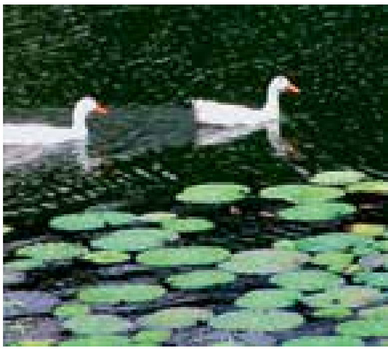
Karambunai Corp Bhd 6461-P

towards eco destination



Annual Report 2015

www.karambunaicorp.com www.nexusresort.com www.bukitunggul.com

Contents

a new lifestyle dining experience at Nexus Resort & Spa Karambunai

Karambunai Corp Bhd ("KCB" or the "Company" and together with its subsidiaries, "KCB Group") was incorporated in Malaysia on 30 December 1965 and is listed on the Main Market of Bursa Malaysia Securities Berhad. KCB is principally engaged in the business of investment holdings and provision of management services. Its subsidiary companies are principally involved in leisure and tourism business comprising resort hotel operation and management, golf and country club operation and management, travel and tour agency, property development, construction, project contractor and venture capital.

KARAMBUNAI PENINSULA

KCB Group is a leading tourism player in the State of Sabah, East Malaysia. Its flagship asset is the 1,500 acres of land in Karambunai Peninsula.

Karambunai Peninsula is located in the State of Sabah, which is part of the exotic island of Borneo. The island of Borneo is the third largest island in the world and the largest island in Asia well known for its beautiful mountain peaks and rich rainforests that offer dynamic experiences to international leisure travellers. Karambunai Peninsula is situated approximately 30 kilometres north-east of the Kota Kinabalu city center. It lies within 3,835 acres of eco-sanctuary that is tucked away, yet, in the midst of civilisation. Blessed with a 6-kilometre stretch of white sandy beach, Karambunai Peninsula is a piece of paradise on earth nestled by the South China Sea on one end, rolling hills in the center and a natural cove on the other end. Karambunai Peninsula is a natural perfection of white sandy beach, wetland, crystal blue cove, flatland, highland, rainforest and river.

Together with other landowners of Karambunai Peninsula, KCB Group plans to develop Karambunai Peninsula into a world-class eco-nature integrated resort ("IR"). It is an Entry Point Project under the Government of Malaysia's Economic Transformation Programme. KCB Group is now in the early stages of implementing the project and targets to launch the IR by phases. The IR project is within the Sabah state government's Kinabalu Gold Coast Enclave development, an initiative aimed at transforming Sabah into an internationally recognised destination for business and leisure by year 2025.

Jewel in the crown, Karambunai Peninsula... *Some say it's Heaven...* will continue to be the focus of KCB Group's eco-tourism development in the coming years. Completed developments within Karambunai Peninsula include (a) **Nexus Resort & Spa Karambunai**, a 5-star luxury resort; (b) **Precinct Dillenia**, a luxury 243 units beachfront pool villas and Spa suites; and (c) **Karambunai Golf Course**, an 18-hole world-class golf course.

Corporate Profile

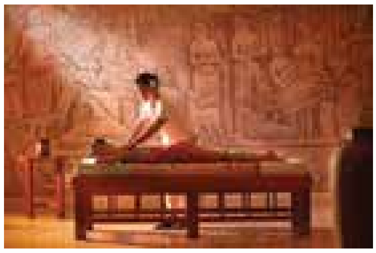
NEXUS RESORT & SPA KARAMBUNAI

Nexus Resort & Spa Karambunai ("Nexus Resort") is a luxury 5-star 485-room international-class resort hotel, combining elements of modern architecture with heritage Borneo design and style. Its luxurious guestrooms are housed in Ocean Wing and Borneo Wing. The Ocean Wing features 243 Ocean panorama deluxe and premier guestrooms, tastefully furnished and spread over five-storey with private balconies offering panoramic views of the South China Sea and the beautifully-landscaped gardens. The Borneo Wing is a private enclave of seven villa-styled two-storey buildings offering 236 sea and landscaped garden view guestrooms. Nexus Resort also features six Royal and Presidential Villas in a discrete and exclusive setting with private gardens and private swimming pools tucked away on one end of the resort at the starting point of the Karambunai white sandy beach. Nexus Resort enjoys all of the world-class facilities one would expect to find at a celebrated 5-star resort. It boasts a professional world-class golf course (**Karambunai Golf Course**); is home to the exclusive award winning **Borneo Spa**; a recreational lagoon park and water sports center; a surrounding 30-hectare natural park; world-class award-winning restaurants; Meetings, Incentives, Conventions and Exhibitions (MICE) facilities; and the serene 6-kilometre Karambunai white sandy beach.

KARAMBUNAI GOLF COURSE

Karambunai Golf Course ("Karambunai Golf") is one of the premier golf courses in the island of Borneo, specifically in Kota Kinabalu, Sabah. It is located within walking distance of **Nexus Resort & Spa Karambunai.** Designed by the world renowned American golf course architect, Ronald Fream, Karambunai Golf is an international championship par-72, 18-hole golf course. Karambunai Golf has established itself as one of the most popular golf courses in Sabah for its unique location and design which offers golfers a challenging and enjoyable experience. Nestled between the million year-old rainforest and the South China Sea, golfers can also enjoy the breathtaking views of Mount Kinabalu and Karambunai white sandy beach. Over the years, Karambunai Golf has hosted many prestigious events and has won numerous awards including the readers voted award for the "Best Resort Golf Course in Malaysia", the "Best Golf Course in East Malaysia" and the "3rd Most Memorable Golf Course in Malaysia" in the 2007/2008 Golf Malaysia Magazine Poll.

BORNEO SPA

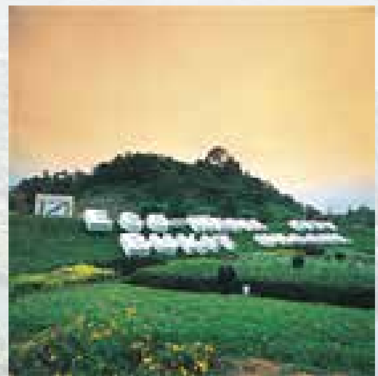


One of the first of its kind in East Malaysia, our award winning world-class health and wellness spa, **Borneo Spa**, features its own private label blends of pure essential oils in aromatherapy massages, facials and signature treatments influenced by Borneo heritage and culture. The Borneo Spa inspires relaxation, rejuvenation and a harmonious equilibrium of body, mind and spirit through holistic treatments drawn from age-old traditions of natural healing from both the East and West. The Spa is equipped with 14 therapy rooms (including two double rooms for couples wishing to enjoy a massage together, each with its own private shower), a health bar, separate male and female Jacuzzis, sauna, steam bath facilities and a relaxation pool that offers further opportunity to unwind and relax. Rustic cabanas on the resort's beach front offer an alternative outdoor massage environment with the sound of the waves and the sea breeze adding to the massage experience. The **Borneo Spa** has won numerous awards over the years and it has stood up to the demanding expectations of today's discerning Spa-goers and its competitors who are constantly looking for a new and refreshing experience where the bar of service excellence is continually growing. **Borneo Spa** continues in the forefront as a key player charting standards of quality and excellence in the health and wellness spa industry in Kota Kinabalu Sabah.

BANDAR SIERRA TOWNSHIP

KCB Group is also a major property developer in Kota Kinabalu, Sabah. Comprising 415 acres, Bandar Sierra is being developed into a mixed residential and commercial township development. Approximately 30 minutes' drive from the Kota Kinabalu city center, Bandar Sierra is strategically located in the middle of a rapidly developing growth corridor. It is also within close proximity to Nexus Resort & Spa Karambunai, Universiti Malaysia Sabah, the Sabah State's new federal administrative center, 1 Borneo Shopping Mall and Kota Kinabalu Industrial Park.

BUKIT UNGGUL ECO-MEDIA CITY



Over in Peninsular Malaysia, KCB Group owns 1,363 acres of land in Dengkil, Selangor, which is being developed into a resort style mixed development known as the Bukit Unggul Eco-Media City. Approximately 40 minutes' drive from Kuala Lumpur city center, Bukit Unggul ECO-Media City is situated within the country's Multimedia Super Corridor and is within close proximity to the Kuala Lumpur International Airport and the federal administrative center of Malaysia, Putrajaya. Completed development includes the **Bukit Unggul Golf Course**, an 18-hole international class golf course, and the **Bukit Unggul Golf and Country Club**. Designed by the world renowned American golf course architect, Ronald Fream, **Bukit Unggul Golf Course** is well known for its unique setting amongst a matured rainforest spread over rolling hills and a serene valley ambience. This par-71 golf course is a challenging hilly golf course that demands patience and skills.

Chairman's Statement

The Presidential Suites

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the annual report of Karambunai Corp Bhd ("KCB" or the "Company" and together with its subsidiaries, the "KCB Group") for the financial year ended March 31, 2015.

ECONOMIC REVIEW

The Malaysian economy recorded a stronger growth of 6.0% in year 2014 (2013: 4.7%), driven primarily by the continued strength of domestic demand and the positive growth in net exports. Malaysia benefitted from the recovery in the advanced economies and the sustained demand from the regional economies. While the growth in private domestic demand remained strong, public sector expenditure registered slower growth which was consistent with the Malaysian Government's fiscal consolidation efforts. The tourism industry remained one of the key economic growth sectors despite the unfortunate aviation incidents in year 2014. Malaysia celebrated its fourth "Visit Malaysia Year" in year 2014 with the theme "Celebrating 1Malaysia Truly Asia". On property development, the property cooling measures continued to lead to a moderation in demand and pricing for the residential subsector during the financial year under review.

FINANCIAL PERFORMANCE

The financial year under review was a difficult year for the Group with its two main business segments affected by unfavourable market conditions. The current financial result was dragged down largely by the higher than expected loss in the leisure and tourism segment as travel sentiments remained weak with the tragic airlines tragedies and the kidnapping of tourist incidents in the east coast of Sabah. However, the loss after taxation for the financial year narrowed by 26.19% to RM41.26 million, from RM55.90 million loss a year earlier. Revenues were lower at RM50.66 million, as against RM157.36 million in the previous financial year. The decline was attributed mainly to the absence of land sales in the current financial year under review and the lower than expected sales in the leisure and tourism segment.

DIVIDEND

No dividend was paid during the financial year and the Board does not recommend any dividend payment for the current financial year under review.

CORPORATE SOCIAL RESPONSIBILITY

The Group is committed to carrying out its business and development of an eco-nature integrated resort in Karambunai Peninsula in a socially responsible and sustainable manner, taking into consideration factors of Environmental Protection, Ecological Safety, Community and Social Obligations, Organisation and the Workplace.

(a) **Environmental Protection**

On environmental protection, the Group, as an established resort operator, has always adopted an environmentally friendly approach towards its resort operations. This includes policies implemented across the Group with objectives to minimise wastage, maximise energy-conservation, efficient and safe waste management in the proper disposal of waste materials, recycling of used materials and adopting environmentally friendly best-practices whenever possible to lessen water and air pollutions, global warming and climate change. In property development, the Group strives to adopt environmental friendly technologies to protect and preserve the natural environment. The Group is committed to use green and clean technologies in all its property development projects.

Chairman's Statement

(b) Ecological Safety

The Group is also committed to promote ecological safety in the development of its eco-nature integrated resort in Karambunai Peninsula. In designing the Karambunai masterplan, much consideration is being given to maintain and sustain the natural eco-system without adversely altering the natural dynamics of the living environment. We approach the eco-nature integrated resort development by finding the appropriate path to showcase both nature and development in a complementary and synergistic manner.

(c) Community and Social Obligations

On community and social obligations, the Group is involved in philanthropic activities including organising activities for less fortunate students, blood donation drives, contribution towards charity homes, sponsorship for local and international events such as the Borneo International Marathon event, the cleaning up of public beach and providing employment opportunities to the local community. The engagement in social activities is the Group's way of showing appreciation to the local community in which we operate our business.

(d) Organisation and Workplace

On organisation and workplace, the Group recognises the importance of its workforce as they play a pivotal role in bringing the Group to greater heights and sustainable growth. Key initiatives to further strengthen the organisation include providing a conducive working environment for our employees, nurturing and retaining quality employees, employees' training and development, age, ethnicity and gender diversity, employee welfare as well as health and safety.

FUTURE OUTLOOK

The Board is of the view that the prospects of the Malaysian economy are anticipated to remain positive amidst, amongst others, the more challenging international economic and financial landscape, and the sharp decline in the global crude oil prices and low commodity prices which have raised concerns on the country's fiscal and balance of payments positions. Overall, the Malaysian economy is expected to remain on a steady growth path in year 2015 supported by a sustained expansion in domestic demand and a resilient export sector.

The tourism industry outlook is expected to remain challenging. The negative travel sentiments brought by the airlines tragedies and the kidnapping of tourists incidents in Sabah is expected to continue to affect the leisure and tourism business of the Group in Sabah. The Board hopes the year 2015 "Malaysia Year of Festivals" campaign would help in securing more foreign tourist visitations.

On the outlook of property development, the property cooling measures have weighed on the market sentiments and the property market activities are expected continue to be slow. Purchasers are generally adopting a wait-and-see attitude in response to the cooling measures and the implementation of the Goods and Services Tax. The Group is responding to the market conditions, and adjusting its development to market demand.

The Group remains committed to its focus and vision as a leading resort operator and developer. The Group plans to further enhance its position as the leading tourism player in Sabah by developing its landbank in Karambunai Peninsula into a world-class eco-nature integrated resort.

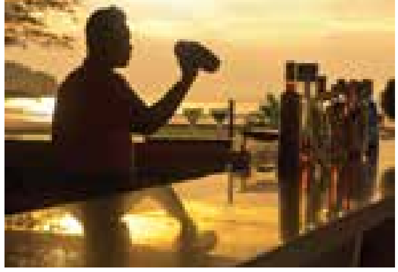
ACKNOWLEDGEMENT

On behalf of the Board, I would like to place on record our sincere thanks to our shareholders, customers, suppliers, financiers, business associates and regulators for their invaluable support, understanding and confidence in us. I would also like to thank our employees and management for their dedication and hard work and our former board member, Mr Chen Yiy Hwuan, for his invaluable services and contributions to the Group.

Thank you.

DATUK WAN KASSIM BIN AHMED
Chairman
15 July 2015

CEO's Review



FINANCIAL PERFORMANCE REVIEW

The financial year under review was indeed a challenging year for the Group, affected by both external and internal market conditions. The leisure and tourism industry faced the unprecedented challenges following the three unfortunate airline tragedies in year 2014. A series of kidnapping incidents in the east coast of Sabah further dampened overall travel sentiments to the state. The financial results of our Group for the financial year ended 31 March 2015 reflects the impact from this tough operating environment. Revenues were lower at RM50.66 million against RM157.36 million in the previous financial year, attributed mainly to the absence of land sales in the current financial year under review and the lower than expected sales in the leisure and tourism segment. The Group, however, narrowed its loss after taxation to RM41.26 million from RM55.90 million loss a year earlier, a 26.19% reduction in loss attributed to better management of costs.

On segmental performance, the leisure and tourism segment revenue declined 47.7% from RM71.78 million in previous year to RM37.57 million, on lower than expected hotel occupancy attributed to the difficult operating environment. This segment registered a higher loss at RM20.69 million as against RM3.82 million loss a year ago. The property development and construction segment recorded a drop of RM72.40 million in revenue attributed largely to the absence of land sales during the current financial year. A non-recurring land sales amounted to RM76.83 million was recorded in the previous financial year.

On a positive note, the Group will see further reduction in leaseback rental expense in the ensuing years in tandem with the expiry of the hotel sub-lease agreements with the respective unit owners of Precinct Dillenia development. The leaseback rental expense has been a financial burden to the Group in the past several years and the discontinuation of the leaseback arrangement will help in returning the Group to profitability.

BUSINESS AND OPERATIONAL REVIEW

Leisure and Tourism

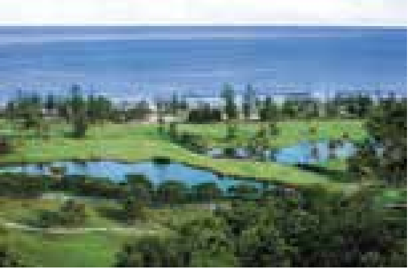
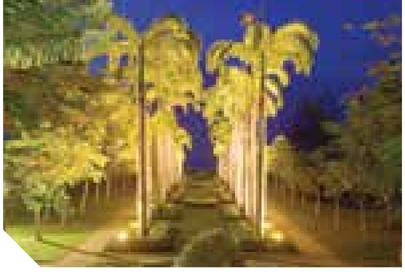
Nexus Resort & Spa Karambunai

Nexus Resort & Spa Karambunai ("Nexus Resort") is one of the key revenue drivers of the Group. It has been recognised as a leading resort destination in Sabah and has, over the years, attracted many international leisure travelers from the European countries, Japan, South Korea, Taiwan, Hong Kong, China, Russia and Australia.

The business environment during the financial year under review was weak. The year saw substantial drop in the number of tourists from China which was the third largest group of tourist arrivals after Singapore and Indonesia in year 2013. The sensitive travel climate resulting from the unfortunate airline tragedies have affected the tourism industry in the region. Competition to attract tourists amongst countries in the region have become more intense that has resulted in increased choices in destinations for the Chinese to travel to. The drop in tourist arrivals has affected the occupancy of our Nexus Resort as a result of which our leisure and tourism segment posted a lower than expected financial results during the financial year under review.

On assets enhancement initiatives, Nexus Resort commenced a phased refurbishment and modernisation exercise in year 2013 to refresh our product offerings. The first phase was targeted at hotel room refurbishment where a total of 236 sea and garden view guestrooms at the **Borneo Wing** were completed in year 2013. The following year which was the year under review saw the refurbishment exercise moved to the food and beverage outlets. Several restaurants, namely the **Noble House** (*Chinese cuisine*), **The Penyu** (*all day dining*), **Kingfisher** (*Malaysian-style cuisine*), **Olives** (*Mediterranean fine-dining*) and **Sunset Bar** (*char-grilled favourites and pizzas*) have been renovated. We are encouraged that our guests enjoyed these brand new dining experiences during their stay with us.

Nexus Resort has won numerous accolades over the years. To add to the long list of awards, we were honoured to receive during the financial year under review the "Australia's Top 10 Family Resort for 2014" being a recognition for our outstanding holiday appeal and facilities, and the 2015 "The Top Choice" hotel award by www.lianorg.com

Karambunai Golf

Karambunai Golf continues to be reputed as one of the top resort golf courses in Sabah. It is a popular destination for golfers from Korea, China, Japan, Taiwan, Hong Kong and Singapore. This spectacularly beautiful golf course is surrounded by nature and stretches from the low hills, gradually descending towards the beach. The tract's key characteristics are undulating fairways and well-contoured greens, across a series of small lakes, waterways and hillocks ingeniously crafted to add to its varying degree of difficulty. On financial result, the business environment was weak where revenue for the financial year declined 22% when compared to same period last year, attributed mainly to lower foreign golfer arrivals. The domestic market, however, remained consistent and resilient, supported by local golfers' patronage as Nexus Fairway Card, a privileged Karambunai Golf loyalty program, continued to receive good response. Karambunai Golf played host to several golf tournaments during the financial year under review. This includes the "World Amateur Inter-team Golf Championship", "Carlsberg Golf Classic" and the "Rookie Championship".

Bukit Unggul Golf and Country Club

Bukit Unggul Golf and Country Club is one of the favourite golfing destinations in the Klang Valley amongst local as well as expatriate golfers. It is the most scenic golf course in the Klang Valley according to a reputable golf publication survey in recent year. On financial performance, revenue for the financial year under review declined 11% amidst a challenging business environment. To improve our competitive position, we have, during the financial year under review, embarked on a comprehensive greens maintenance program to bring the golf course condition and quality to the next level. We are encouraged with the positive feedback thus far and confident that we will be able to perform better next year. Bukit Unggul played host to several golf tournaments during the financial year under review. This includes the "Carlsberg Golf Classic", "PGA-AGN Golf Tournament", "Korean Golfers Society Golf Tournament", and the "Sepang Pin Seekers Golf Tournament".

Property development and construction

Bandar Sierra Township

Bandar Sierra township development is progressing well. The Group has to-date delivered a total of 404 units of 2-storey terrace and semi-detached houses, 18 units of 2-storey shoplots and 644 units of 4-storey apartment. The Group is currently working on the last 4 blocks of its 16 blocks 4-storey apartment development. There are a total of 224 units in the last 4 blocks with an estimated RM53 million in gross development value. The take-up rate is about 58% as at the financial year ended 31 March 2015. Construction is in advanced stage and we expect delivery of the units to purchasers by the third quarter of 2015. The sales were slower than expected amidst the current weak market demand following the implementation of a series of property cooling measures. Purchasers remained cautious on concerns over escalating cost of living following the subsidy rationalisation and the implementation of the Goods and Services Tax. Despite these negative sentiments, we are confident that our property sales in Bandar Sierra will pick up given that our products are focus on affordable medium range housing development where demand is expected to remain strong.

MOVING FORWARD

Moving forward, the Group will continue to focus on its core business in the leisure and tourism, and property development. The Group will continue to review its business and capital expenditure plans amidst an overall challenging macro-economic outlook. The Group has made encouraging progress in managing its financial liabilities and strives to further improve its financial strength and discipline.

CEO's Review

On the leisure and tourism segment, the business is expected to remain challenging. Competition amongst hoteliers will intensify in the current low occupancy environment. The Group will step up its marketing efforts and strategies to improve its market share on the back of updating our product offerings. The Group is encouraged by the refurbishment progress so far and is confident that the refurbishment exercise to refresh our products will enhance our competitive position to attract a broader range of international leisure travelers to our resort. We will continue to update our product offerings to stay relevant in the constantly changing market trends. Going forward the Group will continue to focus on revenue enhancement and cost management. On revenue enhancement, the Group will continue to refine the market mix of its customers to achieve a better yield and to cushion the business seasonality inherent in the leisure and tourism industry. Efforts will also be taken to expand our sales channels to reach our key markets, and to build the corporate meetings and social functions business to drive the MICE market. On service excellence, the Group strives to train and maintain an experienced and service oriented team who are committed to uphold a high standard of service excellence.

