd)

(b) AF Investments Limited (cont'd)

Effect of disposal on the financial position of the Group are as follows:

	2014 RM'000
Property, plant and equipment	13,572
Prepaid land lease payments	733
Inventories	73
Trade and other receivables	314
Cash and bank balances	1,167
Trade and other payables	(989)
Total identifiable net assets	14,870
Non-controlling interests	(1,787)
Realisation of reserves	(10,552)
Gain on disposal of discontinued operation	28,431
Consideration received, satisfied in cash	30,962
Cash and cash equivalents disposed of	(1,167)
Net cash inflow	29,795

31. Earnings per ordinary share

Basic earnings per ordinary share

Basic earnings per ordinary share amounts are calculated by dividing profit from continuing operations, net of tax, attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2015	**2014**
Profit attributable to ordinary shareholders (RM'000)		
Profit net of tax from continuing operations attributable to owners of the Company	**165,123**	95,394
Profit net of tax from discontinued operation attributable to owners of the Company	**–**	28,754
	165,123	124,148
Weighted average number of ordinary shares ('000)		
Issued ordinary shares at 1 January	**2,355,913**	2,355,913
Effect of share buy back	**(222,239)**	(222,137)
Weighted average number of ordinary shares at 31 December	**2,133,674**	2,133,776
Basic earnings per ordinary share (sen)		
From continuing operations	**7.74**	4.47
From discontinued operation	**–**	1.35
	7.74	5.82

Diluted earnings per ordinary share

Diluted earnings per share amounts are calculated by dividing profit from continuing operations, net of tax, attributable to ordinary shareholders (after adjusting for interest expense on convertible redeemable preference shares) by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

There were no potential dilution effects on ordinary shares of the Company for the current financial year. Accordingly, the diluted earnings per ordinary share for the current and previous years are equal to the basic earnings per ordinary share.

32. Operating segments

Business segments

For management purposes, the Group is organised into three main business segments in the Asia Pacific region as follows:

Property	property development and investments
Hospitality	hotels and service apartments ownership and operation
Investment and others	investment holding, investments in securities, licensed money lending and others

None of the other operations are of sufficient size to be reported separately.

Performance is measured based on segment revenue and profit before tax as included in the internal management reports that are reviewed by the Exco Committee (the Group's chief operating decision maker).

The operating results of its business units were monitored separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate expenses and finance costs.

Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

32. Operating segments (cont'd)

Business segments (cont'd)

The following tables provide analysis of the Group's revenue, results, assets, liabilities and other information by business segment:

	Property 2015 RM'000	Property 2014 RM'000	Hospitality (includes disposal group) 2015 RM'000	Hospitality (includes disposal group) 2014 RM'000	Investment and others 2015 RM'000	Investment and others 2014 RM'000	Adjustments and eliminations 2015 RM'000	Adjustments and eliminations 2014 RM'000	Note	Per consolidated financial statements 2015 RM'000	Per consolidated financial statements 2014 RM'000
Revenue											
External customers	**407,105**	569,144	**459,469**	389,661	**22,065**	2,574	**–**	(2,697)	(i)	**888,639**	958,682
Inter-segment	**21,815**	44,887	**–**	–	**1,207**	2,697	**(23,022)**	(47,584)	(ii)	**–**	–
Total revenue	**428,920**	614,031	**459,469**	389,661	**23,272**	5,271	**(23,022)**	(50,281)		**888,639**	958,682
Results											
Inventories written down/off	**(20)**	(7,600)	**–**	–	**–**	–	**–**	–		**(20)**	(7,600)
Reversal of impairment loss on inventories	**571**	32	**–**	–	**–**	–	**–**	–		**571**	32
Share of profit from associates and joint ventures	**–**	–	**–**	–	**14,640**	9,552	**65,230**	29,341	(iii)	**79,870**	38,893
Depreciation and amortisation	**(10,149)**	(10,648)	**(43,887)**	(40,669)	**(1,363)**	(3,016)	**–**	507	(i)	**(55,399)**	(53,826)
Segment profit/(loss)	**152,315**	256,901	**(14,047)**	(81,683)	**84,137**	42,739	**(61,692)**	(105,581)	(iii)	**160,713**	112,376
Assets and liabilities											
Investments in associates and joint ventures	**–**	–	**–**	–	**1,367,145**	1,184,024	**–**	–		**1,367,145**	1,184,024
Additions to non-current assets*	**375,172**	21,088	**25,094**	96,295	**5,442**	2,146	**–**	–		**405,708**	119,529
Segment assets	**1,180,535**	1,821,294	**1,170,311**	1,583,129	**4,680,111**	3,719,354	**(1,898,454)**	(2,427,703)	(iv)	**5,132,503**	4,696,074
Segment liabilities	**731,792**	942,425	**250,791**	1,673,893	**3,922,604**	2,103,900	**(2,341,674)**	(2,427,703)	(iv)	**2,563,513**	2,292,515

* Addition to non-current assets consist of additions to property, plant and equipment and investment properties.

32. Operating segments (cont'd)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

(i) Results from discontinued operation are eliminated on consolidation and presented under a separate line in the profit or loss.

(ii) Inter-segment revenues and dividend incomes are eliminated on consolidation.

(iii) The following items are added to/(deducted from) segment profit/(loss) to arrive at "Profit before tax" presented in the consolidated statement of profit or loss and other comprehensive income:

	2015 RM'000	2014 RM'000
Share of results of associates and joint ventures	**65,230**	34,533
Unallocated corporate expenses and finance costs	**(126,922)**	(111,027)
Segment results of discontinued operation	**–**	(29,087)
	(61,692)	(105,581)

(iv) Inter-segment balances are eliminated on consolidation.

32. Operating segments (cont'd)

Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of the business segments. The Group operates in two main geographical areas in the Asia Pacific region.

Continuing operations:

Australia - mainly property development and investments and hotels.
Malaysia - property development and investments, licensed money lending and investments in securities.

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Australia	**868,747**	769,014	**1,887,176**	1,576,865
Malaysia	**19,892**	189,668	**265,868**	279,069
	888,639	958,682	**2,153,044**	1,855,934

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	2015 RM'000	2014 RM'000
Property, plant and equipment	**1,087,824**	1,011,017
Investment properties	**416,938**	21,962
Goodwill	**2,722**	9,113
Inventories	**645,560**	813,842
	2,153,044	1,855,934

33. Financial instruments

33.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Loans and receivables ("L&R");

(b) Fair value through profit or loss ("FVTPL") - Designated upon initial recognition ("DUIR");

(c) Available-for-sale financial assets ("AFS"); and

(d) Financial liabilities measured at amortised cost ("FL").

	Carrying amount RM'000	L&R/ (FL) RM'000	FVTPL -DUIR RM'000	AFS RM'000
2015				
Financial assets				
Group				
Investment securities	**3,672**	**–**	**2,516**	**1,156**
Trade and other receivables	**233,570**	**233,570**	**–**	**–**
Cash and cash equivalents	**539,900**	**539,900**	**–**	**–**
	777,142	**773,470**	**2,516**	**1,156**
Company				
Investment securities	**1,043**	**–**	**–**	**1,043**
Trade and other receivables	**1,251,656**	**1,251,656**	**–**	**–**
Cash and cash equivalents	**16**	**16**	**–**	**–**
	1,252,715	**1,251,672**	**–**	**1,043**
Financial liabilities				
Group				
Loans and borrowings	**(2,247,024)**	**(2,247,024)**	**–**	**–**
Trade and other payables	**(277,874)**	**(277,874)**	**–**	**–**
	(2,524,898)	**(2,524,898)**	**–**	**–**
Company				
Loans and borrowings	**(81,174)**	**(81,174)**	**–**	**–**
Trade and other payables	**(2,087)**	**(2,087)**	**–**	**–**
	(83,261)	**(83,261)**	**–**	**–**

