FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The Directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The principal activity of the Company is engaged in investment holding. The principal activities of its subsidiary companies are shown in Note 6 to the financial statements.

There have been no significant changes in the activities of the Company and of its subsidiary companies during the financial year except as disclosed in Note 6 to the financial statements.

RESULTS

	GROUP RM	COMPANY RM
Net loss for the financial year	(1,569,870)	(28,036)
Loss attributable to:		
Owners of the Company	(1,521,562)	(28,036)
Non-controlling interests	(48,308)	-
	(1,569,870)	(28,036)

DIVIDEND

Since the end of the previous financial year, the Company paid a first and final single tier dividend of 0.565 sen per ordinary share amounting to RM944,431 in respect of the financial year ended 31 December 2014 on 12 August 2015.

WARRANTS

The Company had issued 41,789,066 units 5 years warrants 2011/2016 ("Warrants 2011/2016") pursuant to the Chuan Huat Resources Berhad ("CHRB") Rights Issue exercise announced on 16 December 2010, on the basis of 1 warrant for every 4 existing CHRB shares at issue price at RM0.02 per warrant. The Warrants 2011/2016 were in registered form and are constituted by the Deed Poll dated 30 November 2010 ("Deed Poll"). The Warrants 2011/2016 were admitted to the official list of the Exchange on the Main Market on 11 November 2011.

The movement in the warrants during the financial year are as follows:-

	Number of Warrants			
	As at 1.1.2015	Exercised	Expired	As at 31.12.2015
Warrants	41,789,066	1,098,454	-	40,690,612

The salient terms of the warrants are as follows:-

(a) Each warrant entitles the registered holder/(s) at any time during the exercise period to subscribe for 1 new ordinary share of RM0.50/- each at an exercise price of RM0.50/- per ordinary share. The warrants entitlement is subject to adjustments under the terms and conditions set out in the Deed Poll.

(b) The exercise price for the warrants is fixed at RM0.50/- per new ordinary share of the Company subject to adjustments under certain circumstances in accordance with the provision of the Deed Poll.

(c) The exercise period is 5 years from the date of issuance until the maturity date, i.e. the date preceding the 5th anniversary of the date of issuance. Upon the expiry of the exercise period, any unexercised rights will lapse and cease to be valid for any purposes.

(d) The new ordinary shares of RM0.50/- each to be issued pursuant to the exercise of the warrants will upon allotment and issue rank pari passu in all respects with the existing ordinary shares of the Company except that the new ordinary shares so allotted shall not be entitled to any dividends, rights, allotment and/or other distributions declared, made or paid to shareholders, the entitlement date for which is before the date of allotment of the said new ordinary shares.

ISSUES OF SHARE CAPITAL

During the financial year, the Company increased its issued and fully paid up share capital from 167,156,266 ordinary shares of RM0.50 each to 168,254,720 ordinary shares of RM0.50 each through the issuance of 1,098,454 ordinary shares via the exercise of 1,098,454 warrants 2011/2016.

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

The Company did not issue any debentures during the financial year.

RESERVES AND PROVISIONS

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

DIRECTORS

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

Tan Sri Dato' Sri Abdul Aziz Bin Abdul Rahman
Dato' Lim Khoon Heng
Dato' Lim Loong Heng
Dali Kumar @ Dali Bin Sardar
Leow Bock Lim
Nicholas Lim Kean Hoong
Lim Kah Poon

In accordance with the Company's Articles of Association, Dato' Lim Khoon Heng and Tan Sri Dato' Sri Abdul Aziz Bin Abdul Rahman retire by rotation at the forthcoming Annual General Meeting of the Company, and being eligible, offer themselves for re-election.

Pursuant to Section 129 of the Company Act 1965, Mr. Leow Bock Lim, being seventy years of age, retires at the forthcoming Annual General Meeting of the Company, and offers himself for re-election.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as disclosed 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 any Director or with a firm of which a Director is a member, or with a company in which a Director has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the transactions between the Company and certain companies in which certain Directors of the Company are also Directors and/or shareholders as disclosed in Note 30 to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings and warrant holdings, the interests of Directors in office at the end of the financial year in shares and warrants in the Company during and at the end of the financial year were as follows:

	Number of Ordinary shares of RM 0.50 each			
	As at 1.1.2015	Addition	Disposal	As at 31.12.2015
Direct Interests				
Dato' Lim Khoon Heng	18,001,186	-	-	18,001,186
Dato' Lim Loong Heng	17,801,182	-	-	17,801,182
Indirect Interests				
Dato' Lim Khoon Heng #	11,997,621	-	-	11,997,621
Dato' Lim Loong Heng #	11,997,621	-	-	11,997,621

	Number of Warrants			
	As at 1.1.2015	Bought	Disposed/ Exercised	As at 31.12.2015
Direct Interests				
Dato' Lim Khoon Heng	4,693,000	-	-	4,693,000
Dato' Lim Loong Heng	4,693,000	-	-	4,693,000
Indirect Interests				
Dato' Lim Khoon Heng #	3,932,945	-	-	3,932,945
Dato' Lim Loong Heng #	3,932,945	-	-	3,932,945

Indirect interest held through Lim Kim Chuan & Sons Holdings Sdn Bhd

By virtue of the above Directors' interests in the shares of the Company, the abovementioned Directors are also deemed to have an interest in the shares of the subsidiary companies and its related companies to the extent that the Company has an interest.

Other than as disclosed above, the Directors of the Company do not have any other interest in shares of the Company or its related companies during and at the end of the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

OTHER STATUTORY INFORMATION

Before the statements of financial position and the statements of profit or loss and other comprehensive income of the Group and of the Company were made out, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad receivables and the making of impairment loss on receivables and had satisfied themselves that all known bad receivables had been written off and that adequate impairment had been made for doubtful receivables; and

(b) to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the accounting records had 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:

(a) which would render the amount written off for bad receivables or the amount of the impairment loss on receivables in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; and

(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

(a) except as disclosed in the financial statements, any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

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

Except as disclosed in the financial statements, no contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, 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:

(a) except as disclosed in the financial statements, the results of the Group's and of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ong Boon Bah & Co, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 31 March 2016.

DATO' LIM KHOON HENG
Director

DATO' LIM LOONG HENG
Director

Kuala Lumpur

STATEMENT BY DIRECTORS

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

We, DATO' LIM KHOON HENG and DATO' LIM LOONG HENG, being two of the Directors of CHUAN HUAT RESOURCES BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 9 to 81 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 at 31 December 2015 and of their financial performance and cash flows for the year then ended.

The information set out in Note 38 to the financial statements has been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 31 March 2016.

DATO' LIM KHOON HENG
Director

DATO' LIM LOONG HENG
Director

Kuala Lumpur

STATUTORY DECLARATION

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

I, DATO' LIM LOONG HENG, being the Director primarily responsible for the financial management of CHUAN HUAT RESOURCES BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 9 to 81 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed DATO' LIM LOONG HENG at Kuala Lumpur in the Federal Territory on 31 March 2016

DATO' LIM LOONG HENG

Before me

Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHUAN HUAT RESOURCES BERHAD

Report on the Financial Statements

We have audited the financial statements of CHUAN HUAT RESOURCES BERHAD, 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, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 35 to 96.

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.

B-10-1, MEGAN AVENUE 1, 189, JALAN TUN RAZAK, 50400 KUALA LUMPUR.
P.O.BOX 11077, 50734 KUALA LUMPUR.
TEL: 03-21630292 FAX: 03-21630316

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHUAN HUAT RESOURCES BERHAD (cont'd)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report on 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 subsidiary companies of which we have acted as auditors have been properly kept in accordance with the provisions of the Act;

(b) we have considered the financial statements and the independent auditors' reports of all the subsidiary companies of which we have not acted as auditors, which are indicated in Note 6 to the financial statements;

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

(d) the independent auditor's report on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 35 on page 96 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

Ong Boon Bah & Co

ONG BOON BAH & CO
AF: 0320
Chartered Accountants

LIM KOK BENG
588/02/17(J)
Chartered Accountant

Kuala Lumpur

31 March 2016

B-10-1, MEGAN AVENUE 1, 189, JALAN TUN RAZAK, 50400 KUALA LUMPUR.
P.O.BOX 11077, 50734 KUALA LUMPUR.
TEL: 03-21630292 FAX: 03-21630316

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	GROUP 2015 RM	GROUP 2014 RM	COMPANY 2015 RM	COMPANY 2014 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	172,699,160	155,309,216	6,515	2,923
Investment properties	5	30,869,002	31,436,258	-	-
Subsidiary companies	6	-	-	43,743,927	43,743,927
Investment	7	2,841,198	2,757,102	-	-
Goodwill	8		776,606	-	-
		206,409,360	190,279,182	43,750,442	43,746,850
Current assets					
Inventories	9	103,634,535	139,800,234	-	-
Trade receivables	10	157,934,534	159,207,545	-	-
Other receivables, deposits and prepayments	11	6,370,559	6,961,499	7,397	109,021
Amounts due from subsidiary companies	12	-	-	43,105,639	44,055,639
Tax recoverable		1,744,322	2,051,387	-	14,660
Fixed deposits with licensed banks	13	1,170,489	2,403,663	-	-
Cash and bank balances		23,559,660	24,388,934	775,665	56,121
		294,414,099	334,813,262	43,888,701	44,235,441
TOTAL ASSETS		500,823,459	525,092,444	87,639,143	87,982,291
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	14	84,127,360	83,578,133	84,127,360	83,578,133
Reserves	15	91,796,887	81,936,305	565,554	565,554
Retained earnings	16	76,830,975	79,296,968	2,758,561	3,731,028
		252,755,222	244,811,406	87,451,475	87,874,715
Non-controlling interest		14,477,812	14,574,120	-	-
Total equity		267,233,034	259,385,526	87,451,475	87,874,715

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

		GROUP		COMPANY	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
Current liabilities					
Trade payables	17	50,372,772	36,445,598	-	-
Other payables, deposits received and accruals	18	18,020,394	9,032,811	187,600	107,576
Loans and borrowings	19	133,604,244	185,683,953	-	-
Tax liabilities		19,226	85,629	68	-
		202,016,636	231,247,991	187,668	107,576
Net current assets		92,397,463	103,565,271	43,701,033	44,127,865
Non-current liabilities					
Loans and borrowings	19	19,161,494	20,272,134	-	-
Deferred tax liabilities	20	12,412,295	14,186,793	-	-
		31,573,789	34,458,927	-	-
Total liabilities		233,590,425	265,706,918	187,668	107,576
TOTAL EQUITY AND LIABILITIES		500,823,459	525,092,444	87,639,143	87,982,291

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

		GROUP		COMPANY	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
Revenue	21	663,130,930	708,732,261	360,000	360,000
Other operating income		3,842,920	3,993,140	-	-
Changes in inventories		(681,339)	29,302,820	-	-
Purchases of finished goods		(500,759,996)	(560,972,804)	-	-
Raw materials and consumables used		(100,372,822)	(109,325,977)	-	-
Employee benefits expenses	22	(29,763,222)	(28,006,014)	(187,170)	(193,800)
Depreciation of property, Plant and equipment		(8,214,675)	(7,943,845)	(1,408)	(408)
Changes in fair value of investment properties		-	18,678,323	-	-
Administrative expenses		(19,916,278)	(21,184,806)	(166,593)	(200,144)
(Loss)/Profit from operations	23	7,265,518	33,273,098	4,829	(34,352)
Finance costs	24	(8,212,630)	(9,079,030)	-	-
(Loss)/Profit before tax		(947,112)	24,194,068	4,829	(34,352)
Tax expenses	25	(622,758)	(2,220,969)	(32,865)	(14,372)
Net (loss)/profit for the financial year		(1,569,870)	21,973,099	(28,036)	(48,724)
Attributable to:					
Owners of the Company		(1,521,562)	21,367,116	(28,036)	(48,724)
Non-controlling interests		(48,308)	605,983	-	-
		(1,569,870)	21,973,099	(28,036)	(48,724)
(Loss) /Earnings per share attributable to owners of the Company (sen per share)					
- Basic	26	(0.90)	12.78		
- Diluted	26	(0.73)	10.23		

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

		GROUP		COMPANY	
		2015	**2014**	**2015**	**2014**
	Note	**RM**	**RM**	**RM**	**RM**
Net (loss)/profit for the financial year		(1,569,870)	21,973,099	(28,036)	(48,724)
Other comprehensive income, net of tax					
Translation difference on net asset of a foreign subsidiary company and other movement		171,826	391,989	-	-
Revaluation reserves		9,688,756	58,943,179	-	-
		9,860,582	59,335,168	-	-
Total comprehensive income/ (expense) for the financial year		8,290,712	81,308,267	(28,036)	(48,724)
Attributable to:					
Owners of the Company		8,339,020	80,702,284	(28,036)	(48,724)
Non-controlling interests		(48,308)	605,983	-	-
		8,290,712	81,308,267	(28,036)	(48,724)

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

		Attributable to equity holders of the Company					
			Non-distributable	Distributable			
Group	**Note**	**Share capital RM**	**Retained Reserves RM**	**Non- controlling earnings RM**	**Total RM**	**interests RM**	**Total equity RM**
Balance at 1 January 2014		83,578,133	22,601,137	59,787,599	165,966,869	13,968,137	179,935,006
Total comprehensive income for the financial year		-	59,335,168	21,367,116	80,702,284	605,983	81,308,267
Acquisition of additional equity interest in subsidiary company		-	-	22,754	22,754	-	22,754
Dividend	27	-	-	(1,880,501)	(1,880,501)	-	(1,880,501)
Balance at 31 December 2014		83,578,133	81,936,305	79,296,968	244,811,406	14,574,120	259,385,526