On the property development segment, the market is still being weighed down by cooling measures and the Group will continue to review its property development plan. On our Bandar Sierra development, we will see the completion of the last 4 blocks of 4-storey apartment in the next 12 months which is expected to contribute positively to the earning of the Group for the financial year ending 31 March 2016.

The development of the eco-nature integrated resort in Karambunai Peninsula will also be the focus of the Group in the coming years. The integrated resort is designed to showcase the natural beauty of Karambunai Peninsula while complementing carefully designed development components and tourist attractions and activities. Positioned as an eco-nature, education and entertainment integrated resort, the development is expected to be a high-yield project contributing to the economic growth and tourist arrivals of Sabah. We are optimistic that the development will bode well for the Group in the longer term in its core business of leisure and tourism and property development.

Thank you.

CHEN YIY FON
Chief Executive Officer
15 July 2015

Corporate Information

BOARD OF DIRECTORS

Datuk Wan Kassim Bin Ahmed
(Chairman, Independent Non-Executive Director)

Tan Sri Dr Chen Lip Keong
(President, Non-Independent Executive Director)

Chen Yiy Fon
(Chief Executive Officer, Non-Independent Executive Director)

Dato' Dr Mohd Aminuddin Bin Mohd Rouse
(Independent Non-Executive Director)

Lim Mun Kee
(Independent Non-Executive Director)

COMPANY SECRETARY

Yew Nyuk Kwei, MACS 01247

AUDIT COMMITTEE

Datuk Wan Kassim Bin Ahmed (Chairman)

Dato' Dr Mohd Aminuddin Bin Mohd Rouse

Lim Mun Kee

REMUNERATION COMMITTEE

Datuk Wan Kassim Bin Ahmed (Chairman)

Dato' Dr Mohd Aminuddin Bin Mohd Rouse

Chen Yiy Fon

NOMINATION COMMITTEE

Datuk Wan Kassim Bin Ahmed (Chairman)

Dato' Dr Mohd Aminuddin Bin Mohd Rouse

REGISTERED OFFICE

No. 9020, Nexus Drive West, Karambunai,
Menggatal, 88450 Kota Kinabalu, Sabah, Malaysia
Tel : 088-411 111
Fax : 088-412 111

CORPORATE OFFICE

2nd Floor, No. 118, Jalan Semangat,
46300 Petaling Jaya, Selangor Darul Ehsan
Tel : 03-7968 1222
Fax : 03-7958 4775

SHARE REGISTRARS

Semangat Corporate Resources Sdn Bhd
Ground Floor, No. 118, Jalan Semangat
46300 Petaling Jaya, Selangor Darul Ehsan
Tel : 03-7968 1001
Fax : 03-7958 8013

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Bursa Code : 3115
Bloomberg Code: KRBN MK

INVESTOR RELATIONS

Email : ir@karambunaicorp.com
Tel : 03-7968 1222
Fax : 03-7958 4775

AUDITORS

Messrs. UHY
Chartered Accountants

SOLICITORS

Messrs. Yap Chin & Tiu
Messrs. Lim Guan Sing & Co

PRINCIPAL BANKERS

OCBC Bank Malaysia Berhad
Malayan Banking Berhad

Board of Directors' Profile

DATUK WAN KASSIM BIN AHMED
Chairman, Independent Non-Executive Director

- Aged 66, Malaysian
- Appointed to the Board on 20 October 1998 and as Chairman of the Board on 26 September 2012
- Chairman of the Audit, Remuneration and Nomination Committees
- Graduated with a Bachelor of Economics (Honours) from University of Malaya in 1973
- Began his career with Messrs Kassim Chan, an audit firm in 1973 before joining Bank Bumiputra Malaysia Berhad. Joined Shamelin Berhad for 10 years before starting his own management consultancy firm, United Kadila Sdn Bhd in 1984. Served as a councillor for the Petaling Jaya Town Council between 1987 and 1991 and as a Board member of the Malaysian Tourist Development Board from 1992 to 1996
- Currently he is also a board member of FACB Industries Incorporated Berhad, Petaling Tin Berhad and Octagon Consolidated Berhad

TAN SRI DR CHEN LIP KEONG
President, Non-Independent Executive Director

- Aged 68, Malaysian
- Appointed to the Board on 31 January 1991
- Controlling shareholder and President of Karambunai Corp Bhd
- Graduated with a Bachelor of Medicine and Surgery from University of Malaya (M.B.B.S. Malaya) in 1973 with extensive corporate, managerial and business experiences since 1976
- Controlling shareholder and Executive Director of FACB Industries Incorporated Berhad and controlling shareholder of Petaling Tin Berhad

CHEN YIY FON
Chief Executive Officer, Non-Independent Executive Director

- Aged 34, Malaysian
- Appointed to the Board as Director and Chief Operating Officer on 1 August 2007, and assumed the position of Chief Executive Officer on 29 September 2010
- A member of the Remuneration Committee
- Graduated with a Bachelor of Arts in Economics from University of Southern California, Los Angeles
- Previously worked in Morgan Stanley, Los Angeles, California and Credit Suisse First Boston, Singapore
- Currently, he also serves as the Chief Executive Officer and Executive Director of Petaling Tin Berhad, Executive Director of FACB Industries Incorporated Berhad and Director of Karambunai Corp Bhd subsidiaries

Board of Directors' Profile

DATO' DR MOHD AMINUDDIN BIN MOHD ROUSE
Independent Non-Executive Director

- Aged 70, Malaysian
- Appointed to the Board on 9 October 2009
- A member of the Audit, Remuneration and Nomination Committees
- Graduated with a B.Sc (Hons) in Biochemistry from University of Malaya in 1969 and obtained his Ph.D. in Biochemistry from the University of Adelaide in 1974
- Won numerous academic awards including the William Culross Award for Scientific Research from the University of Adelaide, International Foundation for Science Award from Sweden and the Fullbright Scholarship from USA
- An academician for 14 years having started as a lecturer in Universiti Pertanian Malaysia (now Universiti Putra Malaysia) in 1969 culminating his academic career as a dean and professor in Universiti Sains Malaysia in 1983
- Served Kumpulan Guthrie Berhad in year 1983 before joining Berjaya Group Berhad as its Group Executive Director in year 1994 and left Berjaya Group in September 1995 to become the Group Chief Executive Officer of Konsortium Perkapalan Berhad (now Konsortium Logistik Berhad) as well as the President and Chief Executive of PNSL Berhad
- Assumed in November 1997 the position of Executive Chairman, Indah Water Konsortium Sdn Bhd (IWK) and Deputy Chairman of its parent listed company, Prime Utilities Bhd, until the end of his tenure in October 2000
- Assumed from January 2001 the position of President & CEO of Malaysian Technology Development Corporation (MTDC), a venture capital company involved in the acquisition and transfer of technology, until the end of his tenure in December 2003
- Currently, sits on the Board of a number of public listed companies including Tanco Holdings Bhd, Ajiya Berhad, Managepay Systems Berhad and STAR Media Group Bhd and is also a Trustee of STAR Foundation, the charitable arm of the STAR. He is also a council member of Universiti Tunku Abdul Rahman (UTAR)

LIM MUN KEE
Independent Non-Executive Director

- Aged 48, Malaysian
- Appointed to the Board on 25 August 2010
- A member of the Audit Committee
- A member of the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants (MICPA)
- Started his career with KPMG Peat Marwick in 1989 and obtained his professional qualification in 1995. He has over 20 years of experience in auditing, finance and accountancy field where he worked in several listed companies as Accountant, Financial Controller and Head of Internal Audit
- Mr Lim also sits on the Board of FACB Industries Incorporated Berhad and Petaling Tin Berhad

Other Information

1. Family Relationship

   Mr Chen Yiy Fon is the son of Tan Sri Dr Chen Lip Keong.

   Save as disclosed above, none of the Directors have any family relationship with any Director of the Company.

2. Conflict of Interest

   None of the Directors of the Company have any conflict of interest with the Group save as the President, Tan Sri Dr Chen Lip Keong, by virtue of his interest in privately owned companies and in Petaling Tin Berhad where some of their subsidiaries are also involved in property development.

3. Conviction of Offences

   None of the Directors of the Company have any conviction for offences within the past ten (10) years other than on traffic offences, if any.

Our Awards & Accolades

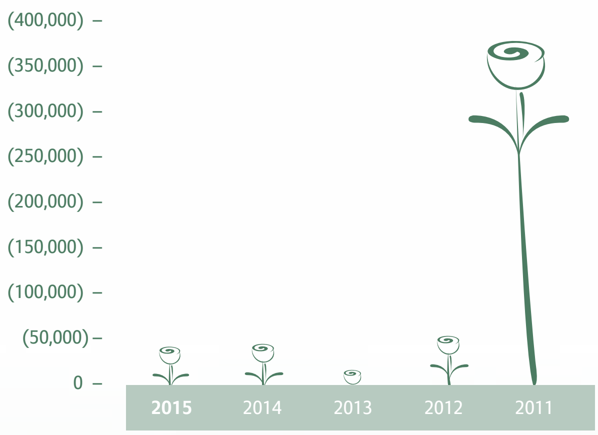
1. **2015-** Top Choice Hotel Award 2015 (www.lianorg.com)
2. **2014-** Top 10 Family Resorts (Australian Readers Choice, Holiday with Kids 2014)
3. **2014-** ASEAN Green Hotel Standard 2014-2016
4. **2012-** World Luxury Spa Awards
5. **2012-** DBKK Litter Free (Nexus Karambunai Golf Course)
6. **2012-** Top 10 Family Resorts (Holidays with kids)
7. **2011-** Malaysia's Best Restaurant's Noble House
8. **2011-** Malaysia's Best Restaurant's Olives
9. **2011-** World Luxury Spa Awards 2011 (Runner-up)
10. **2011-** Malaysian Spa & Wellness Awards 2011 (Best Resort Spa)
11. **2010-** South East Asia's 20 Best Resort Developments 2010-Property Report South East Asia
12. **2010-** 2010 China Low Carbon Real Estate Award-Model Villa
13. **2010-** ASEAN Green Hotel Standard Recognition Awards 2009-2010
14. **2010-** Malaysian Spa & Wellness Awards 2009 (Best Resort Spa)
15. **2009-** 12th Sabah Hospitality Fiesta (Champion-Hotel/ Resort Category)
16. **2008-** Fastbooking Asia Pvt Ltd (Best Performance-Hotel Internet Revenue Malaysia Market)
17. **2008-** HAPA (Hospitality Asia Platinum Award) 2008-2010 Regional Series Top 5 HAPA Signature Leisure & Recreation Resort
18. **2008-** SAGA Holidays (Travellers World, Good Food Award)
19. **2008-** SAGA Holidays (Travellers World, Top Stay Award)
20. **2008-** ASEAN Green Hotel Recognition Award (ASEAN Green Hotel Standard Recognition Award 2008-2009)
21. **2007-** Sabah Tourism Awards 2007 Winner-
Excellence in Hotel Services (3,4 & 5 Stars)
22. **2007-** HAPA (Hospitality Asia Platinum Award) 2007-2008
Top 5 HAPA MICE Hotel of the Year
Top 5 HAPA Golf Resort of the Year
Top 10 HAPA Luxury Resort of the Year
23. **2007-** Virgin Holidays Silver Award 2007 (Best Resort in the Far East & Australasia)
24. **2007-** SAGA Holidays (Travellers World, Good Food Award)
25. **2007-** SAGA Holidays (Travellers World, Top Stay Award)
26. **2007-** Best Golf Course in East Malaysia (Golf Malaysia Magazine Poll 2007-2008)
27. **2007-** Best Resort Golf Course in Malaysia (Golf Malaysia Magazine Poll 2007-2008)
28. **2007-** Expat Lifestyle-Best of Malaysia Awards October 2007 Excellence Award for Best Beach Resort and Best Beach
29. **2007-** 3rd Most Memorable Golf Course in Malaysia (Golf Malaysia Magazine Poll 2007/2008)
30. **2007-** China Golf Award 2006 (My Favourite Overseas Golf Travel Destination)
31. **2006-** Virgin Holidays Golf Award 2006 (Best Resort in the Far East & Australasia)
32. **2006-** SAGA Holidays (Travellers World, Top Ten Award)
33. **2006-** SAGA Holidays (Travellers World, Good Food Award)
34. **2005-** World Travel Awards (Malaysia's Leading Golf Resort)
35. **2004-** World Travel Awards (Malaysia's Leading Golf Resort)
36. **2004-** SAGA Holidays (Travellers World, Top Ten Award)
37. **2004-** SAGA Holidays (Travellers World, Good Food Award)
38. **2004-** SAGA Holidays (Travellers World, Top Extension Award)
39. **2003-** Malaysia Tourism Award (The Minister's Special Award)
40. **2003-** SAGA Holidays (Travellers World, Top Ten Award)
41. **2003-** SAGA Holidays (Travellers World, Good Food Award)
42. **2002-** SAGA Holidays (Travellers World, Top Ten Award)
43. **2002-** SAGA Holidays (Travellers World, Good Food Award)
44. **2001-** Malaysia Tourism Award (Excellence in Hotel Services, 5 Stars 2001-2002 (Resort Hotel))
45. **2001-** SAGA Holidays (Travellers World, Top Ten Award)
46. **2001-** SAGA Holidays (Travellers World, Good Food Award)
47. **2001-** FIABCI (Prix d'Excellence Finalist in Leisure Category)
48. **2000-** FIABCI (Award of Distinction in Leisure & Resort Category)
49. **1999-** The Finest Golf Resorts Collection (Award for Distinguished Status)

Financial Summary

RM	2015	2014	2013	2012	2011
Revenue	50,660,568	157,364,192	95,599,365	149,157,818	125,288,380
Loss Before Taxation	(43,498,236)	(46,482,793)	(10,000,849)	(53,505,185)	(372,739,930)
Shareholders' Fund	858,376,210	899,668,214	547,671,294	571,301,267	698,779,060
Total Assets	1,479,714,527	1,535,480,285	1,598,484,387	1,589,434,834	1,836,388,648
Bank Borrowings	17,947,449	15,863,983	14,898,763	232,226,989	343,309,039
Net Asset Per Share (sen)	14.86	15.57	26.98	28.14	34.42
Loss Per Share (sen)	(0.71)	(1.51)	(0.95)	(2.10)	(18.54)

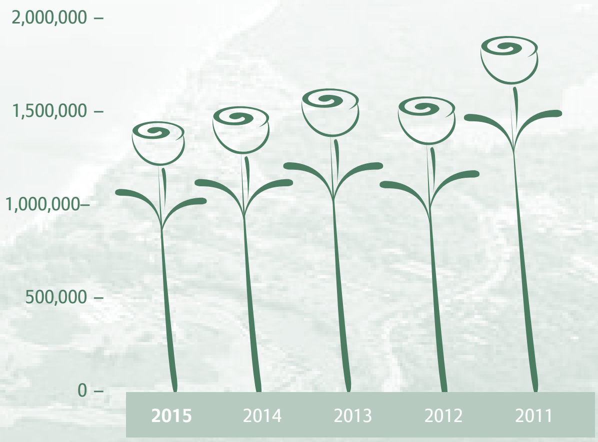
REVENUE (RM'000)

LOSS BEFORE TAXATION (RM'000)



SHAREHOLDERS' FUND (RM'000)

TOTAL ASSETS (RM'000)



Statement on Corporate Governance

The Board of Directors of Karambunai Corp Bhd is committed to its fiduciary responsibilities for sound corporate governance in its business management practices. Accordingly, the Board supports the Principles and Recommendations laid out in the Malaysian Code on Corporate Governance 2012 (the Code) wherein disclosures pursuant to the Code is mandated under paragraph 15.25 of the Bursa Securities Main Market Listing Requirements.

In particular, the Company has complied with the Recommendations of the Code save for the recommendation that the tenure of independent Directors should not exceed a cumulative term of nine years and the recommendation for individual disclosure of Directors' remuneration packages (as detailed in Other Compliances Statement of this Annual Report), whereas the ensuing paragraphs narrates how the Company has applied the Principles of the Code.

BOARD OF DIRECTORS

Board Charter

The Company has in place a Board Charter which sets out the Board's strategic intent and outlines the Board's roles and responsibilities. The Board Charter is a source reference and primary induction literature, providing insights to prospective Board members and senior management.

The Board Charter provides a basis for good governance for effective functioning and accountability of the Company. It also ensures that the Company and its subsidiaries are effectively led and controlled with the Board of Directors having the ultimate responsibility for maintaining the highest standards of integrity, accountability and corporate governance and acting in the interest of the Company as a whole. In particular, it includes the division of responsibilities and powers between the Board and management, the different committees established by the Board, and between the Chairman and the CEO.

Finally, the Board Charter is updated from time to time to reflect changes to the Company's policies, procedures and processes as well as the latest relevant legislations and regulations.

Board Responsibilities

The principal duties and responsibilities of the Board is to effectively lead and control the Company. The Board is to oversee the performance of management in a collegial relationship that is supportive yet vigilant. It is also responsible for the Company's strategies, objectives, succession plan and accountability to shareholders.

The Board has clear roles and responsibilities in discharging its fiduciary and leadership functions and has established clear functions reserved for the Board and those that were delegated to the management which are embodied in the Board Charter.

All Directors are to act in the best interest of the Company and shall disclose to the Board, of any interest or potential interest as soon as he becomes aware of such interest.

Board Meetings

The Company is led and controlled by an experienced Board with a wide range of expertise. Board members' judgement has a bearing on strategies, performances, resources and standards. Four (4) Board meetings were held during the financial year ended 31 March 2015 (with details of attendance presented under Other Compliances Statement of this Annual Report). In between scheduled meetings and where appropriate, Board decisions may be effected via circular resolutions.

All Directors have complied with the minimum requirements on attendance at Board meetings as stipulated in the Bursa Securities Main Market Listing Requirements (minimum 50% attendance).

Minutes of proceedings and decisions taken during the Board meetings are recorded by the Company Secretary and were circulated promptly to the Board members.

Board Composition

The Board currently consists of five (5) members comprising two (2) Executive Directors and three (3) Non-Executive Directors. Among the Non-Executive Directors, all three (3) are Independent, hence more than a third of the Board is independent. Meanwhile, the Board's composition reflects a commitment towards achieving a requisite mix of skills and experience in various business and financial competencies. Executive Directors have direct responsibilities for business operations whereas Non-Executive Directors are responsible for bringing independent objective judgement to bear on Board deliberations.

Statement on Corporate Governance

The Board annually examines its size and composition with a view to determine the impact of the number and make up on its effectiveness. The Board believes that the current size and composition is ideal to provide the necessary check and balance to the Board's decision-making process. The profiles of the Directors is set out under Board of Directors' Profile of this Annual Report.

To ensure balance of power and authority, the roles of Chairman and Chief Executive Officer are distinct and separate. The Board has formally identified Datuk Wan Kassim Bin Ahmed as the Senior Independent Non-Executive Director to whom concerns may be raised.

Board Independence

The Board conducts an annual assessment of the independence of its Independent Non–Executive Directors and is satisfied that they continue to bring independent and objective judgment to Board deliberations.

The Company's Independent Non–Executive Director, namely, Datuk Wan Kassim Bin Ahmed, having served more than 9 years, constitutes a departure from the Code recommendations. The Board is of the opinion that this Director, as a result of his long tenure, possess valuable knowledge of the structure, controls and dynamics of the Company.

Consequently, pursuant to Recommendation 3.3 of the Code, the Board seek shareholders' approval to retain his designation as an independent Director. The length of his service on the Board does not in any way interfere with his exercise of independent judgement and ability to act in the best interests of the Company as he continues to be scrupulously independent in the discharge of his duty as a constructive challenger of executive management.

The Board, therefore, recommends that Datuk Wan Kassim Bin Ahmed should continue to serve as an Independent Non-Executive Director of the Company for another year.

Board Diversity

The Board acknowledges the importance of Board diversity, in the effective functioning of the Board. The Board endeavours to achieve diversification in terms of gender, ethnicity and age, underpinned by the overriding primary aim of selecting the best candidates to support the achievement of the Company's strategic objectives.

Continuing Education of Directors

Directors' training is an on-going process as the Directors recognise the need to continually develop and refresh their skills and knowledge and to update themselves on the developments in the related industry and business landscape.

Directors are required to attend the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad. During the financial year, the Directors attended an in-house training on the Latest Update on Goods and Services Tax affecting hotels, golf courses and property developers under Listing Requirements.

Apart from the above, Board members were regularly updated on global developments and trends in Corporate Governance principles and best practices besides local regulatory and risk management framework.

Supply of Information

The Directors have full and unrestricted access to all information pertaining to the Company's business and affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties. There are matters specially reserved for the Board's decision to ensure that the direction and control of the Company is firmly in its hands. Prior to the Board meetings, the Directors are provided with the agenda together with Board papers containing reports and information relevant to the business of the meeting.

Under appropriate circumstances the Directors may obtain independent professional advice at the Company's expense, in furtherance of their duties.

Company Secretary

The Company Secretary plays a supporting role to the Board to ensure adherence to the Board policies and procedure and compliances with the Bursa Securities Main Market Listing Requirements and other compliance regulations.

The Board of Directors have ready and unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duties effectively.

Statement on Corporate Governance

Board Committees

The Board has delegated specific responsibilities to Board Committees which comprise the Audit Committee, Nomination Committee and Remuneration Committee. These Committees operate within defined terms of reference and are limited to making recommendations to the Board for final decision on matters discussed and deliberated.

Minutes of proceedings and decisions taken during the Board meetings are recorded by the Company Secretary and were circulated promptly to the members of Board Committees.