33. Financial instruments (cont'd)

33.1 Categories of financial instruments (cont'd)

	Carrying amount RM'000	L&R/ (FL) RM'000	FVTPL -DUIR RM'000	AFS RM'000
2014				
Financial assets				
Group				
Investment securities	95,129	–	6,682	88,447
Trade and other receivables	260,710	260,710	–	–
Cash and cash equivalents	600,796	600,796	–	–
	956,635	861,506	6,682	88,447
Company	1,043	–	–	1,043
Investment securities	983,437	983,437	–	–
Trade and other receivables	57	57	–	–
Cash and cash equivalents	984,537	983,494	–	1,043
Financial liabilities				
Group				
Loans and borrowings	(1,957,727)	(1,957,727)	–	–
Trade and other payables	(285,536)	(285,536)	–	–
Derivative financial liabilities	(4,928)	–	(4,928)	–
	(2,248,191)	(2,243,263)	(4,928)	–
Company				
Loans and borrowings	(56,366)	(56,366)	–	–
Trade and other payables	(4,090)	(4,090)	–	–
	(60,456)	(60,456)	–	–

33. Financial instruments (cont'd)

33.2 Net gains and losses arising from financial instruments

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Net gains/(losses) on:				
Fair value through profit or loss				
- Designated upon initial recognition	**1,610**	2,249	**–**	–
- Derivatives	**(5,056)**	(1,225)	**–**	–
Available-for-sale financial assets				
- Recognised in other comprehensive income	**(8,080)**	8,301	**–**	–
- Recognised in profit or loss, net	**4,489**	(11,005)	**–**	–
Loans and receivables				
- Receivables, net	**4,204**	5,171	**148,900**	1,843
- Cash and cash equivalents	**97,801**	3,467	**73**	301
Financial liabilities measured at amortised cost	**(159,051)**	(92,236)	**(2,860)**	(1,870)
	(64,083)	(85,278)	**146,113**	274

33.3 Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

33. Financial instruments (cont'd)

33.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and investment in debt securities. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statement of financial position.

The Group's normal credit terms range from 14 to 60 days. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The Group has credit risk concentration of 66% (2014: 56%) arising from the exposure to two debtors in the outstanding amount of trade and other receivables. Management constantly monitors the recovery of these outstanding balances and is confident of its recoverability as the said amounts are fully secured.

33. Financial instruments (cont'd)

33.4 Credit risk (cont'd)

Receivables (cont'd)

Impairment losses

The Group maintains an ageing analysis in respect of trade receivables only. The ageing of trade receivables as at the end of the reporting period was:

Group	Gross RM'000	Individual impairment RM'000	Net RM'000
2015			
Not past due	**23,912**	**–**	**23,912**
Past due 1 - 30 days	**29,842**	**–**	**29,842**
Past due 31 - 60 days	**2,001**	**–**	**2,001**
Past due more than 60 days	**30,239**	**(1,405)**	**28,834**
	85,994	**(1,405)**	**84,589**
2014			
Not past due	57,913	–	57,913
Past due 1 - 30 days	3,515	–	3,515
Past due 31 - 60 days	4,285	–	4,285
Past due more than 60 days	21,340	(5,389)	15,951
	87,053	(5,389)	81,664

33. Financial instruments (cont'd)

33.4 Credit risk (cont'd)

Receivables (cont'd)

The movements in the allowance for impairment losses of trade receivables during the financial year were:

	Group	
	2015 RM'000	**2014 RM'000**
At 1 January	**5,389**	5,374
Impairment loss recognised	**1,155**	449
Impairment loss reversed	**(193)**	–
Impairment loss written off	**(343)**	(374)
Disposal of a subsidiary	**(4,742)**	–
Exchange adjustment	**139**	(60)
At 31 December	**1,405**	5,389

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Investments and other financial assets

Risk management objectives, policies and processes for managing the risk

Investments are allowed only in liquid securities and only with reputable financial institutions. Transactions involving derivative financial instruments are with approved financial institutions.

Exposure to credit risk, credit quality and collateral

The Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties for investments and other financial assets.

The investments and other financial assets are unsecured.

Impairment losses

As at the end of the reporting period, there was no indication that the investments are not recoverable.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

The Company has undertaken to provide financial support to certain subsidiaries to enable them to continue to operate as going concerns.

33. Financial instruments (cont'd)

33.4 Credit risk (cont'd)

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM799,902,000 (2014: RM536,798,000) representing the outstanding banking facilities of the subsidiaries and guarantee given to a third party as at end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

As at reporting date, no values are ascribed on corporate guarantees provided by the Company to secure bank loans and other banking facilities granted to its subsidiaries where such loans and bank facilities are fully collateralised by charges over the property, plant and equipment of the subsidiaries and where the Directors regard the value of the credit enhancement provided by the corporate guarantees as minimal.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in Note 13. The Company has undertaken to provide financial support to certain subsidiaries to enable them to continue to operate as going concerns.

Impairment losses

As at the end of the reporting period, there was no indication that the loans and advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of current advances to the subsidiaries. Non-current loans to subsidiaries are not overdue.

33.5 Liquidity risk

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

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As explained in Note 1(b), the Group is dependent on certain banks continuing to provide the required financing facilities to the Group and the ability of the Group to generate sufficient cash from its operations as well as on the Group successfully raising funds via the proposed rights issue, to enable the Group to meet its obligations as and when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

33. Financial instruments (cont'd)

33.5 Liquidity risk (cont'd)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM'000	Contractual interest %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 5 years RM'000	More than 5 years RM'000
2015						
Non-derivative financial liabilities						
Bank overdraft - secured	1,422	8.60 - 8.85	1,422	1,422	–	–
Bonds - secured	749,109	8.00 - 8.50	877,151	707,220	62,214	107,717
Revolving credit	226,483	3.00 - 5.42	227,186	227,186	–	–
Term loans	1,261,085	1.91 - 4.98	1,301,836	452,707	849,129	–
Finance lease liabilities	8,925	5.49 - 8.60	8,948	168	110	8,670
Trade and other payables	277,874	–	277,874	264,443	–	13,431
	2,524,898		2,694,417	1,653,146	911,453	129,818

Company	Carrying amount RM'000	Contractual interest %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 5 years RM'000	More than 5 years RM'000
2015						
Bank overdraft - secured	174	8.85	174	174	–	–
Revolving credit	81,000	4.65 - 5.42	81,000	81,000	–	–
Other payables	2,087	–	2,087	2,087	–	–
Financial guarantees	–	–	799,902	799,902	–	–
	83,261		883,163	883,163	–	–

33. Financial instruments (cont'd)

33.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

Group	Carrying amount RM'000	Contractual interest %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 5 years RM'000	More than 5 years RM'000
2014						
Non-derivative financial liabilities						
Bank overdraft - secured	2,162	7.85 - 8.85	2,162	2,162	–	–
Bonds - secured	623,339	8.00 - 8.50	785,775	53,023	624,698	108,054
Revolving credit	210,862	3.45 - 5.60	211,610	211,610	–	–
Term loans	1,113,228	0.74 - 8.70	1,165,391	988,313	177,078	–
Finance lease liabilities	8,136	7.00 - 8.60	8,315	161	259	7,895
Trade and other payables	283,536	–	283,536	270,045	–	13,491
	2,241,263		2,456,789	1,525,314	802,035	129,440
Company						
2014						
Bank overdraft - secured	366	8.85	366	366	–	–
Revolving credit	56,000	4.65 - 5.50	56,000	56,000	–	–
Other payables	4,090	–	4,090	4,090	–	–
Financial guarantees	–	–	536,798	536,798	–	–
	60,456		597,254	597,254	–	–

33. Financial instruments (cont'd)

33.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

33.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases, cash and cash equivalents and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Australian Dollar (AUD), Hong Kong Dollar (HKD), Great Britain Pound (GBP), Japanese Yen (JPY) and U.S. Dollar (USD).