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

		Attributable to equity holders of the Company					
			Non-distributable	Distributable			
Group	Note	Share capital RM	Reserves RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Balance at 1 January 2015		83,578,133	81,936,305	79,296,968	244,811,406	14,574,120	259,385,526
Total comprehensive income for the financial year		-	9,860,582	(1,521,562)	8,339,020	(48,308)	8,290,712
Issuance of shares		549,227	-	-	549,227	-	549,227
Acquisition of additional equity interest in subsidiary company		-	-	-	-	355,000	355,000
Dividend	27	-	-	(944,431)	(944,431)	(403,000)	(1,347,431)
Balance at 31 December 2015		84,127,360	91,796,887	76,830,975	252,755,222	14,477,812	267,233,034

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

				Distributable	
COMPANY	Note	Share capital RM	Reserve RM	Retained earnings RM	Total equity RM
Balance at 1 January 2014		83,578,133	565,554	5,660,253	89,803,940
Total comprehensive income for the financial year		-	-	(48,724)	(48,724)
Dividend	27	-	-	(1,880,501)	(1,880,501)
Balance at 31 December 2014		83,578,133	565,554	3,731,028	87,874,715
Issuance of shares		549,227	-	-	549,227
Total comprehensive income for the financial year		-	-	(28,036)	(28,036)
Dividend	27	-	-	(944,431)	(944,431)
Balance at 31 December 2015		84,127,360	565,554	2,758,561	87,451,475

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

	Note	2015 RM	2014 RM
GROUP			
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit before tax		(947,112)	24,194,068
Adjustments for non-cash items, interests and dividend	28(a)	17,106,579	(1,891,951)
Operating profit before changes in working capital		16,159,467	22,302,117
Decrease/(Increase) in inventories		35,270,173	(39,598,641)
Decrease in trade and other receivables		1,836,474	45,136,246
Increase/(Decrease) in trade and other payables		16,559,474	(3,253,605)
Cash generated from operations		69,825,588	24,586,117
Tax paid		(905,558)	(1,205,497)
Interest paid		(6,791,215)	(8,503,914)
Interest received		912,927	1,341,785
Net cash inflow from operating activities		63,041,742	16,218,491
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		221,775	249,801
Proceeds from disposal of investment properties		107,800	460,000
Purchase of property, plant and equipment	28(b)	(9,089,445)	(7,641,929)
Proceeds from issuance of shares		549,227	-
Purchase of investment		-	(20,000)
Net cash inflow/(outflow) from acquisition of a subsidiary company		355,000	(10,000)
Interest received		82,472	176,102
Net cash outflow from investing activities		(7,773,171)	(6,786,026)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net (repayments of)/proceeds of term loans		(1,007,562)	14,103,404
Repayments of finance lease liabilities		(1,302,429)	(1,021,068)
Net repayments to short term borrowings		(52,840,214)	(6,223,085)
Increase in fixed deposits pledged		(76,825)	(129,432)
Dividend paid		(1,347,431)	(1,880,501)
Interest paid		(1,421,413)	(575,116)
Net cash (outflow)/inflow from financing activities		(57,995,874)	4,274,202
Net (decrease)/increase in cash and cash equivalents		(2,727,303)	13,706,667
Effects of changes in exchange rates		(171,826)	391,989
Cash and cash equivalents at beginning of the financial year		23,929,082	9,830,426
Cash and cash equivalents at end of the financial year	28(c)	21,029,953	23,929,082

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

	Note	2015 RM	2014 RM
COMPANY			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before tax		4,829	(34,352)
Adjustments for non-cash items, interests and dividend	28(a)	1,408	408
Operating profit/(loss) before changes in working capital		6,237	(33,944)
Decrease/(Increase) in trade and other receivables		101,624	(104,375)
Increase in other payables and accruals		80,024	15,500
Cash generated from/(used in) operations		187,885	(122,819)
Net of tax paid		(18,137)	(44,450)
Net cash inflow/(outflow) from operating activities		169,748	(167,269)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	28(b)	(5,000)	-
Repayments from subsidiary companies		950,000	2,060,501
Proceeds from issuance of share capital		549,227	-
Net cash inflow from investing activities		1,494,227	2,060,501
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(944,431)	(1,880,501)
Net cash outflow from financing activities		(944,431)	(1,880,501)
Net increase in cash and cash equivalents		719,544	12,731
Cash and cash equivalents at beginning of the financial year		56,121	43,390
Cash and cash equivalents at end of the financial year	28(c)	775,665	56,121

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

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies and are in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements are presented in Ringgit Malaysia ("RM").

(b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:
(i) Power over the investee;
(ii) Exposure, or rights, to variable returns from its involvement with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee;
(ii) Rights arising from other contractual agreements; and
(iii) The voting rights of the Group and potential voting rights.

Intragroup balances, transactions, income and expenses are eliminated on consolidation. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the interest of the Group in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by the other entities in the Group.

Non-controlling interests represent equity in subsidiaries that are not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the financial year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity and attributed to owners of the parent.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Basis of consolidation (cont'd)

If the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between:
(i) The aggregate of the fair value of the consideration received and the fair value of any retained interest; and
(ii) The previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 Financial Instruments: Recognition and Measurement or, where applicable, the cost on initial recognition of an investment in associate or joint venture.

(c) Business combination

Business combinations are accounted for by applying the acquisition method of accounting.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the acquisition date, except that:

(i) Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 Income Taxes and MFRS 119 Employee Benefits respectively;
(ii) Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement by the Group of an acquiree's share-based payment transactions are measured in accordance with MFRS 2 Share-based Payment at the acquisition date; and
(iii) Assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the serviced are received.

Any contingent consideration payable is recognised at fair value at the acquisition date. Measurement period adjustments to contingent consideration are dealt with as follows:

(i) If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity.
(ii) Subsequent changes to contingent consideration classified as an asset or liability that is a financial instrument within the scope of MFRS 139 are recognised either in profit or loss or in other comprehensive income in accordance with MFRS 139. All other subsequent changes are recognised in profit or loss.

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

Components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at fair value (at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets). All other components of non-controlling interests shall be measured at their acquisition-date fair values, unless another measurement basis is required by MFRSs. The choice of measurement basis is made on an combination-by-combination basis. Subsequent to initial recognition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the previously held equity interest of the Group in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. The accounting policy for goodwill is set out in Note 1(g) to the financial statements. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Property, plant and equipment

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

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 1(h).

Land and building is stated at revalued amount, which is the fair value at the date of revaluation less any impairment losses. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the land and building at the reporting date.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement or disposal of the asset.

Freehold land is not amortised as it has an infinite life. Leased assets are depreciated over 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.

Capital work-in-progress are also not depreciated as these assets are not available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful lives, at the following annual rates:

Buildings	2%
Plant, machinery and cabin	10% - 15%
Renovation	10% - 20%
Motor vehicles	20%
Furniture and fittings and office equipment	10%
Yard establishment and renovation	10% - 20%
Cranes	10%

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Investment properties

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties also include properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at fair value.

If the Group determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably determinable when construction is complete, the Group shall measure that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). Once the Group is able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, the Group shall measure that property at its fair value.

The fair value of investment properties reflect among other things, rental income from current leases and other assumptions that market participants would use when pricing investment properties under current market conditions.

Fair values of investment properties are based on valuations by registered independent valuers with appropriate recognised professional qualification and has recent experience in the location and category of the investment properties being valued.

A gain or loss arising from a change in the fair value of investment properties is recognised in profit or loss for the period in which it arises.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement of disposal.

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.

(f) Subsidiary companies

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

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

Under the purchase method of accounting, the financial statements of subsidiary companies are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the subsidiary companies are prepared for the same reporting date as the Company.

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

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. The policy for the recognition and measurement of impairment losses for goodwill is in accordance with Note 1(h).

(h) Impairment of non-financial assets

The carrying amounts of assets, other than inventories, investment properties that are measured of fair values are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

The recoverable amount of an asset or cash-generating unit ("CGU") is the greater of its value in use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets are grouped together into the smallest groups of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of assets. The goodwill acquired in a business combination is allocated to CGU that are expected to benefit from the synergies of the combination.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment losses recognised in respect of CGU are to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses, if any, recognised in prior periods are assessed at each reporting date 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. 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 the profit or loss in the year in which the reversals are recognised.

(i) Financial instruments

Financial assets

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

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

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include loans and receivables and available-for-sale financial assets.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Financial instruments (cont'd)

Financial assets (cont'd)

(i) Loans and receivables

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

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

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

(ii) Available-for-sale financial assets

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

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. On derecognition, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss. Interest income using the effective interest method is recognised in the profit or loss. Dividends on an available-for-sale equity instrument are recognised in the profit or loss when the Company's right to receive payment is established.

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

All financial assets are subject to review for impairment as described in Note 1(j).

Financial liabilities

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

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

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss. The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings. Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowing are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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

1. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

(i) **Financial instruments (cont'd)**

Financial liabilities (cont'd)

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

(j) **Impairment of financial assets**

All financial assets (except for investment in subsidiary companies) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

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 assets is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in the 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 and recognised to profit or loss.

(k) **Inventories**

Inventories of the Group are stated at the lower of cost and net realisable value and are determined using the weighted average method. Cost of raw materials and consumables comprises purchase cost and in the case of finished goods and work-in-progress comprises original purchase price plus costs incurred in bringing the inventories to their present location and conditions. Completed property for sale of the Group and of the Company are valued at the lower of cost and net realisable value. The cost of unsold properties comprises cost associated with the acquisition of land, direct costs and an appropriate proportion of allocated costs attributable to property development activity.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion, selling and distribution cost and applicable variable selling expenses.

(l) **Leases**

(i) **Classification**

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, except for property interest held under operating lease which is held to earn rental income or for capital appreciation on both, is classified as investment property. The policy for the recognition and measurement of investment property is in accordance with Note 1(e).

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Leases (cont'd)

(ii) Finance leases

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

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

The depreciation policy for leased assets is consistent with that for depreciable property, plant and equipment as described in Note 1(d).

(iii) Operating leases - the Group as lessee

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

(iv) Operating leases - the Group as lessor

Assets leased out under operating leases are presented on the statements of financial position according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(m) Income taxes

Income tax on the profit or loss for the financial year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected amount of income taxes payable or receivable in respect of the taxable profit or loss for the financial year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) Income taxes (cont'd)

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised as income or an expense and included in the profit or loss for the period, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

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

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

Where there is a change in the carrying amount of asset arising from revaluation, the tax effects of the asset revaluation are credited to equity. Where amounts are transferred from revaluation surplus to retained earnings, the related deferred tax is also transferred. Upon the disposal of the related asset, the attributable portion of the tax effect arising from revaluation is credited or charged to the profit or loss.

(n) Borrowing costs

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

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

(o) Employee benefits

(i) Short-term benefits

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

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employees benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the period in which the related service is performed. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

The Group's and the Company's contributions to defined contribution plans are charged to the profit or loss in the year to which they relate. Once the contributions have been paid, the Group and the Company has no further payment obligations.

1. **SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

(p) Foreign currencies

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's Functional Currency ("Foreign Currencies") are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary items are denominated in either the Functional Currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in the profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary items are denominated in a currency other than the Functional Currency of either the reporting entity or the foreign operation, are recognised in the profit or loss for the period. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in the profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

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

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- assets and liabilities are translated into RM at the rate of exchange ruling at the reporting date;

- income and expenses for each profit or loss are translated at average exchange rates for the year, which approximate the exchange rates at the dates of the transactions; and

- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

The principal closing rates used in translation of foreign currency amounts are as follows:

	2015 RM	2014 RM
1 USD Dollar	4.2935	3.4965

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company, and the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised.

(i) Sale of goods

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of sales tax returns and discounts and is recognised in the profit or loss when significant risks and rewards of ownership has been transferred to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iii) Dividend income

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

(iv) Management fees

Management fees are recognised when services are rendered.

(v) Interest income

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

(vi) Sales of completed property units

Revenue is recognised when the agreements are executed.

(r) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, balances and deposits with banks which have an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdraft and pledged deposits.

Cash and cash equivalents (other than bank overdrafts) are categorised and measured as loans and receivables in accordance with policy as described in Note 1(i).

(s) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

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

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(t) Contingencies

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstances where there is a liability that cannot be recognised because it cannot be measured reliably.

(u) Segment reporting

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 component. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

2. STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation for issue of these financial statements, the following new MFRSs and Amendments to MFRSs have been issued by the MASB but are not yet effective and have not been applied by the Group and the Company:

Effective for financial periods beginning on or after 1 January 2016:

MFRS 14	Regulatory Deferral Accounts
Amendments to MFRS 11	Joint Arrangements: Accounting for Acquisitions of Interests in Joint Operations
MFRS 101	Presentation of Financial Statements: Disclosure Initiative
Amendments to MFRS 10	Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 1 ;and Investment Entities: Applying the Consolidation Exception
MFRS 12	Disclosure of Interests in Other Entities: Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 116	Property, Plant and Equipment: Clarification of Acceptable Methods of Depreciation and Amortisation; and Agriculture: Bearer Plants
Amendments to MFRS 127	Separate Financial Statements: Equity Method in Separate Financial Statements
Amendments to MFRS 128	Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 1 ;and Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 138	Intangible Assets: Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 141	Agriculture: Bearer Plants
Annual Improvements to MFRSs 2012 -	2014 Cycle

[1] Deferred to a date to be determined by the MASB

Effective for financial periods beginning on or after 1 January 2018:

MFRS 9	Financial Instruments (IFRS 9 as issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers

The Group and the Company have not adopted the new MFRSs and Amendments to MFRSs that have been issued but not yet effective and will adopts these standards when they become effective. The adoption of the above standards and interpretations is not expected to have a material impact on the financial statements in the period of initial application, except as described below:

2. STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (cont'd)

MFRS 9: Financial Instruments

In November 2014, the MASB issued the final version of MFRS 9 Financial Instruments, replacing MFRS 139. This standard made changes to the requirements for classification and measurement, impairment, and hedge accounting. The adoption of this Standard will have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities.