Appointments to the Board

The Board had established a Nomination Committee with appropriate terms of reference on 25 February 2002. The members of the Committee, currently comprising wholly of Independent Non-Executive Directors, are as follows :-

1. Datuk Wan Kassim Bin Ahmed (Chairman)
2. Dato' Dr Mohd Aminuddin Bin Mohd Rouse

The Nomination Committee is chaired by a Senior Independent Director identified by the Board, thereby enhancing the Committee's overall effectiveness.

The Nomination Committee established by the Board, is responsible for screening, evaluating and recommending suitable candidates to the Board for appointment as Directors, as well as filling the vacant seats of the Board Committees. In respect of the appointment of Directors, the Company practised a clear and transparent nomination process which involves the identification of candidates, evaluation of suitability of candidates, meeting up with candidates, final deliberation by the Nomination Committee and recommendation to the Board.

The Nomination Committee has a formal assessment mechanism in place to assess on an annual basis, the effectiveness of the Board as a whole and the contribution of each individual Director, including the Independent Non-Executive Directors. The Committee shall meet at least once a year. Additional meetings are held as and when required. During the financial year, the Committee met once on 10 February 2015.

Re-election

In accordance with the Company's Articles of Association, all Directors are subject to retirement from office at least once in every three (3) years, but shall be eligible for re-election. This provision is not only consistent with the underlying principles of the Code, but also, fully in line with paragraph 7.26 (2) of the Bursa Securities Main Market Listing Requirements. The Articles also provide that any Director appointed during the year is required to retire and seek re-election at the following Annual General Meeting (AGM) immediately after such appointment.

The Directors who are subject to re-election at the AGM will be assessed by the Nomination Committee on their performance whereupon recommendations will be submitted to the Board for decision on the proposed re-election of the Directors concerned, for shareholders' approval at the forthcoming AGM.

DIRECTORS' REMUNERATION

Procedure

The Board had established a Remuneration Committee with appropriate terms of reference on 25 February 2002. The primary objective of the Remuneration Committee is to assist the Board in developing and establishing competitive remuneration policies and packages in all its forms, while drawing advice from experts if deemed necessary. The Committee currently comprising a majority of Non-Executive Directors, are as follows :-

1. Datuk Wan Kassim Bin Ahmed (Chairman)
2. Dato' Dr Mohd Aminuddin Bin Mohd Rouse
3. Chen Yiy Fon

The Committee shall meet at least once a year. Additional meetings shall be scheduled if considered necessary by the Committee or Chairman. During the financial year, the Committee met once on 10 February 2015.

Statement on Corporate Governance

The Level and Make-up of Remuneration

The Committee's duty is to, inter-alia, review the remuneration framework and packages of newly appointed and existing Executive Directors and make recommendations to the Board for approval, with the underlying objective of attracting, motivating and retaining Directors needed to run the Company successfully. In particular, the remuneration package is structured to commensurate with corporate and individual performance, business strategy and long term objective of the Company.

In respect of Non- Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken and is a matter for consideration by the Board as a whole. The Non-Executive Directors abstain from discussion pertaining to their own remuneration.

Disclosure

The details of Directors' Remuneration for the financial year are summarised under Other Compliances Statement of this Annual Report.

SHAREHOLDERS

Dialogue Between Company and Shareholders

The Company recognises the importance of keeping shareholders well informed of the Group's major corporate developments and events. The Board had directed the Company to disclose all relevant information to shareholders to enable them to exercise their rights. Such information are duly and promptly announced via appropriate communication channels.

In particular, dissemination of information includes the distribution of Annual Reports, announcement of quarterly financial performance, issuance of circulars, press releases and holding of press conferences.

To further enhance transparency to all shareholders and stakeholders of the Company, the Group has established a website at www.karambunaicorp.com where shareholders can access information encompassing corporate information, financial highlights, Annual Reports, Bursa Malaysia Securities Berhad's announcements, and media updates.

The Annual General Meeting (AGM)

The AGM is the principal platform for dialogue with shareholders, wherein, the Board presents the operations and performance of the Group. During the meeting, shareholders are given every opportunity to enquire and comment on matters relating to the Group's business.

The Company has taken active steps to encourage shareholder participation at general meetings such as serving notices for meetings earlier than the minimum notice period. The Chairman and members of the Board are available to respond to shareholders' queries during the meeting.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible for ensuring a balanced and understandable assessment of the Company's position and prospects in its quarterly announcements and annual reports. The Audit Committee assists the Board by reviewing the disclosure information to ensure completeness, accuracy and validity. A full Directors' Responsibility Statement is also included in this Annual Report.

Internal Control

The Statement on Risk Management and Internal Control set out in this Annual Report provides an overview of the Company's approach in maintaining a sound system of internal control to safeguard shareholders' investment and the Company's assets.

Relationship with the Auditors

The Board via the establishment of an Audit Committee, maintains a formal and transparent relationship with the Company's auditors and place great emphasis on the objectivity and independence of the Group's external auditor.

The roles of the Audit Committee in relation to the auditors in particular, and corporate governance in general, are detailed in the Audit Committee Report of this Annual Report.

This statement is made in accordance with a resolution of the Board of Directors dated 15 July 2015.

Statement on Risk Management and Internal Control

PREAMBLE

Pursuant to paragraph 15.26(b) of the Bursa Securities Main Market Listing Requirements, the Board of Directors is required to include in its Annual Report, a statement on the state of internal control of the Company. In making this Statement on Internal Control, it is essential to specifically address the Principles and Recommendations in the Malaysian Code on Corporate Governance ("the Code") which relate to internal control.

RESPONSIBILITY

The Board of Directors has overall stewardship responsibility for the Company's system of internal control and for reviewing its adequacy and integrity to safeguard shareholders' investment and the Company's assets. However, it should be noted that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The associated companies have not been dealt with as part of the Company for the purpose of this statement.

INTERNAL CONTROL FRAMEWORK

The embedded control system is designed to facilitate achievement of the Company's business objectives. It comprises the underlying control environment, control procedures, communication and monitoring processes which manifest as follows: -

- Organizational structure defining lines of responsibility, delegation of authority, segregation of duties and information flow. Besides the predominantly non-executive standing committees such as the Audit, Nomination and Remuneration Committees, the Board is supported by executive management operationally. These Committees convene periodically to meet its strategic business agenda thus ensuring that the Board, properly apprised, maintains effective supervision over the entire operations.
- Policies, procedures and standards have been established, periodically reviewed and updated in accordance with changes in the operating environment.
- Comprehensive budgeting process for major operating units with periodical monitoring of performance so that major variances are followed up and management action taken.
- Functional limits of authority in respect of revenue and capital expenditure for all operating units. These commitment authority thresholds, working in tandem with budgeting and payment controls, serve to facilitate the approval process whilst keeping potential exposure in check.
- Detailed justification and approval process for major projects and acquisitions imposed, to ensure congruence with the Company's strategic objectives.
- Independent appraisals by internal auditors to ensure ongoing compliance with policies, procedures, standards and legislations whilst assessing the effectiveness of the Group's system of financial, compliance and operational controls.

RISK MANAGEMENT FRAMEWORK

Besides primary ownership over effectiveness of the Company's internal control systems, the Company regards risk management as an integral part of the business operations. The Company recognizes its responsibility over the principal risks of various aspects of the Company's business. For long term viability of the Company, the Board acknowledges that, it is crucial to achieve a critical balance between risks incurred and potential returns.

In response to the above challenge, the Company confirms that there is on-going process of identifying, evaluating, monitoring, managing and reporting significant risks affecting the achievement of the Company's business objectives via the establishment of an in-house structured risk management framework.

Statement on Risk Management and Internal Control

A Risk Advisory Committee (RAC) comprising senior management personnel responsible, inter alia, for internal policy communications, acquiring risk management skills, developing skills through education and training, and ensuring adequate scale of recognition, rewards and sanctions was set up on 25 February 2002.

During the financial year, the RAC convened quarterly to monitor the Company's significant risks and recommended appropriate treatments. The Audit Committee facilitated by the internal audit function, establishes the adequacy and effectiveness of the Company's Risk Management Framework by regularly reviewing the resultant RAC risk registers.

INTERNAL AUDIT

An in-house Internal Audit function supports the Audit Committee, and by extension, the Board, by providing reasonable independent assurance on the effectiveness of the Company's system of internal control.

In particular, Internal Audit appraise and contribute towards improving the Company's risk management and internal control systems and reports to the Audit Committee on a quarterly basis. The internal audit work plan which reflects the risk profile of the Company's major business sectors is routinely reviewed and approved by the Audit Committee.

The Board of Directors, through its Audit Committee, has reviewed the adequacy and effectiveness of the internal control systems and relevant actions have been taken to remedy the internal control weaknesses identified from the reviews, which was largely based on the outcome of observations raised by internal auditors directly to the Audit Committee.

INTERNAL CONTROL ISSUES

Management maintains an ongoing commitment to strengthen the Company's control environment and processes. The Chief Executive Officer and the Chief Financial Officer have provided assurance to the Board that the Company's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management and internal control frameworks of the Company.

The management will continue and take measures to ensure the ongoing effectiveness and adequacy of the system of risk management and internal controls to safeguard shareholders' investment and the Company's assets. During the year, there were no material losses caused by breakdowns in internal control.

This statement is made in accordance with a resolution of the Board of Directors dated 15 July 2015 and has been duly reviewed by the external auditors, pursuant to paragraph 15.23 of the Bursa Securities Main Market Listing Requirements.

Audit Committee Report

PREAMBLE

Pursuant to paragraph 15.15 of the Bursa Securities Main Market Listing Requirements, the Board is required to prepare an Audit Committee Report for inclusion in its Annual Report.

COMPOSITION

The Group has an established Audit Committee since 19 October 1993. For the financial year, the members of the Audit Committee, their respective designations and directorships are as follows:-

- Datuk Wan Kassim Bin Ahmed
  Chairman, Independent Non-Executive Director
- Dato' Dr Mohd Aminuddin Bin Mohd Rouse
  Member, Independent Non-Executive Director
- Lim Mun Kee
  Member, Independent Non-Executive Director

TERMS OF REFERENCE

Purpose

The primary objective of the Audit Committee (as a standing-committee of the Board) is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting and internal control.

Reporting Responsibilities

The Audit Committee will report to the Board on the nature and extent of the functions performed by it and may make such recommendations to the Board on any audit and financial reporting matters as it may think fit.

Attendance at Meetings

The Head of Finance, the Head of Internal Audit and a representative of the External Auditors should normally attend meetings. The Company Secretary shall be the secretary of the Committee. Other officers may be invited to brief the Committee on issues that are incorporated into the agenda. The Committee should meet with the external auditors, the internal auditors or both without executive board members and employees of the Group present, whenever deemed necessary.

Frequency of Meetings

The Committee will meet as frequently as the Chairman shall decide, with due notice of issues to be discussed and should record its conclusions whilst discharging its duties and responsibilities. The Chairman of the Audit Committee should engage on a continuous basis with senior management, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Group.

Quorum

The quorum for a meeting shall be two (2) members of whom a majority shall be Independent Directors.

Authority

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. The Committee shall have unrestricted access to both the internal and external auditors and to all employees of the Group. The Committee may, with the approval of the Board, consult legal or other professionals where they consider it necessary to discharge their duties.

Duties

The duties of the Audit Committee include the following:-

- To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal;
- To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- To review the quarterly and year-end financial statements of the Company, focusing on:-
  - any changes in accounting policies and practices;
  - major judgmental areas;
  - significant adjustments arising from the audit;
  - the going concern assumption;
  - compliance with accounting standards and other legal requirements;
- To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management, where necessary);
- To review the external auditor's management letter and management's response;

Audit Committee Report

- To do the following, in relation to the internal audit function:-
  - review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
  - review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
  - review any appraisal or assessment of the performance of members of the internal audit function;
  - approve any appointments or termination of senior staff members of the internal audit function; and
  - take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning;
- To consider any related party transactions and conflict of interest situation that may arise within the Group;
- To consider the major findings of internal investigations and management's response; and
- To consider other topics as defined by the Board.

DETAILS OF MEETINGS

The Audit Committee met five (5) times during the financial year and details of attendances are as follows :-

Datuk Wan Kassim Bin Ahmed	5/5
Dato' Dr Mohd Aminuddin Bin Mohd Rouse	4/5
Lim Mun Kee	5/5

During the financial year, relevant training attended by the above Directors are detailed in the Corporate Governance Statement of this Annual Report.

SUMMARY OF AUDIT COMMITTEE ACTIVITIES

In discharging its responsibilities for the financial year, the Audit Committee, in particular:-

- Reviewed the quarterly and year end financial statements and made recommendations to the Board.
- Deliberated over the internal audit and compliance reports, ensuring recommendations are carried out.
- Reviewed and assisted in the development and implementation of sound and effective internal controls and business systems within the Group.
- Reviewed the Risk Advisory Committee report, ensuring adequacy and effectiveness of the Group's Risk Management Framework.
- Discussed and reviewed with the external auditors the results of their examination, their auditors' report and management letters in relation to the audit and accounting issues arising from the audit.
- Reviewed the Group's compliance with regards to the Bursa Securities Main Market Listing Requirements and compliance with accounting standards issued by the Malaysian Accounting Standards Board.

SUMMARY OF INTERNAL AUDIT ACTIVITIES

The Audit Committee is supported by an Internal Audit Department which reports directly to the Committee and is independent of the activities they audit. The costs incurred on this function which includes risk management and corporate governance was RM285,900 for the financial year.

During the financial year, the Internal Audit Department conducted, inter alia, the following activities:

- Formulated and agreed with the Audit Committee on the audit plan, strategy and scope of work.
- Reviewed compliance with internal policies, procedures and standards, relevant external rules and regulations, as well as assessed the adequacy and effectiveness of the Group's internal control system.
- Analysed and assessed key business processes, report findings, and made recommendations to improve effectiveness and efficiency.
- Followed up on internal audit recommendations to ensure adequate implementation.
- Advised on the implementation of the Malaysian Code on Corporate Governance, Bursa Securities Main Market Listing Requirements and other regulatory requirements.
- Performed investigations and special reviews as requested by the Board and Management.
- Facilitated and reviewed the Group's risk management framework for adequacy and effectiveness in tandem with the business environment.

This report is made in accordance with a resolution of the Board of Directors dated 15 July 2015.

Directors' Responsibility Statement

Pursuant to Paragraph 15.26(a) of the Bursa Securities Main Market Listing Requirements

The Directors are required by Malaysian company law to prepare for each accounting period financial statements which give a true and fair view of the state of affairs of the Group and the Company as at the end of the accounting period and of the results of their operations and cashflows for that period.

In preparing the financial statements the Directors are required to select and apply consistently suitable accounting policies and make reasonable and prudent judgements and estimates. Applicable accounting standards also have to be followed and a statement made to that effect in the financial statements, subject to any material departures being disclosed and explained in the notes to the financial statements. The Directors are required to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business. The Directors are responsible for ensuring proper accounting records are kept which discloses with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1965.

They are also responsible for taking reasonable steps to safeguard the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 15 July 2015.

Other Compliances Statement

1. DIRECTORS' ATTENDANCE AT BOARD MEETINGS

During the financial year, the Board held four (4) meetings, the attendance of which was as follows:-

	Directors	Attendance
1.	Datuk Wan Kassim Bin Ahmed	4/4
2.	Tan Sri Dr Chen Lip Keong	4/4
3.	Chen Yiy Fon	4/4
4.	Dato' Dr Mohd Aminuddin Bin Mohd Rouse	4/4
5.	Lim Mun Kee	4/4
6.	Chen Yiy Hwuan (Retired on 25 September 2014)	2/3

2. DIRECTORS' REMUNERATION

The aggregate remuneration of Directors for the financial year is categorised as follows:-

Description	Fees RM	Other Emoluments RM	Total RM
Executive	18,000	698,904	716,904
Non - Executive	114,000	-	114,000
Total	**132,000**	**698,904**	**830,904**

The number of Directors whose remuneration falls in each successive band of RM50,000 are as follows:-

Range (RM)	Executive	Non-Executive
50,000 & below	1	3
50,001 to 100,000	0	0
100,001 to 150,000	0	0
150,001 to 200,000	0	0
200,001 to 250,000	0	0
250,001 to 300,000	1	0
300,001 to 350,000	0	0
350,001 to 400,000	1	0
Total	**3**	**3**

The above disclosure is in compliance with the Bursa Securities Main Market Listing Requirements. Nevertheless, it represents a departure from the Principles of Corporate Governance of the Code, which prescribes individual disclosure of Directors' remuneration packages. The Board is of the opinion that individual disclosure would impinge upon the Directors' reasonable right to privacy whilst not significantly enhancing shareholders' information.

Other Compliances Statement

3. UTILISATION OF PROCEEDS

The utilisation of the Rights Issue proceeds up to 31 March 2015 is as follows:-

	Proposed utilisation RM'000	Actual utilisation RM'000	Reallocation RM'000	Balance unutilised RM'000
Refurbishment and modernisation of hotel	13,000	12,798	202	-
Payment to trade creditors and suppliers	26,600	26,528	72	-
General working capital	9,151	8,973	178	-
Corporate exercise expenses	2,000	2,452	(452)	-
Total	**50,751**	**50,751**	**-**	**-**

4. SHARE BUY-BACKS

There were no share buybacks by the Company during the financial year under review.

5. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The Company did not issue any Options, Warrants or Convertible Securities during the financial year under review.

6. AMERICAN DEPOSITORY RECEIPT (ADR) OR GLOBAL DEPOSITORY RECEIPT (GDR)

The Company did not sponsor any ADR or GDR programme during the financial year under review.

7. SANCTIONS AND/OR PENALTIES

There was no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies.

8. NON - AUDIT FEES

Non-audit fees of RM5,000 was paid to the external auditors by the Group and the Company for the financial year.

9. VARIATION IN RESULTS

There is no material variance between the results for the financial year and the unaudited results previously announced. The Company did not make any release on profit estimate, forecast or projections for the financial year.

10. PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial year.

11. MATERIAL CONTRACTS

There were no material contracts entered by the Company and its subsidiaries involving Directors' and major shareholders' interests other than those disclosed in the financial statements.

12. CONTRACTS RELATING TO LOAN

There were no material contracts relating to loans by the Company.

13. REVALUATION POLICY

The Company has not adopted a regular revaluation policy on landed properties.

14. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

There were no material recurrent related party transactions of a revenue nature during the year other than those disclosed in the financial statements.

This statement is made in accordance with a resolution of the Board of Directors dated 15 July 2015.

Financial Statements

Directors' Report

The Directors hereby present their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holdings and provision of management services. The principal activities of the subsidiary companies are disclosed in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
(Loss)/Profit for the financial year	(41,258,147)	22,534,559
Loss attributable to:-		
Owners of the Company	(41,257,866)	
Non-controlling interest	(281)	
	(41,258,147)	

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

There were no issues of shares or debentures during the financial year.

WARRANTS 2013/2023

The principal terms of the Warrants 2013/2023 are disclosed in Note 18(d) to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

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

Datuk Wan Kassim Bin Ahmed
Tan Sri Dr Chen Lip Keong
Chen Yiy Fon
Dato' Dr Mohd Aminuddin Bin Mohd Rouse
Lim Mun Kee
Chen Yiy Hwuan (Retired on 25.9.2014)

DIRECTORS' INTERESTS

The interests of the Directors in office as at the end of the financial year in the ordinary shares and Warrants 2013/2023 of the Company during the financial year according to the registers required to be kept under Section 134 of the Companies Act, 1965 are as follows:-

	Number of Ordinary Shares @ RM0.10 each		
	At 1.4.2014	**Purchase/ (Sold)**	**At 31.3.2015**
The Company, Direct Interest			
Tan Sri Dr Chen Lip Keong	3,950,989,566	-	3,950,989,566
Indirect shareholdings being shares held through corporation in which the Director has an interest			
Tan Sri Dr Chen Lip Keong	339,181,242	-	339,181,242

None of the other Directors held any share whether direct or indirect, in the Company during the financial year.

		Number of Warrants 2013/2023		
	Exercise Price	**At 1.4.2014**	**Purchased/ (Exercised)**	**At 31.3.2015**
The Company, Direct Interest				
Tan Sri Dr Chen Lip Keong	0.1306	320,070,392	-	320,070,392

None of the other Directors held any Warrants 2013/2023 whether direct or indirect, in the Company during the financial year.

Tan Sri Dr Chen Lip Keong by virtue of his substantial interest in shares and Warrants 2013/2023 of the Company and Chen Yiy Fon by virtue of the shares and Warrants 2013/2023 held by his father, Tan Sri Dr Chen Lip Keong, are also deemed interested in the shares of the subsidiary companies as disclosed in Note 6 to the financial statements, to the extent the Company has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporations with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was 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' Report

OTHER STATUTORY INFORMATION

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

   (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

   (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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

   (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

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

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

   (iv) 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.

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

   (i) 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

   (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year other than those arising in the normal course of business of the Group and of the Company.

(d) In the opinion of the Directors:

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

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

   (iii) 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 current financial year in which this report is made.

AUDITORS

The Auditors, Messrs UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 15 July 2015

DATUK WAN KASSIM BIN AHMED

CHEN YIY FON

Statement by Directors

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 33 to 97 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2015 and of their financial performance and the cash flows for the financial year then ended.

The supplementary information set out in the note 39 to the financial statements on page 98 have been compiled in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 15 July 2015

DATUK WAN KASSIM BIN AHMED **CHEN YIY FON**

Statutory Declaration

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

I, LIM KAM CHOY, being the officer primarily responsible for the financial management of KARAMBUNAI CORP BHD., do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 33 to 98 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at)
KUALA LUMPUR in the Federal Territory on 15 July 2015)

LIM KAM CHOY

Before me,

SHAFIE BIN DAUD
COMMISSIONER FOR OATHS

Independent Auditors' Report

To the Members of Karambunai Corp Bhd.
(Company No.: 6461-P)
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Karambunai Corp Bhd., which comprise the statements of financial position as at 31 March 2015 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 33 to 97.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the 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 March 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2(d) to the financial statements which discloses the premise upon which the Group has prepared its financial statements by applying the going concern assumption, notwithstanding that the Group incurred net losses of RM41,258,147 for the financial year ended 31 March 2015, and as at that date, the Group's current liabilities exceeded its current assets by RM316,833,293.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Group to continue as going concern. The financial statements have been prepared on the going concern basis which assumes that the Group will be able to operate and generate sufficient cash flows in the foreseeable future and financial support from its lenders and major shareholder will continue to enable the Group to meet its obligations as and when they fall due, and accordingly, the realisation of its assets and settlement of its liabilities will occur in the ordinary course of business.