Risk management objectives, policies and processes for managing the risk

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in				
Group	**HKD RM'000**	**JPY RM'000**	**AUD RM'000**	**USD RM'000**	**GBP RM'000**
2015					
Bank loans	**–**	**(108,124)**	**(222,613)**	**–**	**–**
Other payables	**(1,061)**	**–**	**–**	**(757)**	**–**
Short term deposits	**66,087**	**–**	**–**	**200,924**	**18,191**
Trade receivables	**–**	**–**	**–**	**5,889**	**–**
Bank balances	**162**	**–**	**6**	**137,744**	**–**
	65,188	**(108,124)**	**(222,607)**	**343,800**	**18,191**
2014					
Bank loans	–	(88,420)	(327,145)	–	–
Short term deposits	–	–	–	367,202	–
Bank balances	–	–	–	121,778	306
	–	(88,420)	(327,145)	488,980	306

33. Financial instruments (cont'd)

33.6 Market risk (cont'd)

33.6.1 Currency risk (cont'd)

Company	Denominated in HKD RM'000	AUD RM'000	USD RM'000	GBP RM'000
2015				
Amounts due from subsidiaries	**382,633**	**367,208**	**126,820**	**69,297**
2014				
Amounts due from subsidiaries	315,446	312,540	123,024	59,258

Currency risk sensitivity analysis

A 5% (2014: 5%) strengthening of the Ringgit Malaysia against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remained constant.

Group	Profit or Loss 2015 RM'000	2014 RM'000
HKD	**(2,445)**	–
JPY	**4,055**	3,316
AUD	**8,348**	12,268
USD	**(12,893)**	(18,337)
GBP	**(682)**	(11)
Company		
HKD	**(14,349)**	(11,829)
AUD	**(13,770)**	(11,720)
USD	**(4,756)**	(4,613)
GBP	**(2,599)**	(2,222)

A 5% (2014: 5%) weakening of Ringgit Malaysia against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

33. Financial instruments (cont'd)

33.6 Market risk (cont'd)

33.6.2 Interest rate risk

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk and borrowings at fixed rates expose the Group to fair value interest rate risk.

The Group's interest-bearing financial assets are mainly short-term in nature and have been mostly placed in fixed deposits.

Risk management objectives, policies and processes for managing the risk

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Fixed rate instruments				
Financial liabilities	**(758,034)**	(631,475)	**–**	–
Floating rate instruments				
Financial liabilities	**(1,488,990)**	(1,326,252)	**(81,174)**	(56,366)

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

33. Financial instruments (cont'd)

33.6 Market risk (cont'd)

33.6.2 Interest rate risk (cont'd)

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remained constant.

	Group		Company	
	Profit or Loss			
Group	**50bp increase RM'000**	**50bp decrease RM'000**	**50bp increase RM'000**	**50bp decrease RM'000**
2015				
Floating rate instruments	**(5,584)**	**5,584**	**(304)**	**304**
2014				
Floating rate instruments	(4,973)	4,973	(211)	211

33.6.3 Other price risk

Equity price risk arises from the Group's investments in equity securities.

Risk management objectives, policies and processes for managing the risk

Management of the Group monitors the equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors of the Group.

Equity price risk sensitivity analysis

A 10% (2014: 10%) increase in equity and debt securities market prices at the end of the reporting period would have increased equity by RM11,200 (2014: RM7,852,000) for investment classified as available-for-sale and post-tax profit or loss by RM188,700 (2014: RM183,000) for investments classified as fair value through profit or loss. A 10% (2014: 10%) weakening in equity and debt securities market prices would have had equal but opposite effect on equity and profit or loss respectively.

33.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate fair values due to the relatively short term nature of these financial instruments.

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

33. Financial instruments (cont'd)

33.7 Fair value information (cont'd)

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

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
Group 2015	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**RM'000**	**RM'000**
Financial assets										
Quoted shares	2,628	–	–	2,628	–	–	–	–	2,628	2,628
Financial liabilities										
Loans and borrowings	–	–	–	–	–	–	(1,928,422)	(1,928,422)	(1,928,422)	(2,247,024)
Company 2015										
Financial liabilities										
Loans and borrowings	–	–	–	–	–	–	(77,248)	(77,248)	(77,248)	(81,174)

33. Financial instruments (cont'd)

33.7 Fair value information (cont'd)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
Group 2014	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**RM'000**	**RM'000**
Financial assets										
Quoted shares	80,952	–	–	80,952	–	–	–	–	80,952	80,952
Financial liabilities										
Currency option contracts	–	(4,928)	–	(4,928)	–	–	–	–	(4,928)	(4,928)
Loans and borrowings	–	–	–	–	–	–	(1,780,747)	(1,780,747)	(1,780,747)	(1,957,727)
	–	(4,928)	–	(4,928)	–	–	(1,780,747)	(1,780,747)	(1,785,675)	(1,962,655)
Company 2014										
Financial liabilities										
Loans and borrowings	–	–	–	–	–	–	(53,373)	(53,373)	(53,373)	(53,366)

33. Financial instruments (cont'd)

33.7 Fair value information (cont'd)

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 financial assets or liabilities, either directly or indirectly.

Derivatives

The fair value of forward exchange contracts was estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2014: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments not carried at fair value

Type	Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Loans and borrowings	Discounted cash flows	Interest rate (2015: 1.91% to 8.85%)	The estimated fair value would increase (decrease) if the interest rate were higher (lower).

Valuation processes applied by the Group for Level 3 fair value

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. The market rate of interest of loans and borrowings is determined by reference to similar borrowing arrangements.

34. Capital management

The Group's financial risk management objective seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions or expansion plans of the Group. The Group may adjust the capital structure by issuing new shares or returning capital to shareholders.

As explained in Note 1(b), the Group is dependent on certain banks continuing to provide the required financing facilities to the Group and the ability of the Group to generate sufficient cash from its operations as well as on the Group successfully raising funds via the proposed rights issue, to enable the Group to meet its obligations as and when they fall due.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio up to 50%. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and cash equivalents. Capital includes equity attributable to the owners of the parent less capital reserve.

Group	**2015 RM'000**	**2014 RM'000**
Loans and borrowings (Note 20)	**2,247,024**	1,957,727
Trade and other payables (Note 21)	**277,874**	285,536
Less: Cash and cash equivalents (Note 17)	**(539,900)**	(600,796)
Net debt	**1,984,998**	1,642,467
Equity attributable to the owners of the Company	**2,568,990**	2,359,213
Less: Capital reserves	**(101,763)**	(117,727)
Total capital	**2,467,227**	2,241,486
Capital and net debt	**4,452,225**	3,883,953
Gearing ratio	**45%**	42%

There was no change in the Group's approach to capital management during the financial year.

35. Operating leases

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	Group	
	2015 RM'000	**2014 RM'000**
Not later than 1 year	**29,410**	27,426
Later than 1 year but not later than 5 years	**119,191**	99,494
Later than 5 years	**9,378**	53,515
	157,979	180,435

The Group leases various assets under operating leases. The leases will run for a period between 1 and 12.5 years, with an option to renew certain leases after that date.

Included in the total payable amount is an amount of RM122.42 million (2014: RM116.52 million) which is severally and jointly guaranteed by the Company and one of its subsidiaries.

Leases as lessor

The Group lease out their property, plant and equipment (see Note 3) and investment properties (see Note 5) under operating leases. The future minimum lease receivables under non-cancellable leases are as follows:

	Group	
	2015 RM'000	**2014 RM'000**
Not later than 1 year	**45,751**	24,147
Later than 1 year but not later than 5 years	**134,998**	66,848
Later than 5 years	**68,717**	19,262
	249,466	110,257

36. Capital commitments

	Group 2015 RM'000	Group 2014 RM'000
Capital expenditure commitments		
Property, plant and equipment		
Contracted but not provided for	**11,855**	1,958
Approved but not contracted for	**9,658**	710
Investment properties		
Contracted but not provided for	**64,912**	–
	86,425	2,668

37. Related parties

Identity of related parties

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

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

The Group has related party relationship with its subsidiaries, associates, joint ventures, other related parties and key management personnel.

37. Related parties

Identity of related parties (cont'd)

Significant related party transactions

The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Note 13 and Note 21.

