MALPAC

Malpac Holdings Berhad

(197424 -V)

ANNUAL REPORT 2014

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Fifth Annual General Meeting of the Company will be held at Dewan Tuanku Ja'afar, Royal Sungei Ujong Club, 2A, Jalan Dato' Kelana Ma'amor, 70000 Seremban, Negeri Sembilan Darul Khusus on Thursday, 21 May 2015 at 10.00 a.m. for the following purposes:-

AGENDA

1. To receive and adopt the audited financial statements for the year ended 31 December 2014 together with the Reports of the Directors and Auditors thereon. **(Resolution 1)**

2. To approve the payment of Directors' Fee of RM60,000.00 for the year ended 31 December 2014. **(Resolution 2)**

3. To re-elect the following Director who retires in accordance with Articles 80 and 82 of the Company's Articles of Association:

   Mr Lim Hong Liang **(Resolution 3)**

4. To consider and if thought fit, pass the following Resolutions in accordance with Section 129(6) of the Companies Act, 1965:-

   4.1 "That Mr. Chew Loy Chee, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company to hold office until the next Annual General Meeting." **(Resolution 4)**

   4.2 "That Mr. Tan Chon Sing @ Tan Kim Tieng, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company to hold office until the next Annual General Meeting." **(Resolution 5)**

5. To re-appoint Auditors of the Company and to authorize the Directors to fix their remuneration. **(Resolution 6)**

6. As Special Business, to consider and if thought fit, to pass the following resolutions as Ordinary Resolutions:

   6.1 Authority to issue shares pursuant to Section 132(D) of the Companies Act, 1965

   "THAT pursuant to Section 132D of the Companies Act, 1965, and subject to the approval of the relevant governmental/regulatory authorities (if any shall be required), the Directors be and are hereby empowered to allot and issue shares in the Company, from time to time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the issued share capital of the Company for the time being and THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and THAT such authority shall continue to be in force until conclusion of the next annual general meeting of the Company." **(Resolution 7)**

6.2 Proposed renewal of authority to purchase its own shares by the Company.

"THAT, subject always to the Companies Act, 1965 ("Act"), the provisions of the Memorandum and Articles of Association of the Company and the Listing Requirements ("Listing Requirements") of the Bursa Malaysia Securities Berhad and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the extent permitted by law, to buy-back and/or hold such amount of ordinary shares of RM1.00 each in the Company ("Shares") and to take all such steps as are necessary (including the opening and maintaining of a central depositories account under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time and to do all such acts and things in the best interests of the Company, subject further to the following:-

(i) The aggregate number of Shares bought-back and/or held does not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company subject to the restriction that the issued and paid-up capital of the Company does not fall below the applicable minimum share capital requirement of the Listing Requirement;

(ii) The maximum amount to be allocated for the buy-back of the Company's own Shares shall not exceed the retained profits and the share premium account of the Company;

(iii) As prescribed by the act, rules, regulations and orders made pursuant to the act and the requirements of Bursa Securities and any other relevant authority for the time being in force; and

(iv) Upon completion of buy-back by the Company of its own Shares, the Directors of the Company are authorised to deal with the shares so bought-back in any of the following manner:-

(a) cancel the Shares so purchased; or

(b) retain the Shares so purchased as treasury shares and held by the Company; or

(c) retain part of the Shares so purchased as treasury shares and cancel the remainder,

and the treasury shares may be distributed as dividends to the Company's shareholders and /or resold on Securities Exchange and/or subsequently cancelled or any combination of the three and in any other manner.

The approval conferred by this resolution will commence immediately upon the passing of this resolution and will expire at the conclusion of the next annual general meeting of the Company at which time the authority shall lapse unless by ordinary resolution passed at a general meeting, the authority is renewed, either unconditionally or subject to conditions; or the expiration of the period within which the next annual general meeting after that date is required by law to be held; or the revocation or variation by ordinary resolution passed by the shareholders of the Company in a general meeting, whichever is the earliest;

(Resolution 8)

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

7. To transact any other ordinary business of which due Notice shall have been received.

By Order Of The Board

NG BEE LIAN
Company Secretary

Seremban
28 April 2015

Notes:

1. A member of the Company who is entitled to attend and vote in the Meeting is entitled to appoint a proxy / proxies to attend and vote in his / her stead. A proxy may but need not be a member of the Company

   The Form of Proxy must be deposited with the Company Secretary at the registered office of the Company at Chamber E, Lian Seng Courts, 275 Jalan Haruan 1, Oakland Industrial Park, 70200 Seremban, Negeri Sembilan Darul Khusus not less than 48 hours before the time appointed for holding the Meeting.

2. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the Seal or under the hand of an officer or attorney duly authorized.

3. Where a member appoints two or more proxies to attend at the same meeting, the appointment shall be invalid unless the holder specified the proportion of his shareholdings to be represented by each proxy.

4. Only members whose names appear in the Record of Depositors as at 12 May 2015 will be entitled to attend and vote at the meeting.

5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with ordinary shares of the Company.

6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominees may appoint in respect of each omnibus account it holds.

   Explanatory Notes

   Ordinary Resolution No. 7
   Authority to issue shares not exceeding ten (10) per centum of the Issue Capital of Malpac Holdings Berhad

   The Company continues to consider opportunities to broaden its earnings potential. If any of the expansion/ diversification proposals involves the issue of new shares, the Directors, under certain circumstances, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than 10% of the issued capital.

   In order to avoid any delay and costs involved in convening a general meeting to approve such issue of share, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to any amount not exceeding in total 10% of the issued share capital of the Company for the time being, for such purposes. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company. The renewed authority for allotment of shares will provide flexibility to the Company for the allotment of shares for the purpose of funding future investment, working capital and/or acquisitions.

   No shares have been issued and allotted by the Company since obtaining the said authority from its shareholders at the last Annual General Meeting held on 10 June 2014

   Ordinary Resolution No. 8
   Proposed Share Buy-Back

   If passed, will provide the mandate for the Company to buy-back its own shares up to a limit of 10% of the issued and paid-up share capital of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(Pursuant to Paragraph 8.28(2) of the Listing Requirements of Bursa Malaysia Securities Berhad)

1. Details of Director Standing for Re-Election.

Director who is standing for re-election at the 25th Annual General Meeting is as follows:-

Articles 80 and 82 of the Company's Articles of Association:

- Mr Lim Hong Liang

2. Details of Directors Standing for Re-Appointment.

Directors standing for re-appointment pursuant to Section 129(6) of the Companies Act, 1965 are as follows:-

- Mr Chew Loy Chee
- Mr Tan Chon Sing @ Tan Kim Tieng

The details of the above Directors standing for re-election/re-appointment are set out in their respective profiles which appear on pages 7 to 8 of the Company's 2014 Annual Report.

3. Details of Attendances of Directors at Board Meeting.

A total of five (5) Board of Directors' meetings were held at the Board Room, 4th Floor, Wisma Concorde, No. 2, Jalan Sultan Ismail, 50250 Kuala Lumpur during the financial year. Details of attendances of Directors at the Board Meeting are set out in the Statement on Corporate Governance on pages 16 to 22 of the Annual Report.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Encik Muhayuddin Bin Musa *Chairman*	- Independent Non-Executive Director
Mr Chew Loy Chee *Deputy Chairman*	- Non-Independent Non-Executive Director
Mr Lim Hong Liang	- Non-Independent Executive Director
Mr Kan Ah Chun	- Non-Independent Executive Director
Mr Tan Chon Sing @ Tan Kim Tieng	- Non-Independent Non-Executive Director
Mr Gan Teck Chong @ Gan Kwan Chong	- Non-Independent Non-Executive Director
Encik Johari Low Bin Abdullah	- Senior Independent Non-Executive Director

Chief Executive Officer
Mr Ang Poo Guan

Audit Committee
Chairman: Encik Johari Low Bin Abdullah
Members: Mr Tan Chon Sing @ Tan Kim Tieng
Encik Muhayuddin Bin Musa

Remuneration Committee
Chairman: Mr Lim Hong Liang
Members: Encik Muhayuddin Bin Musa
Encik Johari Low Bin Abdullah

Nomination Committee
Chairman: Encik Johari Low Bin Abdullah
Members: Mr Tan Chon Sing @ Tan Kim Tieng
Encik Muhayuddin Bin Musa

Investment Committee
Chairman: Mr Lim Hong Liang
Members: Mr Tan Chon Sing @ Tan Kim Tieng
Mr Kan Ah Chun
Mr Ang Poo Guan

Risk Management Committee
Chairman: Mr Lim Hong Liang
Members: Encik Muhayuddin Bin Musa
Encik Johari Low Bin Abdullah

Company Secretary
Ms Ng Bee Lian (MAICSA 7041392)

Registered Office
Chamber E, Lian Seng Courts
275 Jalan Haruan 1, Oakland Industrial Park
70200 Seremban
Negeri Sembilan Darul Khusus
Tel : 06-7623339
Fax: 06-7629693

Principal Place Of Business
2nd Floor, No. 23, Jalan Kong Sang
70000 Seremban
Negeri Sembilan Darul Khusus
Tel : 06-7653816 & 7653836
Fax: 06-7653815

Auditors
Baker Tilly AC
Chartered Accountants (AF. 001826)
Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

Tax Consultant
Baker Tilly AC Tax Consultants Sdn Bhd
Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

Solicitors
Logan Sabapathy & Co

Share Registrar
Sectrars Management Sdn Bhd
Lot 9-7 Menara Sentral Vista
No. 150 Jalan Sultan Abdul Samad Brickfields
50470 Kuala Lumpur
Tel : 03-22766138
Fax: 03-22766131

Principal Bankers
CIMB Bank Berhad
Hong Leong Islamic Bank Berhad
Alliance Bank Malaysia Berhad

Stock Exchange Listing
Bursa Malaysia Securities Berhad Main Market

Website
www.malpac.com.my

PROFILE OF BOARD OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

ENCIK MUHAYUDDIN BIN MUSA
Chairman

Encik Muhayuddin Bin Musa, Malaysian, aged 52, was appointed to the Board of Malpac Holdings Berhad as an Independent and Non-Executive Director on 9 March 2005 and re-designated as Independent & Non-Executive Chairman on 14 August 2012. He is also a member of the Audit, Remuneration, Nomination and Risk Management Committees of the Company. He graduated with a Bachelor of Commerce (Hons) degree from the Carleton University, Ottawa, Canada.

He started his career as a Financial Officer with Lembaga Letrik Negara ('LLN') (1985 – 1987). Thereafter, he joined the banking industry and has held various positions in both local and foreign banks. Subsequently, in 1993 he joined Federal Furniture Holdings (M) Berhad as Corporate Affairs Manager and Managing Director of a subsidiary of Federal Furniture Holdings (M) Berhad.

En Muhayuddin is currently the Executive Director/Chief Executive Officer of Computer Forms (Malaysia) Berhad, a post he continues to hold till today since 1998.

Encik Muhayuddin attended four (4) of the five (5) Board Meetings held in the financial year 2014.

MR CHEW LOY CHEE
Deputy Chairman

Mr Chew Loy Chee, Singaporean/Malaysian Permanent Resident, aged 78, is a Non-Independent and Non-Executive Director of Malpac Holdings Berhad. He was appointed to the Board as Deputy Chairman on 31 May 1990.

He was engaged in the commercial banking sector for twenty years prior to being involved in the stockbroking industry and was a member of the KLSE (now known as Bursa Malaysia) from 1976 to 2001. He was a senior partner of Chew & Teo, a former member firm of the KLSE (now known as Bursa Malaysia) from 1976 to March 1987. The firm was converted into a private limited company known as Seremban Securities Sdn. Bhd. (SSSB) in April 1987. The name of SSSB was changed to Malpac Securities Sdn. Bhd. in July 1996 and to Malpac Management Sdn. Bhd. in November 2001. He has been a director of the Company from 1987 till now.