MFRS 9 Financial Instruments also requires impairment assessments to be based on an expected loss model, replacing the MFRS 139 incurred loss model. Finally, MFRS 9 Financial Instruments aligns hedge accounting more closely with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies and weaknesses in the previous model.

This standard will come into effect on or after 1 January 2018 with early adoption permitted. Retrospective application is required, but comparative information is not compulsory. The Company are currently assessing the impact of the adoption of this Standard in relation to the new requirements for classification and measurement and impairment, but the requirements for hedge accounting is not relevant to the Company.

The Group and the Company is in the process of assessing the impact of implementing these Amendments since the effect would only be observable for the future financial years.

MFRS 15: Revenue from Contracts with Customers

MFRS 15 establishes principles for reporting useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretation when it becomes effective.

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principles by applying the following steps:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contracts
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Group and the Company is in the process of assessing the impact of implementing these Amendments since the effect would only be observable for the future financial years.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' estimated economic useful lives up to its residual value. Management reviews the residual values, useful lives and depreciation method at the end of each financial year and ensures consistencies with previous estimates and patterns of consumptions of the economic benefits that embodies the items in these assets. Changes in useful lives and residual values of property, plant and equipment may result in revision of future depreciation charges.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(b) Impairment of assets

Assets are tested for impairment when indications of potential impairment exist. Indicators of impairment which could trigger an impairment review include evidence of obsolescence or physical damage, significant fall in market values, significant underperformance relative to historical or projected future operating results, significant changes in the use of assets or the strategy of the business, significant adverse industry or economic changes.

Recoverable amounts of assets are based on management's estimates and assumptions of the net realisable value, cash flows arising from the future operating performance and revenue generating capacity of the assets and CGUs, and future market conditions. Changes in circumstances may lead to changes in estimates and assumptions, and change the recoverable amounts of assets and impairment losses needed.

(c) Impairment of receivables

The Group makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad receivables, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences would impact the carrying amount of receivables.

(d) Impairment of goodwill

The Group determine whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the CGUs to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(e) Deferred tax

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

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment properties, the Directors have concluded that investment properties are not being held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Accordingly, the presumption that the carrying amounts of the investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, deferred taxes have not been recognised on changes in fair value of investment properties as no tax consequences would arise on disposal of the investment properties

(f) Write down for obsolete or slow moving inventories

The Group writes down its obsolete or slow moving inventories based on assessment of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts could not be recovered. Management specifically analyses sales trend and current economic trends when making this judgement to evaluate the adequacy of the write down for obsolete or slow moving inventories. Where expectations differ from the original estimates, the differences would impact the carrying amount of inventories.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont'd)

(g) Fair value measurement

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable.

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
(ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
(iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group engages professional valuer to perform valuations on various assets as disclosed separately in the respective notes to the financial statements.

The Group measures these elements in the financial statements at fair value:
(i) Property, plant and equipment (freehold land and building), Note 4 to the financial statements;
(ii) Investment properties, Note 5 to the financial statements;
(iii) Financial instruments, Note 36 to the financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

GROUP	Land and Buildings RM	Plant, machinery, cabin, renovation and motor vehicles RM	Furniture and fittings, and office equipment RM	Capital work-in-progress RM	Total RM
2015					
COST/VALUATION					
At 1 January 2015	127,281,093	64,746,576	8,977,154	510,710	201,515,533
Additions	162,999	7,249,666	624,739	3,180,241	11,217,645
Disposals	-	(1,038,433)	-	-	(1,038,433)
Revaluation surplus	14,609,186	-	-	-	14,609,186
Written off	-	(6,714)	(58,757)	-	(65,471)
At 31 December 2015	142,053,278	70,951,095	9,543,136	3,690,951	226,238,460
LESS: ACCUMULATED DEPRECIATION					
At 1 January 2015	1,108,412	38,958,340	6,139,565	-	46,206,317
Charge for the financial year	2,043,532	5,557,220	613,923	-	8,214,675
Translation difference year	18,559	39,984	1,185	-	59,728
Disposals	-	(887,833)	-	-	(887,833)
Written off	-	(5,370)	(48,217)	-	(53,587)
At 31 December 2015	3,170,503	43,662,341	6,706,456	-	53,539,300
CARRYING AMOUNTS					
At 31 December 2015	138,882,775	27,288,754	2,836,680	3,690,951	172,699,160
2014					
COST/VALUATION					
At 1 January 2014	61,502,948	61,184,678	8,830,698	4,591,412	136,109,736
Additions	1,650,252	5,224,904	415,196	2,091,377	9,381,729
Disposals	-	(1,356,861)	(6,090)	-	(1,362,951)
Revaluation surplus	71,528,744	-	-	-	71,528,744
Reclassification	6,172,079	-	-	(6,172,079)	-
Elimination	(13,572,930)	-	-	-	(13,572,930)
Written off	-	(306,145)	(262,650)	-	(568,795)
At 31 December 2014	127,281,093	64,746,576	8,977,154	510,710	201,515,533

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

GROUP (cont'd)	Land and Buildings RM	Plant, machinery, cabin, renovation and motor vehicles RM	Furniture and fittings, and office equipment RM	Capital work-in-progress RM	Total RM
2014 (cont'd)					
LESS: ACCUMULATED DEPRECIATION					
At 1 January 2014	13,121,730	34,721,561	5,760,433	-	53,603,724
Charge for the financial year	1,549,952	5,739,871	622,141	-	7,911,964
Elimination	(13,572,930)	-	-	-	(13,572,930)
Translation difference	9,660	21,702	519	-	31,881
Disposals	-	(1,228,163)	(2,152)	-	(1,230,315)
Written off	-	(296,631)	(241,376)	-	(538,007)
At 31 December 2014	1,108,412	38,958,340	6,139,565	-	46,206,317
CARRYING AMOUNTS					
At 31 December 2014	126,172,681	25,788,236	2,837,589	510,710	155,309,216

Included in carrying amounts above are assets acquired under finance leases:

CARRYING AMOUNTS					
At 31 December 2015	-	12,630,944	-	-	12,630,944
At 31 December 2014	-	14,935,260	-	-	14,935,260

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

Analysis of land and buildings as follows:

GROUP (cont'd)	Leasehold Land RM	Freehold Land RM	Buildings RM	Total RM
2015 (cont'd)				
COST/VALUATION				
At 1 January 2015	40,666,319	33,326,080	53,288,694	127,281,093
Additions	150,123	-	12,876	162,999
Revaluation surplus	14,598,996	-	10,190	14,609,186
At 31 December 2015	55,415,438	33,326,080	53,311,760	142,053,278
LESS: ACCUMULATED DEPRECIATION				
At 1 January 2015	226,471	-	881,941	1,108,412
Charge for the financial year	701,897	-	1,341,635	2,043,532
Translation difference	4,050	-	14,509	18,559
At 31 December 2015	932,418	-	2,238,085	3,170,503
CARRYING AMOUNTS				
At 31 December 2015	54,483,020	33,326,080	51,073,675	138,882,775
2014				
COST/VALUATION				
At 1 January 2014	13,570,270	15,615,668	32,317,010	61,502,948
Additions	-	-	1,650,252	1,650,252
Transfers	-	-	6,172,079	6,172,079
Elimination	(4,650,444)	-	(8,922,486)	(13,572,930)
Revaluation surplus	31,746,493	17,710,412	22,071,839	71,528,744
At 31 December 2014	40,666,319	33,326,080	53,288,694	127,281,093

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

Analysis of land and buildings as follows: (cont'd)

GROUP (cont'd)	Leasehold Land RM	Freehold Land RM	Buildings RM	Total RM
2014 (cont'd)				
LESS: ACCUMULATED DEPRECIATION				
At 1 January 2014	4,426,193	-	8,695,537	13,121,730
Charge for the financial year	448,503	-	1,101,449	1,549,952
Elimination	(4,650,444)	-	(8,922,486)	(13,572,930)
Translation difference	2,219	-	7,441	9,660
At 31 December 2014	226,471	-	881,941	1,108,412
CARRYING AMOUNTS				
At 31 December 2014	40,439,848	33,326,080	52,406,753	126,172,681

COMPANY	Computer and software RM	Office equipment RM	Total RM
2015			
COST			
At 1 January 2015	4,080	4,500	8,580
Addition	5,000	-	5,000
At 31 December 2015	9,080	4,500	13,580
LESS: ACCUMULATED DEPRECIATION			
At 1 January 2015	1,157	4,500	5,657
Charge for the financial year	1,408	-	1,408
At 31 December 2015	2,565	4,500	7,065
CARRYING AMOUNTS			
At 31 December 2015	6,515	-	6,515

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

COMPANY	Computer and software RM	Office equipment RM	Total RM
2014			
COST			
At 1 January/ 31 December 2014	4,080	4,500	8,580
LESS: ACCUMULATED DEPRECIATION			
At 1 January 2014	749	4,500	5,249
Charge for the financial year	408	-	408
At 31 December 2014	1,157	4,500	5,657
CARRYING AMOUNTS			
At 31 December 2014	2,923	-	2,923

(a) Land and buildings was revalued by Jones Lang Wootton, a registered member of the Board of Valuers, Appraisers and Estate Agents Malaysia in March 2014. Valuations were made on the basis of open market values.

Had the revalued assets been carried at cost less accumulated depreciation, the carrying amounts would have been:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Leasehold land	14,821,870	8,886,798	-	-
Freehold land	15,615,668	15,615,668	-	-
Buildings	29,760,343	30,576,400	-	-
	60,197,881	55,078,866	-	-

A freehold land and building of the Group has been pledged as security for banking facilities granted to the Group.

5. INVESTMENT PROPERTIES

GROUP	Freehold Land and Buildings RM	Leasehold Land and Buildings RM	Capital work-in-progress RM	Total RM
2015				
VALUATION				
At 1 January 2015	5,207,160	25,813,587	705,671	31,726,418
Disposal	(95,000)	-	-	(95,000)
Reclassification	125,000	(125,000)	-	-
At 31 December 2015	5,237,160	25,688,587	705,671	31,631,418
LESS: ACCUMULATED IMPAIRMENT LOSS				
At 1 January 2015	28,160	100,000	162,000	290,160
Charge for the financial year	-	-	472,256	472,256
At 31 December 2015	28,160	100,000	634,256	762,416
CARRYING AMOUNTS				
At 31 December 2015	5,209,000	25,588,587	71,415	30,869,002
2014				
VALUATION				
At 1 January 2014	4,945,801	7,826,623	705,671	13,478,095
Disposal	(210,000)	(220,000)	-	(430,000)
Revaluation surplus	471,359	18,206,964	-	18,678,323
At 31 December 2014	5,207,160	25,813,587	705,671	31,726,418
LESS: ACCUMULATED IMPAIRMENT LOSS				
At 1 January 2014	28,160	100,000	108,000	236,160
Charge for the financial year	-	-	54,000	54,000
At 31 December 2014	28,160	100,000	162,000	290,160

5. INVESTMENT PROPERTIES (cont'd)

GROUP (cont'd)	Freehold Land and Buildings RM	Leasehold Land and Buildings RM	Capital work-in-progress RM	Total RM
2014 (cont'd)				
CARRYING AMOUNTS				
At 31 December 2014	5,179,000	25,713,587	543,671	31,436,258

	GROUP 2015 RM	GROUP 2014 RM
At 1 January	31,436,258	13,241,935
Disposals	(95,000)	(430,000)
Impairment losses	(472,256)	(54,000)
Change in fair value recognised in profit or loss	-	18,678,323
At 31 December	30,869,002	31,436,258
Analysed as:		
At cost:		
Freehold land and building under construction	1	305,594
Leasehold land and buildings under construction	71,414	238,077
At fair value:		
Freehold land and buildings	5,209,000	5,179,000
Leasehold land and buildings	25,588,587	25,713,587
	30,869,002	31,436,258

(a) As disclosed in Note 21, the rental income earned by the Group for the financial year ended 31 December 2015 from its investment properties amounted to RM329,937 (2014: RM555,812).

5. INVESTMENT PROPERTIES (cont'd)

(b) Direct operating expenses arising from investment properties generating rental income during the financial year are as follows:

	GROUP	
	2015 RM	2014 RM
Insurance	13,552	18,348
Repairs and maintenance	51,909	27,153
Quit rent and assessment	54,828	54,668
	120,289	100,169

(c) Land and buildings was revalued by Jones Lang Wootton, a registered member of the Board of Valuers, Appraisers and Estate Agents Malaysia in March 2014. Valuations were made on the basis of open market values.

The issuance of title deed of a leasehold land of its subsidiary company is pending from the relevant authorities as at 31 December 2015.

The title deeds and strata titles of certain investment properties of the Group have not been issued in the name of its subsidiary companies as at 31 December 2015.