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
A. Subsidiaries				
Interest income	**–**	–	**7,088**	1,843
Dividend income	**–**	–	**26,581**	40,663
Rental expense	**–**	–	**79**	67
Rendering of services	**–**	–	**338**	–
Management fee expense	**–**	–	**1,581**	1,615
B. Associates				
Agency fee	**1,327**	1,258	**–**	–
Dividend income	**38,340**	26,304	**–**	–
Director fees	**254**	257	**–**	–
Interest expense	**240**	1,239	**–**	–
Management fees	**266**	–	**–**	–
Project management fee	**20**	1,965	**–**	–
Rental income	**1,545**	1,610	**–**	–
Rental expense	**729**	720	**–**	–
Rendering of services	**1,097**	–	**–**	–
Share service income	**620**	2,236	**–**	–
Sale proceeds from disposal of inventories	**–**	78,117	**–**	–
C. Joint ventures				
Dividend income	**146**	–	**–**	–

37. Related parties

Significant related party transactions (cont'd)

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
D. Other related parties				
Non-controlling interests of a subsidiary:				
- Interest expense	**29**	100	**–**	–
Companies related to a director:				
- Director fees income	**112**	–	**–**	–
- Rental income	**129**	–	**–**	–
- Share service income	**1,250**	–	**–**	–
- Rendering of services	**4,650**	–	**–**	–
- Insurance expense	**210**	–	**–**	–
Companies related to a person connected to a director:				
- Interest expense	**50**	390	**–**	–
- Rental income	**687**	–	**–**	–
- Rendering of services	**3,290**	–	**–**	–
- Sale proceeds from disposal of investment securities	**54,674**	–	**–**	–
A firm related to a director:				
- Legal fees	**–**	174	**–**	–
E. Key management personnel ***Directors***				
- Remuneration	**1,492**	1,395	**536**	515
- Fees	**390**	390	**390**	390
- Defined contribution plans	**109**	86	**61**	61
- Estimated money value of benefits-in-kind	**26**	62	**1**	27
	2,017	1,933	**988**	993

37. Related parties

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
E. Key management personnel (cont'd) ***Other key management personnel***				
- Remuneration	**29,196**	25,253	**–**	–
- Defined contribution plans	**2,315**	2,238	**–**	–
	31,511	27,491	**–**	–

Other key management personnel comprise persons other than the Directors of Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

38. Acquisition of subsidiaries

(i) MAL Hayman Pty Limited

Mulpha Australia Limited ("MAL"), a wholly-owned subsidiary of the Company has on 5 May 2015, acquired 800,101 ordinary shares , representing 100% of the total issued and paid-up share capital of MAL Hayman Pty Limited ("MALH") from Aveo Group Limited for a total purchase consideration of AUD1.00. As a result of the acquisition, MALH has become an indirect wholly-owned subsidiary of the Company. The consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date is immaterial to the Group.

(ii) Mulpha Norwest Pty Limited

Mulpha Investments Pty Limited ("MIPL"), an indirect wholly-owned subsidiary of the Company had on 12 February 2014 entered into a conditional share sale agreement with Aveo Group Limited, Mulpha Australia Limited, Mulpha FKP Pty Limited ("MFKP") and Norwest Real Estate Pty Ltd to acquire the remaining 49.99% of the total issued and paid-up share capital of MFKP, from Aveo Group Limited for a total purchase consideration of AUD55.95 million (equivalent to approximately RM167.88 million) ("Proposed Acquisition"). Prior to the acquisition, MIPL held 50.01% of the total issued and paid-up share capital of MFKP, which was a joint venture of MIPL. The Proposed Acquisition was completed in May 2014 and MFKP (currently known as Mulpha Norwest Pty Limited), has become a wholly-owned subsidiary of MIPL. The effective date of control was 1 April 2014 when all conditions precedent had been satisfied or waived. The revenue contribution of the investment from effective date of control to 31 December 2014 was AUD101.8 million (equivalent to approximately RM300.3 million) and profit after tax of AUD31.5 million (equivalent to approximately RM92.9 million).

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

Fair value of consideration transferred

	Group 2014 RM'000
Cash and cash equivalents	7,121
Settlement of pre-existing relationship	162,415
Transaction costs	6,902
Total cash flows	176,438

38. Acquisition of subsidiaries (cont'd)

(ii) Mulpha Norwest Pty Limited (cont'd)

Identifiable assets acquired and liabilities assumed

	Group 2014 RM'000
Property, plant and equipment	145
Inventories	467,738
Trade and other receivables	14,742
Cash and cash equivalents	13,675
Deferred tax assets	3,763
Loans and borrowings	(142,410)
Deferred tax liabilities	(1,900)
Provisions for liabilities	(984)
Provision for income tax	(255)
Trade and other payables	(9,670)
Total identifiable net assets	344,844

Net cash outflow arising from acquisition of subsidiaries

	Group 2014 RM'000
Purchase consideration settled in cash and cash equivalents	(7,121)
Cash and cash equivalents acquired	13,675
Transaction costs	(6,902)
Total cash flows	(348)

38. Acquisition of subsidiaries (cont'd)

(ii) Mulpha Norwest Pty Limited (cont'd)

Goodwill

	Group 2014 RM'000
Total consideration transferred	176,438
Fair value of identifiable assets	(344,844)
Existing investment cost in joint venture	169,145
Realisation of deferred tax liabilities	(38,192)
Exchange differences	990
Negative goodwill	(36,463)

39. Interest in joint operations

In the current year, the Group has 57% and 51% ownership interest in joint operations, The Hotel School Sydney and The Hotel School Melbourne respectively. Both entities are principally engaged in providing education.

40. Significant events

Proposed renounceable two-call rights issue

On 9 November 2015, the Company ("Mulpha") proposed to undertake the following:-

(a) a renounceable two (2)-call rights issue of 1,066,826,679 new ordinary shares of RM0.50 each in Mulpha ("Mulpha Shares" or "Shares") ("Rights Shares") on the basis of one (1) Rights Share for every two (2) existing Mulpha Shares held on an entitlement date to be determined later, at an indicative issue price of RM0.50 per Rights Share, of which the indicative first call of RM0.25 per Rights Share is payable in cash on application and the indicative second call of RM0.25 per Rights Share is to be capitalised from the share premium of the Company ("Proposed Rights Issue"); and

(b) an exemption to Yong Pit Chin, Mount Glory Investments Limited and the persons acting in concert with them from the obligation to undertake a mandatory take-over offer for all the remaining Mulpha Shares not already held by them upon completion of the Proposed Rights Issue under Paragraph 16.1 of Practice Note 9 of the Malaysian Code on Take-Overs and Mergers, 2010 ("Proposed Exemption").

40. Significant events (cont'd)

Proposed renounceable two-call rights issue (cont'd)

Based on the indicative First Call of RM0.25 per Rights Share, the total gross proceeds that is expected to be raised from the Proposed Rights Issue and the intended manner of utilisation are set out as follows:-

	Timeframe for utilisation	RM'000
Repayment of borrowings	Within 6 months	200,000
Development expenditure and general working capital	Within 24 months	65,626
Estimated expenses in relation to the Proposals	Upon completion	1,080
		266,706

The Proposed Rights Issue are conditional on the following:-

(a) the approval of the Securities Commission ("SC") for the Proposed Exemption which was obtained on 28 March 2016;

(b) the approval of the shareholders of Mulpha at an extraordinary general meeting which was obtained on 12 February 2016;

(c) the approval from Bursa Securities Malaysia Berhad ("Bursa Securities") for the listing of and quotation for the Rights Shares on the Main Market of Bursa Securities. The approval from the Bursa Securities was obtained on 28 December 2015; and

(d) any other relevant authority or party, if required.

The Proposals are inter-conditional upon each other. However, the Proposals are not conditional upon any other proposals undertaken or to be undertaken by the Company.

41. Subsequent events

(i) Investment in a joint venture and disposal of development lands

Leisure Farm Corporation Sdn Bhd ("LFC"), a wholly-owned subsidiary of the Company has on 16 February 2016, entered into a Joint Venture cum Shareholders' Agreement ("JVA") with UEM Land Berhad ("UEML"), a wholly-owned subsidiary of UEM Sunrise Berhad ("UEMS") and JV Axis Sdn Bhd ("JVASB"), the intended joint venture company for the proposed collaboration between LFC and UEML.