He also sits on the Board of several other companies within the Malpac Group and currently holds a dealer's representative licence under the Securities Industry Act, 1983.

Mr. Chew attended four (4) of the five (5) Board Meetings held in the financial year 2014.

MR TAN CHON SING @ TAN KIM TIENG

Mr Tan Chon Sing @ Tan Kim Tieng, Malaysian, aged 76, is a Non-Independent and Non-Executive Director of Malpac Holdings Berhad. He was appointed to the Board on 15 May 1990. He is a member of the Nomination, Investment and Audit Committees of the Company.

He graduated from Nanyang University in 1963 with a Bachelor of Commerce degree and was a banker for eleven years before joining the stockbroking industry in 1976 as Manager in Chew & Teo, a former member firm of the KLSE (now known as Bursa Malaysia). He was admitted as a member of KLSE in 1987 (now known as Bursa Malaysia) and appointed as a Director of Seremban Securities Sdn. Bhd. (SSSB). The name of SSSB was changed to Malpac Securities Sdn. Bhd. in July 1996 and to Malpac Management Sdn. Bhd. in November 2001. He has been a director of the Company from 1987 till now.

His directorship in other public listed company is in Three-A Resources Bhd. He also sits on the Board of several other companies within the Malpac Group as well as a few other private limited companies. He currently holds a dealer's representative licence under the Securities Industry Act, 1983.

Mr Tan attended all of the five (5) Board Meetings held in the financial year 2014.

MR GAN TECK CHONG @ GAN KWAN CHONG

Mr Gan Teck Chong @ Gan Kwan Chong, Malaysian, aged 68, is a Non-Independent and Non-Executive Director of Malpac Holdings Berhad. He was appointed to the Board on 15 May 1990. He has been in the stockbroking business for more than twenty years. He commenced his career as a remisier with Chua & Co., Melaka, and joined Chew & Teo, a former member firm of the KLSE (now known as Bursa Malaysia), in 1976 as Assistant Manager. He was admitted as a member of the KLSE (now known as Bursa Malaysia) and a partner of Chew & Teo in 1979. The firm was converted into a private limited company known as Seremban Securities Sdn. Bhd. (SSSB) in April 1987. The name of SSSB was changed to Malpac Securities Sdn. Bhd. in July 1996 and to Malpac Management Sdn. Bhd. in November 2001. He has been a director of the Company from 1987 till now.

He also sits on the Board of several other companies within the Malpac Group and currently holds a dealer's representative licence under the Securities Industry Act, 1983.

Mr Gan attended four (4) of the five (5) Board Meetings held in the financial year 2014.

MR LIM HONG LIANG

Mr Lim Hong Liang, Malaysian, aged 56, is a Non-Independent and Executive Director of Malpac Holdings Berhad. He was appointed to the Board on 16 October 1990. He is the Chairman of the Remuneration, Investment and Risk Management Committees of the Company.

He holds a Bachelor of Commerce (Accounting) and Master of Commerce from University of New South Wales, Sydney. Before joining Malpac, he was employed in the commercial banking sector for six years.

He is a director of two other public listed companies, Kumpulan Powernet Berhad and APB Resources Berhad, and also sits on the Board of two other companies within the Malpac Group as well as several other private limited companies.

Mr Lim attended all of the five (5) Board Meetings held in the financial year 2014.

MR KAN AH CHUN

Mr Kan Ah Chun, Malaysian, aged 61, is a Non-Independent and Executive Director of Malpac Holdings Berhad. He was appointed to the Board on 10 September 1996. He is a member of the Investment Committee of the Company.

After graduating from University of Malaya with a Bachelor of Science (Hons) Degree in 1977, he was attached to the teaching profession from 1978 to 1982. He then joined a commercial bank until 1996 when he joined Malpac Securities Sdn. Bhd.

He also sits on the Board of a company within the Malpac Group as well as several other private limited companies.

Mr Kan attended four of the five (5) Board Meetings held in the financial year 2014.

ENCIK JOHARI LOW BIN ABDULLAH

Encik Johari Low Bin Abdullah, Malaysian, aged 65, was appointed to the Board of Malpac Holdings Berhad as an Independent and Non-Executive Director on 9 May 2007. He is also the Chairman of the Audit and Nomination Committees and a member of the Remuneration and Risk Management Committees of the Company.

Encik Johari is a Fellow Member of The Institute of Chartered Accountants (England & Wales), the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He is also a member of Mensa International.

He was previously an auditor with Coopers Lybrand London and Deloittes Kuala Lumpur, Executive Director of Ambank Group, Group Managing Director of Berjaya Group Berhad, CEO of KFC Holdings (M) Berhad and Deputy Chairman of Anglo Eastern Plantations PLC. He is currently the Chairman of the Rockwills International Group, a leading estate planning group in Malaysia.

Encik Johari attended all of the five (5) Board Meetings held in the financial year 2014.

NONE OF THE DIRECTORS HAS:

- Any family relationship with any other Director and/or major shareholder of Malpac Holdings Berhad.
- Any conflict of interest with Malpac Holdings Berhad.
- Any conviction for offences within the past 10 years other than traffic offences.

MR ANG POO GUAN
Chief Executive Officer

Mr Ang Poo Guan, Malaysian, aged 66, was appointed as Chief Executive Officer of Malpac Holdings Berhad on 1 March 2002. He also holds directorships in a few subsidiary companies of the Group. He is a member of the Investment Committee of the Company.

He graduated from the University of Malaya in 1972 with a Bachelor of Agric. Sc. (Hon.) degree. He joined a plantation management company for a short stint before joining an agricultural development bank in 1973. In 1980 he joined a foreign commercial bank where he rose to the position of Senior Vice President. In 1996, he left the banking sector to join Malpac Management Sdn. Bhd., a subsidiary of Malpac Holdings Berhad, where he was appointed Chief Executive Officer cum Director. He is also a director of several private limited companies.

Mr Ang attended all of the five (5) Board Meetings held in the financial year 2014.

Mr Ang does not have any family relationship with any director and/or major shareholder of Malpac Holdings Berhad, nor has he any conflict of interest with the Company. He has no convictions for any offences within the past ten years.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present to you our Annual Report & Audited Financial statement for the financial year ended 31 Dec 2014 (FY2014).

ECONOMIC REVIEW

FY2014 was a very challenging year for the Malaysian economy as our two major commodity-based exports crude oil and the crude palm oil saw significant drops in prices, while the Ringgit exchange rate depreciated across the-board against currencies of Malaysia's major trading partners, most notably against the US dollar, Chinese Yuan and Singapore dollar.

The challenges will continue in FY2015, inflationary pressures with the weaker Ringgit and oncoming GST implementation in April 2015 providing further resistance to economic growth. Real GDP growth is projected to moderate, largely depending on the fluctuations in commodities prices and Ringgit exchange rate.

OVERVIEW OF BUSINESS AND OPERATIONS

Our Business

Malpac Holdings Berhad ("Malpac") is an investment holding company whereby the Company, through its subsidiaries, is principally engaged in operation of oil palm plantation and palm oil milling. Malpac is also actively exploring and reviewing investment opportunities both local and abroad to grow the Company.

Material Litigation

As highlighted in FY2013 annual report, the Company has been involved in a material litigation pertaining to a lapsed sale and purchase agreement involving the Company's plantation assets in Teluk Intan. The sequence of Court decisions were as follows:-

Ipoh High Court	Decision against the Company (2011)
Court of Appeal	Decision in favor of the Company (2012)
Federal Court	Decision against the Company (2013)
Judicial Review (Federal Court)	Application unsuccessful (2014)

In order to comply with the Federal Court's decision and Section 132(c) of Company's Act 1965, an EGM was held in July 2014 to seek shareholders' approval to complete the sale. Shareholders overwhelmingly (99.96% of the total votes) voted against the proposed disposal.

The Plaintiffs in July 2014 filed an application for Supplementary Orders from the Ipoh High Court to compel us to complete the sale. In January 2015, the Ipoh High Court consented to the Plaintiff's application for the Supplementary Order and dismissed our cross application, notwithstanding the provisions under section 132C of the Companies Act 1965 whereby a company is not allowed to dispose of its assets without prior shareholders' approval. The Company has filed appeals to the Court of Appeal against the recent Ipoh High Court Orders and at the same time applied for a stay of execution from the Ipoh High Court.

CHAIRMAN'S STATEMENT (CONT'D)

REVIEW OF FINANCIAL PERFORMANCE

Plantation Revenue

As a result of the above said material litigation, the Plaintiffs continue to withhold the Company's plantation income despite the fact that the legal suit is still ongoing. The plantation revenue remained zero for FY2014 and the accumulated amount withheld to date by the Plaintiffs is in excess of RM 40 million. Our solicitors had filed a cross-application in Ipoh High Court for payment of the unpaid monthly plantation income. However, the cross-application was dismissed by the Ipoh High Court in its January 2015 decision. The matter is being appealed to the Court of Appeal.

Other Operating Income

Other operating income which principally comprised of distribution income from unit trust, dividend and interest income from quoted shares recorded total income of RM 3.802 million in FY2014 for the Company, approximately 53% lower than the preceding year.

The weaker performance recorded was due to the external shocks to the Malaysian economy in the fourth quarter of FY2014, whereby our stock market was badly affected by the abnormal plunging of crude oil prices, portfolio re-allocation by foreign investors and acquisition of foreign portfolio assets by local institutional investors, taking advantage of the strengthening of the US economy and expectations of higher real interest rates. For FY2014, the Company reported a fair value loss on stocks and shares held of RM 1.81 million.

We believe the volatility is temporary in nature and the fundamentals of our portfolio remain generally good. In FY2014, the Company recorded a net loss of RM 4.502 million or 6 cents on per share basis.

REVIEW OF BUSINESS AND OPERATIONS

The Company has reported zero revenue since July 2011 due to the withholding of the monthly plantation income due to us by the Plaintiffs in the legal suit. The matter is now under appeal to the Courts of Appeal and we shall await the final disposal of the legal suit by the Courts.

In the worst case scenario should the Company lose in the current legal suit after all legal avenues have been exhausted, the Company faces the grim prospects of falling under the ambit of the provisions of Practice Note 17 of Bursa's Listing Requirements in respect of insignificant level of operation.

Concurrently, the Company is actively reviewing several investment proposals both local and abroad. In addition, we are in preliminary talks with several interested parties to unlock the values of the Company's existing assets and/or acquire investment properties that will further add value to the Company.

PROSPECTS

Given that all legal avenues for the current legal suit have been exhausted, the Company faces the grim prospects of falling under the ambit of the provisions of Practice Note 17 of Bursa's Listing Requirements in respect of insignificant level of operation if and when the sale of our plantation assets is realized. As mentioned earlier, the Board is currently seeking legal advice on this matter.

Concurrently, the Group is actively reviewing several investment proposals both local and abroad. In addition, we are in preliminary talks with several interested parties to unlock the values of the Group's existing assets and/or acquire investment properties that will further add value to the Group.

DIVIDEND

The Board of Directors does not recommend the payment of any dividend for the year under review.

APPRECIATION

On behalf of the Board of Directors, I would like to express my appreciation to all the directors, management and staff for their strong commitment and contribution towards the continued success of the Group. My appreciation also goes to our valued shareholders, bankers and business partners for their continued support and confidence in the Company.