6. SUBSIDIARY COMPANIES

	COMPANY 2015 RM	2014 RM
Unquoted shares, at cost	43,743,927	43,743,927

The subsidiary companies are as follows:

Name of company	Country of incorporation	Holding in Equity 2015	2014	Principal activities
		%	%	
Subsidiary companies of the Company				
Chuan Huat Hardware Holdings Sdn Bhd ("CHHH")	Malaysia	100	100	Investment holding
Chuan Huat Steel Sdn Bhd ("CHS")	Malaysia	100	100	Hardware merchants, suppliers of steel and iron products, building and construction materials of all kinds importers and exporters, marketing and holding of securities for investments
Subsidiary companies of the CHHH				
Pineapple Resources Berhad ("PRB")	Malaysia	63.9	63.9	Distribution of printing consumables, computers and computers accessories and investment holding
Bars & Mesh Industries Sdn Bhd	Malaysia	100	100	The company ceased operations during the financial year
CHRS Samawira Mesh Sdn Bhd	Malaysia	100	100	Processing and trading of steel wire products
CH Rebar Sdn Bhd	Malaysia	100	100	Cutting and bending of steel bars
CHRB Properties Sdn Bhd	Malaysia	100	100	Trading in properties
CH Samawira Mesh Sdn Bhd	Malaysia	100	100	Contract manufacturing
CH Steel Wire Industries (Cambodia) Co Ltd*	Cambodia	100	100	To manufacture and supply steel wire products for the construction industries
SC-PNP Edaran Sdn Bhd	Malaysia	100	100	Suppliers of computer hardware, software, accessories and services
Pineapple Office Supplies Sdn Bhd	Malaysia	100	100	The company ceased operations during the financial year
Pineapple Computer Systems Sdn Bhd ("PCS")	Malaysia	100	100	Retailing in computers and related accessories

6. SUBSIDIARY COMPANIES (cont'd)

The subsidiary companies are as follows (cont'd):

Name of company	Country of incorporation	Holding in Equity		Principal activities
		2015	2014	
		%	%	
Subsidiary companies of the PRB				
Pineapple Computer Utara Sdn Bhd	Malaysia	100	100	Dormant
AGVA Marketing Malaysia Sdn Bhd	Malaysia	100	100	Trading of multimedia storage products
Subsidiary companies of the PCS				
Pineapple Computers & Accessories Sdn Bhd	Malaysia	100	100	The company ceased operations during the financial year
Pine System Technology Sdn Bhd	Malaysia	100	100	Dormant
Subsidiary companies of the CHS				
Chuan Huat Industrial Marketing Sdn Bhd	Malaysia	100	100	Trading as hardware merchant, retailers, importers and exporters and suppliers of building and construction materials of all kinds
CHRB Selatan Sdn Bhd	Malaysia	100	100	The company ceased operations during the financial year.
CHRB Utara Sdn Bhd	Malaysia	100	100	The company ceased operations during the financial year.
CHRB Corporation Sdn Bhd ("CHRB Corp")	Malaysia	100	100	Investment holding
CHRB Bahan Binaan Sdn Bhd	Malaysia	100	100	The company ceased operations during the financial year.
Chuan Huat Metal Sdn Bhd	Malaysia	80	80	Trading in building materials
CHRB Building Materials Sdn Bhd	Malaysia	60	60	Trading in building materials
CHRB Trading Sdn Bhd	Malaysia	60	55	Dormant

6. SUBSIDIARY COMPANIES (cont'd)

The subsidiary companies are as follows (cont'd):

Name of company	Country of incorporation	Holding in Equity		Principal activities
		2015	2014	
		%	%	
Subsidiary companies of the CHRB Corp				
CHRB Timuran Sdn Bhd	Malaysia	100	100	The company ceased operations during the financial year
Pemasaran Esyfence Sdn Bhd	Malaysia	100	100	The company ceased operations during the financial year
Keyline Consulting Sdn Bhd ("Keyline")	Malaysia	70	70	Trading and retailing of ironmongery products and architectural hardware
Subsidiary companies of Keyline				
CH Sweestech Door Sdn Bhd ("CHSD")	Malaysia	75	-	Manufacturing and marketing of fire doors and all parts, component and accessories

On 14 April 2015, Keyline, a wholly-owned subsidiary of CHS has acquired 2 Ordinary Shares of RM1.00 each and further subscribed for 74,998 new Ordinary Shares of RM1.00 each and on 15 December 2015 subscribed for an additional 675,000 new Ordinary Shares of RM1.00 each in CHSD, a company incorporated in Malaysia. Keyline now holds a total of 750,000 Ordinary Shares of RM1.00 each in CHSD which represents seventy-five percent (75%) of the total issued and paid-up share capital of RM1,000,000.

* The financial statements of the subsidiary company as at 31 December 2015 not audited by Ong Boon Bah & Co.

7. INVESTMENTS

	GROUP	
	2015 RM	2014 RM
Non-current Available For Sale financial assets		
Unquoted shares, at cost	18,001	588,000
Accumulated impairment losses	(13,300)	(583,300)
	4,701	4,700
Quoted shares in Malaysia, at fair value/cost	2,691,008	2,606,913
Club membership, at cost	145,489	145,489
Total investment securities	2,841,198	2,757,102
Market value of quoted shares	2,691,008	2,606,913

The movement in the allowance for impairment losses during the financial year were:

	2015 RM	2014 RM
At 1 January	583,300	583,300
Written off	(570,000)	-
At 31 December	13,300	583,300

8. GOODWILL

	GROUP	
	2015 RM	2014 RM
Goodwill on consolidation:		
At 1 January	1,196,434	1,196,434
Addition	-	32,754
Written off (Note 23)	-	(32,754)
At 31 December	1,196,434	1,196,434
Accumulated impairment loss	(1,196,434)	(419,828)
	-	776,606

Goodwill acquired in business combination is allocated, at acquisition, to cash-generating units ("CGU") that are expected to benefit from that business combination. Goodwill has been allocated to the steel operations of the Group.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amount of the CGU is determined from value-in-use calculation. The key assumptions for the value-in-use calculation are those regarding the discount rate, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the CGU. The growth rates and changes in selling prices and direct costs are based on expectations of future changes in the market.

9. INVENTORIES

	GROUP	
	2015	2014
	RM	RM
At cost:		
Raw materials	18,528,074	38,073,346
Finished goods	64,381,409	78,978,098
Work-in-progress	3,003,965	2,721,110
Consumables	629,292	273,396
Properties under construction	-	499,800
Completed properties	11,756,930	11,756,930
Goods in transit	5,449,981	7,564,728
	103,749,651	139,867,408
Allowance for inventories obsolescence		
- finished goods	(115,116)	(201,038)
	103,634,535	139,666,370
At net realisable value:		
Finished goods	-	133,864
	103,634,535	139,800,234

As at 31 December 2015, the strata titles of certain completed properties in total amounting to RM2,405,613 have not been registered in the name of the subsidiary company.

10. TRADE RECEIVABLES

	GROUP	
	2015	2014
	RM	RM
Trade receivables	181,849,145	183,774,842
Allowance for impairment losses	(23,914,611)	(24,567,297)
	157,934,534	159,207,545

Trade receivables are non-interest bearing except for 1.5% impose on overdue account and are generally on 7 days to 90 days (2014: 7 days to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

10. TRADE RECEIVABLES (cont'd)

Ageing analysis of trade receivables

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

	GROUP 2015 RM	GROUP 2014 RM
Neither past due nor impaired	143,758,097	147,065,147
1 to 90 days past due not impaired	11,197,659	10,105,606
91 to 180 days past due not impaired	2,809,811	1,099,874
More than 181 days past due not impaired	168,967	936,918
	14,176,437	12,142,398
Impaired	23,914,611	24,567,297
	181,849,145	183,774,842

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

The Group has trade receivables amounting to RM14,176,437 (2014: RM12,142,398) that are past due at the reporting date but not impaired are unsecured in nature.

Included in trade receivables of the Group is an amount of RM Nil (2014: RM8,183,972) due from a company in which a Director of its subsidiary company have interest.

The Group has trade receivables amounting to RM2,433,419 (2014: RM Nil) due from a company in which a substantial shareholder have invest

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

	GROUP 2015 RM	GROUP 2014 RM
At 1 January	24,567,297	24,419,952
Charge for the financial year	374,484	1,386,018
Reversal of impairment losses	(1,027,170)	(1,238,673)
At 31 December	23,914,611	24,567,297

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Other receivables	2,958,848	2,074,704	196	70,272
Deposits	1,880,867	1,914,527	1,000	38,100
Prepayments	1,530,844	2,972,268	6,200	649
	6,370,559	6,961,499	7,396	109,021

12. AMOUNTS DUE FROM SUBSIDIARY COMPANIES

The amounts due from subsidiary companies which arose mainly from inter-company transactions, advances and payments made on behalf is unsecured, interest free and is repayable in cash on demand.

13. FIXED DEPOSITS WITH LICENSED BANKS

The deposits of the Group carry interest rates ranging from 2.30% to 3.45% (2014: 2.35% to 3.20%) per annum and have maturity periods range from 7 days to 365 days (2014: 5 days to 365 days) except a deposit pledged under financial service reserve account without interest rate and maturity period.

The Group's fixed deposits with carrying value of RM930,488 (2014: RM853,663) have been pledged to licensed banks for banking facilities and banking guarantee granted to its certain subsidiary companies.

14. SHARE CAPITAL

	GROUP AND COMPANY			
	2015		2014	
	Number of shares	Amount RM	Number of shares	Amount RM
Authorised:				
Ordinary shares of RM0.50 each	1,000,000,000	500,000,000	1,000,000,000	500,000,000
Issued and fully paid:				
Ordinary shares of RM0.50 each				
At 1st January	167,156,266	83,578,133	167,156,266	83,578,133
Issued for cash under warrant exercised	1,098,454	549,227	-	-
At 31st December	168,254,720	84,127,360	167,156,266	83,578,133

During the financial year, the Company increased its issued and fully paid up share capital from 167,156,266 ordinary shares of RM0.50 each to 168,254,720 ordinary shares of RM0.50 each through the issuance of 1,098,454 ordinary shares via the exercise of 1,098,454 Warrants 2011/2016.

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

The Company did not issue any debentures during the financial year.

15. RESERVES

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Non-distributable:				
Capital reserve	21,923,153	21,923,153	-	-
Warrant reserve	565,554	565,554	565,554	565,554
Exchange translation reserve	676,245	504,419	-	-
Revaluation reserve	68,631,935	58,943,179	-	-
	91,796,887	81,936,305	565,554	565,554

The nature and movements of the reserves of the Group and of the Company as at 31 December are as follows:

(i) The movements in the capital reserves of the Group during the financial year were:

	GROUP	
	2015 RM	2014 RM
Accretion arising from change in equity interest in subsidiary companies	73,154	73,154
Capitalisation of bonus issue by subsidiary companies	21,849,999	21,849,999
	21,923,153	21,923,153

(ii) The movements in the warrant reserves of the Group and of the Company during the financial year were:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Warrants reserve arising from:				
Public issue	835,781	835,781	835,781	835,781
Listing expenses	(270,227)	(270,227)	(270,227)	(270,227)
	565,554	565,554	565,554	565,554

The warrants issued on 16 December 2010 are constituted under a Deed Poll executed by the Company. The warrants were issued at an issue price RM0.02/- per warrant. Warrant reserve is pertaining to the issuance of 41,789,006 five (5) years warrants at an issue price of RM0.02 per warrant and net of listing expense incurred in relation to listing exercise on the basis of one (1) warrant ("CHRB Warrants") for every four (4) CHRB Shares held after the Proposed Bonus issue.

The movement in the warrants during the financial year are as follows:-

	Number of Warrants			
	As at 1.1.2015	Exercised	Expired	As at 31.12.2015
Warrants	41,789,066	1,098,454	-	40,690,612

15. RESERVES (cont'd)

(ii) The movements in the warrant reserves of the Group and of the Company during the financial year were: (cont'd)

The salient terms of the warrants are as follows:-

(a) Each warrant entitles the registered holder/(s) at any time during the exercise period to subscribe for 1 new ordinary share of RM0.50/- each at an exercise price of RM0.50/- per ordinary share. The warrants entitlement is subject to adjustments under the terms and conditions set out in the Deed Poll.

(b) The exercise price for the warrants is fixed at RM0.50/- per new ordinary share of the Company subject to adjustments under certain circumstances in accordance with the provision of the Deed Poll.

(c) The exercise period is 5 years from the date of issuance until the maturity date, i.e. the date preceding the 5th anniversary of the date of issuance. Upon the expiry of the exercise period, any unexercised rights will lapse and cease to be valid for any purposes.

(d) The new ordinary shares of RM0.50/- each to be issued pursuant to the exercise of the warrants will upon allotment and issue rank pari passu in all respects with the existing ordinary shares of the Company except that the new ordinary shares so allotted shall not be entitled to any dividends, rights, allotment and/or other distributions declared, made or paid to shareholders, the entitlement date for which is before the date of allotment of the said new ordinary shares.

(iii) The exchange reserve is used to record exchange difference arising from the translation of the financial statement of a foreign operation whose functional currency is different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in a foreign operation, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(iv) Revaluation reserve of the Group arising from revaluation surplus of land and buildings net of deferred taxation.

16. RETAINED EARNINGS

Retained earnings and capital reserves represent distributable reserves and are distributable by way of dividends.

Under the single-tier system which is fully effective from 1 January 2014, the Company is allowed to distribute in full its retained earnings and capital reserves. Dividend paid under the single-tier system is tax exempt in the hands of the shareholders.

17. TRADE PAYABLES

The normal trade credit terms granted to the Group for trade purchase range from 7 days to 90 days. (2014: 7 days to 90 days)

Included in trade payables of the Group is an amount of RM257,047 (2014: RM202,413) due to a company in which the Group has indirect interest through its subsidiary company.

18. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Other payables	11,311,495	2,695,679	173,100	8,800
Deposits received	469,320	586,322	-	-
Accruals	6,239,579	5,750,810	14,500	98,776
	18,020,394	9,032,811	187,600	107,576

Included in accruals of the Group and of the Company is Directors' fee amounting to RM85,000 (2014: RM85,000).

19. LOANS AND BORROWINGS

	GROUP 2015 RM	GROUP 2014 RM
Current		
Secured:		
Bank overdrafts	2,769,708	2,009,852
Bankers' acceptance	125,351,876	177,827,999
Trust receipt	-	364,091
Finance lease liabilities (Note 29)	1,047,150	1,187,667
Term loans	4,435,510	4,294,344
	133,604,244	185,683,953
Non-current		
Secured:		
Finance lease liabilities (Note 29)	2,132,375	2,094,287
Term loans	17,029,119	18,177,847
	19,161,494	20,272,134
Total loans and borrowings		
Bank overdrafts (Note 28(c))	2,769,708	2,009,852
Bankers' acceptance	125,351,876	177,827,999
Trust receipt	-	364,091
Finance lease liabilities (Note 29)	3,179,525	3,281,954
Term loans	21,464,629	22,472,191
	152,765,738	205,956,087

Maturity of loans and borrowings (excluding finance lease liabilities) as at reporting date are as follows:

	GROUP 2015 RM	GROUP 2014 RM
Within one year	132,557,094	184,496,286
From one to two years	4,333,433	4,347,725
From two to five years	12,695,686	13,830,122
	149,586,213	202,674,133

Short term borrowings of the Group are secured by way of:

(a) corporate guarantee executed by the Company;

(b) fixed deposits with a licensed bank; and

(c) first fixed charge over unquoted shares of its subsidiary company

Short term borrowings of the Group carry interest rates ranging from 4.04% to 8.35% (2014: 3.95% to 8.50%) per annum.

Term loans of the Group are secured by a freehold land and building, fixed deposit and corporate guarantee executed by the Company and carry interest rates ranging from 2.72% to 6.03% (2014: 2.72% to 6.03%) per annum.

20. DEFERRED TAX LIABILITIES

	GROUP	
	2015 RM	2014 RM
At 1 January	14,186,793	1,787,458
Net recognised in profit and loss (Note 25)	(523,462)	(186,230)
Net recognised in fair value reserve	(1,251,036)	12,585,565
At 31 December	12,412,295	14,186,793

The Group's movements in deferred tax liabilities and assets during the financial year prior to offsetting comprise the following:

Deferred tax liabilities	**Accelerated capital allowances RM**	**Revaluation surplus RM**	**Total RM**
At 1 January 2014	(1,929,536)	-	(1,929,536)
Recognised in profit or loss	186,230	-	186,230
Recognised in fair value reserves	-	(12,585,565)	(12,585,565)
At 31 December 2014	(1,743,306)	(12,585,565)	(14,328,871)
Recognised in profit or loss	523,462	-	523,462
Recognised in fair value reserves	-	1,251,036	1,251,036
At 31 December 2015	(1,219,844)	(11,334,529)	(12,554,373)

Deferred tax assets	**Unabsorbed capital allowances RM**	**Unutilised tax losses RM**	**Total RM**
At 1 January 2014	129,236	12,482	142,078
Recognised in profit or loss	-	-	-
At 31 December 2014	129,236	12,482	142,078
Recognised in profit and loss	-	-	-
At 31 December 2015	129,236	12,842	142,078

20. DEFERRED TAX LIABILITIES (cont'd)

Deferred tax assets have not been recognised are as follows:-

	GROUP 2015 RM	GROUP 2014 RM
Deferred tax assets not accounted for:		
- Unutilised tax losses	-	858,314
- Unabsorbed capital allowances	-	141,521
	-	999,835
The tax effect on deferred tax assets not accounted for	-	249,959

The unutilised tax losses and unabsorbed capital allowances of the Group are available indefinitely for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

21. REVENUE

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Sale of goods	662,800,993	707,879,249	-	-
Rental income	329,937	555,812	-	-
Sales of completed properties	-	297,200	-	-
Management fees from a subsidiary company	-	-	360,000	360,000
	663,130,930	708,732,261	360,000	360,000

22. EMPLOYEE BENEFITS EXPENSES

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Salaries, wages and bonuses	25,077,034	23,411,176	-	-
Defined contribution plans	2,756,944	2,583,456	-	-
Other benefits	1,929,244	2,011,382	187,170	193,800
	29,763,222	28,006,014	187,170	193,800

Included in employee benefits expenses of the Group and of the Company are Directors' remuneration as disclosed in Note 23(b).

23. PROFIT/(LOSS) FROM OPERATIONS

(a) Profit/(Loss) from operations is arrived at:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
After charging:				
Auditors' remuneration:				
- current year	150,747	138,016	13,000	12,000
- prior year	33,746	11,005	4,200	-
Depreciation of property, plant and equipment	8,214,675	7,943,845	1,408	-
Directors' remuneration (Note 23(b))	2,332,073	2,216,948	187,000	193,000
Rental of premises	1,066,119	1,365,637	-	-
Rental of credit card machine	-	9,700	-	-
Bad debts written off	46,537	5,964	-	-
Loss on foreign exchange				
- realised	326,179	7,382	-	-
Property, plant and equipment written off	11,884	30,788	-	-
Impairment losses on:				
- trade receivables	374,484	1,386,018	-	-
- quoted investment	-	1,136,629	-	-
- investment properties	472,256	54,000	-	-
- goodwill	776,606	-	-	-
Allowance for obsolescence inventories	124,829	-	-	-
Goodwill written off (Note 8)	-	32,754	-	-
Inventories written off	249,294	21,068	-	-
Inventories written down	1,199,945	-	-	-
And crediting:				
Rental income from:				
- others	329,937	555,812	-	-
Interest income from:				
- fixed deposits	62,081	110,313	-	-
- repo	20,391	65,789	-	-
- others	912,927	1,341,785	-	-
Gain on disposal of:				
- property, plant and equipment	71,175	117,165	-	-
- investment property	12,800	30,000	-	-
Reversal of impairment losses on trade receivables	1,027,170	1,238,673	-	-
Reversal of bad debts receivables	228	-	-	-
Allowances of obsolete inventories written back	85,922	-	-	-
Reversal of impairment of quoted shares	84,095	-	-	-
Management fee received from subsidiary company	-	-	360,000	360,000

23. PROFIT/(LOSS) FROM OPERATIONS (cont'd)

(b) The aggregate amount of remuneration receivable by Directors of the Group and the Company during the financial year were categorised as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Executive Directors:				
Salaries and other emoluments	1,784,664	1,718,932	-	-
Fees	45,000	45,000	45,000	45,000
Defined contributions plans	312,409	257,016	-	-
Non-executive Directors:				
Fees	190,000	196,000	142,000	148,000
	2,332,073	2,216,948	187,000	193,000

The number of Directors whose remuneration fall into the respective bands as follows:

	GROUP	
	2015 RM	2014 RM
Executive Directors:		
RM 150,000 – RM 200,000	1	1
RM 750,000 – RM 800,000	1	1
RM 1,050,000 – RM 1,100,000	1	1
Non-executive Directors:		
RM 50,000 and below	2	2
RM 50,001 – RM100,000	2	2

24. FINANCE COSTS

	GROUP	
	2015 RM	2014 RM
Interest expenses on:		
- bankers' acceptance	6,605,029	7,852,965
- bank overdrafts	186,186	650,949
- term loans	1,259,260	387,010
- finance lease liabilities	162,155	188,106
	8,212,630	9,079,030

25. TAX EXPENSES

The major components of income tax expense for the years ended 31 December 2015 and 2014 are:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Profit or loss:				
Current tax:				
- current year	1,193,403	2,655,579	28,403	14,380
- prior years	(47,183)	(248,380)	4,462	(8)
	1,146,220	2,407,199	32,865	14,372
Deferred tax (Note 20):				
- origination and reversal of temporary differences	(523,462)	(186,230)	-	-
	622,758	2,220,969	32,865	14,372

The numerical reconciliation between the average effective tax rate and the applicable tax rate are as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
(Loss)/ Profit before tax	(947,112)	24,194,068	4,829	(34,352)
	RM	RM	RM	RM
Taxation at statutory tax rate	236,778	6,048,517	1,207	(8,588)
Expenses not deductible for tax purposes	2,148,542	(2,991,509)	-	75,550
Income not subject to tax	(248,534)	(241,981)	27,196	(52,582)
Prior years	(47,183)	(248,380)	4,462	(8)
Utilisation of capital allowances	(1,418,507)	-	-	-
Change in unrecognised temporary differences	(48,338)	(345,678)	-	-
	622,758	2,220,969	32,865	14,372

Income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year. The computation of deferred tax as at 31 December 2015 has reflected these changes.

26. (LOSS)/EARNINGS PER SHARE

Basic and diluted (loss)/earnings per share is calculated by dividing the profit for the financial year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	GROUP	
	2015 RM	2014 RM
(Loss)/Profit for the financial year attributable to owners of the Company (RM)	(1,521,562)	21,367,116
Weighted average number of ordinary shares (basic)	168,254,720	167,156,266
Effect of warrant issue	40,690,612	41,789,066
	208,945,332	208,945,332
Basic (loss)/earnings per share (sen)	(0.90)	12.78
Dilluted (loss)/earnings per share (sen)	(0.73)	10.23

27. DIVIDEND

	GROUP AND COMPANY	
	2015 RM	2014 RM
Recognised during the financial year:		
Dividends on ordinary shares:		
- First and final single tier dividend of 0.565 sen per ordinary share	944,431	-
- First and final single tier dividend of 1.125 sen per ordinary share	-	1,880,501

28. STATEMENTS OF CASH FLOWS

(a) Adjustments for non-cash items, interests and dividend

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Depreciation of property, plant and equipment	8,214,675	7,943,845	1,408	408
Interest income	(995,399)	(1,517,887)	-	-
Interest expenses	8,212,630	9,079,030	-	-
Property, plant and equipment written off	11,884	30,788	-	-
Reversal of impairment losses on trade receivables	(1,027,170)	(1,238,673)	-	-
Bad debts written off	46,537	5,964	-	-
Balance carried forward	14,463,157	14,303,067	1,408	408

28. STATEMENTS OF CASH FLOWS (cont'd)

(a) Adjustments for non-cash items, interests and dividend (cont'd)

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Balance brought forward	14,463,157	14,303,067	1,408	408
Impairment losses on:				
- trade receivables	374,484	1,386,018	-	-
- quoted investment	-	1,136,629	-	-
- investment properties	472,256	54,000	-	-
- goodwill	776,606	-	-	-
Investment written off	-	1	-	-
Gain on disposal of:				
- property, plant and equipment	(71,175)	(117,165)	-	-
- investment property	(12,800)	(30,000)	-	-
Gain on fair value of investment property	-	(18,678,323)	-	-
Inventories written off	249,294	21,068	-	-
Inventories written down	1,199,945	-	-	-
Goodwill written off	-	32,754	-	-
Reversal of unrealised profit	(300,000)	-	-	-
Reversal of impairment losses on quoted shares	(84,095)	-	-	-
Reversal of inventories written back	(85,922)	-	-	-
Allowance for obsolete Inventories	124,829	-	-	-
	17,106,579	(1,891,951)	1,408	408

(b) Purchase of property, plant and equipment

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Aggregate cost	11,217,645	9,381,729	5,000	-
Acquired by means of finance leases	(1,200,000)	(830,000)	-	-
Acquired by contra against trade receivables	(928,200)	(909,800)	-	-
Cash payments made to purchase property, plant and equipment	9,089,445	7,641,929	5,000	-

(c) Cash and cash equivalents at end of the financial year

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Fixed deposits with licensed banks	1,170,489	2,403,663	-	-
Cash and bank balances	23,559,660	24,388,934	775,665	56,121
Bank overdrafts (Note 19)	(2,769,708)	(2,009,852)	-	-
	21,960,441	24,782,745	775,665	56,121
Fixed deposits pledged (Note 13)	(930,488)	(853,663)	-	-
	21,029,953	23,929,082	775,665	56,121

29. FINANCE LEASE LIABILITIES

	GROUP 2015 RM	GROUP 2014 RM
Minimum lease payments:		
- within one year	1,175,058	1,326,024
- between one and five years	2,285,117	2,235,661
	3,460,175	3,561,685
Finance charges	(280,650)	(279,731)
	3,179,525	3,281,954
Portion due within one year (Note 19)	1,047,150	(1,187,667)
Non-current portion (Note 19)	2,132,375	2,094,287

The present value of payments are repayable as follows:

	GROUP 2015 RM	GROUP 2014 RM
Within one year	1,047,150	1,187,667
Between one and five years	2,132,375	2,094,287
	3,179,525	3,281,954

The finance lease liabilities of the Group carry interest rates ranging from 2.30% to 5.03% (2014: 2.61% to 8.12%) per annum.

30. RELATED PARTY TRANSACTIONS

The related parties of the Group and of the Company comprise the following:

- related parties being companies in which Directors of the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

- key management personnel includes the Company's Executive and Non-Executive Directors and are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group or the Company either directly or indirectly. Executive and Non-Executive Directors compensation is disclosed in Note 23(b).