Independent Auditors' Report

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its 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 auditors' report of 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 statements of the subsidiary companies that have been consolidated with the financial statements of the Company is in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiary companies did not contain any qualification or any adverse comment required to be made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 39 to the financial statements on page 98 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 Disclosures 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.

UHY
Firm Number: AF 1411
Chartered Accountants

CHAN JEE PENG
Approved Number: 3068/08/16 (J)
Chartered Accountant

KUALA LUMPUR
15 July 2015

Statements of Financial Position

As at 31 March 2015

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	**982,884,936**	998,908,029	**372,331**	135,807
Land held for property development	5	**435,805,271**	435,614,214	**-**	-
Investment in subsidiary companies	6	**-**	-	**814,762,338**	814,702,339
Available-for-sale financial assets	7	**60,000**	130,000	**60,000**	60,000
Deferred tax assets	8	**9,000**	9,000	**-**	-
Goodwill	9	**14,937,416**	14,937,416	**-**	-
		1,433,696,623	1,449,598,659	**815,194,669**	814,898,146
Current assets					
Property development costs	10	**10,763,961**	9,960,633	**-**	-
Inventories	11	**6,126,135**	6,481,244	**-**	-
Trade receivables	12	**4,441,764**	20,433,439	**-**	-
Other receivables	13	**5,953,648**	9,036,510	**63,800**	292,770
Amounts owing by subsidiary companies	14	**-**	-	**379,759,170**	304,714,966
Fixed deposits with licensed banks	15	**5,389,188**	4,208,787	**720,162**	-
Cash and bank balances		**13,343,208**	35,761,013	**8,858,218**	29,597,356
		46,017,904	85,881,626	**389,401,350**	334,605,092
Total assets		**1,479,714,527**	1,535,480,285	**1,204,596,019**	1,149,503,238
EQUITY					
Equity					
Share capital	16	**577,658,769**	577,658,769	**577,658,769**	577,658,769
Share premium	17	**77,959,301**	77,959,301	**77,959,301**	77,959,301
Reserves	18	**202,758,140**	244,050,144	**345,373,066**	322,838,507
Equity attributable to owners of the Company		**858,376,210**	899,668,214	**1,000,991,136**	978,456,577
Non-controlling interest		**-**	(32,771)	**-**	-
Total Equity		**858,376,210**	899,635,443	**1,000,991,136**	978,456,577
LIABILITIES					
Non-current liabilities					
Finance lease liabilities	19	**814,798**	1,041,274	**137,401**	-
Bank borrowing	20	**17,947,449**	15,863,983	**-**	-
Deferred tax liabilities	21	**239,724,873**	238,927,015	**-**	-
		258,487,120	255,832,272	**137,401**	-

Statements of Financial Position

As at 31 March 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM	RM	RM	RM
Current liabilities					
Trade payables	22	**63,845,962**	92,282,015	**-**	-
Other payables	23	**114,791,478**	114,911,255	**8,169,555**	7,781,872
Amount owing to a Director	24	**130,654,336**	99,684,198	**130,654,336**	99,684,198
Amounts owing to subsidiary companies	14	**-**	-	**64,562,685**	63,544,377
Finance lease liabilities	19	**1,033,083**	646,783	**42,200**	-
Provisions	25	**205,954**	347,978	**38,706**	36,214
Taxation		**52,320,384**	72,140,341	**-**	-
		362,851,197	380,012,570	**203,467,482**	171,046,661
Total liabilities		**621,338,317**	635,844,842	**203,604,883**	171,046,661
Total equity and liabilities		**1,479,714,527**	1,535,480,285	**1,204,596,019**	1,149,503,238

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

Statements of Comprehensive Income

For the year ended 31 March 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Revenue	26	**50,660,568**	157,364,192	-	-
Direct costs	27	**(52,176,628)**	(139,791,794)	-	-
Gross (loss)/profit		**(1,516,060)**	17,572,398	-	-
Other income		**3,946,748**	10,956,673	**28,980,237**	4,401,553
Selling and distribution costs		**(1,888,175)**	(6,199,341)	-	-
Administrative costs		**(41,980,550)**	(43,647,364)	**(6,312,473)**	(5,914,134)
Other costs		**(1,919,206)**	(23,192,191)	**(125,028)**	(81,056,652)
		(45,787,931)	(73,038,896)	**(6,437,501)**	(86,970,786)
(Loss)/Profit from operations		**(43,357,243)**	(44,509,825)	**22,542,736**	(82,569,233)
Finance costs		**(140,993)**	(1,972,968)	**(8,177)**	-
(Loss)/Profit before tax	28	**(43,498,236)**	(46,482,793)	**22,534,559**	(82,569,233)
Income tax expense	29	**2,240,089**	(9,417,498)	-	200,406
(Loss)/Profit for the year		**(41,258,147)**	(55,900,291)	**22,534,559**	(82,368,827)
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss					
Exchange translation differences for foreign operation		-	(143,510)	-	-
Other comprehensive income for the year		-	(143,510)	-	-
Total comprehensive income for the year		**(41,258,147)**	(56,043,801)	**22,534,559**	(82,368,827)

	Note	Group 2015 RM	Group 2014 RM
Loss attributable to:			
Owners of the Company		**(41,257,866)**	(55,885,326)
Non-controlling interest		**(281)**	(14,965)
		(41,258,147)	(55,900,291)
Total comprehensive income attributable to:			
Owners of the Company		**(41,257,866)**	(56,028,836)
Non-controlling interest		**(281)**	(14,965)
		(41,258,147)	(56,043,801)
Loss per ordinary share attributable to owners of the Company (sen)	30	**(0.71)**	(1.51)

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

Statements of Changes in Equity

For the year ended 31 March 2015

	Attributable to Owners of the Company — Non-Distributable: Share Capital RM	Share Premium RM	Capital Reserve RM	Warrant Reserve RM	Asset Revaluation Reserve RM	Foreign Currency Translation Reserve RM	Accumulated Losses RM	Total RM	Non-controlling Interest RM	Total Equity RM
Group										
At 1 April 2014	577,658,769	77,959,301	269,918,289	69,529,543	207,628,632	(2,872,269)	(300,154,051)	899,668,214	(32,771)	899,635,443
Comprehensive income										
Loss for the year	-	-	-	-	-	-	(41,257,866)	(41,257,866)	(281)	(41,258,147)
Total comprehensive income for the year	-	-	-	-	-	-	(41,257,866)	(41,257,866)	(281)	(41,258,147)
Realisation upon striking off of subsidiary companies	-	-	-	-	-	(1,086)	-	(1,086)	-	(1,086)
Acquisition of non-controlling interest	-	-	-	-	-	-	(33,052)	(33,052)	33,052	-
Total transations with the owners of the Company	-	-	-	-	-	(1,086)	(33,052)	(34,138)	33,052	(1,086)
At 31 March 2015	577,658,769	77,959,301	269,918,289	69,529,543	207,628,632	(2,873,355)	(341,444,969)	858,376,210	-	858,376,210
At 1 April 2013	1,015,029,840	111,535,799	-	-	207,628,632	(148,669)	(786,374,308)	547,671,294	(17,806)	547,653,488
Comprehensive income										
Loss for the year	-	-	-	-	-	-	(55,885,326)	(55,885,326)	(14,965)	(55,900,291)
Other comprehensive income										
Foreign currency translation differences	-	-	-	-	-	(143,510)	-	(143,510)	-	(143,510)
Total comprehensive income for the year	-	-	-	-	-	(143,510)	(55,885,326)	(56,028,836)	(14,965)	(56,043,801)
Carried down	1,015,029,840	111,535,799	-	-	207,628,632	(292,179)	(842,259,634)	491,642,458	(32,771)	491,609,687

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

	Attributable to Owners of the Company									
	Non-Distributable									
	Share Capital RM	Share Premium RM	Capital Reserve RM	Warrant Reserve RM	Asset Revaluation Reserve RM	Foreign Currency Translation Reserve RM	Accumulated Losses RM	Total RM	Non-controlling Interest RM	Total Equity RM
Group (Cont'd)										
Brought down	1,015,029,840	111,535,799	-	-	207,628,632	(292,179)	(842,259,634)	491,642,458	(32,771)	491,609,687
Capital Reconstruction	(812,023,872)	-	269,918,289	-	-	-	542,105,583	-	-	-
Issuance of shares pursuant to:										
- Rights Issue with Warrants	50,751,492	(69,529,543)	-	69,529,543	-	-	-	50,751,492	-	50,751,492
- Capitalisation of debts owing to a Director	289,983,185	32,188,134	-	-	-	-	-	322,171,319	-	322,171,319
- Capitalisation of debts owing to FACBII	33,918,124	3,764,911	-	-	-	-	-	37,683,035	-	37,683,035
Realisation upon striking off of subsidiary companies	-	-	-	-	-	(2,580,090)	-	(2,580,090)	-	(2,580,090)
Total transactions with owners of the Company	(437,371,071)	(33,576,498)	269,918,289	69,529,543	-	(2,580,090)	542,105,583	408,025,756	-	408,025,756
At 31 March 2014	577,658,769	77,959,301	269,918,289	69,529,543	207,628,632	(2,872,269)	(300,154,051)	899,668,214	(32,771)	899,635,443

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

Statements of Changes in Equity

For the year ended 31 March 2015

	Non-Distributable					
	Share Capital RM	Share Premium RM	Capital Reserve RM	Warrant Reserve RM	(Accumulated Losses)/ Retained Earnings RM	Total Equity RM
Company						
At 1 April 2014	577,658,769	77,959,301	269,918,289	69,529,543	(16,609,325)	978,456,577
Profit for the year, representing total comprehensive income for the financial year	-	-	-	-	22,534,559	22,534,559
At 31 March 2015	577,658,769	77,959,301	269,918,289	69,529,543	5,925,234	1,000,991,136
At 1 April 2013	1,015,029,840	111,535,799	-	-	(476,346,081)	650,219,558
Loss for the year, representing total comprehensive income for the financial year	-	-	-	-	(82,368,827)	(82,368,827)
Capital Reconstruction	(812,023,872)	-	269,918,289	-	542,105,583	-
Issuance of shares pursuant to:-						
- Rights Issue with Warrants	50,751,492	(69,529,543)	-	69,529,543	-	50,751,492
- Capitalisation of debts owing to a Director	289,983,185	32,188,134	-	-	-	322,171,319
- Capitalisation of debts owing to FACBII	33,918,124	3,764,911	-	-	-	37,683,035
Total transactions with owners of the Company	(437,371,071)	(33,576,498)	269,918,289	69,529,543	542,105,583	410,605,846
At 31 March 2014	577,658,769	77,959,301	269,918,289	69,529,543	(16,609,325)	978,456,577

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

Statements of Cash Flows

For the year ended 31 March 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Cash Flows From Operating Activities					
(Loss)/Profit before tax		**(43,498,236)**	(46,482,793)	**22,534,559**	(82,569,233)
Adjustments for:					
Bad debts recovered		**-**	(139,982)	**-**	-
Depreciation of property, plant and equipment		**17,924,680**	17,203,343	**92,411**	34,951
Gain on disposal of:					
- property, plant and equipment		**(135,523)**	(37,886)	**(19,999)**	-
- non-current assets classified as held for sale		**-**	(11,184,307)	**-**	-
Impairment loss on:					
- amounts owing by subsidiary companies		**-**	-	**-**	81,201,664
- available-for-sale financial assets		**70,000**	-	**-**	-
- investment in subsidiary companies		**-**	-	**-**	132,303
- receivables		**8,300**	943,920	**-**	-
Interest expenses		**140,993**	1,972,968	**8,177**	-
Interest income		**(872,753)**	(1,639,590)	**(842,282)**	(1,555,703)
Realisation upon striking off of subsidiary companies:					
- foreign currency translation		**(1,086)**	(2,580,090)	**-**	-
Reversal of impairment loss on:					
- amount owing by subsidiary companies		**-**	-	**(28,117,955)**	(2,731,707)
- receivables		**(962,604)**	(50,855)	**-**	-
Utilisation of employee benefits, net		**(142,024)**	(6,526)	**2,492**	(58,705)
Unrealised loss on foreign exchange		**2,225,105**	965,220	**-**	-
Write off of:					
- amounts due from subsidiary companies		**-**	-	**-**	2,183
- bad debts		**189,176**	786,036	**-**	-
- deposits		**6,844**	-	**-**	-
- inventories		**6,505**	-	**-**	-
- investment in subsidiary companies		**-**	-	**2**	8
- land held of property development		**-**	17,712,298	**-**	-
- property, plant and equipment		**204,190**	58	**25**	-
- prepayments		**-**	178,800	**-**	-
Operating loss before working capital changes carried down		**(24,836,433)**	(22,359,386)	**(6,342,570)**	(5,544,239)

Statements of Cash Flows

For the year ended 31 March 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Cash Flows From Operating Activities (Cont'd)					
Operating loss before working capital changes brought down		**(24,836,433)**	(22,359,386)	**(6,342,570)**	(5,544,239)
Changes in working capital:					
Property development costs and land held for property development		**(803,328)**	(2,980,592)	**-**	-
Inventories		**348,604**	3,584,536	**-**	-
Receivables		**19,832,821**	(1,560,450)	**228,970**	(176,661)
Payables		**(36,550,505)**	(50,503,792)	**387,683**	30,487,338
Cash (used in)/from operation		**(42,008,841)**	(73,819,684)	**(5,725,917)**	24,766,438
Income tax paid		**(8,928,974)**	(13,789,638)	**-**	-
Interest paid		**(140,993)**	(1,972,968)	**(8,177)**	-
Interest received		**872,753**	1,639,590	**842,282**	1,555,703
Net cash (used in)/from operating activities		**(50,206,055)**	(87,942,700)	**(4,891,812)**	26,322,141
Cash Flows From Investing Activities					
Advances to subsidiary companies		**-**	-	**(47,046,251)**	(61,103,167)
Additions to land held for property development		**(191,057)**	(5,597,283)	**-**	-
Additional investment in subsidiary companies		**-**	-	**60,001**	-
Acquisition of subsidiary companies		**-**	-	**-**	(4)
Additions of pledged fixed deposits		**(254,561)**	(2,400,966)	**-**	-
Proceeds from disposal of property, plant and equipment		**161,261**	45,002	**20,000**	-
Proceeds from disposal of non-current assets classified as held for sale		**-**	76,834,284	**-**	-
Purchase of property, plant and equipment	4	**(1,102,515)**	(7,493,692)	**(108,961)**	(28,860)
Net cash (used in)/from investing activities		**(1,386,872)**	61,387,345	**(47,075,211)**	(61,132,031)
Cash Flows From Financing Activities					
Advances from/(Repayment to) a Director, net		**30,970,138**	(763,251)	**30,970,138**	(763,251)
Proceeds from Rights Issue		**-**	50,751,492	**-**	50,751,492
Advances from subsidiary companies		**-**	-	**1,018,308**	7,006,705
Repayment of finance lease liabilities		**(869,176)**	(986,522)	**(40,399)**	-
Net cash from financing activities		**30,100,962**	49,001,719	**31,948,047**	56,994,946
Foreign currency translation differences		**-**	(143,510)	**-**	-
Net (decrease)/increase in cash and cash equivalents		**(21,491,965)**	22,302,854	**(20,018,976)**	22,185,056
Cash and cash equivalents at beginning of the year		**35,769,823**	13,466,969	**29,597,356**	7,412,300
Cash and cash equivalents at end of the year	31	**14,277,858**	35,769,823	**9,578,380**	29,597,356

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

1. CORPORATE INFORMATION

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

The registered office and principal place of business of the Company are located at No. 9020, Nexus Drive West, Karambunai, Menggatal, 88450 Kota Kinabalu, Sabah, Malaysia.

The Company is principally engaged in the business of investment holdings and provision of management services. The principal activities of the subsidiary companies are disclosed in Note 6. There have been no significant changes in the nature of these activities during the financial year.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of new and amended standards and IC Interpretation

During the financial year, the Group and the Company have adopted the following amendments to FRSs and IC Interpretation issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to FRS 10, FRS 12 and FRS 127	Investment Entities
Amendments to FRS 132	Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to FRS 139	Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21	Levies

Adoption of above amendments to FRSs and IC Interpretation did not have any significant impact on the financial statements of the Group and the Company.

Standards issued but not yet effective

The Group and the Company have not applied the following new FRSs and amendments to FRSs that have been issued by the MASB but are not yet effective for the Group and the Company:

		Effective dates for financial periods beginning on or after
Amendments to FRS 119	Defined Benefits Plans: Employee Contributions	1 July 2014
Annual Improvements to FRSs 2010 – 2012 Cycle		1 July 2014
Annual Improvements to FRSs 2011 – 2013 Cycle		1 July 2014
FRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

		Effective dates for financial periods beginning on or after
Annual Improvements to FRSs 2012–2014 Cycle		1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018

The initial application of the abovementioned FRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company except as mentioned below:

FRS 9 *Financial Instruments* (IFRS 9 issued by IASB in July 2014)

FRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of FRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. FRS 9 when effective will replace FRS 139 *Financial Instruments: Recognition and Measurement.*

FRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. FRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under FRS 139.

The adoption of FRS 9 will result in a change in accounting policy. The Group is currently examining the financial impact of adopting FRS 9.

New Malaysian Financial Reporting Standards ("MFRS Framework") issued but not yet effective

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 *Agreements for Construction of Real Estate*, including its parent, significant investor and venturer (hereinafter called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework and continue to use the existing FRS Framework. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2017.

The Group and the Company fall within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in their first MFRS financial statements for the financial year ending 31 March 2018. In presenting their first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

New Malaysian Financial Reporting Standards ("MFRS Framework") issued but not yet effective (Cont'd)

The Group and the Company have not completed its assessment of the financial effects of the differences between FRSs and accounting standards under the MFRS Framework. Accordingly, the consolidated and separate financial performance and financial position as disclosed in these financial statements for the financial year ended 31 March 2015 could be different if prepared under the MFRS Framework.

(b) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Group's and the Company's functional currency and all values have been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgments

There are no significant areas of estimation uncertainty and critical judgement in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

<u>Construction contracts / property development</u>
The Group recognises construction contracts revenue and expenses in statements of comprehensive income based on stage of completion method. Revenue recognised from construction contracts reflects management's best estimate about each contract's outcome and stage of completion. The Group assesses the profitability of on-going construction contracts and the order backlog at least monthly, using project management procedures. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty. Details of construction contract costs and property developments are disclosed in Note 10.

<u>Useful lives of property, plant and equipment (Note 4)</u>
The Group regularly review the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment.

<u>Income taxes</u>
Judgment is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of income tax expense are disclosed in Note 29.

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Deferred tax assets
Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences 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. Details of deferred tax assets are disclosed in Note 8.

Amounts owing by subsidiaries
The Company determines the recoverability of the amounts owing by certain subsidiary companies when these debts exceeded their capital investments. The Directors are of the opinion that adequate allowance for impairment has been made for the debts due from these subsidiary companies to the extent the Company is able to realise these debts through internal group restructuring including possible offsets against debts owed by the Company to certain other subsidiaries, should such need arises.

Impairment of property, plant and equipment
The Group assesses whether there is any indication that property, plant and equipment are impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. The recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information. Changes to any of these assumptions would affect the amount of impairment.

Impairment of goodwill on consolidation
The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The impairment assessment of goodwill is disclosed in Note 9.

Impairment of loans and receivables
The Group assesses at end of each reporting period whether there is any objective evidence that a receivable is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts at the reporting date for loans and receivables are disclosed in Notes 12, 13 and 14 respectively.

Material litigations
The Group determines whether a present obligation in relation to a material litigation exists at the reporting date by taking into account all available evidence, including the opinion of its solicitors and subsequent events after the reporting date. On the basis of such evidence, the Group evaluates if a provision needs to be recognised in the financial statements.

Estimation of fair values of property, plant and equipment
The Group adopts revaluation policy for its land and buildings. The Group engaged independent valuation specialists to determine the fair values as at 30 May 2012 and 10 September 2012. The fair values were determined primarily using the following valuation method:

(i) Hotel property – on 30 May 2012, the fair value was determined by adopting the historical profit and yield analysis as the primary method of the valuation and adopts the cost and direct comparison methods to cross check. The principal assumptions are based upon the current and historical performance of the hotel property with an estimated capitalisation rate of 7%.

2. **BASIS OF PREPARATION (CONT'D)**

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Estimation of fair values of property, plant and equipment (Cont'd)

(ii) Leasehold land at Karambunai, Sabah – on 30 May 2012, the fair values were determined using the Discounted Cash Flows method and the Residual method. Comparison method has not been adopted to determine the fair values since there is limited comparable land sales recently transacted in the area where the land are located. In applying the Residual and Discounted Cash Flows method, the independent valuation specialist has made several assumptions and applied suitable market conventions and appropriate valuation parameters.

(iii) Leasehold land at Bukit Unggul, Dengkil – on 10 September 2012, the fair values was determined using the Comparison Method which compares the subject property with similar type of potential development lands and entails the analysis of recent sales of similar properties in the locality. In applying the Comparison Method, the independent valuation specialist has made several adjustments for differences in location, shape, size, terrain, surrounding areas, development potential or status and other relevant factors.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the Note 36(c) regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

(d) Going concern assumption

The Group incurred a net loss of RM41,528,147 (2014: RM55,900,291) for the financial year ended 31 March 2015. As of that date, the Group's current liabilities exceeded its current assets by RM316,833,293 (2014: RM294,130,944). These conditions indicate the existence of material uncertainties which may cast significant doubt on the ability of the Group to continue as going concern and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on the going concern basis which assumes that the Group will be able to operate and generate sufficient cash flows in the foreseeable future and financial support from its lenders and major shareholder will continue to enable the Group to meet its obligations as and when they fall due, and accordingly, the realisation of its assets and settlement of its liabilities will occur in the ordinary course of business.