Muhayuddin Bin Musa
Chairman

AUDIT COMMITTEE REPORT

COMPOSITION AND ATTENDANCE

The Audit Committee comprises the following members and details of attendance of meetings held during the financial year ended 31 December 2014 are as follows:-

Name of Committee Member	No. of meetings attended
Johari Low Bin Abdullah - Chairman [*Senior Independent Non-Executive Director*]	4/4
Muhayuddin Bin Musa [*Independent Non-Executive Director*]	4/4
Tan Chon Sing @ Tan Kim Tieng [*Non-Independent Non-Executive Director*]	4/4

TERMS OF REFERENCE

Composition

- The Audit Committee shall be appointed by the Board from among the Directors and shall compose of no fewer than three (3) members, all must be non-executive directors with majority of them being independent directors.
- At least one (1) member of the committee must be:
  - i) a member of Malaysian Institute of Accountants (MIA); or
  - ii) if non-MIA member, a person who must have at least three (3) years working experience and have passed the examination specified in Part I of the First Schedule of the Accountants Act, 1967 or is a member of one of the associations specified in Part II of the said Schedule; or
  - iii) a person who holds a degree/master/doctorate in accounting/finance with three (3) years' post qualification experience; or
  - iv) a person with at least seven (7) years experience being Chief Financial Officer.
  - v) fulfills such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.
- No alternate director shall be appointed as a member of the Audit Committee.
- The members of the Audit Committee shall elect a chairman from among their member who shall be an independent director.
- In the event of any vacancy in the Audit Committee which results in a breach of the Listing Requirements of Bursa Malaysia Securities Berhad, the vacancy must be filled within three (3) months.

Objectives

The objective of the Committee is to assist the Board of Directors in fulfilling its responsibilities especially on the following:

- To oversee and appraise the quality of the audits conducted by the Company's internal and external auditors.
- To determine the adequacy of the Company's administrative, operating and accounting controls.
- To maintain open lines of communications among the Board, the Company's employees and external auditors and to exchange views and information.
- Ensure the independence of the external and internal audit functions.

Duties & Responsibilities

The duties and responsibilities of the Committee shall be:

- To review with the internal auditors, the scope, functions, competency and adequacy of resources, authority, internal audit programme and results, processes or investigation undertaken and the action taken on their recommendations.
- To review the quarterly financial results and annual financial statements before submission to the Board for approval.
- To discuss problems and reservations arising from the interim and final audits, and any matters the auditors may wish to discuss (in the absence of other directors and management where necessary).
- To review the effectiveness of internal audit function.
- To identify and direct any special projects of investigations deemed necessary.
- To consider any related party transactions that may arise within the Group.
- To review the suitability of the external auditors for recommendation to the Board for re-appointment and the audit fee thereof.
- To review any resignation from external and internal auditors and to nominate external and internal auditors for the Group.

Authority

The Audit Committee is empowered to, in accordance with the procedures determined by the Board of Directors and at the cost of the Company:-

- Investigate any matters within its term of reference.
- Have full access to all information in relation to the Company and its subsidiaries.
- Have direct communication channels with the external auditors and internal auditors.
- To convene meetings with the internal auditors without the presence of Executive Directors and employees of the Company, whenever deemed necessary.
- To convene meetings with the external auditors at least twice a year without the presence of the Executive Directors and management staff.
- Obtain independent professional or other advice as necessary.

Notwithstanding anything to the contrary hereinbefore stated, the Committee does not have executive powers and shall report to the Board of Directors on matter considered and its recommendations thereon, pertaining to the Group.

Meetings

The Committee will meet at least four times in a year. The quorum for the meeting shall consist of two members of which majority of members present must be Independent directors. The Directors, employees, auditors or others may attend meetings upon the invitation of the Audit Committee.

The Company Secretary shall be the Secretary to the Audit Committee.

Minutes

The Secretary shall maintain minutes of the proceedings of the meeting and circulate such minutes to all members of the Audit Committee. The Chairman of the Committee shall report on each meeting to the Board of Directors.

SUMMARY OF ACTIVITIES

The following activities were carried out by members of the Audit Committee for the financial year under review:-

- Reviewed the quarterly financial results and the annual financial statements of the Company and made recommendations to the Board of Directors for approval prior to the release of the results to Bursa.
- Reviewed with the external auditors, the audit plan and the nature and scope of audit.
- Reviewed the major findings of internal audit reports and their recommendations relating thereto as well as the management response.
- Reviewed the internal and external audit reports to ensure that appropriate and adequate remedial actions were taken by the Management on significant lapses in controls and procedures that were identified if any.
- Meeting with the external auditors in the absence of the Executive Directors.
- Assessed the performance of the auditors and make recommendations to the Board of Directors for their re-appointment.
- Reviewed the Audit Committee Report and Statement on Risks Management and Internal Control prior to its inclusion in the Annual Report.
- Evaluated the audit fees payable to the internal auditors and external auditors.

INTERNAL AUDIT FUNCTION

For Financial Year Ended 31 December 2014, the Group has outsourced its internal audit functions to an independent consulting firm. The principal role of the internal audit function is to undertake independent regular and systematic reviews of the systems of internal control so as to provide reasonable assurance that such systems continued to operate satisfactorily and effectively. The internal audit function reports directly to the Audit Committee and it is the responsibility of the internal audit function to provide the Audit Committee with independent and objective reports for their review and subsequently recommending to the Board for strengthening the internal controls and corporate governance of the Group.

The total costs incurred in managing the internal audit functions for the financial year ended 31 December 2014 was RM11,543.00.

Further details of the activities of the internal audit function are set out in the Statement on Risk Management and Internal Control on pages 23 to 24 of the Annual Report.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (the Board) of Malpac Holdings Berhad is committed to ensure the standards of corporate governance is used as a fundamental basis of the Board in discharging their fiduciary duties and responsibilities to protect and enhance shareholder values and the interests of other stakeholders.

The Board views corporate governance as an integral part of our business and the Board has committed in cultivating the culture of conformity, integrity, accountability and transparency within the Group to deliver long term strategic success for our shareholders. The Board and Management have also been constantly improving our risk management and internal control practices, reviewing auditors' quality and new relevant codes and laws mandated to ensure that the principles set out comply with the updated recommendations.

The latest Malaysian Code on Corporate Governance 2012 ("the Code") sets out principles, requirements and best practices on structures and processes that all corporate citizens should adopt in their operations towards achieving the optimal governance framework.

In line with the Code, the Board presents herewith the report on how the Group has applied the principles set out in the Code to its particular circumstances, having regard to the recommendations stated under each principle.

I. THE BOARD OF DIRECTORS

1. Board Responsibilities

The Board assumes full responsibilities for the overall performance of the Group by adopting a strategic plan and overseeing the conduct of the business in order to ensure that the business is being properly managed. The Board focuses on its financial performance and crucial business decisions, like identifying principal risks and their management, succession planning for senior management, developing and implementing shareholder communications policy, system for internal control and compliance with laws and regulations.

2. Board Charter

The Board has established a Board Charter whereby it provides guidance for the existing and prospective Board members and its Committees on their fiduciary duties and responsibilities. The Charter will be reviewed and updated periodically to ensure consistency with the Board's strategic plan. The Charter is made available at the Company's website at www.malpac.com.my.

3. Board Composition and Balance

There is a balance of power and authority in the Board with two executive non-independent directors, three non-executive non-independent directors and two non-executive independent directors. The Company is in compliance with the Listing Requirements of Bursa Malaysia which requires one-third of the Board members as independent non-executive directors.

All board members have extensive professional and business experience. Essentially, this meets the prerequisites of an effective board where the intimate business knowledge of the executive directors is combined with the broader views and objectivity that non-executive directors bring into the Board's deliberation and decision-making process.

The role of the Chairman and the Executive Directors are segregated. The Chairman is primarily responsible for the Board effectiveness and conduct, whilst the Executive Director together with the Chief Executive Officer are responsible for day to day running of business and implementation of Board policies and decisions. The Executive and Non-Executive Directors together ensure that the strategies proposed by the management are fully discussed and examined and the long-term interests of the shareholders are taken into account.

I. THE BOARD OF DIRECTORS (CONT'D)

3. Board Composition and Balance (cont'd)

The Board has conducted an assessment on the Independent Directors and none of them have served the Company exceeding a cumulative term of nine (9) years.

The Board supports the initiative to include woman representation on the Board to achieve a more gender diversified Board. Candidates that are competent, possess leadership qualities and suitable qualification with specialized knowledge that meet the Group's needs will be considered for appointment to the Board in the future.

4. Board Meetings

The Board meets on a quarterly basis, with additional meetings convened as and when necessary.

During the financial year, the Board met five (5) times. The numbers of meetings attended by each director are as follows:-

Name of Directors	No. of Meetings Attended
Muhayuddin Bin Musa	4/5
Chew Loy Chee	4/5
Lim Hong Liang	5/5
Tan Chon Sing @ Tan Kim Tieng	5/5
Gan Teck Chong @ Gan Kwan Chong	4/5
Kan Ah Chun	5/5
Johari Low Bin Abdullah	5/5

5. Board Committees

a. Audit Committee

The Group's financial reporting and internal control system is overseen by the Audit Committee, which comprises of two (2) independent non-executive Directors and one (1) non-independent and non-executive Director. The composition, terms of reference and summary of the activities of the Audit Committee during the financial year are disclosed in the Audit Committee Report.

The Audit Committee meets quarterly. Additional meetings are held as and when required. For financial year ended 31 December 2014, four meetings were held.

The Audit Committee's meetings are always held before the Board's meetings. This is to ensure that all critical issues highlighted can be brought to the Board on a timely basis.

b. Nomination Committee

The Committee consists entirely of Non-Executive Directors with majority being Independent Directors. The Committee is chair by a Senior Independent Director and the members are as follows:

1) Johari Low Bin Abdullah – Chairman
2) Tan Chon Sing @ Tan Kim Tieng
3) Muhayuddin Bin Musa

The Nomination Committee is to assist the Board in assessing the effectiveness of the Board as a whole and Board Committees, and assessing the contributions of each individual Director including the Chief Executive Officer (CEO) on an annual basis.

I. THE BOARD OF DIRECTORS (CONT'D)

5. Board Committees (cont'd)

b. Nomination Committee (cont'd)

The Nomination Committee, with the guide of the nomination and election process, is also responsible for nominating the right candidates with the required skills, experience and attributes for recommendation to and appointment by the Board wherever the need arises. Details of the nomination and election process can be found at the Company's website.

The Committee held one meeting in the financial year for the purpose of making an assessment of the board, board committee and individual directors the following criteria has been used in the assessment process:

Board of Directors
- Quality and Composition with the mix of skills and experience
- Board Roles and Responsibilities

Board Committee
- Quality and Composition
- Skills and Competencies

During the financial year, the Nomination Committee had reviewed and evaluated its requirements for an appropriate mix of skills and experience to ensure The Board's composition remains relevant and optimal. The Committee also reviewed and recommended to the Board the re-appointment and re-election of Directors.

c. Remuneration Committee

The Committee consists mainly of Non-Executive Directors with majority being Independent Directors. The members of the Remuneration Committee are:-

(i) Lim Hong Liang - Chairman
(ii) Johari Low Bin Abdullah
(iii) Muhayuddin Bin Musa

The Remuneration Committee is responsible for recommending to the Board the remuneration packages of the Executive Directors, whilst the Board as a whole determines the remuneration of the Non-Executive Directors. Individual Directors do not participate in discussions or decisions concerning their own remuneration packages.

d. Investment Committee

The Committee consists of two Executive Directors, a Non-Executive Director and the Group CEO.