Both LFC and UEML wish to work together as strategic joint development partners to jointly develop and optimise the value of 38 parcels of freehold lands located in Gerbang Nusajaya and near the Leisure Farm Resort within Mukim Pulai, District of Johor Bahru, Johor ("JV Lands").

On even date, LFC also entered into a Master Agreement with Nusajaya Seaview Sdn Bhd ("NSSB") and Nusajaya Rise Sdn Bhd ("NRSB"), both being indirect wholly-owned subsidiaries of UEMS, and JVASB to record the agreed framework and parameters for the disposal of the JV Lands by LFC, NSSB and NRSB to JVASB and subject to terms and conditions in the JVA and Master Agreement.

41. Subsequent events (cont'd)

(ii) Purchase of investment property

On 14 December 2015, Norwest Flexi Pty. Limited, an indirect wholly-owned subsidiary of the Company entered into a contract to purchase a property located at 2-8 Lexington Drive, Bella Vista, NSW 2153 for AUD20.7 million (equivalent to RM64.6 million) excluding GST. The property is improved with a modern freestanding bulky goods retail building, formerly a Bunnings Warehouse facility with on-grade car parking for 277 vehicles. As at 31 December 2015, a deposit of AUD1.0 million (equivalent to RM3.2 million) was paid and the remaining sum was settled on 22 January 2016. This acquisition was fund a combination of existing debt facilities and new debt facilities entered into in January 2016.

(iii) Renewal of bank borrowings

On 3 March 2016, a term loan facility with an outstanding amount of AUD16.0 million (equivalent to RM50.1 million) as at 31 December 2015 of Rosetec Investments Limited, a wholly-owned subsidiary of the Company was renewed and extended for another 2 years.

42. Material Litigation

In September 2012, the Company disposed of the entire equity interest in its wholly-owned subsidiary, Bestari Sepang Sdn Bhd ("Bestari") for a cash consideration of RM1.0 million to Mula Holdings Sdn Bhd ("Mula"). As part of this transaction, the Company also entered into a Settlement Agreement with Mula whereby Mula shall pay a settlement sum ("Settlement Sum") of RM104.0 million on or before 15 December 2012, as full and final settlement of the advances that the Company had previously made to Bestari and its subsidiaries, Spanstead Sdn Bhd ("Spanstead") and Seri Ehsan (Sepang) Sdn Bhd ("Seri Ehsan"), failing which, additional payments will apply until the final settlement date of 15 December 2013 ("final settlement date").

Mula failed to pay the Settlement Sum on the final settlement date. Accordingly, the Settlement Agreement automatically terminated and the Company's right to receive payment of the full amount of RM301,506,429 as at 30 June 2012 ("Full Outstanding Amount") that the Company had previously advanced to Bestari, Spanstead and Seri Ehsan (collectively "Bestari Group") was reinstated, the Full Outstanding Amount is secured by land titles belonging to Seri Ehsan ("the Land") and an irrevocable Power of Attorney to deal with the Land.

As Bestari Group failed to settle the Full Outstanding Amount, the Company filed a Writ of Summons and Statement of Claim against Mula and Bestari Group on 30 January 2015 claiming for, amongst others, a declaration that the Full Outstanding Amount of RM301,506,429 as at 30 June 2012 together with interest thereon is due and owing by Bestari Group.

Mula and Bestari Group then filed their Defence and Counterclaim on 9 February 2015. Thereafter, the Company filed its Reply and Defence to Counterclaim on 18 February 2015. The Trial commenced on 15 February 2016 until 17 February 2016 with the Company's witnesses giving evidence in Court. The Judge then vacated the Trial date on 18 February 2016 and the Trial will continue on new dates to be fixed by the Court.

The outcome of this litigation is not expected to have any material financial and operational impact on the Group as the net receivables in the Group's accounts of RM103 million is below 5% of the net assets of the Group. Furthermore, the net receivables are secured by the Land. The Company is pursuing the Full Outstanding Amount of RM301,506,429 as at 30 June 2012 and if successful, the Company expects to be able to recover substantially more than the net receivables of RM103 million. The net receivables recognised in the Company's accounts have been reduced to RM103 million, mainly due to past impairments and the loss incurred upon disposal of Bestari Sepang Sdn Bhd.

The Company's solicitors have advised that the Group has a strong case based on contemporaneous documentary evidence and the express terms of the documents with Mula and Bestari Group. Accordingly, it will be forcefully argued that the counterclaim filed by Mula and Bestari Group is without merit.

43. Supplementary financial information on the breakdown of realised and unrealised profits or losses

The breakdown of the retained earnings of the Group and of the Company as at 31 December, into realised and unrealised profits, pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements, are as follows:

	Group		Company	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Total retained earnings/(accumulated losses)				
- realised	**993,111**	905,511	**(111,879)**	(167,724)
- unrealised	**64,192**	52,883	**136,470**	16,401
Total share of retained earnings/(accumulated losses) from associates				
- realised	**180,468**	181,982	**–**	–
- unrealised	**2,623**	485	**–**	–
- breakdown unavailable*	**(554,247)**	(571,139)	**–**	–
Total share of retained earnings from joint ventures - breakdown unavailable*	**9,145**	–	**–**	–
	695,292	569,722	**24,591**	(151,323)
Less: Consolidation adjustments	**(97,593)**	(137,011)	**–**	–
Total retained earnings/(accumulated losses)	**597,699**	432,711	**24,591**	(151,323)

* There is no separate disclosure shown between the realised and unrealised profits or losses components for the Group's associates, AVEO Group, New Pegasus Holdings Limited and Rotol Singapore Ltd., and joint ventures as such classification is not governed by the reporting requirements in their respective local jurisdictions.

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 Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

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 53 to 169 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the financial year then ended.

In the opinion of the Directors, the information set out in Note 43 on page 170 to the financial statements has been compiled in accordance with Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

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

Lee Seng Huang

Law Chin Wat

Date: 31 March 2016

STATUTORY DECLARATION

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

I, **Lee Eng Leong**, the officer primarily responsible for the financial management of Mulpha International Bhd., do solemnly and sincerely declare that the financial statements set out on pages 53 to 170 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named at Petaling Jaya in the State of Selangor on 31 March 2016.

Lee Eng Leong

Before me:

Lawrence Low
No: B484
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MULPHA INTERNATIONAL BHD.

(Company No. 19764-T)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Mulpha International Bhd., which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 53 to 169.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

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

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

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

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

(d) The audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The information set out in Note 43 on page 170 to the financial statements has been compiled by the Company as required by the Bursa Malaysia Securities Berhad Listing Requirements and is not required by the Malaysian Financial Reporting Standards or International Financial Reporting Standards. We have extended our audit procedures to report on the process of compilation of such information. In our opinion, the information has been properly compiled, in all material respects, in accordance with the Guidance on Special Matter No.1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Other Matters