The Directors are of the opinion that the Group will continue as going concern and accordingly, the financial statements have been prepared on a going concern basis and do not include any adjustments relating to the amounts and classification of assets and liabilities that might be necessary should the going concern basis of preparation of the financial statements be inappropriate.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

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

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed off in profit or loss as incurred.

If the business combination is achieved in stages, previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with FRS 139 Financial Instruments: Recognition and Measurement either in profit or loss or other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group of companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. The policy of recognition and measurement of impairment losses is in accordance with Note 3(j).

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(j) to the financial statements on impairment of non-financial assets.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(j).

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

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

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss. On disposal of a revalued asset, the amounts in revaluation reserve relating to those assets are transferred to retained earnings.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Property, plant and equipment (Cont'd)

(i) Recognition and measurement (Cont'd)

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus arising upon appraisal of land is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to other comprehensive income.

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost or valuation of each asset to its residual value over its estimated useful life. Freehold land is not depreciated. Leased assets are depreciated over the shorter of the lease term and their useful lives.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Long term leasehold land	Over remaining leasehold period of 99 to 999 years
Hotel property	50 years
Golf course and its related buildings	10 years
Office buildings, shoplots, and jetty	10 – 50 years
Plant and machinery	4 – 10 years
Furniture and fittings, partition and renovation, computer and plant and machinery	3 – 10 years
Motor vehicles	4 – 6 years

The residual values, useful lives and depreciation method are reviewed at each reporting period 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 property, plant and equipment.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

(c) Land held for property development

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property development costs

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

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

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

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

(e) Inventories

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

- Raw materials, consumables: Costs of dry goods are determined on weighted average basis. Costs of wet goods are determined on first-in-first-out basis.
- Trading merchandise: Costs are determined on first-in-first-out basis.
- Completed development properties: Cost of unsold completed properties is determined on specific identification basis and comprises attributable land and development expenditure incurred up to completion of the properties.

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

(f) Financial assets

Financial assets are recognised on 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 assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The Group and the Company classify their financial assets depends on the purpose for which the financial assets were acquired at initial recognition, into the following categories:

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

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets that are designated into this category upon initial recognition. A financial asset is classified in this category if it is acquired principally for the purpose of selling it in the near term. Derivatives, including separated embedded derivatives, are also categorised as held for trading unless they are designated as effective hedging instruments. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial assets (Cont'd)

(i) Financial assets at fair value through profit or loss (cont'd)

After initial recognition, financial assets in this category are measured at fair value with any gains or losses arising from changes in the fair values recognised in profit or loss in the period in which the changes arise.

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

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing later than 12 months after the end of the reporting period which are presented as non-current assets.

After initial recognition, financial assets categorised as loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the assets within 12 months after the end of the reporting period.

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

Investment 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 less impairment loss.

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

A financial asset is derecognised when the contractual rights to receive cash flows from the financial asset has expired or has been transferred and the Group and the Company have transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or loss that had been recognised in equity is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial liabilities

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

Financial liabilities are recognised on 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.

The Group and the Company classify their financial liabilities at initial recognition, into the following categories:

(i) <u>Financial liabilities at fair value through profit or loss</u>

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

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivatives financial instruments that are not designated as effective hedging instruments. Separated embedded derivatives are also categorised as held for trading unless they are designated as effective hedging instruments.

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

(ii) <u>Other financial liabilities measured at amortised cost</u>

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

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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

Gains and losses on financial liabilities measured at amortised cost are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as 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.

(h) Offsetting of Financial Instruments

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdraft and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(j) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories, amount due from contract customers, deferred tax assets, assets arising from employee benefits, investment property measured at fair value and non-current assets (or disposal groups) classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

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

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

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

All financial assets, other than those categorised as fair value through profit or loss, investments in subsidiary companies, associates and joint ventures, are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Impairment of assets (Cont'd)

(ii) Financial assets (cont'd)

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

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in profit or loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

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

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

If an available-for-sale financial asset is impaired, the amount of impairment loss is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously. When a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

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

(k) Unquoted equity securities carried at cost

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Share capital

Ordinary shares

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 nominal value of shares issued. Ordinary shares are classified as equity.

Dividends on ordinary shares are accounted for in equity as appropriation of retained earnings and recognised as a liability in the period in which they are declared.

(m) Provisions

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

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

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The relating expense relating to any provision is presented in the statements of comprehensive income net of any reimbursement.

(n) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at 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 retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These 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 profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in 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 profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Foreign currency translation (Cont'd)

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2012 (the date of transition to MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

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

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

(o) Leases

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

(i) Finance lease

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

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

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

(ii) Operating lease

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Revenue

(i) Development properties/construction contracts

Revenue from sales of properties under development and from contract works undertaken are recognised in profit or loss on the percentage of completion basis where the outcome of the developments and contracts can be reliably estimated. The percentage of completion basis is computed based on proportion of which the development costs and the contract costs incurred for work performed to date bear to the estimated total development and contract costs respectively.

(ii) Hotel and golf operations

Revenue from the provision of rooms, food and beverage, other department sales, landing services fees and golf related income are recognised when services are rendered.

(iii) Sales of goods

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised upon delivery of goods when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(iv) Subscription fees

Subscription fees received from club members are recognised on an accrual basis. When members account become inactive, subscription fee is suspended until it is realised on a cash basis. Members' accounts are deemed to be inactive where subscriptions are in arrears for more than 6 months.

(v) Rendering of services

Revenue from services rendered is recognised in the profit or loss based on the value of services performed and invoiced to customers during the period.

(vi) 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.

(vii) Interest income

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

(viii) Land sold

Revenue from sale of land and completed landed properties is measured at the fair value of the consideration receivable and is recognised in profit or loss when the significant risk and reward of ownership have been transferred to the buyer.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Employee benefits

(i) Short term employee benefits

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

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiary companies also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

(r) Borrowing costs

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

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

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

(s) Income tax

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred 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 tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

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

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Income tax (Cont'd)

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

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

(t) Construction contracts

Construction contracts are contract specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of contract as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion method is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract cost.

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

Irrespective whether the outcome of a construction contract can be estimated reliably, when it is probable that contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

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

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the reporting period end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is presented as amounts due from contract customers. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as amounts due to contract customers.

(u) Financial guarantee contracts

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

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

A financial liability is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(w) Contingencies

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

4. PROPERTY, PLANT AND EQUIPMENT

	Long term Leasehold Land RM	Hotel Property RM	Golf-course, Shoplots, Office Buildings & Jetty RM	Furniture & Fittings, Partition & Renovation, Computer & Plant & Machinery RM	Motor Vehicles RM	Total RM
	At valuation		At cost			
Group						
2015						
Cost or valuation						
At 1 April 2014	689,748,287	300,000,000	29,483,035	65,163,850	7,468,296	1,091,863,468
Additions	-	-	516,236	1,089,311	525,968	2,131,515
Disposals	-	-	-	(205,788)	(721,816)	(927,604)
Written-off	-	-	(333,091)	(4,070,283)	-	(4,403,374)
Reclassifications	(200,999)	-	(225,958)	426,957	-	-
At 31 March 2015	689,547,288	300,000,000	29,440,222	62,404,047	7,272,448	1,088,664,005
Accumulated Depreciation						
At 1 April 2014	10,854,159	10,715,305	8,162,374	40,027,838	6,769,823	76,529,499
Charge for the year	4,768,182	5,226,255	8,989	7,551,590	369,664	17,924,680
Disposals	-	-	-	(180,059)	(721,807)	(901,866)
Written-off	-	-	(158,735)	(3,866,140)	-	(4,024,875)
Reclassifications	-	(54)	240,589	(244,464)	3,929	-
At 31 March 2015	15,622,341	15,941,506	8,253,217	43,288,765	6,421,609	89,527,438

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Long term Leasehold Land RM	Hotel Property RM	Golf-course, Shoplots, Office Buildings & Jetty RM	Furniture & Fittings, Partition & Renovation, Computer & Plant & Machinery RM	Motor Vehicles RM	Total RM
	← At valuation	→	←	At cost	→	
Group (Cont'd)						
2015						
Accumulated Impairment Loss						
At 1 April 2014	16,251,631	-	174,309	-	-	16,425,940
Written-off	-	-	(174,309)	-	-	(174,309)
At 31 March 2015	16,251,631	-	-	-	-	16,251,631
Net Carrying Amount						
At 31 March 2015	657,673,316	284,058,494	21,187,005	19,115,282	850,839	982,884,936
Group						
2014						
Cost or valuation						
At 1 April 2013	689,748,287	300,000,000	29,794,402	57,043,628	8,120,633	1,084,706,950
Additions	-	-	-	8,912,192	-	8,912,192
Disposals	-	-	-	-	(342,467)	(342,467)
Written-off	-	-	(311,367)	(791,970)	(309,870)	(1,413,207)
At 31 March 2014	689,748,287	300,000,000	29,483,035	65,163,850	7,468,296	1,091,863,468
Accumulated Depreciation						
At 1 April 2013	5,637,334	5,357,600	7,229,516	36,561,542	6,288,664	61,074,656
Charge for the year	5,216,825	5,357,705	1,244,225	4,258,218	1,126,370	17,203,343
Disposals	-	-	-	-	(335,351)	(335,351)
Written-off	-	-	(311,367)	(791,922)	(309,860)	(1,413,149)
At 31 March 2014	10,854,159	10,715,305	8,162,374	40,027,838	6,769,823	76,529,499

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Long term Leasehold Land RM	Hotel Property RM	Golf-course, Shoplots, Office Buildings & Jetty RM	Furniture & Fittings, Partition & Renovation, Computer & Plant & Machinery RM	Motor Vehicles RM	Total RM
	← At valuation	→	←	At cost	→	
Group (Cont'd)						
2014						
Accumulated Impairment Loss						
At 1 April 2013	16,251,631	-	174,309	-	-	16,425,940
At 31 March 2014	16,251,631	-	174,309	-	-	16,425,940
Net Carrying Amount						
At 31 March 2014	662,642,497	289,284,695	21,146,352	25,136,012	698,473	998,908,029

	Furniture & Fittings, Partition & Renovation, Computer & Other Equipment RM	Motor Vehicles RM	Total RM
Company			
2015			
Cost			
At 1 April 2014	463,788	533,609	997,397
Additions	13,385	315,576	328,961
Disposals	-	(1)	(1)
Written-off	(124,637)	-	(124,637)
At 31 March 2015	352,536	849,184	1,201,720
Accumulated Depreciation			
At 1 April 2014	327,986	533,604	861,590
Charge for the year	34,580	57,831	92,411
Written-off	(124,612)	-	(124,612)
At 31 March 2015	237,954	591,435	829,389
Carrying Amount			
At 31 March 2015	114,582	257,749	372,331

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Furniture & Fittings, Partition & Renovation, Computer & Other Equipment RM	Motor Vehicles RM	Total RM
Company (Cont'd)			
2014			
Cost			
At 1 April 2013	434,928	533,609	968,537
Additions	28,860	-	28,860
At 31 March 2014	463,788	533,609	997,397
Accumulated Depreciation			
At 1 April 2013	293,035	533,604	826,639
Charge for the year	34,951	-	34,951
At 31 March 2014	327,986	533,604	861,590
Carrying Amount			
At 31 March 2014	135,802	5	135,807

(a) The aggregate additional cost for the property, plant and equipment of the Group and of the Company under finance lease financing and cash payments are as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash payments	**1,102,515**	7,493,692	**108,961**	28,860
Hire purchase arrangement	**1,029,000**	1,418,500	**220,000**	-
	2,131,515	8,912,192	**328,961**	28,860

(b) Included in the property, plant and equipment of the Group and of the Company are assets acquired under hire purchase arrangements at the reporting date as follows:-

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cost				
Motor vehicles	**465,529**	933,000	**315,577**	-
Furniture and fittings, partition and renovation, computer and plant and machinery	**818,000**	1,324,500	**-**	-
	1,283,529	2,257,500	**315,577**	-

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Included in the property, plant and equipment of the Group and of the Company are assets acquired under hire purchase arrangements at the reporting date as follows (cont'd):-

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Net carrying amount				
Motor vehicles	**392,676**	476,091	**257,720**	-
Furniture and fittings, partition and renovation, computer and plant and machinery	**736,200**	1,273,796	**-**	-
	1,128,876	1,749,887	**257,720**	-

(c) The long term leasehold land of the Group has an unexpired lease period of more than 50 years.

(d) Revaluation of leasehold land and buildings

The Group's leasehold land and buildings had been revalued based on valuations performed by accredited independent valuers.

Details of the independent professional valuations are as follows:

Year of valuation/ Description of Properties	Valuation method	Fair value hierachy RM	Valuation amount RM
2013			
Leasehold land at Bukit Unggul	Comparison method	Level 2	14,703,357
2012			
Hotel property	Historical profit and yield analysis	Level 2	300,000,000
Leasehold land at Karambunai	Discounted cash flow analysis and residual method	Level 2	657,286,769
			957,286,769

There were no transfers between levels during the current and previous years.

If the Group's leasehold land and buildings were measured using the cost model, the net carrying amounts would be as follows:

	Group Net carrying amount	
	At valuation RM	At historical cost RM
2015		
Hotel property	284,058,494	254,003,375
Leasehold land at Karambunai	643,372,791	345,056,150
Leasehold land at Bukit Unggul	14,300,525	38,498,680
	941,731,810	637,558,205

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(d) Revaluation of leasehold land and buildings (cont'd)

If the Group's leasehold land and buildings were measured using the cost model, the net carrying amounts would be as follows (cont'd):

	Group	
	Net carrying amount	
	At valuation RM	At historical cost RM
2014		
Hotel property	289,284,695	260,172,970
Leasehold land at Karambunai	648,140,557	346,627,578
Leasehold land at Bukit Unggul	14,501,940	38,994,271
	951,927,192	645,794,819

5. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2015 RM	2014 RM
Land, at cost		
Leasehold land	**549,458,850**	549,458,850
Leased land	**47,218,375**	47,218,375
Total land, at cost at end of the year	**596,677,225**	596,677,225
Accumulated impairment losses		
At beginning/end of the year	**(172,426,760)**	(172,426,760)
Total land, at carrying amount at end of the year	**424,250,465**	424,250,465
Development costs		
At beginning of the year	**18,805,982**	30,920,997
Add: Additions	**191,057**	5,597,283
Less: Written off	**-**	(17,712,298)
At end of the year	**18,997,039**	18,805,982
Accumulated impairment losses		
At beginning/end of the year	**(7,442,233)**	(7,442,233)
Total development cost, at carrying amount at end of the year	**11,554,806**	11,363,749
Total carrying amount at end of the year	**435,805,271**	435,614,214

6. INVESTMENT IN SUBSIDIARY COMPANIES

	Company 2015 RM	2014 RM
Unquoted shares		
At cost		
At beginning of the year	**326,107,843**	334,900,785
Add: Additions	**60,001**	4
Less: Strike off	**(40)**	(8,792,946)
At the end of the year	**326,167,804**	326,107,843
Less: Accumulated impairment losses		
At beginning of the year	**114,058,299**	122,718,934
Add: Additions	**-**	132,303
Less: Strike off	**(38)**	(8,792,938)
At end of the year	**114,058,261**	114,058,299
Carrying amount at end of the year	**212,109,543**	212,049,544
Amounts owing by subsidiary companies (non-trade)	**613,636,805**	613,636,805
Less: Accumulated impairment losses		
At beginning and end of the year	**10,984,010**	10,984,010
	602,652,795	602,652,795
Carrying amount at end of the year	**814,762,338**	814,702,339

Amounts owing by subsidiary companies are non-trade in nature, unsecured, and interest free. The settlement of the amounts is neither planned nor likely to occur in the foreseeable future. As these amounts are, in substance, a part of the entity's net investment in the subsidiary companies, it is stated at cost less accumulated impairment losses.

Details of the subsidiary companies are as follows:

	Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest Direct 2015	Direct 2014	Indirect 2015	Indirect 2014
	Held By The Company						
	Beribu Ukiran Sdn. Bhd.	Malaysia	Property development	**100%**	100%	**-**	-
	Bukit Unggul Golf and Country Resort Sdn. Bhd. ("BUGCR")	Malaysia	Golf club owner and investment holdings	**75%**	75%	**25%**	25%
©	Bukit Unggul Tele-Suburb Sdn. Bhd.	Malaysia	Property development	**100%**	100%	**-**	-

6. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows (Cont'd):

	Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest Direct 2015	Direct 2014	Indirect 2015	Indirect 2014
	Held By The Company (Cont'd)						
©	FACB Capital Sdn. Bhd.	Malaysia	Investment holdings, consultancy and money lending	**100%**	100%	-	-
	FACB Charter Sdn. Bhd.	Malaysia	Dormant	**100%**	100%	-	-
©	FACB Construction Sdn. Bhd.	Malaysia	General construction and building works	**100%**	100%	-	-
©	FACB Land Sdn. Bhd. ("FACB Land")	Malaysia	Property development	**100%**	100%	-	-
©	FACBNET Sdn. Bhd.	Malaysia	Dormant	**100%**	100%	-	-
©	First Holdings Sdn. Bhd. ("FHSB")	Malaysia	Investment holdings	**100%**	100%	-	-
©	First Travel and Tours (M) Sdn. Bhd.	Malaysia	Travel & tours agency	**100%**	95.69%	-	-
©	Golden Ecoland Sdn. Bhd.	Malaysia	Property development	**100%**	100%	-	-
	Greagawarni Sdn. Bhd.	Malaysia	Horticulturist	**100%**	100%	-	-
	Hartamas Group Berhad ("HGB")	Malaysia	Hotel resort ownership & operations and investment holdings	**#42.91%**	#42.91%	**57.09%**	57.09%
^^	Ikhlas Perdana Sdn. Bhd.	Malaysia	Dormant	**90%**	90%	-	-
©	Karambunai Residence (MM2H) Sdn. Bhd.	Malaysia	Dormant	**100%**	100%	-	-
^	Nexus Hotels and Resorts Limited	Hong Kong	Dormant	-	100%	-	-
^	Norasia Investments Ltd.	Hong Kong	Dormant	-	100%	-	-
@	One Travel & Tours Ltd.	British Virgin Islands	Travel & tours agency	**100%**	100%	-	-

6. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows (Cont'd):

	Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest Direct 2015	Direct 2014	Indirect 2015	Indirect 2014
	Held By The Company (Cont'd)						
*	Sunnyland Industries Ltd.	Hong Kong	Dormant	**100%**	100%	**-**	-
©	Trusworld Sdn. Bhd.	Malaysia	Property investments	**100%**	100%	**-**	-
	Held through FACB Land						
©	Arosa Builders Sdn. Bhd.	Malaysia	General construction and building works	**-**	-	**100%**	100%
	BUGCR	Malaysia	Golf club owner and investment holdings	**-**	-	**25%**	25%
	HGB	Malaysia	Hotel resort ownership & operations and investment holdings	**-**	-	**# 4.06%**	# 4.06%
	Held through FHSB						
	HGB	Malaysia	Hotel resort ownership & operations and investment holdings	**-**	-	**#53.03%**	#53.03%
	Karambunai Resorts Sdn. Bhd. ("KRSB")	Malaysia	Property development, investment holdings and horticulturist	**-**	-	**100%**	100%
	Held through HGB						
©	FACB Marketing and Sales Services Sdn. Bhd.	Malaysia	Property development	**-**	-	**100%**	100%
	Held through BUGCR						
©	Bukit Unggul Country Club Bhd.	Malaysia	Golf and country club operation and management	**-**	-	**100%**	100%

6. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Details of the subsidiary companies are as follows (Cont'd):

	Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest Direct 2015	Direct 2014	Indirect 2015	Indirect 2014
	Held through KRSB						
©	Clear Sky Development Sdn. Bhd. (formerly known as Nexus Bay Resort Karambunai Sdn. Bhd.)	Malaysia	Property development, sale and leaseback of properties	-	-	**100%**	100%
	Dapan Construction Sdn. Bhd.	Malaysia	Construction and project contracts	-	-	**100%**	100%
	Dapan Holdings Sdn. Bhd.	Malaysia	Property development	-	-	**100%**	100%
©	Karambunai Golf Management Bhd.	Malaysia	Management and operation of golf club	-	-	**100%**	100%
^	Nexus Naga S.A.	Panama	Dormant	-	-	-	100%
©	Nexus Resorts and Hotels International Sdn. Bhd.	Malaysia	Property development	-	-	**100%**	100%
©	Nexus Resort Karambunai Sdn. Bhd.	Malaysia	Resort hotel operation and management	-	-	**100%**	100%

* *The financial statements of this subsidiary company is audited for consolidation purposes by the Company's auditors.*

^ *These subsidiary companies were struck off from the respective Registrar of Companies during the financial year.*

^^ *This subsidiary company is in the midst of being struck off from the Registrar of Companies.*

\# *The equity interests held through the Company, FHSB and FACB Land are 42.91% (2014: 42.91%), 53.03% (2014: 53.03%) and 4.06% (2014: 4.06%) respectively.*

@ *Subsidiary company audited by firm of auditors other than member firms of UHY.*

© *The auditors' reports of these subsidiary companies contain the audit emphasis of matter on the appropriateness of going concern basis of accounting due to doubts as to the subsidiary companies' ability to operate as a going concern as these subsidiary companies are either suffered significant losses during the financial year, had net current liabilities or deficit in shareholders' equity. The ability of the subsidiary companies to continue as going concerns is dependent on the continued financial support of the Company.*

The entire issued and paid up share capital in Sunnyland Industries Ltd. has been pledged for the syndicated term loan as disclosed in Note 20.

6. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

On 25 April 2014, Karambunai Residence (MM2H) Sdn. Bhd. increased its issued and paid-up share capital from RM50,000 to RM110,000 by the issue of 60,000 ordinary shares of RM1 each at par for cash to provide additional working capital. Accordingly, the Company has subscribed for the entire issued and paid-up share capital of Karambunai Residence (MM2H) Sdn. Bhd.

On 4 July 2014, the Company entered into a Shares Sale Agreement with Ho See Sin and Ho Kooi Lan for the purchase of 90,000 ordinary shares of RM1.00 each, representing approximately 4.31% of the issued and paid up share capital of First Travel and Tours (M) Sdn. Bhd. ("FTT") for a total cash consideration of RM1.00. Upon completion of the acquisition, FTT becomes a wholly-owned subsidiary of the Company.

7. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
At cost				
Equity instruments (unquoted shares in Malaysia)	**60,000**	60,000	**60,000**	60,000
Transferable contribution rights	**70,000**	70,000	**-**	-
Less : Accumulated impairment loss	**(70,000)**	-	**-**	-
	-	70,000	**-**	-
	60,000	130,000	**60,000**	60,000

Movement in impairment on available-for-sale financial assets is as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Accumulated impairment loss				
At the beginning of the year	**-**	-	**-**	-
Impairment losses recognised	**70,000**	-	**-**	-
At end of the year	**70,000**	-	**-**	-

The fair value of the unquoted investment has not been disclosed as its fair value cannot be measured reliably due to the lack of quoted market price in an active market. The assumptions required for valuing these financial instruments using valuation techniques by management would result in the range of fair value estimates to be significant and the probability of the various estimates cannot be reasonably assessed. Accordingly the carrying amount of the investment continues to be stated at cost.

At the reporting date, the transferable contribution rights are in respect of rights to memberships of a golf club which are registered in the name of a Director of the Company and a former Director of a subsidiary company and are held in trust by them.

8. DEFERRED TAX ASSETS

	Group 2015 RM	2014 RM
At beginning of the year	**9,000**	892,192
Recognised in profit or loss (Note 29)	**-**	(883,192)
At end of the year	**9,000**	9,000

This is in respect of deductible temporary differences in respect of expenses. The deferred tax assets of the Group are recognised on the basis of one of the subsidiary's previous history of recording profits and to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

9. GOODWILL

	Group 2015 RM	2014 RM
Cost		
At beginning/end of the year	**19,820,764**	19,820,764
Accumulated impairment losses		
At beginning/end of the year	**4,883,348**	4,883,348
Net carrying amount		
At the end of the year	**14,937,416**	14,937,416

Impairment testing of goodwill

Goodwill represents the excess of cost of acquisition over the fair value of the net assets of subsidiary companies acquired in prior years. Goodwill has been allocated to the Group's cash-generating unit ("CGU") identified that is expected to benefit from the synergies of the acquisitions, which is in respect of the property development segment.

The carrying amounts of goodwill arising from acquisition of subsidiary companies are as follows:

	Group 2015 RM	2014 RM
Property development segment:		
Karambunai Resorts Sdn. Bhd.	**14,937,416**	14,937,416

The recoverable amount of this CGU is determined based on the fair value less costs to sell. The fair value less costs to sell is based on observable market prices for similar assets. The fair values of the development properties are estimated based on market values of comparable properties for Karambunai land.

The Board of Directors is of the opinion that no further impairment of goodwill allocated to Karambunai land has occurred as the fair value approximates the carrying amount.

10. PROPERTY DEVELOPMENT COSTS

	Group 2015 RM	Group 2014 RM
Leasehold land, at cost	**1,702,788**	**1,702,788**
Property development costs		
At beginning of the year	**10,904,792**	5,456,053
Add: Additions	**8,275,175**	5,448,739
At end of the year	**19,179,967**	10,904,792
Cumulative costs recognised in profit or loss		
At beginning of the year	**(2,646,947)**	-
Recognised during the year	**(7,471,847)**	(2,646,947)
At end of the year	**(10,118,794)**	(2,646,947)
Total property development costs at end of the year	**10,763,961**	9,960,633

11. INVENTORIES

	Group 2015 RM	Group 2014 RM
At cost:		
Completed development properties	**4,900,150**	4,900,150
Consumables	**314,074**	458,832
Trading merchandise	**911,911**	1,122,262
	6,126,135	6,481,244
Recognised in profit or loss:		
Inventories written off	**6,505**	-

12. TRADE RECEIVABLES

	Group 2015 RM	Group 2014 RM
Trade receivables	**11,360,750**	39,265,367
Less: Accumulated impairment losses	**(6,918,986)**	(18,831,928)
	4,441,764	20,433,439

Included in trade receivables of the Group is an amount of RM7,545 (2014: RM7,545) owing by a related party in which certain Directors of the Company are also directors and have substantial financial interest.

12. TRADE RECEIVABLES (CONT'D)

(a) Credit terms of trade receivables

The Group's normal trade credit term range from 14 to 90 days (2014: 14 to 90 days). Other credit terms are assessed and approved on a case by case basis.

They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(b) Ageing analysis of trade receivables

Analysis of the trade receivables ageing as at the end of the financial year is as follows:

	Group	
	2015 RM	**2014 RM**
Neither past due nor impaired	**3,341,033**	13,572,247
Past due but not impaired:		
1 to 30 days	**771,927**	1,859,198
31 to 60 days	**160,579**	347,154
61 to 90 days	-	1,060,653
91 to 120 days	**12,768**	1,015,232
More than 120 days	**155,457**	2,578,955
	1,100,731	6,861,192
Impaired	**6,918,986**	18,831,928
	11,360,750	39,265,367

Receivables that are neither past due nor impaired

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

Receivables that are past due but not impaired

As at 31 March 2015, trade receivables of RM1,100,731 (2014: RM6,861,192) that are past due but not impaired are unsecured in nature. However, the Directors are of the opinion that these debts should be realisable in full without material losses in the ordinary course of business.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date is as follows:

	Group Individually Impaired	
	2015 RM	**2014 RM**
Trade receivables (nominal amounts)	**6,918,986**	18,831,928
Less: Accumulated impairment losses	**(6,918,986)**	(18,831,928)
	-	-

12. TRADE RECEIVABLES (CONT'D)

(b) Ageing analysis of trade receivables (Cont'd)

Movement in impairment on trade receivables (individually impaired) is as follows:

	Group	
	2015 RM	2014 RM
At beginning of the year	**18,831,928**	17,934,125
Impairment losses recognised	**-**	943,920
Reversal of impairment losses	**(962,604)**	(46,117)
Written-off	**(10,950,338)**	-
At end of the year	**6,918,986**	18,831,928

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

13. OTHER RECEIVABLES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Third parties	**5,116,294**	8,823,599	**7,400**	544,956
Less: Accumulated impairment losses	**(8,300)**	(2,183,892)	**-**	(407,756)
	5,107,994	6,639,707	**7,400**	137,200
Deposits	**756,041**	1,105,739	**56,400**	155,570
Prepayments	**89,613**	1,291,064	**-**	-
	845,654	2,396,803	**56,400**	155,570
	5,953,648	9,036,510	**63,800**	292,770

Movement in impairment on other receivables (individually impaired) is as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
At beginning of the year	**2,183,892**	2,188,630	**407,756**	407,756
Impairment losses recognised	**8,300**	-	**-**	-
Reversal of impairment losses	**-**	(4,738)	**-**	-
Written-off	**(2,183,892)**	-	**(407,756)**	-
At end of the year	**8,300**	2,183,892	**-**	407,756

Other receivables that are individually impaired at the reporting date related to debtors that are having financial difficulties and have defaulted on payments.

14. AMOUNTS OWING BY/(TO) SUBSIDIARY COMPANIES

Amounts Owing by Subsidiary Companies

	Company	
	2015 RM	2014 RM
Amounts owing by subsidiary companies	**711,549,860**	664,649,710
Less: Accumulated impairment losses	**(331,790,690)**	(359,934,744)
	379,759,170	304,714,966
Amounts owing to subsidiary companies	**(64,562,685)**	(63,544,377)

Movement in impairment on amounts owing by subsidiary companies (individually impaired) is as follows:

	Company	
	2015 RM	2014 RM
At beginning of the year	**359,934,744**	281,464,787
Impairment losses recognised	**-**	81,201,664
Reversal of impairment losses	**(28,117,955)**	(2,731,707)
Strike-off of subsidiary companies	**(26,099)**	-
At end of the year	**331,790,690**	359,934,744

Amounts owing to subsidiary companies

The amounts owing to subsidiary companies are non-trade in nature, unsecured, interest free and repayable on demand by cash.

15. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits of the Group and the Company carry interest at rates ranging from 2.95% to 3.15% (2014: 2.95% to 3.15%) per annum and mature within one year (2014: one year).

Information on fixed deposits pledged is disclosed in Note 31.

16. SHARE CAPITAL

	Group/Company			
	Number of Shares		Amount	
	2015 Units	2014 Units	2015 RM	2014 RM
Authorised:				
At 1 April				
- Ordinary shares of RM0.50 each	**-**	4,000,000,000	**-**	2,000,000,000
- Ordinary shares of RM0.10 each	**20,000,000,000**	-	**2,000,000,000**	-
	20,000,000,000	4,000,000,000	**2,000,000,000**	2,000,000,000
Capital Reconstruction of RM0.40 each	**-**	16,000,000,000	**-**	-
At 31 March				
- Ordinary shares of RM0.10 each	**20,000,000,000**	20,000,000,000	**2,000,000,000**	2,000,000,000

16. SHARE CAPITAL (CONT'D)

	Group/Company			
	Number of Shares		Amount	
	2015 Units	2014 Units	2015 RM	2014 RM
Issued and fully paid:				
At 1 April				
- Ordinary shares of RM0.50 each	-	2,030,059,680	-	1,015,029,840
- Ordinary shares of RM0.10 each	**5,776,587,696**	-	**577,658,769**	-
	5,776,587,696	2,030,059,680	**577,658,769**	1,015,029,840
Capital Reconstruction of RM0.40 each	-	-	-	(812,023,872)
	5,776,587,696	2,030,059,680	**577,658,769**	203,005,968
- Rights Issue with Warrants	-	507,514,920	-	50,751,492
- Capitalisation of debts owing to a Director	-	2,899,831,854	-	289,983,185
- Capitalisation of debts owing to FACB Industries Incorporated Berhad ("FACBII")	-	339,181,242	-	33,918,124
At 31 March				
- Ordinary shares of RM0.10 each	**5,776,587,696**	5,776,587,696	**577,658,769**	577,658,769

The Company completed in the financial year ended 31 March 2014, a Capital Reconstruction exercise involving the cancellation of RM0.40 of the par value of every existing ordinary shares of RM0.50 each in the issued and paid-up share capital of the Company pursuant to Section 64(1) of the Companies Act, 1965 and the credit arising therefrom has been offset against the accumulated losses of the Company. The authorised capital of the Company has accordingly been adjusted from RM2,000,000,000 divided into 4,000,000,000 ordinary shares of RM0.50 each to RM2,000,000,000 divided into 20,000,000,000 ordinary shares of RM0.10 each.

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

17. SHARE PREMIUM

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of shares.

18. RESERVES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
(Accumulated losses)/Retained earnings	**(341,444,969)**	(300,154,051)	**5,925,234**	(16,609,325)
Non-distributable				
Asset revaluation reserve	**207,628,632**	207,628,632	-	-
Capital reserve	**269,918,289**	269,918,289	**269,918,289**	269,918,289
Foreign currency translation reserve	**(2,873,355)**	(2,872,269)	-	-
Warrant reserve	**69,529,543**	69,529,543	**69,529,543**	69,529,543
	544,203,109	544,204,195	**339,447,832**	339,447,832
	202,758,140	244,050,144	**345,373,066**	322,838,507

18. RESERVES (CONT'D)

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

(a) Asset revaluation reserve

The asset revaluation reserve represents increases in fair value of leased land, leasehold land and hotel property, net of tax.

(b) Capital reserve

The capital reserve account represents the surplus amount created from a capital reconstruction exercise carried out in year ended 31 March 2014 involving the cancellation of RM0.40 of the par value of every existing ordinary shares of RM0.50 each in the issued and paid up share capital of the Company less the then accumulated losses of the Company.

(c) Foreign currency translation reserve

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

(d) Warrant reserve

The Warrant reserve account was created in relation to the 1,015,029,840 free Warrants issued by the Company pursuant to the renounceable rights issue exercise carried out in the financial year ended 31 March 2014.

Set out below are details of the Warrants issued by the Company:

			Number of warrants 2013/2023			
Issuance date	**Expiry date**	**Exercise price**	**1.4.2014**	**Issued**	**Exercised**	**31.3.2015**
21.10.2013	20.10.2023	RM0.1306	1,015,029,840	-	-	1,015,029,840

19. FINANCE LEASE LIABILITIES

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Total instalment payments	**1,985,399**	1,855,431	**194,304**	-
Less: Future finance charges	**(137,518)**	(167,374)	**(14,703)**	-
Present value of finance lease liabilities	**1,847,881**	1,688,057	**179,601**	-
Payable within 1 year				
Total instalment payments	**1,134,071**	741,649	**48,576**	-
Less: Future finance charges	**(100,988)**	(94,866)	**(6,376)**	-
Present value of finance lease liabilities	**1,033,083**	646,783	**42,200**	-
Payable after 1 year but not later than 5 years				
Total instalment payments	**851,328**	1,113,782	**145,728**	-
Less: Future finance charges	**(36,530)**	(72,508)	**(8,327)**	-
Present value of finance lease liabilities	**814,798**	1,041,274	**137,401**	-
	1,847,881	1,688,057	**179,601**	-

The finance lease liabilities of the Group and the Company bear interest at rates ranging from 2.08% to 4.30% (2014: 2.19% to 4.30%) per annum.

20. BANK BORROWING

	Group 2015 RM	Group 2014 RM
Secured		
Syndicated term loan		
2.5% (2014: 2.5%) per annum	**17,947,449**	15,863,983
Repayment due after twelve months	**17,947,449**	15,863,983

The syndicated term loan is secured by the following:-

(a) corporate guarantee from the Company; and
(b) charge over shares (and all rights thereto) issued by a subsidiary company as disclosed in Note 6.

The foreign currency exposure profile of the syndicated term loan is as follows:

	Group 2015 RM	Group 2014 RM
United States Dollar	**17,947,449**	15,863,983

Group	Current Within 1 Year RM	Non-current Within 1 - 2 Years RM	Within 2 - 3 Years RM	Within 3 - 4 Years RM	Within 4 - 5 Years RM	After 5 Years RM	Total RM
2015							
Syndicated term loan	-	**1,497,111**	**2,245,668**	**14,204,670**	-	-	**17,947,449**
2014							
Syndicated term loan	-	-	1,323,316	1,984,975	12,555,692	-	15,863,983

21. DEFERRED TAX LIABILITIES

	Group 2015 RM	Group 2014 RM
At beginning of the year	**238,927,015**	238,700,915
Recognised in profit or loss (Note 29)	**797,858**	226,100
At end of the year	**239,724,873**	238,927,015

21. DEFERRED TAX LIABILITIES (CONT'D)

This is in respect of estimated deferred tax liabilities/(assets) arising from temporary differences as follows:-

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Difference between the carrying amount of property, plant and equipment and their tax base	**13,938,597**	13,228,299	**37,386**	29,200
Fair value adjustment in respect of acquisition of subsidiary companies	**105,041,221**	105,041,221	**-**	-
Deductible temporary differences in respect of expenses	**(95,607)**	(248,054)	**(9,677)**	(9,000)
Revaluation surplus	**69,209,545**	69,031,076	**-**	-
Temporary difference due to tax remission	**55,888,078**	55,888,078	**-**	-
Unabsorbed capital allowances	**(4,256,961)**	(4,013,605)	**(27,709)**	(20,200)
	239,724,873	238,927,015	**-**	-

The estimated temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:-

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Unutilised tax losses	**301,838,383**	274,332,166	**655,600**	655,600
Unabsorbed capital allowances	**38,584,813**	30,257,714	**2,399,846**	2,319,400
Deductible temporary differences in respect of expenses and others	**185,272,900**	185,272,900	**-**	-
	525,696,096	489,862,780	**3,055,446**	2,975,000

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

22. TRADE PAYABLES

	Group	
	2015 RM	2014 RM
Third parties	**63,845,962**	92,282,015

The normal trade credit term granted to the Group ranges from 30 to 90 days (2014: 30 to 90 days).

Included in trade payables of the Group is retention sum amounting to RM2,420,751 (2014: RM2,698,844).

23. OTHER PAYABLES

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Other payables	**107,565,799**	84,701,646	**7,999,992**	7,405,739
Refundable deposits	**2,730,654**	9,148,284	**-**	-
Accruals	**4,495,025**	21,061,325	**169,563**	376,133
	114,791,478	114,911,255	**8,169,555**	7,781,872

Included in other payables of the Group and of the Company are amounts of RM1,718,679 (2014: RM1,488,399) and RM578,634 (2014: RM424,356) owing to related parties in which certain Directors of the Company are also directors and have substantial financial interest. These amounts are unsecured, interest free and are repayable on demand by cash.

Included in the refundable deposits of the Company are rental deposits received from related parties amounting to RM56,400 (2014: RM71,500) in which certain Directors of the Company are also directors and have substantial financial interest.

24. AMOUNT OWING TO A DIRECTOR

The amount owing to a Director is non-trade in nature, unsecured, interest free and is repayable on demand by cash.

25. PROVISIONS

	← Group		→	Company
	Employee benefits RM	Legal claim RM	Total RM	Employee benefits RM
At 1 April 2014	347,978	-	347,978	36,214
Add: Additions	203,489	-	203,489	93,836
Less: Utilisation	(345,513)	-	(345,513)	(91,344)
At 31 March 2015	**205,954**	**-**	**205,954**	**38,706**
At 1 April 2013	354,504	6,129,556	6,484,060	94,919
Add: Additions	128,841	-	128,841	24,044
Less: Utilisation/paid	(135,367)	(6,129,556)	(6,264,923)	(82,749)
At 31 March 2014	347,978	-	347,978	36,214

Employee benefits
Employee benefits are in respect of short term accumulating compensated absences.

26. REVENUE

	Group	
	2015 RM	2014 RM
Attributable revenue from construction contracts and property development	**12,220,885**	4,335,557
Sales of completed units	**-**	4,472,025
Hotel and golfing revenue	**37,568,983**	71,527,816
Sales of goods and services	**870,700**	194,510
Sales of vacant land	**-**	76,834,284
	50,660,568	157,364,192

27. DIRECT COSTS

	Group	
	2015 RM	2014 RM
Attributable construction contracts and property development costs	**14,428,218**	4,213,135
Cost of completed units	**-**	2,694,939
Cost of sales and services	**37,748,410**	67,233,743
Cost of vacant land and incidental costs	**-**	65,649,977
	52,176,628	139,791,794

28. (LOSS)/PROFIT BEFORE TAX

(a) (Loss)/Profit before tax is arrived at after charging/(crediting):

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Auditors' remuneration				
- current year	**212,000**	252,689	**35,000**	40,000
- under/(over)provision	**2,435**	(4,167)	**-**	(7,841)
- other services	**5,000**	26,000	**5,000**	26,000
Bad debts recovered	**-**	(139,982)	**-**	-
Depreciation of property, plant and equipment	**17,924,680**	17,203,343	**92,411**	34,951
(Gain)/Loss on foreign exchange:				
- realised	**125,082**	(544,533)	**-**	(628,125)
- unrealised	**2,225,105**	965,220	**-**	-
Gain on disposal of:				
- non-current assets classified as held for sale	**-**	(11,184,307)	**-**	-
- property, plant and equipment	**(135,523)**	(37,886)	**(19,999)**	-
Impairment loss on:				
- amounts owing by subsidiary companies	**-**	-	**-**	81,201,664
- available-for-sale financial assets	**70,000**	-	**-**	-
- investment in subsidiary companies	**-**	-	**-**	132,303
- receivables	**8,300**	943,920	**-**	-
Interest expenses	**140,993**	1,972,968	**8,177**	-
Interest income	**(872,753)**	(1,639,590)	**(842,282)**	(1,555,703)
Leaseback rental	**1,989,569**	13,605,284	**-**	-
Realisation upon striking off of subsidiary companies:				
- foreign currency translation	**(1,086)**	(2,580,090)	**-**	-
Rental expense for:				
- equipment	**5,294**	98,496	**-**	-
- premises	**241,668**	238,935	**165,600**	165,600
Rental income from premises	**(52,740)**	(296,416)	**-**	-
Reversal of impairment loss on:				
- amount owing by subsidiary companies	**-**	-	**(28,117,955)**	(2,731,707)
- receivables	**(962,604)**	(50,855)	**-**	-

28. (LOSS)/PROFIT BEFORE TAX (CONT'D)

(a) (Loss)/Profit before tax is arrived at after charging/(crediting) (cont'd):

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Staff costs				
- contribution to defined contribution plan	**2,004,171**	2,300,967	**181,554**	212,162
- salaries and others	**20,249,410**	24,200,820	**1,910,407**	2,228,047
Utilisation of employee benefits, net	**(142,024)**	(6,526)	**2,492**	(58,705)
Write off of:				
- amounts owing by subsidiary companies	**-**	-	**-**	2,183
- bad debts	**189,176**	786,036	**-**	-
- deposits	**6,844**	-	**-**	-
- inventories	**6,505**	-	**-**	-
- investment in subsidiary companies	**-**	-	**2**	8
- prepayments	**-**	178,800	**-**	-
- land held for property development	**-**	17,712,298	**-**	-
- property, plant and equipment	**204,190**	58	**25**	-

(b) Directors' remuneration

Included in staff costs were aggregate amount of remuneration (excluding benefit-in-kind) received and receivable by the Directors during the financial year as follows:

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Directors of the Company				
Executive Directors				
- fees	**18,000**	36,000	**-**	-
- other emoluments	**698,904**	1,158,904	**300,000**	300,000
	716,904	1,194,904	**300,000**	300,000
Non-Executive Directors				
- fees	**114,000**	114,000	**114,000**	114,000
	830,904	1,308,904	**414,000**	414,000