The members of the committee are as follows:-

(i) Lim Hong Liang - Chairman
(ii) Tan Chon Sing @ Tan Kim Tieng
(iii) Kan Ah Chun
(iv) Ang Poo Guan

The role of the Investment Committee is to assist the Board in assessing and approving all significant investment matters which include the capital budget, investment transactions and proposals on new investment capital. The significant issues and actions deliberated and decided in the Committee are tabled in the Board for review and approval.

The Investment Committee shall meet as and when required and shall report to the board on its proceeding on all matters within its duties and responsibilities.

There was one meeting held during the financial year.

I. THE BOARD OF DIRECTORS (CONT'D)

5. Board Committees (cont'd)

e. Risk Management Committee

The Committee consists mainly of Non-Executive Directors with majority being Independent Directors. The members of the Risk Management Committee are:-

(i) Lim Hong Liang - Chairman
(ii) Johari Low Bin Abdullah
(iii) Muhayuddin Bin Musa

The role of the Risk Management Committee is to identify, evaluate and manage various risks and monitor these risks constantly to ensure that risks are actively updated and effectively managed.

The Risk Management Committee meets as and when required or at least once a year.

6. Re-election of Directors

In accordance with the Company's Articles of Association, one-third (1/3) of the Directors shall retire from office, at least once in three (3) years. Retiring directors can offer themselves for re-election. Directors who are appointed by the Board during the financial year are subject to re-election by the shareholders at the next Annual General Meeting held following their appointments. Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

7. Supply of Information

Board members are provided with all relevant papers and reports in advance of each Board and Committee Meeting in accordance to the agenda for discussion. This ensures that Directors have sufficient time to appreciate issues deliberated at meetings and expedites the decision making process. Senior management staff are invited to attend Board or Committee Meetings to present the financial performance, reports or other proposals affecting the business areas as at when and where necessary.

The Directors have direct access to the advice and services of the Company Secretary who is responsible for ensuring that Board procedures are followed and the regulatory requirements are met.

The Directors are also given access to seek independent professional advice when necessary at the Company's expense.

8. Directors' Training

All the Directors have completed the Mandatory Accreditation Programme and attended various training programmes under the Continuing Education Programmes pursuant to the requirements of Bursa Securities Listing Requirements. All Directors have attended at least one training course each that the Board considered relevant to the discharge of their duties as director. The Board encourages its Directors to attend talks, workshops, seminars and conferences to update and enhance their skills and knowledge to keep abreast with the changing business developments relevant to the industry within which the Group operates.

I. THE BOARD OF DIRECTORS (CONT'D)

8. Directors' Training (cont'd)

During the financial year ended 31 December 2014, the board members attended the following programmes:-

Directors	Courses/Seminars/Workshops attended
Muhayuddin bin Musa	Briefing session on Corporate Governance Guide: Towards Boardroom Excellence (2nd Edition) - An Update Board Chairman Series: The Role of the Board Chairman
Chew Loy Chee **Tan Chon Sing @ Tan Kim Tieng** **Gan Teck Chong @ Gan Kwan Chong**	Price Action Analysis, Trading Psychology And Position Sizing How Analysts Pick Stocks
Lim Hong Liang **Kan Ah Chun**	2014 PLC Director's Training - Mediation As An Effective Dispute Resolution Mechanism - The Effects of Bankruptcy
Johari Low Bin Abdullah	The Risk Transfer Solutions Regional GST solutions Mediation, Strata title, Bankruptcy talk

II. DIRECTORS' REMUNERATION

The remuneration policy of the Company for Executive Directors is structured to link rewards to corporate and individual performance. As for Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular non-executive concerned. Details of remuneration received/receivable by Directors from the Group for the financial year ended 31 December 2014 is as follows:-

	Fee (RM)	Salaries & Allowance (RM)	Other Emoluments & Benefits (RM)	Total (RM)
Executive Directors	24,000	188,200	179,420	391,620
Non-Executive Directors	36,000	278,880	184,850	499,730

The number of Directors whose remuneration falls into the respective bands is as follows:-

Range of Remuneration (RM)	Executive Directors	Non-Executive Directors
0 – 50,000	-	2
100,001 – 150,000	1	2
150,001 – 200,000	-	1
200,001 – 250,000	1	-

The Board recommends Directors' fee of RM24,000 for Executive Directors and RM36,000 for Non-Executive Directors to be payable for financial year 2014 subject to shareholders' approval at the forthcoming AGM.

III. INVESTORS RELATIONS & SHAREHOLDERS COMMUNICATION

1. Shareholders

The Group recognises the importance of accountability to its shareholders and investors through timely and proper communications. Press release and announcements for public dissemination are made as and when there are significant corporate events. The Board ensures timely release of financial results and its quarterly financial results, annual report and all its announcements can be accessed from the Company's corporate website at www.malpac.com.my or Bursa's website at www.bursamalaysia.com.

2. Annual General Meeting ("AGM")

Notice of the AGM which is contained in the Annual Report is sent out at least twenty-one (21) days prior to the date of the meeting. The AGM serves as a principal forum for dialogue and interaction with all shareholders who are encouraged to participate in a question and answer session. The Chairman of the meeting or the CEO will facilitate the discussion with the shareholders and provide further information in response to shareholders' queries.

IV. ACCOUNTABILITY AND AUDIT

1. Financial Reporting

In presenting the annual financial statements and quarterly announcements of results to shareholders, the Directors take responsibility to present a balanced and understandable assessment of the Group's position and prospects. The Audit Committee of the Board assists by scrutinizing the information to be disclosed to ensure accuracy and adequacy. A full Directors' Responsibility statement is set out on page 25 of the Annual Report.

2. Risk Management and Internal Control

The Board has established a Risk Management Committee to assess the various types of risks which might have an impact on the profitable operation of the Group's interest. This includes market price, credit, legal and interest rate risks.

The Board also has overall responsibilities for corporate governance and the development of sound internal control system for the Group to achieve its objectives within the acceptable risk profile as well as safeguarding shareholders' interest and the Group's assets.

The Statement on Risk Management and Internal Control is set out on pages 23 to 24. It provides an overview of the state of risk management and internal control within the Group.

3. Audit Committee

The Board is assisted by the Audit Committee, whose composition, duties and responsibilities and summary of its activities during the financial year are set out in the Audit Committee Report on pages 13 to 15 of the Annual Report.

4. Relationship with the Auditors

The Company has established transparent and appropriate relationship with the Company's internal and external auditors. The Audit Committee has the right to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary. During the financial year the Audit Committee had conducted a meeting with the External Auditors without the presence of the Executive Directors, CEO and the management.

V. STATEMENT OF SUSTAINABILITY & CORPORATE SOCIAL RESPONSIBILITY

The Company continues to embrace the values of sustainability and corporate responsibility which has been an integral part of our way of doing business. The Board strongly believes that responsible social and environmental practices will help to create business sustainability and enhance value for all its stakeholders.

VI. COMPLIANCE WITH THE CODE

The Group has complied with the Principles of Corporate Governance as contained in the Code except for the following that in the opinion of the Directors, adequately suit the circumstances.

For the non-disclosure of detailed remuneration of each director, the Board is of the view that the transparency of directors' remuneration has been sufficiently dealt with by 'band disclosure' presented in this statement.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Board Responsibility

The Board affirms their responsibilities for a sound system of internal control, quality risk management practices and for reviewing the Group's adequacy and integrity in these systems. The principal function of internal control system is intended to identify and to manage significant risks faced by the Group's business operations, which may impede the achievement of the Group's objective. The Board ensures that the effectiveness and integrity of the risk management and internal control system are reviewed on an ongoing basis and is of the view that the system in place is sound and sufficient to safeguard the Group's assets.

The Board also acknowledges that these systems are designed to ensure that risks are identified and managed at acceptable levels rather than to eliminate such risks. Hence, these systems can only provide reasonable but not absolute assurance against financial losses or uncertainties.

Risk Management

The Board regards risk management as an integral part of the Group's business operations and has established a Risk Management Committee that comprises the Executive Non-Independent Director and Non-Executive Independent Directors. The Risk Management Committee is entrusted with the responsibilities of identifying, evaluating and managing various types of risks which might have an impact on the profitable operation of the Group's business and has performed an annual review of the Group's significant risks. These include market price risk, credit, legal and operational risks. The Risk Management Committee is currently in the preliminary stages of formalizing a risk management framework to enable the Management to identify, analyze, control and monitor the principal business risks faced by the Group on an ongoing basis.

Internal Control

The outsourced internal auditors have on a semi-annual basis assessed the adequacy and effectiveness of the Group's system of internal control and compliance frameworks, and have subsequently reported their findings to the Audit Committee. The Audit Committee reviewed the internal audit reports and informed the Board on the adequacy and effectiveness of the Group's system of internal control.

For the financial year under review, the Board is satisfied with the adequacy and effectiveness of the Group's system of risk management and internal control. No major weaknesses or uncertainties, which could result in material losses, were identified nor would require separate disclosure.

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

- Organization structure with clearly defined lines of authority and the appropriate levels of delegation.
- Policies and procedures are clearly communicated to staff members.
- The Risk Management Committee would discuss the possible risk areas on the Group's operational and management issues as and when necessary.
- The CEO oversees the Group's operations and internal controls and reports to the Board on the key risks.
- The Audit Committee meets on a quarterly basis or as and when required to discuss on internal control and any other matter raised by the CEO.
- All major decisions are subject to detailed appraisal and review. The Board receives comprehensive information covering all decisions within the group on a quarterly basis.

The Board, together with the management will, when necessary put in place appropriate action plans to further enhance the Group's risks management and internal control system.

Internal Control (cont'd)

Adequacy and Effectiveness of the Group's Risk Management and Internal Control System

The Board has received assurance from the Chief Executive Officer and Finance Manager that the Group's risk management and internal control system is operating adequately and effectively in all material aspects. It is of the view that the risk management and internal control system is satisfactory and no material internal control failures resulted in material losses or contingencies during the financial year under review.

Review of the Statement by External Auditors

The external auditors, Messrs Baker Tilly AC, have performed a limited assurance engagement on this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 December 2014 and reported to the Board that based on the procedures performed, nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Controls intended to be included in the annual report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Controls: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

STATEMENT OF DIRECTORS' RESPONSIBILITY

This statement is made pursuant to paragraph 15.26(a) of Listing Requirements of Bursa Malaysia.

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

In preparing the financial statements, the Directors have:

- selected suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- ensured that all applicable approved accounting standards have been followed; and
- prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

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

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

OTHER INFORMATION

1. **Material contracts**
   There were no material contracts entered into by the Company and/or its subsidiaries which involve Directors' and major shareholders' interests, either still subsisting at the end of the financial year 2014 or which were entered into since the end of the previous financial year.

2. **Options, warrants or convertible securities**
   The Company has not issued any options, warrants or convertible securities during the financial year 2014.

3. **Imposition of sanctions/penalties**
   There were no material sanctions and/or penalties imposed on the Company and its subsidiaries, directors and management by the relevant regulatory bodies during the financial year 2014.

4. **Non-audit fees**
   There were no non-audit fees paid to the external auditors for the financial year ended 31 December 2014.

5. **Variation in results**
   There were no variances of 10% or more between the results for the financial year 2014 and unaudited results previously announced.

6. **Profit guarantees**
   During the financial year 2014, there was no profit guarantee given by the Company.

7. **American Depository Receipt ('ADR') or Global Depository Receipt ('GDR') Programme**
   During the financial year 2014, the Company did not sponsor any ADR or GDR programme.

8. **Recurrent related party transactions of revenue nature**
   There were no recurrent related party transactions of revenue nature during the financial year 2014.