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

KPMG
Firm Number: AF 0758
Chartered Accountants

Chew Beng Hong
Approval Number: 2920/02/18(J)
Chartered Accountant

Petaling Jaya, Selangor

Date: 31 March 2016

MATERIAL PROPERTIES OF THE GROUP

as at 31 December 2015

	Location/Address	Year of Acquisition/ Completion	Tenure	Year Lease Expiring	Age of Building	Land Area/ Built Up Area	Description/ Existing Use	Net Book Value RM'000
1.	117, Macquarie Street Sydney New South Wales Australia	2004	Freehold	N/A	30 years	3,909.00 sq. metres	5 star hotel	573,469
2.	Lot 679, 7, 8, 1141 and 1514 Mukim Pulai and Tanjung Kupang Daerah Johor Bahru	1991	Freehold	N/A	N/A	372.95 hectares	Land being used for a resort & recreation, residential and commercial developments	472,994
3.	Norwest Marketown Norwest Boulevard Bauklham Hills New South Wales Australia	2015	Freehold	N/A	16 years	4.40 hectares	Commercial property and development	398,112
4.	Hayman Island Great Barrier Reef Queensland, Australia	2004	Leasehold	Perpetuity	27 years	291.48 hectares	5 star island resort and residential development	341,107
5.	Sanctuary Cove Gold Coast Brisbane Queensland Australia	2002	Freehold	N/A	N/A	72.59 hectares	Integrated resort with hotel, clubs & marina and residential development	324,947
6.	The Greens, Watermark and Haven Baulkham Hills New South Wales Australia	2014	Freehold	N/A	N/A	4.68 hectares	High density residential development	191,849
7.	99-113, Macquarie Street Sydney New South Wales Australia	2004	Freehold	N/A	77 years	1,600.00 sq. metres	Commercial property	125,550
8.	Bella Vista Waters and Circa Bella Vista New South Wales Australia	2014	Freehold	N/A	N/A	14.60 hectares	Residential and commercial developments	122,225
9.	Mulgoa Rise Bradley Street Glenmore Park New South Wales Australia	2014	Freehold	N/A	N/A	21.76 hectares	Residential development	107,981
10.	Lot 84-89, 696, 908 and 2991 Mukim Pulai Daerah Johor Bahru	2011	Freehold	N/A	N/A	41.79 hectares	Land to be used for mixed residential development	39,124

Note: The list of properties above shows the particulars of the top 10 properties in terms of highest net book value as at the end of the financial year.

ANALYSIS OF SHAREHOLDINGS

as at 21 March 2016

Authorised Share Capital	:	RM2,000,000,000 divided into 4,000,000,000 ordinary shares of RM0.50 each
Issued and Paid-up Share Capital	:	RM1,177,956,579 divided into 2,355,913,158 ordinary shares of RM0.50 each
Class of Shares	:	Ordinary shares of RM0.50 each
Voting Rights	:	1) One vote per shareholder on a show of hands
		2) One vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholdings
Less than 100	726	2.65	22,593	0.00
100 - 1,000	4,447	16.21	4,138,790	0.20
1,001 - 10,000	14,271	52.03	69,320,903	3.25
10,001 - 100,000	6,892	25.12	232,834,219	10.91
100,001 - 106,682,666 (Less than 5% of issued shares)	1,093	3.98	1,140,056,904	53.43
106,682,667 (5%) and above	2	0.01	687,279,949	32.21
	27,431	100.00	2,133,653,358*	100.00*

* Excludes 222,259,800 treasury shares retained by the Company as per the Record of Depositors.

THIRTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%*
1.	Nautical Investments Limited	503,380,000	23.59
2.	Magic Unicorn Limited	183,899,949	8.62
3.	Alliancegroup Nominees (Asing) Sdn Bhd - Exempt AN for Sun Hung Kai Investment Services Limited	71,935,000	3.37
4.	Klang Enterprise Sendirian Berhad	66,906,600	3.14
5.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Vista Power Sdn Bhd	64,638,333	3.03
6.	Alliancegroup Nominees (Asing) Sdn Bhd - Sun Hung Kai Investment Services Limited for Honest Opportunity Limited	59,080,300	2.77
7.	Jimmy Thomas @ James Abraham Thomas	56,000,000	2.62
8.	Yong Pit Chin	48,153,000	2.26
9.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Exempt AN for Sun Hung Kai Investment Services Limited (A/C Client)	40,000,000	1.87
10.	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for Morgan Stanley & Co. International Plc (IPB Client Acct)	28,000,000	1.31

ANALYSIS OF SHAREHOLDINGS (cont'd)
as at 21 March 2016

No.	Name of Shareholders	No. of Shares	%*
11.	Vista Power Sdn Bhd	25,363,700	1.19
12.	First Positive Sdn Bhd	24,762,300	1.16
13.	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	23,959,000	1.12
14.	UOB Kay Hian Nominees (Asing) Sdn Bhd - Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	23,749,184	1.11
15.	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for Bank Julius Baer & Co. Ltd (Singapore Bch)	18,568,400	0.87
16.	Nautical Investments Limited	17,448,000	0.82
17.	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	15,758,300	0.74
18.	Citigroup Nominees (Asing) Sdn Bhd - CBNY for DFA Emerging Markets Small Cap Series	15,364,800	0.72
19.	Wong Sue Yin	14,900,000	0.70
20.	Citigroup Nominees (Asing) Sdn Bhd - Exempt AN for OCBC Securities Private Limited (Client A/C-NR)	13,777,744	0.65
21.	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JPMorgan Chase Bank, National Association (U.S.A.)	12,712,800	0.60
22.	Citigroup Nominees (Asing) Sdn Bhd - UBS AG for CGO Fund	11,769,900	0.55
23.	Citigroup Nominees (Asing) Sdn Bhd - CGML IPB for ASM Co-Investment Opportunity Trust II LP	10,116,800	0.47
24.	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for The Hongkong and Shanghai Banking Corporation Limited (PB-HKDIV-ACCL)	8,700,000	0.41
25.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Teh Siew Wah (021)	8,487,000	0.40
26.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd - Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	7,868,883	0.37
27.	RHB Nominees (Asing) Sdn Bhd - Pledged Securities Account for Lee Sui Hee	6,426,900	0.30
28.	DB (Malaysia) Nominee (Asing) Sdn Bhd - BNYM SA/NV for William Blair Directional Multialternative Fund (TST for PROF MG)	5,720,200	0.27
29.	DB (Malaysia) Nominee (Asing) Sdn Bhd - Exempt AN for Bank of Singapore Limited	5,641,000	0.26
30.	Tan Hua Tong	5,555,300	0.26

* Excludes 222,259,800 treasury shares retained by the Company as per the Record of Depositors.

SUBSTANTIAL SHAREHOLDERS

	Direct		Indirect	
Name of Shareholders	No. of Shares	%*	No. of Shares	%*
Nautical Investments Limited	520,828,000	24.41	–	–
Magic Unicorn Limited	183,899,949	8.62	–	–
Mountbatten Corporation	–	–	520,828,000 [a]	24.41
Mount Glory Investments Limited	–	–	704,727,949 [b]	33.03
Yong Pit Chin	88,153,000	4.13	771,634,549 [c]	36.16
Lee Seng Huang	–	–	859,787,549 [d]	40.30
Mackenzie Cundill Investment Management Ltd	156,544,100	7.34	–	–

DIRECTOR'S SHAREHOLDING IN MULPHA INTERNATIONAL BHD

	Direct		Indirect	
Name of Director	No. of Shares	%*	No. of Shares	%*
Lee Seng Huang	–	–	859,787,549 [d]	40.30

By virtue of Lee Seng Huang's substantial interest in the shares of Mulpha International Bhd, he is also deemed interested in the shares of all the subsidiaries to the extent that Mulpha International Bhd has an interest.

Notes:

a Deemed interest pursuant to Section 6A of the Companies Act, 1965 by virtue of its shareholding in Nautical Investments Limited.

b Deemed interest pursuant to Section 6A of the Companies Act, 1965 by virtue of its shareholdings in Mountbatten Corporation and Magic Unicorn Limited.

c Deemed interest pursuant to Section 6A of the Companies Act, 1965 by virtue of her shareholdings in Mount Glory Investments Limited and Klang Enterprise Sdn Bhd.

d Deemed interest pursuant to Section 6A of the Companies Act, 1965 by virtue of his family relationship with Yong Pit Chin and his shareholding in Klang Enterprise Sdn Bhd.

* Excludes 222,259,800 treasury shares retained by the Company as per the Record of Depositors.