28. (LOSS)/PROFIT BEFORE TAX (CONT'D)

(b) Directors' remuneration (Cont'd)

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

	Number of Directors	
	2015	**2014**
Executive Directors:		
Below RM50,000	**1**	1
RM50,001 - RM100,000	**-**	-
RM100,001 - RM150,000	**-**	-
RM150,001 - RM200,000	**-**	-
RM200,001 - RM250,000	**-**	-
RM250,001 - RM300,000	**1**	1
RM300,001 - RM350,000	**-**	-
RM350,001 - RM400,000	**1**	1
RM400,001 - RM450,000	**-**	-
RM450,001 - RM500,000	**-**	1
Non-Executive Directors:		
Below RM50,000	**3**	3

29. INCOME TAX EXPENSE

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Tax expense recognised in profit or loss:				
Current tax:				
Based on result for the year	**863,512**	7,977,961	**-**	-
(Over)/Under provision in prior years	**(3,901,459)**	330,245	**-**	(200,406)
	(3,037,947)	8,308,206	**-**	(200,406)
Deferred tax (Note 8 and 21):				
Origination and reversal of temporary differences	**797,858**	883,192	**-**	-
Underprovision in prior year	**-**	226,100	**-**	-
	797,858	1,109,292	**-**	-
	(2,240,089)	9,417,498	**-**	(200,406)

Malaysian income tax is calculated at the statutory tax rate of 25% (2014: 25%) of the estimated assessable profits for the financial year. Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

29. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expenses applicable to (loss)/profit before tax at the statutory tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
(Loss)/Profit before tax	**(43,498,236)**	(46,482,793)	**22,534,559**	(82,569,233)
At Malaysian statutory income tax rate of 25% (2014: 25%)	**(10,874,600)**	(11,620,700)	**5,633,600**	(20,642,300)
Tax effect on non-deductible expenses	**2,779,783**	9,305,928	**(5,633,600)**	20,650,700
Tax effect on non-taxable income	**-**	(114,600)	**-**	-
Deferred tax assets not recognised during the year	**8,958,329**	11,315,825	**-**	-
Utilisation of deferred tax assets not recognised in previous year	**797,858**	(25,300)	**-**	(8,400)
Under/(Over) provision in prior year				
- current tax	**(3,901,459)**	330,245	**-**	(200,406)
- deferred tax	**-**	226,100	**-**	-
Tax expense for the year	**(2,240,089)**	9,417,498	**-**	(200,406)

The Group and the Company have the following estimated unutilised tax losses and unabsorbed capital allowances available for set-off against future taxable profits:-

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Unutilised tax losses	**301,838,383**	274,332,200	**655,550**	655,600
Unabsorbed capital allowances	**38,584,813**	46,312,100	**2,399,846**	2,399,900
	340,423,196	320,644,300	**3,055,396**	3,055,500

30. LOSS PER ORDINARY SHARE

Basic loss per ordinary share

The calculation of basic loss per ordinary share was based on the loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, calculated as follows:

Loss attributable to ordinary shareholders:

	Group	
	2015 RM	2014 RM
Loss for the year attibutable to owners	**(41,257,866)**	(55,885,326)

30. LOSS PER ORDINARY SHARE

Basic loss per ordinary share (Cont'd)

Weigthed average number of ordinary shares:

	Group	
	Number of shares	
	2015	2014
Issued ordinary shares at beginning of the year	**5,776,587,696**	2,030,059,680
Effect of ordinary shares issued during the year	-	1,662,842,569
	5,776,587,696	3,692,902,249

Basic loss per ordinary share:

	Group	
	2015 RM	2014 RM
Basic loss per ordinary share (in sen)	**(0.71)**	(1.51)

Diluted loss per share

The Group and the Company have no dilution in their loss per ordinary share as there are no dilutive potential ordinary shares. There have been no other transaction involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorization of these financial statements.

31. CASH AND CASH EQUIVALENTS

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

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cash held under housing development accounts (a)	**455,696**	1,201,405	-	-
Cash and bank balances	**12,887,512**	34,559,608	**8,858,218**	29,597,356
	13,343,208	35,761,013	**8,858,218**	29,597,356
Fixed deposits with licensed banks (Note 15)	**5,389,188**	4,208,787	**720,162**	-
	18,732,396	39,969,800	**9,578,380**	29,597,356
Less : Fixed deposits pledged [(b) and (c)]	**(4,454,538)**	(4,199,977)	-	-
Cash and cash equivalents	**14,277,858**	35,769,823	**9,578,380**	29,597,356

Cash and cash equivalents of the Group which are not freely available for the Group's use are as follows:

(a) cash held under housing development accounts are maintained pursuant to the requirements of the Housing Development (Control and Licensing) Enactment 1978. Therefore these monies are for the purpose of payment of expenses incurred in the housing development and are restricted from use in other operations;

(b) cash deposits amounting to RM4,047,681 (2014: RM3,805,546) are pledged for bank guarantee facilities granted by banks for the purpose of issuing bank guarantee in favour of Ministry of Local Government and Housing in respect of the developer's license granted to a subsidiary company; and

(c) cash deposits amounting to RM406,857 (2014: RM394,431) are pledged for bank guarantee facility granted to certain subsidiary companies.

32. RELATED PARTY DISCLOSURES

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control 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.

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

The Group and the Company have related party relationship with its subsidiary companies, key management personnel and Directors' related companies.

(b) Inter-company transactions are as follows:

	Company	
	2015	**2014**
	RM	**RM**
Additional investment in subsidiary companies	**60,001**	-
Advances to subsidiary companies, net	**46,027,943**	54,096,462
Employee benefits expenses allocated to subsidiary companies	**214,652**	294,262
Impairment loss on:		
- amounts owing by subsidiary companies	**-**	81,201,664
- investment in subsidiary companies	**-**	132,303
Meals and accommodation charges paid and payable to subsidiary companies	**63,086**	109,709
Purchase of air tickets and tour from a subsidiary companies	**101,683**	140,492
Reversal of impairment loss on amount owing by subsidiary companies	**28,117,955**	2,731,707
Write off of amounts owing by subsidiary companies	**-**	2,183
Write off of investment in subsidiary companies	**2**	8

(c) Related party transactions are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Paid and payable to related parties in which certain Directors of the Company have substantial financial interests and are also directors:				
- Rental of premises	**165,600**	165,600	**165,600**	165,600
- Interest payable	**-**	1,155,326	**-**	-
Received and receivable from a related party in which a Director of the Company has substantial financial interest and is also a director:				
- Ticketing and tour revenue	**410,802**	700,338	**-**	-

32. RELATED PARTY DISCLOSURES (CONT'D)

(c) Related party transactions are as follows (Cont'd):

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Gratitude sum payable to a Director	**2,132,000**	-	**2,132,000**	-
Advances from/(Repayment to) a Director	**30,970,138**	(763,251)	**30,970,138**	(763,251)
Capitalisation of debts owing to FACBII	-	37,683,035	-	37,683,035
Capitalisation of debts owing to a Director	-	322,171,319	-	322,171,319

Information regarding outstanding balances arising from related party transactions as at 31 March 2015 is disclosed in Notes 12, 14, 23 and 24.

(d) Compensation of key management personnel

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Short-term employee benefits expenses	**788,160**	1,206,160	**414,000**	414,000
Post employment benefits expenses	**42,744**	102,744	-	-

Included in the total compensation of key management personnel is:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Directors' remuneration	**830,904**	1,308,904	**414,000**	414,000

Information regarding transactions with the key management personnel is disclosed in Note 28(b).

33. OPERATING LEASE COMMITMENTS

Future minimum rentals payable under non-cancellable operating leases at the reporting date are as follows:

	Group	
	2015	**2014**
	RM	**RM**
Payable within one year	**102,720**	4,779,665
Payable after one year but not more than 5 years	**308,160**	886,899
	410,880	5,666,564

Minimum lease payments recognised in profit or loss for the financial year amounted to RM1,989,569 (2014: RM13,605,284).

34. SEGMENT INFORMATION

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

Leisure and tourism	Travel and tours agency, golf and country club operation and management, resort hotel operation and management.
Property development and construction	Property development, construction and project contracts.
Management services, venture capital and investment holdings	Investment holdings, provision of management services, consultancy and money lending. This reportable segment has been formed by aggregating the investment holding segment and the management services segment, which are regarded by management to exhibit similar economic characteristics

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 profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Segment assets and liabilities information are neither included in the internal management reports nor provided regularly to the management. Hence no disclosures are made on segment assets and liabilities.

(a) Operating segments

	Leisure and Tourism RM	Property Development and Construction RM	Management Services, Venture Capital and Investment Holdings RM	Total Segments RM	Adjustment and Eliminations RM	Note	Consolidated RM
2015							
Revenue							
External revenue	37,951,169	30,399,257	116,663	68,467,089	(17,806,521)		50,660,568
Inter-segment revenue	(382,186)	(17,424,335)	-	(17,806,521)	17,806,521	a(i)	-
Total revenue	37,568,983	12,974,922	116,663	50,660,568	-		50,660,568
Result							
Interest expenses	125,683	3,158	12,152	140,993	-		140,993
Interest income	(16,279)	(13,921)	(842,553)	(872,753)	-		(872,753)
Other non-cash expenses/ (income)	9,271,357	7,607,539	2,639,749	19,518,645	-	a(ii)	19,518,645
Segment (loss)/profit before tax	(20,688,680)	(14,747,997)	(8,063,694)	(43,500,371)	2,135	a(ii)	(43,498,236)

34. SEGMENT INFORMATION (CONT'D)

(a) Operating segments (Cont'd)

	Leisure and Tourism RM	Property Development and Construction RM	Management Services, Venture Capital and Investment Holdings RM	Total Segments RM	Adjustment and Eliminations RM	Note	Consolidated RM
2014							
Revenue							
External revenue	72,422,550	117,436,139	214,208	190,072,897	(32,708,705)		157,364,192
Inter-segment revenue	(648,288)	(32,060,417)	-	(32,708,705)	32,708,705	a(i)	-
Total revenue	71,774,262	85,375,722	214,208	157,364,192	-		157,364,192
Result							
Interest expenses	82,159	1,890,809	-	1,972,968	-		1,972,968
Interest income	(31,671)	(51,885)	(1,556,034)	(1,639,590)	-		(1,639,590)
Other non-cash expenses/ (income)	10,443,077	14,733,427	(1,931,008)	23,245,496	-	a(ii)	23,245,496
Segment (loss)/profit before tax	(3,818,819)	(41,098,468)	(5,422,504)	(50,339,791)	3,856,998	a(ii)	(46,482,793)

(i) Inter-segment revenues are eliminated on consolidation.

(ii) Other non-cash expenses/(income) consist of the following items as presented in the respective notes to the financial statements:

	Group 2015 RM	Group 2014 RM
Bad debts recovered	-	(139,982)
Depreciation of property, plant and equipment	**17,924,680**	17,203,343
(Gain)/Loss on foreign exchange:		
- realised	**125,082**	(544,533)
- unrealised	**2,225,105**	965,220
Gain on disposal of:		
- non-current assets classified as held for sale	-	(11,184,307)
- property, plant and equipment	**(135,523)**	(37,886)
Impairment loss on:		
- available-for-sale financial assets	**70,000**	-
- receivables	**8,300**	943,920
Realisation upon striking off of subsidiary companies		
- foreign currency translation	**(1,086)**	(2,580,090)
Reversal of impairment loss on:		
- receivables	**(962,604)**	(50,855)
Utilisation of employee benefits, net	**(142,024)**	(6,526)
Balance carried down	**19,111,930**	4,568,304

34. SEGMENT INFORMATION (CONT'D)

(a) Operating segments (Cont'd)

(ii) Other non-cash expenses/(income) consist of the following items as presented in the respective notes to the financial statements (Cont'd):

	Group	
	2015	**2014**
	RM	**RM**
Balance brought down	**19,111,930**	4,568,304
Write off of:		
- bad debts	**189,176**	786,036
- deposits	**6,844**	-
- inventories	**6,505**	-
- prepayments	**-**	178,800
- land held for property development	**-**	17,712,298
- property, plant and equipment	**204,190**	58
	19,518,645	23,245,496

(b) Geographical Information

Revenue information based on the geographical location of customers is as follows:

	RM	**RM**
Malaysia	**50,660,568**	157,364,192

There is no single customer with revenue equal or more than 10% of the Group revenue.

35. MATERIAL LITIGATIONS

Group

As reported in the previous financial year, a group of 122 purchasers and owners of units ("Claimants") of a development known as Precinct Dillenia has on 10 December 2012 initiated an arbitration claim against Clear Sky Development Sdn Bhd (formerly known as Nexus Bay Resort Karambunai Sdn Bhd) (the "Respondent"), an indirect wholly-owned subsidiary of the Company, for an alleged outstanding lease rental of RM18,550,801 and overdue interest of RM8,571,605 pursuant to the hotel sub-lease agreements entered into between the respective Claimants and the Respondent. On 9 March 2015, the arbitral proceedings commenced pursuant to the arbitration claim. There is a preliminary issue as to whether the Claimants who have assigned their rights to banks and financial institutions have locus standi to initiate and maintain their claims through arbitration. The Arbitrator is expected to rule on that issue in September 2015. The Respondent's solicitors are of the view that there is a fair chance the Arbitrator will rule in its favour. As at 31 March 2015, there are 23 units owners left in the arbitration with a total outstanding lease rental claim of RM5,920,110.

36. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of the financial instruments are measured and how income and expenses including fair values gain or loss are recognised.

36. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis:

	Available-for-sale RM	Loans and receivables RM	Financial liabilities at amortised cost RM	Total RM
Group				
2015				
Financial Assets				
Available-for-sale financial assets	**60,000**	-	-	60,000
Trade receivables	-	4,441,764	-	4,441,764
Other receivables	-	5,864,035	-	5,864,035
Fixed deposits with licensed banks	-	5,389,188	-	5,389,188
Cash and bank balances	-	13,343,208	-	13,343,208
	60,000	29,038,195	-	29,098,195
Financial Liabilities				
Trade payables	-	-	**63,845,962**	63,845,962
Other payables	-	-	**114,791,478**	114,791,478
Amount owing to a Director	-	-	**130,654,336**	130,654,336
Finance lease liabilities	-	-	**1,847,881**	1,847,881
Bank borrowing	-	-	**17,947,449**	17,947,449
	-	-	**329,087,106**	329,087,106
2014				
Financial Assets				
Available-for-sale financial assets	**130,000**	-	-	130,000
Trade receivables	-	20,433,439	-	20,433,439
Other receivables	-	7,745,446	-	7,745,446
Fixed deposits with licensed banks	-	4,208,787	-	4,208,787
Cash and bank balances	-	35,761,013	-	35,761,013
	130,000	68,148,685	-	68,278,685
Financial Liabilities				
Trade payables	-	-	**92,282,015**	92,282,015
Other payables	-	-	**114,911,255**	114,911,255
Amount owing to a Director	-	-	**99,684,198**	99,684,198
Finance lease liabilities	-	-	**1,688,057**	1,688,057
Bank borrowing	-	-	**15,863,983**	15,863,983
	-	-	**324,429,508**	324,429,508

36. FINANCIAL INSTRUMENTS (CONT'D)

(a) Classification of financial instruments (Cont'd)

	Available-for-sale RM	Loans and receivables RM	Financial liabilities at amortised cost RM	Total RM
Company				
2015				
Financial Assets				
Available-for-sale financial assets	**60,000**	-	-	60,000
Other receivables	-	63,800	-	63,800
Amounts owing by subsidiary companies	-	379,759,170	-	379,759,170
Fixed deposits with licensed banks	-	720,162	-	720,162
Cash and bank balances	-	8,858,218	-	8,858,218
	60,000	389,401,350	-	389,461,350
Financial Liabilities				
Other payables	-	-	**8,169,555**	8,169,555
Amount owing to a Director	-	-	**130,654,336**	130,654,336
Finance lease liabilities	-	-	**179,601**	179,601
Amounts owing to subsidiary companies	-	-	**64,562,685**	64,562,685
	-	-	**203,566,177**	203,566,177
2014				
Financial Assets				
Available-for-sale financial assets	**60,000**	-	-	60,000
Other receivables	-	292,770	-	292,770
Amounts owing by subsidiary companies	-	304,714,966	-	304,714,966
Cash and bank balances	-	29,597,356	-	29,597,356
	60,000	334,605,092	-	334,665,092
Financial Liabilities				
Other payables	-	-	**7,781,872**	7,781,872
Amount owing to a Director	-	-	**99,684,198**	99,684,198
Amounts owing to subsidiary companies	-	-	**63,544,377**	63,544,377
	-	-	**171,010,447**	171,010,447

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency, interest rate and market price risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

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

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from the inability of its customers to make payments when due and advances to subsidiary companies.

Exposure to credit risk
At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group does not have any significant exposure to any individual customer at the reporting date.

Inter Company Balances
The Company provides advances to subsidiary companies. The maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position as at the end of the financial year.

As at the end of the financial year, there was no indication that the advances to subsidiary companies are not recoverable after than those which had been impaired. The Company does not specifically monitor the ageing of the advances to subsidiary companies. The Company monitors the results of the subsidiary companies regularly.

Financial Guarantees
The Company provides secured corporate guarantees amounting to RM17,947,449 (2014: RM15,863,983) to banks in respect of banking facilities granted to certain subsidiary companies and to suppliers for granting of credit term to the subsidiary companies.

As at reporting date, the fair value of the financial guarantees is negligible as the probability of the financial guarantees being called upon is remote. At the initial recognition, the outstanding loans in the subsidiary companies are adequately secured by assets as disclosed in Note 20. Should the subsidiary companies default any loan repayments, the proceeds from the realisation of assets will be able to satisfy the outstanding debts.

At the end of the reporting date, there was no indication that the subsidiary company which was granted with the term loan (Note 20) would default on repayment. Hence, the financial guarantee granted by the Company has not been recognised since the fair value on initial recognition was not material.The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represents the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks for banking facilities granted to certain subsidiary companies.

(ii) Interest rate risk

The Group is exposed to interest rate risk arising primarily from financing through interest bearing financial assets and financial liabilities. The Group's policy is to obtain the financing with the most favourable interest rates in the market.

The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and to satisfy conditions for bank guarantee and borrowing facilities granted to the Group.

Borrowings at floating rate amounting to RM17,947,449 (2014: RM15,863,983) expose the Group to cash flow interest rate risk whilst borrowings at fixed rate amounting to RM1,847,881 (2014: RM1,688,057) expose the Group to fixed interest rate risk.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Interest rate risk (Cont'd)

The carrying amounts of the Group's financial instruments that are exposed to interest rate risk are as follows:

	Group	
	2015	**2014**
	RM	**RM**
Financial Asset		
Fixed deposits with licensed banks	**5,389,188**	4,208,787
Financial Liability		
Bank borrowing - secured	**17,947,449**	15,863,983

Interest rate sensitivity analysis

An increase in market interest rates by 1% on financial assets and liabilities of the Group which have variable interest rates at the end of the reporting period would increase the loss before tax by RM125,583 (2014: RM116,500). This analysis assumes that all other variables remain unchanged.

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

(iii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall. 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 funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

As disclosed in Note 2(d), the Directors of the Company are of the opinion that the going concern assumption of the Group is appropriate as the Group is dependent on its lenders and major shareholder for continued financial support to enable the Group to meet its obligations as and when they fall due, and accordingly, the realisation of its assets and settlement of its liabilities will occur in the ordinary course of business.

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Liquidity risk (Cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the financial year based on contractual undiscounted repayment obligations:

	2015				
	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM
Group					
Trade payables	63,845,962	63,845,962	63,845,962	-	-
Other payables	114,791,478	114,791,478	114,791,478	-	-
Finance lease liabilities	1,847,881	1,985,399	1,134,071	638,397	212,931
Amount owing to a Director	130,654,336	130,654,336	130,654,336	-	-
Bank borrowing - secured	17,947,449	17,947,449	-	1,479,111	16,468,338
	329,087,106	329,224,624	310,425,847	2,117,508	16,681,269
Company					
Other payables	8,169,555	8,169,555	8,169,555	-	-
Finance lease liabilities	179,601	194,304	48,576	48,576	97,152
Amount owing to a Director	130,654,336	130,654,336	130,654,336	-	-
Amounts owing to subsidiary companies	64,562,685	64,562,685	64,562,685	-	-
	203,566,177	203,580,880	203,435,152	48,576	97,152

	2014				
	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM
Group					
Trade payables	92,282,015	92,282,015	92,282,015	-	-
Other payables	114,911,255	114,911,255	114,911,255	-	-
Finance lease liabilities	1,688,057	1,855,431	741,649	609,096	504,686
Amount owing to a Director	99,684,198	99,684,198	99,684,198	-	-
Bank borrowing - secured	15,863,983	15,863,983	-	-	15,863,983
	324,429,508	324,596,882	307,619,117	609,096	16,368,669
Company					
Other payables	7,781,872	7,781,872	7,781,872	-	-
Amount owing to a Director	99,684,198	99,684,198	99,684,198	-	-
Amounts owing to subsidiary companies	63,544,377	63,544,377	63,544,377	-	-
	171,010,447	171,010,447	171,010,447	-	-

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iv) Foreign currency risk

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

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currency giving rise to this risk is primarily the United States Dollar (USD).

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Amounts denominated in foreign currencies

	Denominated in USD RM
Group	
2015	
Financial liability	
Bank borrowing	17,947,449
2014	
Financial liability	
Bank borrowing	15,863,983

Foreign currency sensitivity analysis
Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

The following table demonstrates the sensitivity of the Group's loss for the financial year to a reasonably possible change in the USD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	Increase/ (Decrease)	Increase/ (Decrease)
Effects on loss for the financial year:		
USD		
- Strengthen by 5% (2014: 5%)	916,969	790,753
- Weaken by 5% (2014: 5%)	(916,969)	(790,753)

(c) Fair value of financial instruments

The carrying amounts of short term receivables and payables, cash and cash equivalents and short term borrowings approximate their fair value due to the relatively short term nature of these financial instruments and insignificant impact of discounting.

36. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value of financial instruments (Cont'd)

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

	Fair value of financial instruments not carried at fair value				
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Carrying Amount RM
Group					
2015					
Available-for-sale financial asset	-	-	60,000	60,000	60,000
Finance lease liabilities	-	712,003	-	712,003	814,789
2014					
Available-for-sale financial asset	-	-	130,000	130,000	130,000
Finance lease liabilities	-	1,026,668	-	1,026,668	1,041,274
Company					
2015					
Available-for-sale financial asset	-	-	60,000	60,000	60,000
Finance lease liabilities	-	137,401	-	137,401	137,401
2014					
Available-for-sale financial asset	-	-	60,000	60,000	60,000

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

(i) Policy on transfer between levels

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

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. In respect of the liability component of RCPS, the market rate of interest is determined by reference to similar liabilities that do not have a conversion option.

36. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value of financial instruments (Cont'd)

(iv) Level 3 fair value

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

37. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants. The gearing ratios at end of the reporting period are as follows:

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Total interest-bearing borrowings (RM)	**(19,795,330)**	(17,552,040)	**(179,601)**	-
Less: Cash and cash equivalents (RM)	**14,277,858**	35,769,823	**9,578,380**	29,597,356
Total net cash/(debts) (RM)	**(5,517,472)**	18,217,783	**9,398,779**	29,597,356
Total equity attributable to the owners of the parent (RM)	**858,376,210**	899,668,214	**1,000,991,136**	978,456,577
Debt-to-equity ratio (%)	*	*	*	*

* *Immaterial*

There were no changes in the Group's approach to capital management during the financial year.

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

38. DATE OF AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 31 March 2015 were authorised for issue in accordance with a resolution of the Board of Directors on 15 July 2015.

Supplementary Information

On the Disclosure of Realised and Unrealised Profits or Losses

39. SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

The following analysis of realised and unrealised (accumulated losses)/retained earnings of the Group and of the Company as at the reporting date is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The (accumulated losses)/retained earnings of the Group and of the Company as at 31 March 2015 and 31 March 2014 is analysed as follows:

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Total (accumulated losses)/retained earnings of the Company and its subsidiary companies				
- realised	**(152,264,805)**	(110,808,014)	**5,925,234**	(16,609,325)
- unrealised	**(64,845,718)**	(65,011,591)	**-**	-
	(217,110,523)	(175,819,605)	**5,925,234**	(16,609,325)
Less: Consolidation adjustments	**(124,334,446)**	(124,334,446)	**-**	-
Total (accumulated losses)/retained earnings	**(341,444,969)**	(300,154,051)	**5,925,234**	(16,609,325)

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

Group Properties

As at 31 March 2015

	Location	Area (Acres)	Description	Tenure	Year of Expiry	Age of Building	Carrying Amount RM
1	Part of Master Title No. CL.045091174 Mukim Menggatal Kota Kinabalu Sabah	493	Resort Development	Leasehold : 999 years	2897	-	**527,043,254**
2	Part of Master Title No. CL.045091174 Mukim Menggatal Kota Kinabalu Sabah	65	Nexus Resort & Spa Karambunai	Leasehold : 999 years	2897	17	**284,058,494**
3	Part of Master Title No. CL.045091174 Mukim Menggatal Kota Kinabalu Sabah	900	Resort Development	Leased : 99 years	2093	-	**401,571,911**
4	Lots PT 12292,12293 & PT2182 Mukim Dengkil District of Sepang Selangor	1,363	Resort Development	Leasehold : 99 years	2087	-	**163,697,168**
5	Country Lease No 015414972 Miles 13 Tuaran Road District of Kota Kinabalu Sabah	5	Mixed Development	Leasehold : 999 years	2905	-	**11,930,213**

Shareholders' Information

As at 30 June 2015

Authorised Share Capital	:	RM2,000,000,000.00 divided into 20,000,000,000 ordinary shares of RM0.10 each
Issued & Fully Paid-up	:	RM577,658,769.60 divided into 5,776,587,696 ordinary shares of RM0.10 each
Class of Shares	:	Ordinary Shares of RM0.10 each
Voting Rights	:	Every member present in person or by proxy has one (1) vote on a show of hands and on a poll, every member present in person or by proxy has one (1) vote for each share he holds

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1-99	494	1.08%	19,395	0.00%
100 -1,000	9,386	20.58%	9,096,555	0.16%
1,001 - 10,000	24,898	54.60%	109,819,388	1.90%
10,001 - 100,000	8,942	19.61%	312,453,673	5.41%
100,001 to less than 5% of issued shares	1,880	4.12%	1,051,277,877	18.20%
5% and above of issued shares	2	0.01%	4,293,920,808	74.33%
TOTAL	**45,602**	**100.00%**	**5,776,587,696**	**100.00%**

TOP THIRTY SHAREHOLDERS

	Name of Shareholders	No. of Shares	%
1	Cartaban Nominees (Tempatan) Sdn Bhd Exempt An for LGT Bank AG (Local)	3,954,739,566	68.46%
2	FACB Industries Incorporated Berhad	339,181,242	5.87%
3	Cheer Trinity Limited	92,451,800	1.60%
4	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An for UOB Kay Hian Pte Ltd	30,629,501	0.53%
5	Public Nominees (Tempatan) Sdn Bhd Pledged Securities A/C for Lim Chou Bu	21,000,000	0.36%
6	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Tan Aik Pen	18,750,000	0.33%
7	HSBC Nominees (Asing) Sdn Bhd HSBC-FS for Asian Emerging Countries Fund	17,298,750	0.30%
8	Vun Shui Moi @ Vun Siew Moi	15,858,500	0.28%
9	RHB Capital Nominees (Tempatan) Sdn Bhd Tan Aik Pen	14,455,375	0.25%
10	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities A/C for Batu Bara Resources Corporation Sdn Bhd	12,925,125	0.22%
11	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Ng Chai Hock	11,880,000	0.21%
12	Ho Swee Choon	11,180,500	0.19%
13	Tee Ah Seng	10,356,500	0.18%

TOP THIRTY SHAREHOLDERS (CONT'D)

	Name of Shareholders	No. of Shares	%
14	Quantum Symbol Sdn Bhd	10,187,500	0.18%
15	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	9,910,200	0.17%
16	Citigroup Nominees (Asing) Sdn Bhd Exempt An for OCBC Securities Private Limited	9,807,350	0.17%
17	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities A/C for Chung Kin Chuan	9,488,750	0.16%
18	Quah Choo Chunn	7,515,900	0.13%
19	How Lea Peng	7,500,000	0.13%
20	Yeoh Phek Leng	6,862,500	0.12%
21	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities A/C for Tan Aik Pen	6,250,000	0.11%
22	Yeow Lee Lin	6,000,000	0.10%
23	Jin Fu	5,353,750	0.09%
24	Amsec Nominees (Asing) Sdn Bhd DBS Vickers Secs (S) Pte Ltd for Lim Siew Kim	5,337,000	0.09%
25	CIMSEC Nominees (Asing) Sdn Bhd Exempt An for CIMB Securities (Singapore) Pte Ltd	5,042,227	0.09%
26	Choo Keng Kit	5,000,000	0.09%
27	Jasmi Bin Mohd Ismail	5,000,000	0.09%
28	Public Nominees (Tempatan) Sdn Bhd Pledged Securities A/C for Wong Nyuk Lean	4,899,700	0.08%
29	Maybank Nominees (Tempatan) Sdn Bhd H'ng Siew Tuan	4,851,175	0.08%
30	Citigroup Nominees (Asing) Sdn Bhd CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	4,574,700	0.08%
	TOTAL	**4,664,287,611**	**80.74%**

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Number of Ordinary Shares of RM0.10 each held			
	Direct Interest	**%**	**Deemed Interest**	**%**
Tan Sri Dr Chen Lip Keong	3,950,989,566 [(a)]	68.40%	339,181,242 [(b)]	5.87%
FACB Industries Incorporated Berhad	339,181,242	5.87%	-	-

(a) Held through Cartaban Nominees (Tempatan) Sdn Bhd
(b) Deemed interested by virtue of his interest in FACB Industries Incorporated Berhad

Warrantholders' Information

As at 30 June 2015

No. of Warrants	: 1,015,029,840 outstanding
Exercise Price	: RM0.1306
Exercise Period	: 21 October 2013 to 20 October 2023
Exercise Rights	: Each warrant entitles the holder to subscribe for one (1) new ordinary share of RM0.10 each in the Company at any time during the Exercise Period
Voting Rights	: One (1) vote per warrantholder present in person or by proxy on a show of hands or one (1) vote per warrant on a poll in respect of meeting of warrantsholders

Size of Holdings	No. of Warrantholders	%	No. of Warrants	%
1-99	13	0.18%	510	0.00%
100 -1,000	833	11.53%	626,270	0.06%
1,001 - 10,000	3,653	50.55%	16,012,752	1.58%
10,001 - 100,000	1,908	26.40%	73,954,350	7.29%
100,001 to less than 5% of outstanding warrants	819	11.33%	604,365,566	59.54%
5% and above of outstanding warrants	1	0.01%	320,070,392	31.53%
TOTAL	**7,227**	**100.00%**	**1,015,029,840**	**100.00%**

TOP THIRTY WARRANTHOLDERS

	Name of Warrantholders	No. of Warrants	%
1	Chen Lip Keong	320,070,392	31.53%
2	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities A/C for Koh Boon Poh	24,895,400	2.45%
3	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities A/C for Chung Kin Chuan	20,035,300	1.97%
4	Public Nominees (Tempatan) Sdn Bhd Pledged Securities A/C for Lim Chou Bu	18,000,000	1.77%
5	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Tan Aik Pen	7,500,000	0.74%
6	HSBC Nominees (Asing) Sdn Bhd HSBC-FS for Asian Emerging Countries Fund	6,919,500	0.68%
7	Tey Chern Chern	6,500,000	0.64%
8	Chong Hon Hwee	6,347,900	0.63%
9	Khoo Choong Lye	6,088,000	0.60%
10	Dan Yoke Pyng	6,080,200	0.60%
11	Gow Yaw Ting	6,000,000	0.59%
12	RHB Capital Nominees (Tempatan) Sdn Bhd Tan Aik Pen	5,782,150	0.57%

Warrantholders' Information

As at 30 June 2015

TOP THIRTY WARRANTHOLDERS (CONT'D)

	Name of Warrantholders	No. of Warrants	%
13	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities A/C for Ku Lian Sin	5,500,000	0.54%
14	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities A/C for Batu Bara Resources Corporation Sdn Bhd	5,170,050	0.51%
15	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities A/C for Loh Teck Wah	5,105,300	0.50%
16	Lee Yon Hin	5,000,000	0.49%
17	Teo Ah Seng	4,999,400	0.49%
18	Kenanga Nominees (Tempatan) Sdn Bhd Michael Heng Chun Hong	4,771,800	0.47%
19	Lim E @ Lim Hoon Nam	4,683,600	0.46%
20	Ku Lian Sin	4,604,800	0.46%
21	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities A/C for Sew Chooi Lan	4,258,800	0.42%
22	Lee Choon Lim	4,200,000	0.41%
23	Chung Khin Sin	4,100,000	0.41%
24	Quantum Symbol Sdn Bhd	4,075,000	0.40%
25	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities A/C for Yap Swee Hang	4,000,000	0.39%
26	Chua Wei Lieh	4,000,000	0.39%
27	Tan Kim Teck	4,000,000	0.39%
28	Tan Tjin Ming	3,700,000	0.37%
29	Lee Hooi Shuen	3,500,000	0.35%
30	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Tan Soon Lai	3,500,000	0.35%
	TOTAL	**513,387,592**	**50.57%**

Directors' Shareholdings and Warrantholdings

As at 30 June 2015

	Number of Ordinary Shares				Number of Warrants			
Name of Directors	**Direct Interest**	**%**	**Deemed Interest**	**%**	**Direct Interest**	**%**	**Deemed Interest**	**%**
1. Datuk Wan Kassim Bin Ahmed	-	-	-	-	-	-	-	-
2. Tan Sri Dr Chen Lip Keong	[a]3,950,989,566	68.40	[b]339,181,242	5.87	320,070,392	31.53	-	-
3 Chen Yiy Fon	-	-	-	-	-	-	-	-
4. Dato' Dr Mohd Aminuddin Bin Mohd Rouse	-	-	-	-	-	-	-	-
5. Lim Mun Kee	-	-	-	-	-	-	-	-

Notes :

[a] Held through Cartaban Nominees (Tempatan) Sdn Bhd

[b] Deemed interest by virtue of his interest in FACB Industries Incorporated Berhad

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Ninth Annual General Meeting of Karambunai Corp Bhd will be held at Nexus Resort & Spa Karambunai, Sigunting Conference Room of No. 1, Nexus Drive West, Karambunai, off Jalan Sepangar, Menggatal, 88450 Kota Kinabalu, Sabah, Malaysia on Tuesday, 25 August 2015 at 10.00 a.m. for the following purposes :-

AGENDA

As Ordinary Business:-

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

2. To approve the payment of Directors' fees of RM132,000 for the financial year ended 31 March 2015 (2014: RM150,000). **Resolution 1**

3. To re-elect the following Directors who are retiring pursuant to Article 107 of the Company's Articles of Association, and being eligible, offer themselves for re-election.

   (a) Mr Chen Yiy Fon **Resolution 2**
   (b) Dato' Dr Mohd Aminuddin Bin Mohd Rouse **Resolution 3**

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

   "**THAT** subject to the passing of Ordinary Resolution 3, Dato' Dr Mohd Aminuddin Bin Mohd Rouse, who is over the age of seventy years, be and is hereby re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting." **Resolution 4**

5. To re-appoint Messrs UHY as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 5**

As Special Business :-

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

6. **Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965.** **Resolution 6**

   "**THAT** subject to the Companies Act, 1965, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the Company's Articles of Association, the Directors of the Company be and are hereby authorised, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company at any time subject to Section 132D(3) and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being."

7. **Continuing in Office as Independent Non-Executive Director** **Resolution 7**

   "**THAT** approval be and is hereby given for Datuk Wan Kassim Bin Ahmed, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to serve as an Independent Non-Executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance 2012 until the conclusion of the next Annual General Meeting."

8. To transact any other ordinary business of which due notice shall have been received.

By Order of the Board
YEW NYUK KWEI, MACS 01247
Company Secretary

Kota Kinabalu
3 August 2015

Notice of Annual General Meeting

NOTES :-

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.

2. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.

3. The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, either under its common seal, or the hand of an officer or attorney duly authorised.

4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which the instrument is signed or a notarily certified copy of that power of authority, shall be deposited at the Company's Registered Office at No. 9020, Nexus Drive West, Karambunai, Menggatal, 88450 Kota Kinabalu, Sabah, Malaysia not less than forty-eight (48) hours before the time for holding the meeting or any adjourned meeting.

5. Please note that in order to attend and vote at the Meeting, a member must be registered in the Record of Depositors at 4.00 p.m. on 17 August 2015 in accordance with Article 51(e) of the Company's Articles of Association. Any changes in the entries on the Record of Depositors after the above mentioned date and time shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

6. Shareholders' attention is hereby drawn to the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, which allows a member of the Company which is an exempt authorized nominee, as defined under the Securities Industry (Central Depositories) Act, 1991, who holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus") to appoint multiple proxies in respect of each omnibus account it holds.

7. The 2015 Annual Report is in CD-ROM format. Printed copies of the Annual Report shall be provided to the shareholders upon request. Shareholders who wish to receive a printed copy of the Annual Report and who require assistance with viewing the CD-ROM, kindly contact Mr Goh Chin Khoon at Tel: 03-79681001 & Fax: 03-79588013 or Ms Mariana Joseph at Tel: 088–480870 / 411111 & Fax: 088-480899 / 412111 or e-mail to cosec@karambunaicorp.com.

EXPLANATORY NOTES:-

(a) Agenda item no. 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 shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

(b) Ordinary Resolution 6 – Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965

The proposed resolution, if passed, will empower the Directors to issue shares up to 10% of the issued capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority unless revoked or varied by the Company in a general meeting, will expire at the next Annual General Meeting of the Company.

No proceeds were raised from the previous mandate.

The renewed mandate will provide flexibility to the Company for any possible fund raising activities, including placement of shares, for the purpose of funding further investment project(s), working capital and/or acquisitions.

(c) Ordinary Resolution 7 - Continuing in Office as Independent Non-Executive Director

Datuk Wan Kassim Bin Ahmed was appointed an Independent Director on 20 October 1998 and he has served the Company for more than nine (9) years as at the date of the notice of the Annual General Meeting. Datuk Wan Kassim Bin Ahmed has met the independent guideline as set out in chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board, therefore, considers Datuk Wan Kassim Bin Ahmed to be independent and recommends Datuk Wan Kassim Bin Ahmed to remain as Independent Director.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Name of Directors standing for re-election:-

(a)	Mr Chen Yiy Fon	- Resolution 2
(b)	Dato' Dr Mohd Aminuddin Bin Mohd Rouse	- Resolution 3 & 4

2. Information about the Directors standing for re-election is set out under Board of Directors' Profile section of the Annual Report, and the details of their attendance of Board Meetings held during the financial year ended 31 March 2015 are set out under Other Compliances Statement section of the Annual Report.

Proxy Form

KARAMBUNAI CORP BHD (6461-P)
(Incorporated in Malaysia)

Securities Account Number															Number of Shares
ADA Code			Branch Code			CDS Account No.									

*I/We, ____
(Please use block letters)

of ____
(Full address)

being a *member/members of **KARAMBUNAI CORP BHD** hereby appoint:-

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

*and/or

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

or failing him/her, the Chairman of the Meeting as *my/our proxy/proxies to vote for *me/us on *my/our behalf at the Forty-Ninth Annual General Meeting of the Company to be held at Nexus Resort & Spa Karambunai, Sigunting Conference Room of No. 1, Nexus Drive West, Karambunai, off Jalan Sepangar, Menggatal, 88450 Kota Kinabalu, Sabah, Malaysia on Tuesday, 25 August 2015 at 10.00 a.m. and any adjournment thereof.

*Please indicate with "X" in the appropriate box how you wish your vote to be cast. If this proxy Form is returned without any indication as how the proxy shall vote, the proxy will vote or abstain from voting as *he/she/they may think fit.*

No.	Resolutions	FOR	AGAINST
1	Approval of Directors' fees		
2	Re-election of Mr Chen Yiy Fon as Director		
3	Re-election of Dato' Dr Mohd Aminuddin Bin Mohd Rouse as Director		
4	Re-appointment of Dato' Dr Mohd Aminuddin Bin Mohd Rouse as Director in accordance with Section 129 of the Companies Act, 1965		
5	Re-appointment of Messrs UHY as Auditors		
6	Authority pursuant to Section 132D of the Companies Act, 1965		
7	Continuing in office of Datuk Wan Kassim Bin Ahmed as Independent Non-Executive Director		

* Strike out whichever not applicable

Signed this ____________ day of ______________, 2015

____
Signature/Seal of Shareholder

____
Contact No. (during office hours)

NOTES:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company and the provisions of Section 149 (1)(b) of the Companies Act, 1965 shall not apply.
2. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
3. The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorised in writing, or if such appointer is a corporation, either under its common seal, or the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which the instrument is signed or a notarily certified copy of that power of authority, shall be deposited at the Company's Registered Office at No. 9020, Nexus Drive West, Karambunai, Menggatal, 88450 Kota Kinabalu, Sabah, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting or any adjourned meeting.
5. Shareholders' attention is hereby drawn to the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, which allows a member of the Company which is an exempt authorized nominee, as defined under the Securities Industry (Central Depositories) Act, 1991, who holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus") to appoint multiple proxies in respect of each omnibus account it holds.
6. In respect of deposited securities, only members whose names appear in the Record of Depositors at 4.00 p.m. on 17 August 2015 shall be entitled to attend the Meeting or appoint proxies to attend and vote in his/her stead.

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Affix Stamp

THE COMPANY SECRETARY

KARAMBUNAI CORP BHD 6461-P
No. 9020, Nexus Drive West, Karambunai
PPM No. 200, Menggatal
88450 Kota Kinabalu
Sabah, Malaysia

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Polytechnic Kota Kinabalu
KARAMBUNAI PENINSULA
Kota Kinabalu Industrial Park
Sepangar Bay
Sepangar Bay Port
South China Sea
University Technology MARA
University Malaysia Sabah
Sabah Foundation
MENGGATAL
Gaya Bay
Kota Kinabalu City Hall
Tanjung Aru
Kota Kinabalu International Airport


Kudat
Kinabalu Park
Tuaran
Kota Kinabalu
Turtle Islands
Sandakan
Ranau
Tambunan
Beluran
Papar
Crocker Range Park
Kuala Penyu
Sabah
Kinabatangan
Tabin Wildlife Reserve
Keningau
Lahad Datu
Bandar Seri Begawan
Sipitang
Kota Kinabatangan
Danum Valley Conservation Area
Maliau Basin Conservation Area
Kunak
Tun Sakaran Marine Park
Brunei
Limbang
Semporna
Tawau
Labi Forest Reserve


Seoul
5hrs 5min
Busan
Beijing
Tokyo
5hrs 20min
Shanghai
4hrs 35min
Hangzhou
Taipei 3hrs 10min
Kaoshiung 2hrs 50min
Guangzhou
3hrs 15min
Shenzhen
Hong Kong
2hrs 45min
Manila 2hrs 5min
Cebu
2hrs
nexus
Resort & Spa
KARAMBUNAI
Bangkok
Phnom Penh
Ho Chi Minh
Sabah
Bandar Seri Begawan
35min
Kuala Lumpur
2hrs 25min
Singapore
2hrs 20min
Denpasar
Jakarta
Darwin
BUKIT UNGGUL COUNTRY CLUB
Perth
5hrs 35min
Sydney

Karambunai Corp Bhd (6461-P)

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Email : cosec@karambunaicorp.com