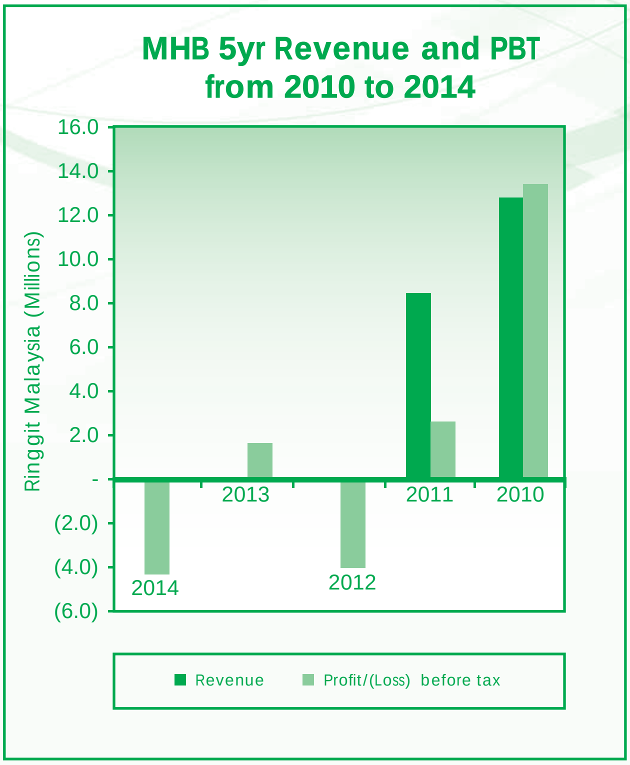
9. **Utilisation of proceeds raised from corporate proposal**
   There was no corporate proposal involving the raising of funds during the financial year 2014.

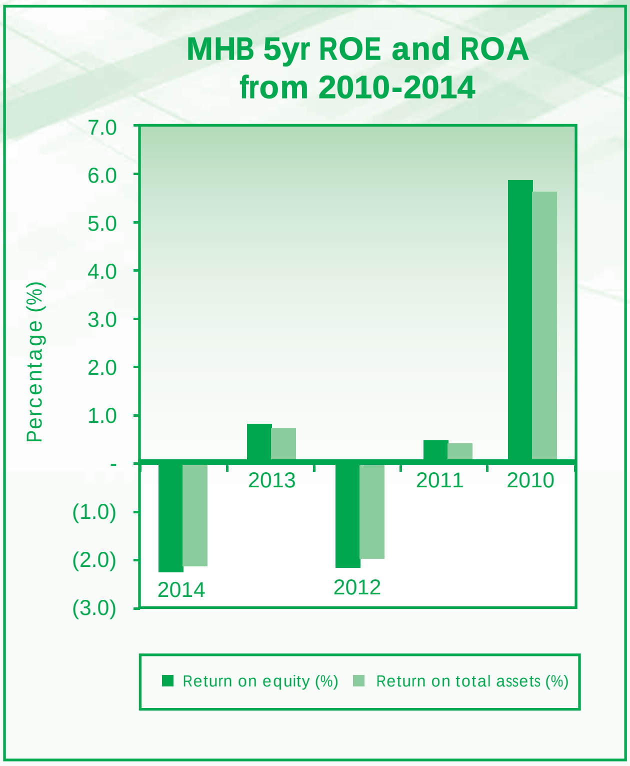
10. **Share buy back**
    The Company did not enter into any share buy-back transactions during the financial year.

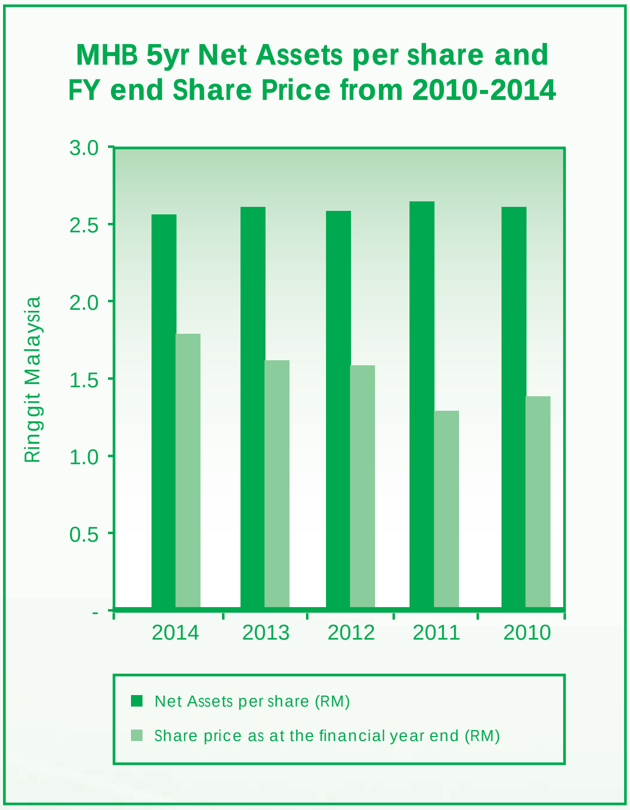
5-YEAR FINANCIAL HIGHLIGHTS

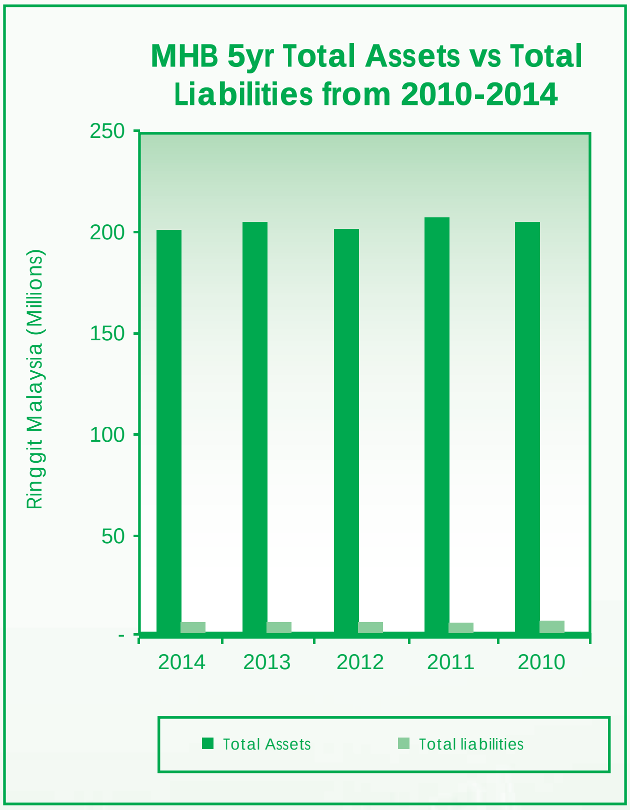
		2014 RM	2013 RM	2012 RM	2011 RM	2010 RM
A	**STATEMENT OF COMPREHENSIVE INCOME**					
1	Revenue	-	-	-	8,114,757	12,617,775
2	EBITDA	(2,151,548)	3,989,389	(1,732,753)	5,047,916	15,765,810
3	(Loss)/Profit before tax	(4,507,835)	1,608,703	(4,101,201)	2,804,900	13,509,305
4	(Loss)/Profit after tax	(4,502,299)	1,460,242	(4,104,524)	760,832	11,554,699
5	Net (loss)/profit attributable to equity holders	(4,502,299)	1,460,242	(4,104,524)	760,832	11,554,699
B	**STATEMENT OF FINANCIAL POSITION**					
1	Total assets	200,572,287	204,455,605	201,821,666	206,523,671	206,038,424
2	Total liabilities	8,785,163	8,166,182	6,992,485	7,589,966	7,842,856
3	Shareholders' equity	191,787,124	196,289,423	194,829,181	198,933,705	198,195,568
C	**FINANCIAL INDICATORS**					
1	Return on equity (%)	(2.35)	0.74	(2.11)	0.38	5.83
2	Return on total assets (%)	(2.24)	0.71	(2.03)	0.37	5.61
3	(Loss)/Earning per share (sen)	(6.00)	1.95	(5.47)	1.00	15.40
4	Net assets per share (RM)	2.56	2.62	2.60	2.65	2.64
5	Price earning (PE) ratio (times)	(30.00)	78.37	(29.24)	130.00	9.09
6	Share price as at the financial year end (RM)	1.80	1.63	1.60	1.30	1.40

5-YEAR FINANCIAL HIGHLIGHTS (CONT'D)









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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 December 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 13 to the financial statements. There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM	Company RM
Loss for the financial year, attributable to owners of the parent	4,502,299	502,380

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year and the directors do not recommend any dividend payment for the current financial year.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or render the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

In the opinion of the directors:

(i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

ISSUE OF SHARES

During the financial year, no new issuance of shares was made by the Company.

DIRECTORS OF THE COMPANY

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

CHEW LOY CHEE
TAN CHON SING @ TAN KIM TIENG
GAN TECK CHONG @ GAN KWAN CHONG
LIM HONG LIANG
KAN AH CHUN
MUHAYUDDIN BIN MUSA
JOHARI LOW BIN ABDULLAH

DIRECTORS' INTERESTS

The interests of the directors in office at the end of the financial year in the shares of the Company and of its related corporations 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 of RM1 each			
	At 1.1.2014	Bought	Sold	At 31.12.2014
Direct Interest				
Chew Loy Chee	3,152,188	-	-	3,152,188
Tan Chon Sing @ Tan Kim Tieng	10,315,393	-	-	10,315,393
Gan Teck Chong @ Gan Kwan Chong	3,917,303	-	-	3,917,303
Lim Hong Liang	13,317,008	49,000	-	13,366,008
Kan Ah Chun	2,180,260	-	-	2,180,260
Deemed Interest				
Chew Loy Chee *	360,000	-	-	360,000
Tan Chon Sing @ Tan Kim Tieng *	2,209,300	-	-	2,209,300
Gan Teck Chong @ Gan Kwan Chong *	2,940,300	-	-	2,940,300
Lim Hong Liang **	3,691,900	-	-	3,691,900

* Deemed interested through spouse
** Deemed interested through a corporation in which the director has substantial financial interest

By virtue of their interests in the shares of the Company, Tan Chon Sing @ Tan Kim Tieng, Gan Teck Chong @ Gan Kwan Chong and Lim Hong Liang are also deemed interested in the shares of the subsidiaries during the financial year to the extent the Company has an interest.

None of the other directors holding office at the end of the financial year held any interest in the ordinary shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

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

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

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO FINANCIAL YEAR END

Details of significant events during and subsequent to financial year end are disclosed in Note 30 to the financial statements.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 9 April 2015.

TAN CHON SING @ TAN KIM TIENG **GAN TECK CHONG @ GAN KWAN CHONG**

STATEMENT BY DIRECTORS

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

We, the undersigned, being two of the directors of Malpac Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 36 to 82, are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 83 has been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and presented based on the format as prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution of the directors date 9 April 2015.

TAN CHON SING @ TAN KIM TIENG

GAN TECK CHONG @ GAN KWAN CHONG

STATUTORY DECLARATION

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

I, Tan Chon Sing @ Tan Kim Tieng, being the director primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 36 to 82 and the supplementary information as set out on page 83, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at
Kuala Lumpur in the Federal Territory
on 9 April 2015

TAN CHON SING @ TAN KIM TIENG
Before me

TENGKU FARIDDUDIN BIN TENGKU SULAIMAN (W 533)
Commissioner of Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MALPAC HOLDINGS BERHAD (Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Malpac Holdings Berhad, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 36 to 82.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to Note 30 to the financial statements which discloses a material litigation as we have considered the importance of the matter which is fundamental to the understanding of the financial statements.