NOTICE OF 42ND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 42nd Annual General Meeting of Mulpha International Bhd will be held at Level 11, Menara Mudajaya, No. 12A, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan on Thursday, 9 June 2016 at 2.30 p.m. for the following purposes:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2015 together with the Directors' and Auditors' Reports thereon. *(Please refer to Explanatory Note A)*

2. To re-elect the following Directors who retire by rotation pursuant to Article 101 of the Company's Articles of Association and being eligible, have offered themselves for re-election:-

   (a) Lee Seng Huang *(Ordinary Resolution 1)*

   (b) Kong Wah Sang *(Ordinary Resolution 2)*

3. To consider and if thought fit, to pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965:-

   "THAT pursuant to Section 129(6) of the Companies Act, 1965, Dato' Lim Say Chong who is over the age of 70 years, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company." *(Ordinary Resolution 3)*

4. To approve the payment of Directors' fees amounting to RM390,000 for the financial year ended 31 December 2015. *(Ordinary Resolution 4)*

5. To re-appoint Messrs KPMG as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 5)*

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following Resolutions:-

6. **ORDINARY RESOLUTION:**
   Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965

   "THAT subject always to the Companies Act, 1965, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company's Articles of Association and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 132D of the Companies Act, 1965 to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued share capital of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." *(Ordinary Resolution 6)*

7. **ORDINARY RESOLUTION:**
Proposed Renewal of Authority to Allot and Issue Shares pursuant to the Company's Dividend Reinvestment Plan

"THAT pursuant to the Dividend Reinvestment Plan as approved by the shareholders at the Extraordinary General Meeting held on 27 June 2011, the Directors be and are hereby authorised to allot and issue new ordinary shares of RM0.50 each in the Company from time to time as may be required under the Company's Dividend Reinvestment Plan until the conclusion of the next Annual General Meeting of the Company, upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and in the interest of the Company.

THAT the Directors and the Secretary be and are hereby authorised to do all such acts and enter into all such transactions, agreements, arrangements and documents as may be necessary or expedient in order to give full effect to the Dividend Reinvestment Plan, with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or at the discretion of the Directors in the best interest of the Company." *(Ordinary Resolution 7)*

8. **ORDINARY RESOLUTION:**
Proposed Renewal of Authority for the Purchase by the Company of its Own Shares

"THAT subject to compliance with the Companies Act, 1965, the Company's Memorandum and Articles of Association, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant rules and regulations that may be in force from time to time, the Company be and is hereby authorised to purchase such amount of ordinary shares of RM0.50 each in the Company 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:-

(a) the aggregate number of ordinary shares in the Company which may be purchased and/or held by the Company shall not exceed 10% of the issued and paid-up share capital of the Company at any point in time; and

(b) the maximum funds to be allocated by the Company for the purpose of purchasing the ordinary shares shall not exceed the Company's share premium account.

THAT such authority shall commence upon the passing of this ordinary resolution and shall remain in force until:-

(i) the conclusion of the next Annual General Meeting of the Company at which time such authority shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or

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

whichever occurs first.

THAT authority be and is hereby given to the Directors of the Company to decide in their discretion to retain the ordinary shares in the Company so purchased by the Company as treasury shares and/or to cancel them and/or to resell the treasury shares and/or to distribute them as share dividend and/or subsequently cancel them.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise or to give full effect to the aforesaid with full power to assent to any conditions, modifications, variations and/or amendments as may be required or imposed by the relevant authorities and to do all such acts and things (including executing all documents) as the Directors may deem fit and expedient in the best interest of the Company." *(Ordinary Resolution 8)*

9. **ORDINARY RESOLUTION:**
Continuing in Office as Independent Non-Executive Director

"THAT subject to the passing of Ordinary Resolution 2, approval be and is hereby given to Kong Wah Sang, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to serve as an Independent Non-Executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance 2012." *(Ordinary Resolution 9)*

10. **ORDINARY RESOLUTION:**
Continuing in Office as Independent Non-Executive Director

"THAT approval be and is hereby given to Chew Hoy Ping, who will be serving as an Independent Non-Executive Director of the Company for a cumulative term of 9 years, to continue to serve as an Independent Non-Executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance 2012." *(Ordinary Resolution 10)*

11. **ORDINARY RESOLUTION:**
Continuing in Office as Independent Non-Executive Director

"THAT subject to the passing of Ordinary Resolution 3, approval be and is hereby given to Dato' Lim Say Chong, who will be serving as an Independent Non-Executive Director of the Company for a cumulative term of 9 years, to continue to serve as an Independent Non-Executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance 2012." *(Ordinary Resolution 11)*

By Order of the Board

LEE ENG LEONG (MIA 7313)
LEE SUAN CHOO (MAICSA 7017562)
Company Secretaries

Petaling Jaya
29 April 2016

NOTES:

1. A member of the Company who is entitled to attend and vote at a general meeting of the Company, may appoint not more than 2 proxies to attend and vote instead of the member at the meeting.
2. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the proxy shall have the same rights as the member to speak at the meeting.
3. Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.
5. Where a member or the authorised nominee appoints 2 proxies, or where an exempt authorised nominee appoints 2 or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or under the hand of its officer duly authorised.
7. The instrument appointing a proxy must be deposited at the Registered Office of the Company at PH2, Menara Mudajaya, No. 12A, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
8. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Securities Berhad to issue a Record of Depositors as at 1 June 2016 and only members whose names appear in the Record of Depositors shall be entitled to attend, speak and vote at this meeting.

EXPLANATORY NOTE A:

This agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require the Audited Financial Statements to be formally approved by the shareholders. As such, this item on the agenda is not put forward for voting.

EXPLANATORY NOTES ON SPECIAL BUSINESS:

1. **Ordinary Resolution 6 - Authority to Issue Shares pursuant to Section 132D of the Companies Act, 1965**

   The proposed Ordinary Resolution 6 is to empower the Directors to issue shares in the Company up to an aggregate amount not exceeding 10% of the total issued share capital of the Company for such purposes as they consider would be in the interest of the Company, such as investment(s), acquisition of asset(s) or working capital. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. The Company did not issue any shares pursuant to the mandate granted last year. Nevertheless, a renewal of the mandate is sought to avoid any delay and cost involved in convening a general meeting to approve such issue of shares.

2. **Ordinary Resolution 7 - Proposed Renewal of Authority to Allot and Issue Shares pursuant to the Company's Dividend Reinvestment Plan**

   The proposed Ordinary Resolution 7 will give authority to the Directors to allot and issue new ordinary shares in the Company from time to time as may be required under the Company's Dividend Reinvestment Plan until the conclusion of the next Annual General Meeting of the Company. A renewal of this authority will be sought at the subsequent Annual General Meeting.

3. **Ordinary Resolution 8 - Proposed Renewal of Authority for the Purchase by the Company of its Own Shares**

   The details on the proposed renewal of authority for the purchase by the Company of its own shares are set out in the Share Buy-back Statement dated 29 April 2016.

4. Ordinary Resolutions 9, 10 and 11 - Continuing in Office as Independent Non-Executive Directors

The proposed Ordinary Resolutions 9, 10 and 11 are to seek the shareholders' approval to retain Kong Wah Sang, Chew Hoy Ping and Dato' Lim Say Chong as Independent Non-Executive Directors of the Company. Kong Wah Sang has served on the Board for a cumulative term of more than 9 years, whilst Chew Hoy Ping and Dato' Lim Say Chong will be holding the position as Independent Non-Executive Directors for 9 years in 2016.

The Board has via the Nomination Committee, assessed the independence of Kong Wah Sang, Chew Hoy Ping and Dato' Lim Say Chong and recommended them to continue to serve as Independent Non-Executive Directors based on the following justifications:-

Ordinary Resolution 9: Kong Wah Sang

(a) Mr Kong fulfilled the criteria under the definition of "Independent Director" as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and thus, he would be able to function as a check and balance to the Board.

(b) Mr Kong performed his duties diligently and in the best interest of the Company and brings an element of objectivity and independent judgment to the Board without being subject to influence of the management.

(c) Based on the Director's Peer Evaluation undertaken by the Board, Mr Kong has performed satisfactorily in fulfilling his duties and responsibilities, including among others, contribution to Board deliberations, regular and timely attendance of Board meetings and understanding of the roles and responsibilities of an Independent Director.

Ordinary Resolution 10: Chew Hoy Ping

(a) Mr Chew fulfilled the criteria under the definition of "Independent Director" as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and thus, he would be able to function as a check and balance to the Board.

(b) Mr Chew performed his duties diligently and in the best interest of the Company and brings an element of objectivity and independent judgment to the Board without being subject to influence of the management.