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

	GROUP 2015 RM	GROUP 2014 RM
(a) Sale of goods		
Related party:		
- Ahmad Zaki Sdn Bhd	5,665,276	13,298,836

30. RELATED PARTY TRANSACTIONS (cont'd)

(b) Purchase of goods

	GROUP 2015 RM	GROUP 2014 RM
Related party:		
- Amalgamated Industrial Steel Berhad	511,681	1,124,101
- AIS Manufacturing Sdn Bhd	646,842	-
	1,158,523	1,124,101

(c) Others

	GROUP 2015 RM	GROUP 2014 RM
Management fees received from a subsidiary company:		
- Chuan Huat Steel Sdn Bhd	360,000	360,000

Ahmad Zaki Sdn Bhd is company in which Dato' Sri Haji Wan Zaki Bin Haji Wan Muda, a Director of its subsidiary company, has a substantial financial interest. During the financial year, Dato' Sri Haji Wan Zaki Bin Haji Wan Muda, resigned as a Director of a subsidiary company with effective from 28.01.2015

Amalgamated Industrial Steel Berhad is a company in which, the Company has indirect interest through Chuan Huat Hardware Holdings Sdn Bhd, a wholly owned subsidiary of the Company.

In the opinion of the Directors, the above related party transactions have been entered into in the normal course of business and have been established under terms that are not more favourable than those arranged with independent third parties.

31. CAPITAL COMMITMENT

The Group has the following commitments:

	GROUP 2015 RM	GROUP 2014 RM
Capital expenditure for property, plant and equipment		
- approved and contracted for	4,036,320	1,064,562

32. CONTINGENT LIABILITIES

	COMPANY 2015 RM	COMPANY 2014 RM
Unsecured:		
Guarantees in respect of banking facilities granted to subsidiary companies	302,792,000	302,792,000
Corporate guarantees given to suppliers for supply of goods to subsidiary companies	72,400,000	64,400,000
	375,192,000	367,192,000

33. SEGMENT INFORMATION

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

(i) The hardware and building materials segment is a hardware merchant supplier of steel and iron products, building and construction materials of all kinds.

(ii) The technology related products segment includes distribution of printing consumables and retailers and suppliers of computer hardware, software accessories and related services.

(iii) The property segment is in the business of trading and leasing out residential and commercial properties.

(iv) The corporate segment is involved in Group-level corporate services, treasury functions and investments in marketable securities.

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. 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. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

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

Segment assets

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

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Managing Director and the Financial Controller. Hence no disclosure is made on segment liability.

2015

	Hardware and building materials RM	Technology related products RM	Property RM	Corporate RM	Eliminations RM	Consolidated RM	Notes
REVENUE							
External customers	614,960,053	47,117,035	26,400	1,027,442	-	663,130,930	
Inter-segment	118,311,297	5,537,321	728,650	-	(124,577,268)	-	A
Total revenue	733,271,350	52,654,356	755,050	1,027,442	(124,577,268)	663,130,930	

33. SEGMENT INFORMATION (cont'd)

2015

	Hardware and building materials RM	Technology related products RM	Property RM	Corporate RM	Eliminations RM	Consolidated RM	Notes
RESULTS							
Interest income	961,897	32,758	-	744	-	995,399	
Depreciation of property, plant and equipment	6,492,642	706,290	1,308	1,014,435	-	8,214,675	
Gain on fair value of							
Other non-cash expenses	10,755,003	206,620	-	335,476	-	11,297,099	B
Segment profit/(loss)	449,087	(399,729)	618,508	(1,614,978)	-	(947,112)	C
ASSETS							
Additions to non-current assets	25,710,083	101,748	5,000	10,000	-	25,826,831	D
Segment assets	237,271,126	26,615,404	13,811,546	16,716,023	-	294,414,099	E

2014

	Hardware and building materials RM	Technology related products RM	Property RM	Corporate RM	Eliminations RM	Consolidated RM	Notes
REVENUE							
External customers	657,878,106	49,493,974	1,042,368	317,813	-	708,732,261	
Inter-segment	209,822,216	24,727,627	30,800	667,200	(235,247,843)	-	A
Total revenue	867,700,322	74,221,601	1,073,168	985,013	(235,247,843)	708,732,261	
RESULTS							
Interest income	1,432,785	84,330	-	772	-	1,517,887	
Depreciation of property, plant and equipment	6,344,883	743,291	309	855,362	-	7,943,845	
Gain on fair value of investment properties	13,489,944	-	-	5,188,379	-	18,678,323	
Other non-cash expenses	11,583,310	65,327	-	91,650	-	11,740,287	B
Segment profit	20,161,791	656,276	721,166	2,654,835	-	24,194,068	C
ASSETS							
Additions to non-current assets	99,376,443	212,353	-	-	-	99,588,796	D
Segment assets	293,565,359	27,220,513	13,441,537	585,853	-	334,813,262	E

33. SEGMENT INFORMATION (cont'd)

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

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	2015 RM	2014 RM
Interest expenses	8,212,630	9,079,030
Property, plant and equipment written off	11,884	30,788
Impairment losses on:		
- trade receivables	374,484	1,386,018
- quoted investment	-	1,136,629
- investment properties	472,256	54,000
- goodwill	776,606	-
Inventories written off	249,294	21,068
Inventories written down	1,199,945	-
Goodwill written off	-	32,754
	11,297,099	11,740,287

C The following items are added to segment profit/(loss) to arrive at "Profit/(Loss) from operations" presented in the consolidated statement of comprehensive income:

	Note	2015 RM	2014 RM
Finance costs	24	8,212,630	9,079,030

D Additions to non-current assets consist of:

	Note	2015 RM	2014 RM
Property, plant and equipment	4	25,826,831	80,910,473
Investment properties	5	-	18,678,323
		25,826,831	99,588,796

E The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	Note	2015 RM	2014 RM
Goodwill	8	-	776,606

No segment information by geographical area has been presented as the Group operates predominantly in Malaysia.

34. ACQUISITION OF A SUBSIDIARY COMPANY

In the previous financial year, on 9 April 2014 the Group entered into Sales of Shares Agreement with Lawrence Hiew to acquire a total of 10,000 ordinary shares of RM1.00 each in CHRB Trading for a total cash consideration of RM10,000 representing 5% equity interests in CHRB Trading. Subsequent to the acquisition, the Group holds 120,000 ordinary shares, representing 60% of the total issued and paid-up share capital of CHRB Trading.

Details of net assets acquired at the date of the above acquisition are as follows:

	GROUP 2015 RM
Cash at bank	(10,000)
Payables	32,754
Fair value of net assets acquired	22,754
Goodwill on acquisition (Note 8)	(32,754)
Net cash outflow on acquisition	(10,000)

35. CORPORATE INFORMATION (cont'd)

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

(b) The registered office and principal place of business of the Company are both located at Wisma Lim Kim Chuan, Lot 50A, Jalan 1/89B, 3½ Miles, Off Jalan Sungai Besi, 57100 Kuala Lumpur.

(c) The principal activity of the Company is engaged in investment holding. The principal activities of its subsidiary companies are shown in Note 6 to the financial statements.

(d) The financial statements of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 31 March 2016.

36. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its risks. The Group and the Company are exposed to financial risk from operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk, market price risk and liquidity risk.

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

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

(a) Foreign currency risk

The Group is exposed to foreign currency exchange risk as a result of transactions denominated in foreign currencies other than its functional currency entered into by the Group. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level and the Group does not hedge it foreign currency risk.

(b) Interest rate risk

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

The Group's exposure to interest rate risk arises primarily from their borrowings as discloses in Note 19. The interest rates of finance lease liabilities which are fixed at the inception of the financing arrangements are disclosed in Note 29. Under the current interest rate environment, management anticipates that any changes in interest rate in the near term are not expected to have a significant impact on the Group's profit or loss.

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables were held constant, the Group's profit net of tax would have been RM15,286 higher/lower, arising mainly as a result of lower/higher interest expense on floating rate of loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

The information on maturity dates and interest rates of financial assets and liabilities are disclosed in their respective notes.

(c) Credit risk

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

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally credit evaluations are performed on customers requiring credit over a certain amount. As at the end of the reporting date, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

36. FINANCIAL INSTRUMENTS (cont'd)

Financial risk management objectives and policies (cont'd)

(c) Credit risk (cont'd)

Deposits with banks that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings and no history of default.

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies. As at end of the reporting date, there was no indication that any subsidiary would default on repayment. The financial guarantees have not been recognised since the fair value on initial recognition was not material.

The Company provides unsecured loans and advances to subsidiary companies. The Company monitors the results of the subsidiary companies regularly. As at the end of the reporting date, the maximum exposure to credit risk is represented by its carrying amounts in the statements of financial position.

As at the end of the reporting date, there was no indication that the loans and advances to the subsidiary companies are not recoverable. The Company does not specifically monitor the ageing of the advances to the subsidiary companies. Nevertheless, these advances have been overdue for less than a year.

(d) Market price risk

Market price risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments in Malaysia are listed on the Bursa Malaysia Securities Berhad. These instruments are classified as available-for-sale financial assets. The Group does not have exposure to commodity price risk.

Equity price risk sensitivity analysis

This analysis assumes that all other variables remain constant and the Group's equity investments moved in correlation with FTSE Bursa Malaysia KLCI (FBMKLCI).

A 10 percent strengthening in FBMKLCI at the end of the reporting period would have increased equity by RM269,101 and post-tax profit or loss by RM269,101. A 10 percent weakening in FBMKLCI would have had equal but opposite effect on equity and profit or loss respectively.

36. FINANCIAL INSTRUMENTS (cont'd)

Financial risk management objectives and policies (cont'd)

(e) Liquidity risk

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

Analysis of financial instruments by remaining contractual maturities

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

GROUP	Carrying amount RM	Contractual cash flows RM	Within one year RM	From two to five years RM
2015				
Financial liabilities:				
Trade and other payables	61,684,267	61,684,267	61,684,267	-
Bank overdraft	2,769,708	2,769,708	2,769,708	-
Banker's acceptance	125,351,876	125,351,876	125,351,876	-
Term loans	21,464,629	21,464,629	4,435,510	17,029,119
Finance lease liabilities	3,179,525	3,179,525	1,047,150	2,132,375
Total undiscounted financial liabilities	214,450,005	214,450,005	195,288,511	19,161,494
2014				
Financial liabilities:				
Trade and other payables	39,727,599	39,727,599	39,727,599	-
Bank overdraft	2,009,852	2,009,852	2,009,852	-
Banker's acceptance	177,827,999	177,827,999	177,827,999	-
Term loan	22,472,192	22,472,192	4,294,344	18,177,848
Finance lease liabilities	3,281,954	3,281,954	1,187,667	2,094,287
Total undiscounted financial liabilities	245,319,596	245,319,596	225,047,461	20,272,135

COMPANY	Carrying amount RM	Contractual cash flows RM	Within one year RM	From two to five years RM
2015				
Financial liabilities:				
Other payables	173,100	173,100	173,100	-
Total undiscounted financial liabilities	173,100	173,100	173,100	-

36. FINANCIAL INSTRUMENTS (cont'd)

Financial risk management objectives and policies (cont'd)

(e) Liquidity risk (cont'd)
Analysis of financial instruments by remaining contractual maturities (cont'd)

COMPANY (cont'd)	Carrying amount RM	Contractual cash flows RM	Within one year RM	From two to five years RM
2014				
Financial liabilities:				
Other payables	8,800	8,800	8,800	-
Total undiscounted financial liabilities	8,800	8,800	8,800	-

Determination of fair values

(a) Financial instruments carried at amortised cost

The carrying amounts of financial assets and liabilities of the Group at the reporting date approximated their fair values except as set out below:

		2015		2014	
	Note	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
GROUP					
Financial asset					
Available-for-sale financial assets	7	2,691,008	2,691,008	2,606,913	2,606,913
Financial liabilities					
Finance lease liabilities	29	3,179,525	3,091,411	3,281,954	3,286,153

No disclosure is made for unquoted shares because of the lack of market information and the assumptions used in valuation models to value these investments cannot be reasonably determined.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

(i) Deposits, cash and bank balances

The carrying amounts of cash and cash equivalents approximate fair values due to the relatively short term maturity of these instruments.

(ii) Quoted equity instrument

The fair values of financial assets that are quoted in an active market are determined by reference to their quoted closing bid price at the end of the reporting date or estimated by discounting expected future cash flows at estimated average cost of borrowing rate.

36. FINANCIAL INSTRUMENTS (cont'd)

Determination of fair values (cont'd)

(a) Financial instruments carried at amortised cost (cont'd)

(iii) Trade and other receivables and payables

The carrying amounts of trade receivables and payables subject to normal trade credit terms approximate their fair values. The carrying amounts of other receivables and payables is reasonable approximation of fair values due to their short-term nature.

(iv) Loans and borrowings

The carrying amounts of the current portion of loans and borrowings are reasonable approximation of fair values due to the insignificant impact of discounting. The carrying amount of long term floating rate loans approximates their fair value as the loans will be repriced to market interest rate on or near reporting date.

The fair values of current loans and borrowings is estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

(v) Amounts due from subsidiary companies

The carrying amounts of the amounts due from subsidiary companies is a reasonable approximation of fair values due to its short maturity.

(b) Financial instruments carried at fair value

The fair value measurement hierarchies used to measure financial assets carried at fair value in the statements of financial position as at 31 December 2015 are as follows:

(i) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

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

The Group do not have any financial liabilities carried at fair value nor any instruments classified as Level 1, Level 2 and Level 3 as at 31 December 2015 and 31 December 2014.