Report on Other Legal and Regulatory Requirements

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

a) In our opinion, the accounting and other records and the registers required by the Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements (cont'd)

b) We have considered the financial statements of the subsidiary which is without an auditors' report as indicated in Note 13 to the financial statements.

c) Other than the subsidiary without audited financial statements as disclosed in Note 13 to the financial statements, we are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

d) Other than the subsidiary without the auditors' report as disclosed in Note 13 to the financial statements, the auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Other Reporting Responsibilities

The supplementary information set out on page 83 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

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

BAKER TILLY AC
AF 001826
Chartered Accountants

LEE KONG WENG
2967/07/15 (J)
Chartered Accountant

Kuala Lumpur
9 April 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 RM	2013 RM
Revenue	4	-	-
Other income		3,801,805	8,107,953
Administrative expenses		(6,304,757)	(6,473,896)
Other operating expenses		(2,004,883)	(25,354)
(Loss)/Profit before tax	5	(4,507,835)	1,608,703
Tax credit/(expense)	8	5,536	(148,461)
(Loss)/Profit for the financial year, attributable to owners of the parent		(4,502,299)	1,460,242
(Loss)/Earnings per share attributable to owners of the parent:			
Basic (loss)/earnings per share (sen)	9	(6.0)	1.9
Diluted (loss)/earnings per share (sen)	9	(6.0)	1.9

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Note	2014 RM	2013 RM
ASSETS			
Non-current assets			
Property, plant and equipment	10	56,925,523	57,411,408
Investment properties	11	1,179,000	1,206,000
Prepaid land lease payments	12	31,325,314	32,974,015
Other investments	14	14,018,010	15,301,926
		103,447,847	106,893,349
Current assets			
Receivables and deposits	15	187,304	107,982
Tax recoverable		22,000	112,307
Other investments	14	6,807,239	7,450,967
Cash and cash equivalents	16	90,107,897	89,891,000
		97,124,440	97,562,256
Total Assets		200,572,287	204,455,605
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	17	75,000,000	75,000,000
Reserves	18	116,787,124	121,289,423
Total Equity		191,787,124	196,289,423
Liabilities			
Non-current liabilities			
Provisions	21	271,737	242,330
Current liabilities			
Payables, deposits and accruals	20	4,982,469	4,629,078
Provisions	21	3,530,824	3,294,726
Tax payable		133	48
		8,513,426	7,923,852
Total Liabilities		8,785,163	8,166,182
Total Equity and Liabilities		200,572,287	204,455,605

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Share Capital RM	Non-distributable Share Premium RM	Distributable Retained Earnings RM	Total Equity RM
At 1 January 2013	75,000,000	24,366,593	95,462,588	194,829,181
Comprehensive income				
Profit for the financial year, representing total comprehensive income for the financial year	-	-	1,460,242	1,460,242
At 31 December 2013/1 January 2014	75,000,000	24,366,593	96,922,830	196,289,423
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	(4,502,299)	(4,502,299)
At 31 December 2014	75,000,000	24,366,593	92,420,531	191,787,124

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 RM	2013 RM
Cash Flows from Operating Activities			
(Loss)/Profit before tax		(4,507,835)	1,608,703
Adjustments for:-			
Amortisation of prepaid land lease payments		1,648,701	1,648,701
Depreciation of investment properties		27,000	27,000
Depreciation of property, plant and equipment		680,586	704,985
Distribution income from unit trusts		(2,796,737)	(2,633,285)
Dividend income		(400,344)	(720,271)
Interest income		(287,158)	(285,058)
Net fair value loss/(gain)on financial instruments:			
- Financial assets at fair value through profit or loss		1,812,454	(4,221,626)
Gain on disposal of property, plant and equipment		(53,000)	-
Property, plant and equipment written off		-	1,355
Provisions		945,306	1,302,576
Operating loss before working capital changes		(2,931,027)	(2,566,920)
(Increase) in receivables		(79,322)	(1,690)
Increase in payables		294,868	93,599
Cash used in operations		(2,715,481)	(2,475,011)
Tax refunded		108,839	120,387
Tax paid		(12,911)	(35,360)
Utilisation of provision		(621,278)	(222,500)
Net cash used in operating activities		(3,240,831)	(2,612,484)
Cash Flows from Investing Activities			
Distribution income received		2,796,737	2,633,285
Dividends received		400,344	543,659
Interest received		287,158	285,058
Proceeds from disposal of:			
- Financial assets at fair value through profit or loss		3,490,629	4,969,008
- Property, plant and equipment		53,000	-
Purchase of:			
- Financial assets at fair value through profit or loss		(3,375,439)	(3,895,911)
- Property, plant and equipment		(194,701)	(10,803)
Net cash from investing activities		3,457,728	4,524,296
Net increase in cash and cash equivalents		216,897	1,911,812
Cash and cash equivalents at beginning of the financial year		89,891,000	87,979,188
Cash and cash equivalents at end of the financial year	16	90,107,897	89,891,000

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 RM	2013 RM
Revenue	4	-	39,000
Other income		1,321,510	15,399,802
Administrative expenses		(1,816,081)	(1,752,735)
Other operating expenses		(7,809)	(8,541)
(Loss)/Profit before tax	5	(502,380)	13,677,526
Tax credit	8	-	-
(Loss)/Profit for the financial year		(502,380)	13,677,526

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Note	2014 RM	2013 RM
ASSETS			
Non-current assets			
Property, plant and equipment	10	54,492	57,002
Investment in subsidiaries	13	166,981,515	166,981,515
		167,036,007	167,038,517
Current assets			
Receivables and deposits	15	400,632	376,339
Tax recoverable		9,750	9,750
Cash and cash equivalents	16	42,335,757	42,546,295
		42,746,139	42,932,384
Total Assets		209,782,146	209,970,901
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	17	75,000,000	75,000,000
Reserves	18	132,964,759	133,467,139
Total Equity		207,964,759	208,467,139
Liabilities			
Non-current liabilities			
Provisions	21	174,635	157,082
Current liabilities			
Payables, deposits and accruals	20	387,992	164,301
Provisions	21	1,254,760	1,182,379
		1,642,752	1,346,680
Total Liabilities		1,817,387	1,503,762
Total Equity and Liabilities		209,782,146	209,970,901

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Share Capital RM	Non-distributable Share Premium RM	Distributable Retained Earnings RM	Total Equity RM
At 1 January 2013	75,000,000	24,366,593	95,423,020	194,789,613
Profit for the financial year, representing total comprehensive income for the financial year	-	-	13,677,526	13,677,526
At 31 December 2013/1 January 2014	75,000,000	24,366,593	109,100,546	208,467,139
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	(502,380)	(502,380)
At 31 December 2014	75,000,000	24,366,593	108,598,166	207,964,759

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 RM	2013 RM
Cash Flows from Operating Activities			
(Loss)/Profit before tax		(502,380)	13,677,526
Adjustments for:-			
Depreciation of property, plant and equiment		13,087	13,868
Distribution income from unit trusts		(1,293,520)	(1,268,573)
Dividend income		-	(39,000)
Impairment losses on amounts due from subsidiaries		7,809	7,186
Interest income		(625)	(635)
Property, plant and equipment written off		-	1,355
Provisions		98,535	88,244
Reversal of impairment losses on investment in subsidiaries		-	(14,015,164)
Operating loss before working capital changes		(1,677,094)	(1,535,193)
Increase in receivables		(32,102)	(18,674)
Increase/(Decrease) in payables		215,090	(45,818)
Cash used in operations		(1,494,106)	(1,599,685)
Tax refunded		-	50,177
Net cash used in operating activities		(1,494,106)	(1,549,508)
Cash Flows from Investing Activities			
Distribution income received		1,293,520	1,268,573
Dividends received		-	29,250
Interest received		625	635
Purchase of:			
- Property, plant and equipment		(10,577)	(6,156)
Net cash from investing activities		1,283,568	1,292,302
Net decrease in cash and cash equivalents		(210,538)	(257,206)
Cash and cash equivalents at beginning of the financial year		42,546,295	42,803,501
Cash and cash equivalents at end of the financial year	16	42,335,757	42,546,295

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014

1. CORPORATE INFORMATION

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

The registered office of the Company is located Chamber E, Lian Seng Courts, 275 Jalan Haruan 1, Oakland Industrial Park, 70200 Seremban, Negeri Sembilan Darul Khusus. The principal place of business of the Company is located at 2nd Floor, 23 Jalan Kong Sang, 70000 Seremban, Negeri Sembilan Darul Khusus.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 13. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a Board of Directors' resolution dated 9 April 2015.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

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

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

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2 (c).

New and Revised MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") and Amendments to IC Int

(i) Adoption of Amendments/Improvements to MFRSs and New IC Int

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

Amendments/Improvements to MFRSs

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

New IC Int

IC Int 21	Levies

The adoption of the above amendments/improvements to MFRSs and new IC Int did not have any significant effect on the financial statements of the Company.

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

New and Revised MFRSs, Amendments/Improvements to MFRSs and New IC Int and Amendments to IC Int (cont'd)

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

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

		Effective for financial periods beginning on or after
New MFRSs		
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2017
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 July 2014
MFRS 2	Share-based Payment	1 July 2014
MFRS 3	Business Combinations	1 July 2014
MFRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
MFRS 7	Financial Instruments: Disclosures	1 January 2016
MFRS 8	Operating Segments	1 July 2014
MFRS 10	Consolidated Financial Statements	1 January 2016
MFRS 11	Joint Arrangements	1 January 2016
MFRS 12	Disclosures of Interests in Other Entities	1 January 2016
MFRS 13	Fair Value Measurement	1 July 2014
MFRS 101	Presentation of Financial Statements	1 January 2016
MFRS 116	Property, Plant and Equipment	1 July 2014/ 1 January 2016
MFRS 119	Employee Benefits	1 July 2014/ 1 January 2016
MFRS 124	Related Party Disclosures	1 July 2014
MFRS 127	Separate financial statements	1 January 2016
MFRS 128	Investments in Associates and Joint Ventures	1 January 2016
MFRS 138	Intangible Assets	1 July 2014/ 1 January 2016
MFRS 140	Investment Property	1 July 2014
MFRS 141	Agriculture	1 January 2016

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

MFRS 9 Financial Instruments

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

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

New and Revised MFRSs, Amendments/Improvements to MFRSs and New IC Int and Amendments to IC Int (cont'd)

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

MFRS 9 Financial Instruments (cont'd)

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

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

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

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

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

Amendments to MFRS 7 Financial Instruments: Disclosures

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

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

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

New and Revised MFRSs, Amendments/Improvements to MFRSs and New IC Int and Amendments to IC Int (cont'd)

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

Amendments to MFRS 13 Fair Value Measurement

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

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

Amendments to MFRS 101 Presentation of Financial Statements

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

Amendments to MFRS 116 Property, Plant and Equipment

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

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

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

Amendments to MFRS 119 Employee Benefits

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

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

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

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

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

New and Revised MFRSs, Amendments/Improvements to MFRSs and New IC Int and Amendments to IC Int (cont'd)

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

Amendments to MFRS 124 Related Party Disclosures

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

Amendments to MFRS 140 Investment Property

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

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

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

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

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

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

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

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

New and Revised MFRSs, Amendments/Improvements to MFRSs and New IC Int and Amendments to IC Int (cont'd)

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

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures (cont'd)

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

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

(b) Functional and presentation currency

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

(c) Significant accounting estimates and judgements

The significant areas of estimation uncertainty and critical judgements in applying accounting principles that have significant effect on the amounts recognised in the financial statements are described as follows:

(i) Operating lease commitments – the Group as lessor

The Group has entered into commercial property leases on investment properties. The Group has evaluated and determined that it retains all the significant risks and rewards of ownership of the investment properties which are leased out on operating leases, and thus account for the arrangements as operating lease.