(c) Based on the Director's Peer Evaluation undertaken by the Board, Mr Chew has performed satisfactorily in fulfilling his duties and responsibilities, including among others, contribution to Board deliberations, regular and timely attendance of Board meetings and understanding of the roles and responsibilities of an Independent Director.

(d) Mr Chew, who is Chairman of the Audit Committee, has vast experience in the accounting and audit industry, which enabled him to provide constructive advice, expertise and independent judgment.

Ordinary Resolution 11: Dato' Lim Say Chong

(a) Dato' Lim fulfilled the criteria under the definition of "Independent Director" as stated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and thus, he would be able to function as a check and balance to the Board.

(b) Dato' Lim performed his duties diligently and in the best interest of the Company and brings an element of objectivity and independent judgment to the Board without being subject to influence of the management.

(c) Based on the Director's Peer Evaluation undertaken by the Board, Dato' Lim has performed satisfactorily in fulfilling his duties and responsibilities, including among others, contribution to Board deliberations, regular and timely attendance of Board meetings and understanding of the roles and responsibilities of an Independent Director.

STATEMENT ACCOMPANYING NOTICE OF 42ND ANNUAL GENERAL MEETING
(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. **Details of persons who are standing for election as Directors (excluding Directors standing for re-election)**

   No individual is seeking for election as a Director at the 42nd Annual General Meeting of the Company.

2. **A statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

   The proposed Ordinary Resolution 6 for the general mandate for issue of securities is a renewal mandate. As at the date of this Notice, no new shares were issued pursuant to the said mandate granted to the Directors at the last Annual General Meeting held on 25 June 2015.

This page has been intentionally left blank.

MULPHA INTERNATIONAL BHD (19764-T)
INCORPORATED IN MALAYSIA

No. of Shares held	
CDS Account No.	

PROXY FORM

I/We ______________________________ NRIC No./Company No. ______________

Tel No. ______________________ of ______________________________

______________________________ being a member of the Company, hereby appoint

______________________________ NRIC No. ______________________

of ____

and/or ______________________________ NRIC No. ______________________

of ____

or failing him/her, the Chairman of the Meeting as my/our proxy to attend and vote on my/our behalf at the 42nd Annual General Meeting of the Company to be held at Level 11, Menara Mudajaya, No. 12A, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan on **Thursday, 9 June 2016** at **2.30 p.m.** and at any adjournment thereof.

Please indicate with 'X' in the space below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion.

ORDINARY RESOLUTIONS		FOR	AGAINST
Resolution 1	Re-election of Lee Seng Huang		
Resolution 2	Re-election of Kong Wah Sang		
Resolution 3	Re-appointment of Dato' Lim Say Chong		
Resolution 4	Approval of the payment of Directors' fees		
Resolution 5	Re-appointment of KPMG as Auditors		
Resolution 6	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965		
Resolution 7	Proposed renewal of authority to allot and issue shares pursuant to the Company's Dividend Reinvestment Plan		
Resolution 8	Proposed renewal of authority for the purchase by the Company of its own shares		
Resolution 9	Continuing in office as Independent Non-Executive Director – Kong Wah Sang		
Resolution 10	Continuing in office as Independent Non-Executive Director – Chew Hoy Ping		
Resolution 11	Continuing in office as Independent Non-Executive Director – Dato' Lim Say Chong		

Dated this _______ day of __________________ 2016

____
Signature of Member

For appointment of 2 proxies, the percentage of shareholdings to be represented by the proxies:-

	No. of Shares	Percentage
1st Proxy		%
2nd Proxy		%
Total:		100%

Common Seal
(for Corporate Members)

NOTES:

1. A member of the Company who is entitled to attend and vote at a general meeting of the Company, may appoint not more than 2 proxies to attend and vote instead of the member at the meeting.
2. A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy and the proxy shall have the same rights as the member to speak at the meeting.
3. Where a member is an authorised nominee as defined in the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than 2 proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in 1 securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of the SICDA.
5. Where a member or the authorised nominee appoints 2 proxies, or where an exempt authorised nominee appoints 2 or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or if the appointer is a corporation, either under its common seal or under the hand of its officer duly authorised.
7. The instrument appointing a proxy must be deposited at the Registered Office of the Company at PH2, Menara Mudajaya, No. 12A, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
8. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Securities Berhad to issue a Record of Depositors as at **1 June 2016** and only members whose names appear in the Record of Depositors shall be entitled to attend, speak and vote at this meeting.

FOLD THIS FLAP TO SEAL

2ND FOLD HERE

AFFIX
STAMP
HERE

The Company Secretary
MULPHA INTERNATIONAL BHD (19764-T)
PH2, Menara Mudajaya
No. 12A, Jalan PJU 7/3
Mutiara Damansara
47810 Petaling Jaya
Selangor Darul Ehsan
Malaysia

1ST FOLD HERE

CORPORATE DIRECTORY

1. **MULPHA INTERNATIONAL BHD**
   PH1, Menara Mudajaya
   No.12A, Jalan PJU 7/3
   Mutiara Damansara
   47810 Petaling Jaya
   Selangor Darul Ehsan, Malaysia

   Tel No : (+603) 7718 6288
   www.mulpha.com.my

2. **LEISURE FARM RESORT**
   D'Rimbunan Sales and Information Centre
   No. 8, Jalan Peranginan, Leisure Farm
   81560, Gelang Patah, Johor
   Malaysia

   Tel No : (+607) 556 3003
   www.leisurefarm.com.my

3. **MULPHA AUSTRALIA LIMITED**
   L5, 99 Macquarie Street
   Sydney, New South Wales 2000
   Australia

   Tel No : (+612) 9239 5500
   www.mulpha.com.au

4. **MULPHA SANCTUARY COVE PTY LTD.**
   PO Box 199
   Sanctuary Cove, Queensland 4212
   Australia

   Tel No : (+617) 5577 6500
   www.sanctuarycove.com

5. **NORWEST BUSINESS PARK**
   L5, 99 Macquarie Street
   Sydney, New South Wales 2000
   Australia

   Tel No : (+612) 9270 6100
   www.norwestbusinesspark.com.au

6. **ONE&ONLY HAYMAN ISLAND**
   Great Barrier Reef
   Queensland 4801
   Australia

   Tel No : (+617) 4940 1838
   www.oneandonlyhaymanisland.com.au

7. **INTERCONTINENTAL SYDNEY**
   117, Macquarie Street
   Sydney, New South Wales 2000
   Australia

   Tel No : (+612) 9253 9000
   www.sydney.intercontinental.com

8. **INTERCONTINENTAL SANCTUARY COVE RESORT**
   Manor Circle, Sanctuary Cove
   Queensland 4212
   Australia

   Tel No : (+617) 5530 1234
   www.intercontinentalsanctuarycove.com

9. **BIMBADGEN**
   790 McDonalds Road
   Pokolbin New South Wales 2320
   Australia

   Tel No : (+612) 4998 4600
   www.bimbadgen.com.au

10. **99 MACQUARIE STREET**
    99 Macquarie Street
    Sydney 2000
    Australia

    Tel No : (+612) 9239 5500
    www.99macquariestreet.com.au

11. **THE HOTEL SCHOOL SYDNEY**
    60 Philip St
    Sydney
    New South Wales 2000
    Australia

    Tel No : (+612) 8249 3200
    www.hotelschool.scu.edu.au

12. **MARRITZ HOTEL**
    12 Porcupine Road
    Perisher Valley
    New South Wales 2624
    Australia

    Tel No : (+612) 6457 5220
    www.marritzalpine.com.au

13. **SALZBURG APARTMENT**
    24 Porcupine Road
    Perisher Valley
    New South Wales 2624
    Australia

    Tel No : (+612) 6457 5220
    www.salzburg.com.au

Sanctuary Cove
Gold Coast, Australia

Mulpha International Bhd (19764-T)
PH1, Menara Mudajaya, No. 12A, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
T: (603) 7718 6288 F: (603) 7718 6363 www.mulpha.com.my