The table below analyses the financial instruments measured at fair value at the reporting date, according to the level in the fair value hierarchy:

	Level 1 RM	Level 2 RM	Level 3 RM	Level 4 RM
Financial assets: Investment securities				
2015	2,691,008	-	-	2,691,008
2014	2,606,913	-	-	2,606,913

37. CAPITAL MANAGEMENT

The Group's primary objective in managing its capital is to maximise the Group's value by optimising its capital structure and enhancing capital efficiency while maintaining a sufficient level of liquidity. The Group targets a capital structure of an optimal mix of debt and equity in order to achieve an efficient cost of capital vis-à-vis maintaining financial flexibility for its business requirement and investing for future growth. The Group regularly reviews and manages its capital structure in accordance to the changes in economic conditions, its business plans and future.

The Group uses the debt to equity ratio, which is total debt dividend by total equity attributable to equity holders of the Company, as the key measurement for its capital structure management. The debt-to-equity ratio as at 31 December 2015 and 2014 were as follows:

	GROUP	
	2015	**2014**
	RM	**RM**
Total loans and borrowings (Note 19)	152,765,738	205,956,087
Less: Cash and cash equivalents (Note 28(c))	(23,799,661)	(25,938,934)
Net debt	128,966,077	180,017,153
Total equity	267,233,034	259,385,526
Debt-to-equity ratio	0.48	0.69

The Group did not breach any gearing requirements during the financial years ended 31 December 2015 and 31 December 2014.

No changes were made in the objectives, policies or processes in regards to the Group's management of its capital structure during the years ended 31 December 2015 and 31 December 2014.

38. DISCLOSURE OF REALISED AND UNREALISED PROFITS

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

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

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2015 and 2014, into realised and unrealised profits, pursuant to the directive, is as follows:

	GROUP		COMPANY	
	2015 RM	2014 RM	2015 RM	2014 RM
Total retained earnings:				
- Realised	67,084,211	75,198,110	2,758,561	3,731,028
- Unrealised	9,746,764	4,398,858	-	-
	76,830,975	79,596,968	2,758,561	3,731,028
Consolidation adjustments	-	(300,000)	-	-
Retained earnings as per statements of financial positions	76,830,975	79,296,968	2,758,561	3,731,028

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

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

39. COMPARATIVE FIGURES

The following comparative figures have been reclassified to conform with current year's presentation:

	As restated RM	As previously reported RM
STATEMENT OF FINANCIAL POSITION		
Non-controlling interest	14,574,120	14,596,874
Retained earnings	79,296,968	79,274,214

Authorised Share Capital	:	RM500,000,000.00 divided into 1,000,000,000 shares of 50 sen each
Issued and Paid-Up Capital	:	RM 84,334,927.00 divided into 168,669,854 shares of 50 sen each
Class of Shares	:	Ordinary shares of RM0.50 each
Voting Rights	:	On show of hands - one (1) vote
		On a poll - one (1) vote for each share held

ANALYSIS OF SHAREHOLDERS

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held	%
Less Than 100	140	6.48	5,351	-
100 - 1,000	65	3.00	31,420	0.02
1,001 - 10,000	1,273	58.88	6,328,113	3.75
10,001 - 100,000	596	27.57	18,044,296	10.70
100,001 - Less Than 5% Of Issue Share	82	3.79	52,756,508	31.28
5% And Above Of Issued Share	6	0.28	91,504,166	54.25
Total	2,162	100.00	168,669,854	100.00

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
Names	No. of Shares	%	No. of Shares	%
Dato' Lim Khoon Heng	18,001,186	10.67	25,773,579(^)	15.28
Dato' Lim Loong Heng	17,801,182	10.55	25,773,579(^)	15.28
Datin Cheong Yoke Ha	17,801,182	10.55	-	-
Dato' Sri Haji Wan Zaki Bin Haji Wan Muda	14,118,067	8.37	-	-
Hew Kwee Won	13,775,958	8.17		
Lim Kim Chuan & Sons Holdings Sdn Bhd	11,997,621	7.11	-	-
Nik Awang @ Wan Azmi Bin Wah Hamzah	10,671,216	6.33	-	-

DIRECTORS' SHAREHOLDINGS

	Direct Interest		Deemed Interest	
Names	No. of Shares	%	No. of Shares	%
Dato' Lim Khoon Heng	18,001,186	10.67	25,773,579(^)	15.28
Dato' Lim Loong Heng	17,801,182	10.55	25,773,579(^)	15.28
Nicholas Lim Kean Hoong	-	-	-	-
Tan Sri Abdul Aziz Bin Abdul Rahman	-	-	-	-
Dali Kumar @ Dali Bin Sardar	-	-	-	-
Lim Kah Poon	-	-	-	-
Leow Bock Lim	-	-	-	-

Note: ^ Deemed interest by virtue of their interests in Lim Kim Chuan & Sons Holdings Sdn Bhd pursuant to Section 6A of the Companies Act, 1965 and by virtue of their mother's Hew Kwee Won shareholding in Chuan Huat Resources Berhad.

LIST OF 30 LARGEST SHAREHOLDERS
AS AT 4 APRIL 2016

No.	Name	No. of Shares Held	%
1	LIM KHOON HENG	18,001,186	10.67
2	CHEONG YOKE HA	17,801,182	10.55
3	LIM LOONG HENG	17,801,182	10.55
4	WAN ZAKI BIN WAN MUDA	14,118,067	8.37
5	HEW KWEE WON	13,775,958	8.17
6	LIM KIM CHUAN & SONS HOLDINGS SDN BHD	10,006,591	5.93
7	CHONG MOAN LAM @ CHEONG MOON LAM	7,856,639	4.66
8	W MOHAMED @ NIK AZAM BIN WAN HAMZAH	7,024,917	4.16
9	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NIK AWANG @ WAN AZMI BIN WAN HAMZAH (E-KPG/JRL)	6,578,947	3.90
10	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NIK AWANG @ WAN AZMI BIN WAN HAMZAH	4,092,269	2.43
11	EMINENT OASIS SDN. BHD.	2,333,332	1.38
12	HLB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR AU WENG KEONG	1,958,493	1.16
13	LIM KIM CHUAN & SONS HOLDINGS SDN BHD	1,804,364	1.07
14	KHONG CHOOK CHONG	1,142,600	0.68
15	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR UBS AG SINGAPORE (FOREIGN)	1,091,933	0.65
16	ANG ENG THAI	681,233	0.40
17	LIM AH SENG	572,000	0.34
18	KHONG OW CHONG	560,066	0.33
19	CHOO WENG WAH	540,000	0.32
20	HENG YONG LAI	540,000	0.32
21	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR MAK NGIA NGIA @ MAK YOKE LUM (MM0749)	534,100	0.32
22	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HENG YONG LAI	520,000	0.31
23	LIM SOK HORNG	505,700	0.30
24	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN WAN SIEW (471222)	450,000	0.27
25	TEE AH SWEE	446,300	0.26
26	GHO TIAN SIA	442,000	0.26
27	YAP KIM THIAM	430,000	0.25
28	LEE KOING @ LEE KIM SIN	423,000	0.25
29	LIM GUAT POH	411,333	0.24
30	LIM SWEE CHING	410,000	0.24
		132,853,392	**78.77**

LIST OF TOP 10 PROPERTIES

AS AT 31.12.2015

No.	Location	Year of Acquistion	Status	Description of Property/ Usage	Tenure/ Approx. age of building	Land area/ Build up area (in sq.metre)	Net Book Value as at 31.12.15 (RM)
1	Lot 31381, Jalan Puchong Mesra 2, Batu 7 1/2, Off Jalan Puchong, 58200 Kuala Lumpur	1994	Own use	Industrial land with factory, warehouse & office	Freehold / 7	13,533 / 6,175	31,281,819
2	Lot 10464, 5th Mile, Jalan Nenas, Off Jalan Bukit Kemuning, Kg Jawa, 41000 Klang	2013	Own use	Industrial land with factory, warehouse & office	Freehold / 12	40,646 / 13,397	28,745,072
3	Lot 7401, PT 1888, Nilai Industrial Area, Phase II, 71800 Nilai	1997	Own use	Industrial land with factory, warehouse & office	Leasehold for 99 years expiring in 2091 / 21	28,420 / 12,600	18,924,939
4	Lot 50A, Jalan 1/89B, Batu 3 1/2, Off Jalan Sungai Besi, 57100 Kuala Lumpur	1997	Own use	Industrial land with warehouse & office	Leasehold for 42 years expiring in 2017 (approval for extension up to 2075) / 24	4,921/ 3,257	13,369,577
5	Lot 718, PT 1651, Nilai Industrial Area, Phase II, 71800 Nilai	1997	Own use	Industrial land with factory, warehouse & office	Leasehold for 99 years expiring in 2090 / 21	15,570 / 6,462	13,092,012
6	No. 302A, Jalan Tiga, Off Jalan Sungai Besi, Kuala Lumpur	1997	Vacant	Industrial land	Leasehold for 60 years expiring in 2070 / NA	4,049	13,000,000
7	Lot 135, Jalan 1/89B, Batu 3 1/2, Off Jalan Sungai Besi, 57100 Kuala Lumpur	1997	Own use	Industrial land with warehouse & office	Leasehold for 42 years expiring in 2017 (approval for extension up to 2075) / 11	3,334 / 2,052	9,610,233
8	Lot P204, Bukit Minyak Industrial Area, Mukim 13, Bukit Mertajam, Penang	1997	Own use	Industrial land with warehouse & office	Leasehold for 60 years expiring in 2058 / 4	14,164 / 2,080	8,123,089
9	Lot P2-073, Phnom Penh Special Economic Zone, Sangkat Kantouk, Sangkat Phleung Chhe Rotes, Sangkat Beung Thom, Khan Por Senchey, Phnom Penh, Cambodia	2013	Own use	Industrial land with factory, warehouse & office	Leasehold for 50 years expiring in 2062 / 2	9,703 / 4,479	7,737,588
10	C43, Block C, Lot 1566, Nilai Industrial Area, 71800 Nilai	1998	Rented	Industrial land with factory, warehouse & office	Leasehold for 99 years expiring in 2089 / 26	16,820 / 2,358	7,700,000
							151,584,329

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

At the Annual General Meeting held on 17 June 2015, the Company had obtained shareholders' mandate to allow the Group to enter into recurrent related party transactions of revenue or trading nature in the ordinary course of business which are necessary for the day-to-day operations of the Group.

In accordance with paragraph 10.09(2)(b) of the Listing Requirements of Bursa Securities, the details of the recurrent related party transactions conducted during the financial year ended 31 December 2015 pursuant to the shareholders' mandate are disclosed as follows:

Recurrent Transactions involving trading in hardware, building materials and ironmongery products.

No.	CHRB Group	Nature of transactions	Aggregate Value (RM'000)	Interested related parties
1	CHIM	Sales of steel bars or steel related products and building materials to AZSB	5,404	Dato' Sri Haji Wan Zaki Bin Haji Wan Muda is a director and has 100% direct and indirect interests in AZSB. Dato' Sri is also a director of CHS and had resigned on 28 January 2015.
		Sales of steel bars or steel related products and building materials to CHM CHRB BM Keyline	 3,519 279 -	Dato' Lim Khoon Heng, Dato' Lim Loong Heng and Nicholas Lim Kean Hoong, being the directors and/ or shareholders of CHRB, thus deemed interested by virtue of its indirect interest of these subsidiary companies. Dato' Lim Khoon Heng is also director of CHM, CHRB BM and Keyline.
2	CHM	Sales of steel bars or steel related products and building materials to CHIM CHRB BM	 175 193	Dato' Lim Khoon Heng, Dato' Lim Loong Heng and Nicholas Lim Kean Hoong, being the directors and/ or shareholders of CHRB, thus deemed interested by virtue of its indirect interest in these subsidiaries. Dato' Lim Khoon Heng is also director of CHM and CHRB BM.
		Purchase of building materials from CHR CHRS SM	 750 -	
3	CHRB BM	Purchase of building materials from CHM CHRS SM CHR	 - - -	Dato' Lim Khoon Heng, Dato' Lim Loong Heng and Nicholas Lim Kean Hoong, being the directors and/ or shareholders of CHRB, thus deemed interested by virtue of its indirect interest in these subsidiaries. Dato' Lim Khoon Heng is also director of CHRB BM and CHM.
		Sales of steel bars and building materials to CHIM CHM CHS	 - - -	
4	CHRS SM	Sales of steel bars or steel related products to CHM CHRB BM	 545 605	Dato' Lim Khoon Heng, Dato' Lim Loong Heng and Nicholas Lim Kean Hoong, being the directors and shareholders of CHRB, thus deemed interested by virtue of its indirect interest in CHM. Dato' Lim Khoon Heng is also director of CHM and CHRB BM.