(ii) Revenue recognition

The Group had suspended the recognition of income from the oil palm plantation and the lease rental from oil mill with effect from 1 July 2011 following the Ipoh High Court judgements as mentioned in Note 30. The Group has determined that there is a significant uncertainty as to the probability that the economic benefits associated with the plantation and oil mill flow to the Group.

(iii) Useful lives of property, plant and equipment (Note 10) - The cost of property, plant and equipment depreciated on a straight line method over the assets' estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within 5 to 50 years based on past experience with similar assets. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting estimates and judgements (cont'd)

(iv) Impairment loss on receivables (Note 15) – The Group assesses at each reporting date whether there is any objective evidence that a receivable is impaired. Allowances are applied where events or changes in circumstances indicate that the balances may not be collectable. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. Where the expectation is different from the original estimate, such difference will impact the carrying amount of receivables at the reporting date.

(v) Provision for legal fee (Note 21) – The provision is made for legal services in respect of the Group's litigation case as mentioned in Note 30. The amount of provision is determined using the best estimate of the management based on their past experience on similar cases. It is reasonably possible, that outcomes within the next financial year that are different from assumptions would require a material adjustment to the provision made.

(vi) Provision for retirement gratuity (Note 21) – The provision is determined based on the number of years of service of the employees and directors at the reporting date and their salaries over the past years. The retirement gratuity payable is vested upon the employees and directors reaching their retirement age. The provision is discounted at a rate of 4.35% to 5.65% (2013: 4.3%).

(vii) Provision for unutilised leave (Note 21) – The provision is made based on the employees' salaries over the past years and the unutilised leave at the end of the financial year and will be reversed once the leave is utilised.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of controls as mentioned above.

When the Group has less than majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other holders;
- Potential voting rights, if such rights are substantive, held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements;
- The nature of the Group's relationship with other parties and whether those other parties are acting on its behalf (i.e. they are 'de facto agents'); and
- Any additional facts and circumstances that indicate the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(i) Subsidiaries (cont'd)

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

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

(ii) Accounting for business combinations

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the financial year.

The financial statements of the Company and its subsidiaries are all drawn up to the same reporting date.

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group and continue to consolidate until the date that such control ceases.

If the initial accounting for a business combination is incomplete by end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items of which the accounting is incomplete. These provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date, and is subject to a maximum of one year.

Acquisition on or after 1 October 2011

For acquisition on or after 1 October 2011, the Group measures goodwill at the acquisition date as:-

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

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

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

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(ii) Accounting for business combinations (cont'd)

Acquisition on or after 1 October 2011 (cont'd)
Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Acquisition between 1 October 2006 and 30 September 2011
For acquisition between 1 October 2006 and 30 September 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. Any excess of the net fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities of the subsidiaries acquired over the cost of acquisition is recognised immediately in the profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

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

(iii) Non-controlling interests

Non-controlling interests are the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Group, whether directly or indirectly through subsidiaries, and are presented in the consolidated statement of financial position and consolidated statement of changes in equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the financial year between non-controlling interests and the equity shareholders of the Company.

The interests of non-controlling shareholders may be initially measured either at fair value at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

All losses attributable to the non-controlling interests are allocated to the minority shareholders even if the losses exceed the non-controlling interests in the subsidiary's equity.

(iv) Changes in group composition

The Group treats changes in the group composition that do not result in a loss of control as equity transaction between the Group and the minority shareholders. Any difference between the Group's shares of net assets before and after the change, and any consideration received or paid, is recognised directly in equity and attributed to owners of the Company.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(iv) Changes in group composition (cont'd)

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

(v) Transactions eliminated on consolidation

Intra-group balances and unrealised gains and losses arising from intra-group transactions are eliminated in full. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent the Group has interests. Unrealised losses are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

(b) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. Revenue is not recognised to the extent there are significant uncertainties regarding recovery of consideration due.

(i) Interest income

Interest income is recognised using the effective interest method.

(ii) Dividend income and distribution income

Dividend income and distribution income are recognised when the Group's right to receive payment is established.

(iii) 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 lease income over the lease term on a straight-line basis.

(iv) Oil palm plantation

Revenue from oil palm plantation is recognised on an accrual basis.

(c) Employee benefits

(i) Short term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the financial 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 leave are recognised when the absences occur.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Employee benefits (cont'd)

(ii) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(iii) Retirement gratuity scheme

The Company established a retirement gratuity scheme in 2010 for employees and directors of the Group. The amount of retirement gratuity payable is determined by the Board of Directors in relation to the services rendered up to the date of retirement. The retirement gratuity is calculated based on the basic salary over the tenure of employment to date. The retirement gratuity payable is vested upon the employees and directors reaching their retirement age.

(d) Leases

(i) Operating Lease – The Group as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentive provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis. The up-front payment for lease of land represents prepaid land lease payments and are amortised on a straight-line basis over the lease term.

(ii) Operating Lease – The Group as Lessor

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

(e) Tax expense

Tax expense in profit or loss represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the financial year, using tax rates enacted or substantially enacted by the reporting date, and any adjustments recognised for prior financial years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantially enacted by the reporting date.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Tax expense (cont'd)

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

(f) Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that are directly attributable to the acquisition of the asset. Subsequent costs are included in the assets' carrying amount or recognised as separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Freehold land is not depreciated. All other property, plant and equipment are depreciated on the straight line basis to write off the cost of the property, plant and equipment over their estimated useful lives.

The principal annual rates used for this purpose are:

Buildings	2%
Plant and machinery	10%
Office equipment	10% - 12%
Computer equipment	20%
Motor vehicles	20%

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

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

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.

(g) Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of fair value less cost to sell and the value in use, which is measured by reference to discounted future cash flows and is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs to. An impairment loss is recognised whenever the carrying amount of an item of asset exceeds its recoverable amount. An impairment loss is recognised as expense in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Impairment of non-financial assets (cont'd)

Any subsequent increase in recoverable amount of an asset, other than goodwill, due to a reversal of impairment loss is restricted to the carrying amount that would have been determined (net of accumulated depreciation, where applicable) had no impairment loss been recognised in prior financial years. The reversal of impairment loss is recognised in profit or loss.

(h) Financial assets

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

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

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

(i) Financial assets at FVTPL

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

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

Financial assets at FVTPL could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Loans and receivables

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

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

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

(iii) Held-to-maturity

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial assets (cont'd)

(iii) Held-to-maturity (cont'd)

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

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

(iv) Available-for-sale financial assets

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

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

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

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

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

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or where appropriate, a shorter period to the net carrying amount on initial recognition.

(i) Impairment of financial assets

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment of financial assets (cont'd)

(i) Trade and other receivables and other financial assets carried at amortised cost (cont'd)

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

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

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

(ii) Available-for-sale financial assets

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

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

Impairment losses on available-for-sale investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale 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.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and demand deposits with licensed banks and short term highly liquid investments that are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value.

(k) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(l) Financial liabilities

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Financial liabilities (cont'd)

(i) Other financial liabilities

The Group's and the Company's other financial liabilities include other payables and accruals.

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

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

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

(m) Provisions

Provision for liabilities are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of 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 reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where 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.

(n) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 24, including the factors used to identify the reportable segments and the measurement basis of segment information.

(o) Fair value measurement

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimising the use of unobservable inputs.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Fair value measurement (cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at each reporting date.

For the purpose of fair value disclosures, the Group had determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

4. REVENUE

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Dividend income from a subsidiary	-	-	-	39,000

5. (LOSS)/PROFIT BEFORE TAX

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Auditors' remuneration				
- Statutory audit	45,000	42,000	23,000	22,000
Amortisation of prepaid land lease payments (Note 12)	1,648,701	1,648,701	-	-
Depreciation of property, plant and equipment (Note 10)	680,586	704,985	13,087	13,868
Depreciation of investment properties (Note 11)	27,000	27,000	-	-
Employee benefits expense (Note 6)	1,274,830	1,216,868	921,702	885,159
Non-executive directors' remuneration (Note 7)	464,880	516,880	390,880	354,880
Impairment losses on amounts due from subsidiaries (Note 15)	-	-	7,809	7,186

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Net fair value loss/(gain) on financial instruments:				
- Financial assets at fair value through profit or loss	1,812,454	(4,221,626)	-	-
Property, plant and equipment written off	-	1,355	-	1,355
Provision for legal fee	830,000	1,200,000	-	-
Rental of premises	212,880	212,880	193,680	193,680
Interest on obligation	10,420	-	6,754	-
Direct operating expenses from investment properties (including repair and maintenance) that generate rental income	15,586	31,032	-	-
Direct operating expenses from investment properties (including repair and maintenance) that did not generate rental income	7,793	-	-	-
Dividend income	(400,344)	(720,271)	-	(39,000)
Distribution income from unit trusts	(2,796,737)	(2,633,285)	(1,293,520)	(1,268,573)
Interest income from				
- Financial assets at fair value				
- through profit or loss	(277,615)	(278,248)	-	-
- Short term deposits with licensed banks	(6,022)	(5,272)	-	(53)
- Others	(3,521)	(1,538)	(625)	(582)
Gain on disposal of property plant and equipment	(53,000)	-	-	-
Rental income on investment property	(39,600)	(61,200)	-	-
Reversal of impairment losses on investment in subsidiaries	-	-	-	(14,015,164)

6. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Salaries and other emoluments	971,313	946,196	713,813	684,896
Employees Provident Fund	144,988	130,801	110,804	101,497
Other employee benefits				
- Current financial year	158,529	139,871	97,085	98,766
	1,274,830	1,216,868	921,702	885,159

6. EMPLOYEE BENEFITS EXPENSE (CONT'D)

Included in employee benefits expense of the Group and of the Company are the following:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Executive directors' remuneration (excluding benefits in kind) (Note 7)	367,670	372,200	327,670	324,200
Provision for retirement gratuity *	80,015	80,015	64,775	64,775
Provision for unutilised leave	6,871	4,561	9,006	5,469

* Included provision for retirement gratuity of the Group and of the Company for executive directors of the Company amounting to RM15,470 (2013: RM12,000).

7. DIRECTORS' REMUNERATION

The details of remuneration received and receivable by directors of the Company during the financial year are as follows:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Executive Directors:				
Salaries and other emoluments	328,200	336,200	288,200	288,200
Fees	24,000	24,000	24,000	24,000
Retirement gratuity benefits	15,470	12,000	15,470	12,000
Total executive directors' remuneration (excluding benefits in kind) (Note 6)	367,670	372,200	327,670	324,200
Estimated monetary value of benefits in kind	23,950	23,950	-	-
Total executive directors' remuneration (including benefits in kind)	391,620	396,150	327,670	324,200
Non-executive Directors:				
Allowance and other emoluments	410,880	462,880	336,880	300,880
Fees	36,000	36,000	36,000	36,000
Retirement gratuity benefits	18,000	18,000	18,000	18,000
Total non-executive directors' remuneration (excluding benefits in kind) (Note 5)	464,880	516,880	390,880	354,880
Estimated monetary value of benefits in kind	34,850	36,050	-	-
Total non-executive directors' remuneration (including benefits in kind)	499,730	552,930	390,880	354,880
Total directors' remuneration	891,350	949,080	718,550	679,080

8. TAX (CREDIT)/EXPENSE

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Current tax expense:				
Malaysian income tax:				
- current financial year	741	135,785	-	-
- (over)/under provision in prior financial year	(6,277)	12,676	-	-
Tax (credit)/expense recognised in profit or loss	(5,536)	148,461	-	-

The reconciliation of the tax amount at statutory income tax rate of the Group's and of the Company's tax (credit)/expense are as follows:

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
(Loss)/Profit before tax	(4,507,835)	1,608,703	(502,380)	13,677,526
Tax at the Malaysian statutory income tax rate of 25%	(1,127,000)	402,200	(125,600)	3,419,400
Tax effect arising from:				
- Income not subject to taxation	(795,200)	(732,862)	(330,200)	(3,830,500)
Non-deductible expenses	1,116,941	1,009,147	455,200	392,300
Deferred tax assets not recognised during the financial year	806,000	19,200	600	18,800
Effect of changes in deferred tax assets previously not recognised	-	(561,900)	-	-
(Over)/Under provision of income tax expense in prior financial year	(6,277)	12,676	-	-
Tax (credit)/expense recognised in profit or loss	(5,536)	148,461	-	-

The Group has:

(i) an estimated unutilised tax losses of RM2,417,100 (2013: RM1,553,200) available for set off against future taxable profits; and

(ii) an estimated unabsorbed capital allowance of RM432,100 (2013: RM390,100) available for set off against future taxable profits.