No.	CHRB Group	Nature of transactions	Aggregate Value (RM'000)	Interested related parties
5	CHS	Sales of steel bars or steel related products and building materials to AZSB	261	Dato' Sri Haji Wan Zaki Bin Haji Wan Muda is a director and has 100% direct and indirect interests in AZSB. Dato' Sri is also a director of CHS and had resigned on 28 January 2015.
		Sales of steel bars or steel related products and building materials to CHM CHRB BM	 1,120 169	Dato' Lim Khoon Heng, Dato' Lim Loong Heng and Nicholas Lim Kean Hoong, being the directors and/ or shareholders of CHRB, thus deemed interested by virtue of its indirect interest of these subsidiary companies. Dato' Lim Khoon Heng is also director of CHM and CHRB BM.
		Purchase of steel pipes from AISB Group	1,159	Dato' Lim Khoon Heng and Dato' Lim Loong Heng has 7.39% indirect interest in AISB.
6	CHSD	Sales of fire-rated doors and related products to CHIM CHM CHRB BB CHRB BM Keyline	 - - - - -	Dato' Lim Khoon Heng, Dato' Lim Loong Heng and Nicholas Lim Kean Hoong, being the directors and/ or shareholders of CHRB, thus deemed interested by virtue of its indirect interest in these subsidiaries. Dato' Lim Khoon Heng is also director of CHSD, CHM, CHRB BM and Keyline
7	Keyline	Sales of ironmongery products to AZSB	-	Dato' Sri Haji Wan Zaki Bin Haji Wan Muda is a director and has 100% direct and indirect interests in AZSB. Dato' Sri is also a director of CHS and had resigned on 28 January 2015.
		Sales of ironmongery products to CHIM CHM CHRB BB CHRB BM CHSD	 1,596 15 - 405 -	Dato' Lim Khoon Heng, Dato' Lim Loong Heng and Nicholas Lim Kean Hoong, being the directors and/or shareholders of CHRB, thus deemed interested by virtue of its indirect interest in these subsidiaries. Dato' Lim Khoon Heng is also director of Keyline, CHM, CHRB BM and CHSD.

Abbreviations:

AISB Group	-	Amalgamated Industrial Steel Berhad and its subsidiaries
AZSB	-	Ahmad Zaki Sdn Bhd
CHS	-	Chuan Huat Steel Sdn Bhd
CHIM	-	Chuan Huat Industrial Marketing Sdn Bhd
CHM	-	Chuan Huat Metal Sdn Bhd
CHRB BB	-	CHRB Bahan Binaan Sdn Bhd
CHRB BM	-	CHRB Building Materials Sdn Bhd
CHRS SM	-	CHRS Samawira Mesh Sdn Bhd
CHSD	-	CH Sweestech Door Sdn. Bhd.
Keyline	-	Keyline Consulting Sdn Bhd

The shareholdings of the respective interested related parties as shown above are based on the information disclosed in the Circular to Shareholders dated 29 April 2016 in relation to the proposed shareholders' mandate for recurrent related party transactions.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Second Annual General Meeting ("AGM") of Chuan Huat Resources Berhad will be held at Wisma Pineapple, 2nd Floor, Lot 135, Jalan 1/89B, 3½ Mile Off Jalan Sungai Besi, 57100 Kuala Lumpur on Thursday, 26 May 2016 at 11.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

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

2. To approve the payment of Directors' Fees for the financial year ended 31 December 2015 RM187,000 (2014 : RM193,000). — Resolution 1

3. To re-elect the following Directors who retire by rotation in accordance with Article 63 of the Company's Articles of Association : -

   - Dato' Lim Khoon Heng — Resolution 2
   - Tan Sri Abdul Aziz Bin Abdul Rahman — Resolution 3

4. To consider and if thought fit, to pass the following Resolution :

   "THAT Leow Bock Lim, a Director who retires in accordance with Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company to hold office until the conclusion of the next AGM of the Company." — Resolution 4

5. To re-appoint Messrs. Ong Boon Bah & Co. as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. — Resolution 5

AS SPECIAL BUSINESS

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

6.1 **ORDINARY RESOLUTION**
AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 ("THE ACT") — Resolution 6

"THAT subject always to the Act, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, pursuant to Section 132D of the Act, the Directors be and are hereby authorised to issue shares in the Company from time to time, upon such terms and conditions for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the issued share capital of the Company for the time being AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company."

6.2 **ORDINARY RESOLUTION**
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR ADDITIONAL RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE — Resolution 7

"THAT subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), approval be and is hereby given to the Company's subsidiaries to enter into recurrent transactions with the Related Parties of a revenue or trading nature as set out in Paragraph 3.3 of the Circular to Shareholders dated 29 April 2016, which are necessary for its day-to-day operations and are in the ordinary course of business and are on normal commercial terms and on terms not more favourable to the related party than those generally available to the public and not to the detriment of minority shareholders of the Company for:

AS SPECIAL BUSINESS (cont'd)

- Recurrent related party transactions entered into by either of CHS, CHM, CHIM, CHRS SM, CHR, CHRB BM, Keyline, and CHSD with one another; and

- Recurrent related party transactions entered into by CHS with AISB.

THAT the approval shall continue to be in force until:

(a) the conclusion of the next AGM of the Company at which the ordinary resolution is passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT, the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution."

6.3 **ORDINARY RESOLUTION**
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE Resolution 8

"THAT subject always to the Main Market Listing Requirements of Bursa Securities, approval be and is hereby given to the Company's subsidiary to enter into recurrent transactions with the Related Parties of a revenue or trading nature as set out in Paragraph 3.3 of the Circular to Shareholders dated 29 April 2016, which are necessary for its day-to-day operations and are in the ordinary course of business and are on normal commercial terms and on terms not more favourable to the related party than those generally available to the public and not to the detriment of minority shareholders of the Company for:

- Recurrent related party transactions entered into by CHIM, CHS and Keyline with AZSB

THAT the approval shall continue to be in force until:

(a) the conclusion of the next AGM of the Company at which the ordinary resolution is passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(c) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT, the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution."

AS SPECIAL BUSINESS (cont'd)

6.4 **ORDINARY RESOLUTION**
AUTHORITY TO CONTINUE IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT authority be and are hereby given to the following Directors to continue to act as Independent Non-Executive Director of the Company until the conclusion of the next AGM in accordance with the Malaysian Code on Corporate Governance 2012."

(a) Dali Kumar @ Dali Bin Sardar — Resolution 9
(b) Leow Bock Lim — Resolution 10

7. To transact any other ordinary business of which due notice shall have been given in accordance with the Act and the Company's Articles of Association.

BY ORDER OF THE BOARD

Foo Siew Loon
(MAICSA 7006874)
Secretary

Kuala Lumpur
29 April 2016

Notes:

1. The Agenda item 1 is meant for discussion only as the provision of Section 169(1) of the Act, does not require a formal approval of the shareholders and hence, is not put forward for voting.

2. A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or the hand of its attorney or an officer duly authorised. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.

3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

4. Where a member appoints more than one (1) proxy (subject to a maximum of two (2) proxies at each meeting), the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

5. Where a member of the Company is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of the omnibus account.

6. To be valid, this proxy form duly completed must be deposited at the Registered Office of the Company at Wisma Lim Kim Chuan, Lot 50A, Jalan 1/89B, 3½ Mile Off Jalan Sungai Besi, 57100 Kuala Lumpur not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.

7. Only a depositor whose name appears on the Record of Depositors as at 20 May 2016 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

Explanatory Notes To Special Business:

(i) Resolution 6

The proposed Resolution under item 6.1 of the Agenda, is a renewal mandate of the previous general mandate obtained from the shareholders at the Twenty-First AGM held on 17 June 2015, which is expiring at the conclusion of the Twenty-Second AGM. The proposed Resolution, if passed will avoid any delay and cost involved in convening a general meeting and will empower the Directors to issue up to 10% of the issued share capital of the Company. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, the Directors have not utilised the mandate granted to the Directors at the last AGM held on 17 June 2015 and the said mandate will lapse at the conclusion of the Twenty-Second AGM.

The renewal of this mandate will provide flexibility to the Company to undertake any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding current and/or future investment project(s), working capital and/or acquisitions at any time to such persons in their absolute discretion without convening a general meeting.

(ii) Resolutions 7 and 8

The proposed Resolutions under items 6.2 and 6.3 of the Agenda, if passed, will allow the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions of a revenue or trading nature which are necessary for the day to day operations which shall expire at the next AGM.

The class of related parties, the nature of the transactions, the rationale and the methods of determining the transaction prices with the related parties, are detailed out in the Circular to Shareholders dated 29 April 2016.

(iii) Resolutions 9 and 10

The proposed Resolutions under item 6.4 of the Agenda, if passed, will allow the named directors to continue to act as independent directors notwithstanding that they have served a cumulative term of over nine (9) years as independent directors.

(a) Dali Kumar @ Dali Bin Sardar
Mr Dali Kumar was appointed Independent Non-Executive Director of the Company on 15 July 1999 and has therefore served for more than nine (9) years. As at the date of the notice of the AGM, he has served the Company for sixteen (16) years. Mr Dali has met the independence guidelines as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Securities and the Board considers him to be independent and recommends that he should be re-appointed and retained as Independent Non-Executive Director, in particular his experience and contributions to the Board.

(b) Leow Bock Lim
Mr Leow Bock Lim was appointed Independent Non-Executive Director of the Company on 29 June 2001 and has therefore served for more than nine (9) years. As at the date of the notice of the AGM, he has served the Company for fourteen (14) years. Mr Leow has met the independence guidelines as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Securities and the Board considers him to be independent and recommends that he should be re-appointed and retained as Independent Non-Executive Director, in particular his experience and contributions to the Board.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

There is no person seeking election as Director at the Annual General Meeting.

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No of shares held	
CDS Account no.	

CHUANHUAT GROUP
(since 1957)

Chuan Huat Resources Berhad

(Company No. 290729-W)

(Incorporated in Malaysia under the Companies Act, 1965)

PROXY FORM

I/We ____

(Full Name in Capital Letters)

NRIC No./Passport No./Company No. ______________________________

CDS Account No./Name of beneficial owner ______________________________

of ____

(Full Address)

being a member(s) of Chuan Huat Resources Berhad, hereby appoint:-

Full Name (in Block)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or

Full Name (in Block)	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Second Annual General Meeting of the Company to be held at Wisma Pineapple, 2nd Floor, Lot 135, Jalan 1/89B, 3½ Mile Off Jalan Sungai Besi, 57100 Kuala Lumpur on Thursday, 26 May 2016 at 11.00 a.m. and at every adjournment thereof in the manner as indicated below:

ORDINARY RESOLUTIONS		FOR	AGAINST
Resolution 1	To approve payment of Directors' fees		
Resolution 2	To re-elect Director –Dato' Lim Khoon Heng		
Resolution 3	To re-elect Director –Tan Sri Abdul Aziz Bin Abdul Rahman		
Resolution 4	To re-appoint Leow Bock Lim pursuant to Section 129(6) of the Companies Act, 1965		
Resolution 5	To re-appoint Messrs Ong Boon Bah & Co. as auditors of the Company		
Resolution 6	Authority to issue shares pursuant to Section 132D of the Companies Act, 1965		
Resolution 7	Proposed Renewal of Existing Shareholders' Mandate for • Recurrent Related Party Transactions of a Revenue or Trading Nature entered into by either of CHS, CHM, CHIM, CHRS SM, CHR, CHRB BM, Keyline and CHSD with one another; and • Recurrent Related Party Transactions of a Revenue or Trading Nature entered into by CHS with AISB		
Resolution 8	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature entered into by CHIM, CHS and Keyline with AZSB		
Resolution 9	Authority for Dali Kumar @ Dali Bin Sardar to continue in office as an Independent Non-Executive Director		
Resolution 10	Authority for Leow Bock Lim to continue in office as an Independent Non-Executive Director		

Please indicate with an "X" in the appropriate box above as to how you wish your vote to be cast. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit. However, if more than one proxy is appointed, please specify in the table below the number of shares represented by each proxy, failing which the appointment shall be invalid.

Dated this ______ day of ____________, 2016

____

Signature(s) / Common Seal of Shareholder(s)

Notes:-

1. The Agenda item 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders and hence, is not put forward for voting.
2. A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote in his/her stead. A proxy may but need not be a member of the Company. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or if such appointor is a corporation, under its common seal or the hand of its attorney or an officer duly authorised. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
4. Where a member appoints more than one (1) proxy (subject to a maximum of two (2) proxies at each meeting), the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
5. Where a member of the Company is an exempt authorised nominee as defined under the SICDA which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of the omnibus account.
6. To be valid, this proxy form duly completed must be deposited at the Registered Office of the Company at Wisma Lim Kim Chuan, Lot 50A, Jalan 1/89B, 3½ Mile Off Jalan Sungai Besi, 57100 Kuala Lumpur not less than 48 hours before the time fixed for holding the meeting or any adjournment thereof.
7. Only a depositor whose name appears on the Record of Depositors as at 20 May 2016 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

(FRONT)

Please send me a copy of the CHUAN HUAT RESOURCES BERHAD Annual Report 2015.
Sila hantar satu salinan Laporan Tahunan 2015 CHUAN HUAT RESOURCES BERHAD kepada saya.

Name/Nama : ______________________________

Address/Alamat : ______________________________

NRIC No./No. K.P. : ______________________________

Company No./No. Syarikat : ______________________________

Signature of Shareholder/Tandatangan Pemegang Saham

____

ANNUAL REPORT 2015

The Annual Report 2015 is in a CD-ROM format. Printed copy of the Annual Report shall be provided to the shareholders within 4 market days from the date of receipt of the verbal or written request.

The request must be directed to:

Chuan Huat Resources Berhad
Wisma Lim Kim Chuan,
Lot 50A, Jalan 1/89B,
3½ Mile Off Jalan Sungai Besi,
57100 Kuala Lumpur.

Contact person	:	Mr Simon Lee or Ms Carmen Chan
Telephone No.	:	+603-7983 3333
Facsimile No.	:	+603-7980 3333
E-mail	:	enquiries@chuanhuat.com.my

(BACK)

Affix
stamp
here

CHUAN HUAT RESOURCES BERHAD (290729-W)

WISMA LIM KIM CHUAN
LOT 50A, JALAN 1/89B,
3½ MILE OFF JALAN SUNGAI BESI,
57100 KUALA LUMPUR,
MALAYSIA

OUR CONTACT INFORMATIONS

: **WISMA LIM KIM CHUAN**
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