9. (LOSS)/EARNINGS PER SHARE

(a) Basic

Basic (loss)/earnings per share is calculated by dividing profit/(loss) for the financial year, net of tax, attributable to owners of the parent by the number of ordinary shares of RM1 each in issue during the financial year.

	Group 2014 RM	Group 2013 RM
(Loss)/Profit for the financial year, attributable to owners of the parent	(4,502,299)	1,460,242
Number of ordinary shares in issue	75,000,000	75,000,000
Basic (loss)/earnings per share (sen)	(6.0)	1.9

(b) Diluted

The Group has no potentially dilutive ordinary shares that may be issued in the future. As such, there is no dilution effect on the loss per ordinary share of the Group for the financial year.

There have been no other transactions involving ordinary shares between reporting date and the date of completion of these financial statements.

10. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Buildings RM	Motor vehicle RM	Computer equipment RM	Plant and machinery RM	Others * RM	Total RM
Cost							
At 1 January 2014	53,367,232	2,216,000	1,527,285	24,189	3,656,887	324,263	61,115,856
Additions	-	-	184,124	1,828	-	8,749	194,701
Disposals		-	(178,624)	-	-	-	(178,624)
Written off	-	-	-	(10,049)	-	-	(10,049)
At 31 December 2014	53,367,232	2,216,000	1,532,785	15,968	3,656,887	333,012	61,121,884
Accumulated depreciation							
At 1 January 2014	-	169,788	792,551	14,108	2,618,758	109,243	3,704,448
Depreciation charge for the financial year	-	44,320	236,160	3,149	365,689	31,268	680,586
Disposals	-	-	(178,624)	-	-	-	(178,624)
Written off	-	-	-	(10,049)	-	-	(10,049)
At 31 December 2014	-	214,108	850,087	7,208	2,984,447	140,511	4,196,361
Net carrying amount							
At 31 December 2014	53,367,232	2,001,892	682,698	8,760	672,440	192,501	56,925,523

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

Group	Freehold land RM	Buildings RM	Motor vehicle RM	Computer equipment RM	Plant and machinery RM	Others * RM	Total RM
Cost							
At 1 January 2013	53,367,232	3,566,000	1,527,285	40,426	3,656,887	323,365	62,481,195
Transferred to investment property	-	(1,350,000)	-	-	-	-	(1,350,000)
Additions	-	-	-	8,046	-	2,757	10,803
Written off	-	-	-	(24,283)	-	(1,859)	(26,142)
At 31 December 2013	53,367,232	2,216,000	1,527,285	24,189	3,656,887	324,263	61,115,856
Accumulated depreciation							
At 1 January 2013	-	242,468	528,288	34,927	2,253,069	82,498	3,141,250
Transferred to investment property	-	(117,000)	-	-	-	-	(117,000)
Depreciation charge for the financial year	-	44,320	264,263	3,464	365,689	27,249	704,985
Written off	-	-	-	(24,283)	-	(504)	(24,787)
At 31 December 2013	-	169,788	792,551	14,108	2,618,758	109,243	3,704,448
Net carrying amount							
At 31 December 2013	53,367,232	2,046,212	734,734	10,081	1,038,129	215,020	57,411,408

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

Company	Motor vehicle RM	Computer equipment RM	Others * RM	Total RM
Cost				
At 1 January 2014	8,651	14,893	111,762	135,306
Additions	-	1,828	8,749	10,577
Written off	-	(10,049)	-	(10,049)
At 31 December 2014	8,651	6,672	120,511	135,834
Accumulated depreciation				
At 1 January 2014	4,630	11,879	61,795	78,304
Depreciation charge for the financial year	1,298	1,027	10,762	13,087
Written off	-	(10,049)	-	(10,049)
At 31 December 2014	5,928	2,857	72,557	81,342
Net carrying amount				
At 31 December 2014	2,723	3,815	47,954	54,492
Cost				
At 1 January 2013	8,651	20,251	110,864	139,766
Additions	-	3,399	2,757	6,156
Written off	-	(8,757)	(1,859)	(10,616)
At 31 December 2013	8,651	14,893	111,762	135,306
Accumulated depreciation				
At 1 January 2013	2,900	19,312	51,486	73,698
Depreciation charge for the financial year	1,730	1,324	10,814	13,868
Written off	-	(8,757)	(505)	(9,262)
At 31 December 2013	4,630	11,879	61,795	78,304
Net carrying amount				
At 31 December 2013	4,021	3,014	49,967	57,002

* Others comprise of renovation, electrical installation, office equipment and furniture and fittings.

Included in property, plant and equipment of the Group are plant and machinery with net carrying amount of RM143,018 (2013:RM324,516) which is part of the subject of the litigation as disclosed in Note 30.

11. INVESTMENT PROPERTIES

	Group 2014 RM	Group 2013 RM
Investment Properties		
Cost		
At 1 January	1,350,000	-
Transferred from property, plant and equipment	-	1,350,000
At 31 December	1,350,000	1,350,000
Accumulated depreciation		
At 1 January	144,000	-
Transferred from property, plant and equipment	-	117,000
Charge for the financial year	27,000	27,000
At 31 December	171,000	144,000
Net carrying amounts	1,179,000	1,206,000
Estimated fair value	1,470,000	1,500,000

The investment properties with a net carrying amount of RM1,179,000 (2013: RM1,206,000) are registered under the name of a third party company which is holding the assets in trust for the Group.

The Group's investment properties consists of 3 units of condominiums in Damansara Heights.

The estimated fair value of investment properties were arrived at by the directors of the Company by reference to similar properties in the locality and adjusting for size, present market trend and other differences.

Description of key input to valuation on investment properties is as follows:

Significant unobservable inputs	Range
Estimated price per square foot	RM 481 - RM511

12. PREPAID LAND LEASE PAYMENT

	Group 2014 RM	Group 2013 RM
Cost		
At 1 January/31 December	46,163,622	46,163,622
Accumulated amortisation		
At 1 January	13,189,607	11,540,906
Charge for the financial year	1,648,701	1,648,701
At 31 December	14,838,308	13,189,607
Net carrying amount	31,325,314	32,974,015
Amounts to be amortised:		
- Not later than one year	1,648,701	1,648,701
- Later than one year but not later than five years	6,594,804	6,594,804
- Later than five years	23,081,809	24,730,510

The prepaid land lease payments have a remaining tenure of 19 years (2013: 20 years). The above leasehold land is part of the subject under the litigation as disclosed in Note 30.

13. INVESTMENT IN SUBSIDIARIES

	Company 2014 RM	Company 2013 RM
Unquoted shares, at costs		
At 1 January	167,215,233	167,215,233
Less: Accumulated impairment losses		
At 1 January	233,718	14,248,882
Reversal	-	(14,015,164)
At 31 December	233,718	233,718
	166,981,515	166,981,515

Details of the subsidiaries are as follows:

Name of Company	Principal Place of Business/ Country of Incorporation	Principal Activities	Proportion of Ownership Interest /Voting rights 2014	Proportion of Ownership Interest /Voting rights 2013
Held by the Company:				
Malpac Capital Sdn. Bhd.	Malaysia	Cultivation of oil palm	100%	100%
Malpac Management Sdn. Bhd.	Malaysia	Dormant	100%	100%
Malpac Assets Management Sdn. Bhd.	Malaysia	Dormant	100%	100%
Malpac Land Sdn. Bhd.	Malaysia	Dormant	100%	100%
Discovery Assets Sdn. Bhd.	Malaysia	Dormant	100%	100%
Precious Way International Limited #	British Virgin Islands	Dormant	100%	100%
Held through Malpac Capital Sdn. Bhd.:				
Radiant Response Sdn. Bhd. @	Malaysia	Dormant	100%	100%

All subsidiaries are audited by Baker Tilly AC.

Not required to be audited under the local laws and regulations and was consolidated using unaudited management financial statements.

@ The subsidiary is part of the subject under litigation as disclosed in Note 30. During the financial year, the Company delivered the share certificates for two (2) ordinary shares of RM1.00 each in the subsidiary to the Plaintiffs' solicitor as stakeholder pursuant to the Federal Court's decision whilst the Company still held the share certificates of the remaining 99,998 ordinary shares of RM1.00 each in the subsidiary.

14. OTHER INVESTMENTS

	2014 Carrying amount RM	2014 Market value of quoted investments RM	2013 Carrying amount RM	2013 Market value of quoted investments RM
Group				
Non-current				
Equity instruments (quoted in Malaysia)	14,018,010	14,018,010	15,301,926	15,301,926
Current				
Equity instruments (quoted in Malaysia)	6,807,239	6,807,239	7,450,967	7,450,967
Represented by:				
Equity instruments (quoted in Malaysia)	20,825,249	20,825,249	22,752,893	22,752,893

15. RECEIVABLES AND DEPOSITS

	Note	2014 RM	2013 RM
Group			
Trade receivables			
Loan receivable		2,291,047	2,291,047
Less: Allowance for impairment Loan receivable		(2,291,047)	(2,291,047)
Trade receivables, net	(a)	-	-
Other receivables			
Other receivables		122,492	43,012
Deposits		64,812	64,970
Other receivables, net		187,304	107,982
Total trade and other receivables	(b)	187,304	107,982
Company			
Other receivables			
Amounts due from subsidiaries	(b)	432,846	400,744
Deposits		51,270	51,270
		484,116	452,014
Less: Allowance for impairment Amounts due from subsidiaries		(83,484)	(75,675)
Total other receivables	(b)	400,632	376,339

15. RECEIVABLES AND DEPOSITS (CONT'D)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 days (2013: 30 days) credit term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

Trade ageing analysis of the Group's trade receivables are as follows:

	2014 RM	2013 RM
Group		
Impaired	2,291,047	2,291,047

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

The movement of allowance accounts used to record the impairment is as follows:

	2014 RM	2013 RM
Group		
At 1 January	2,291,047	25,583,710
Written off during the financial year	-	(23,292,663)
At 31 December	2,291,047	2,291,047

(b) Other receivables

Amounts due from subsidiaries are non-trade in nature, unsecured, interest free and repayable on demand by cash.

The movement of allowance account used to record the impairment of other receivables is as follows:

Group	2014 RM	2013 RM
At 1 January	-	8,508,045
Written off during the financial year	-	(8,508,045)
At 31 December	-	-
Company		
At 1 January	75,675	68,489
Provision for the financial year (Note 5)	7,809	7,186
At 31 December	83,484	75,675

16. CASH AND CASH EQUIVALENTS

	2014 RM	2013 RM
Group		
Unit trusts - highly liquid investments	89,591,800	89,452,317
Short term deposits with licensed banks	101,218	92,217
Cash at banks and on hand	414,879	346,466
Cash and cash equivalents	90,107,897	89,891,000
Company		
Unit trusts - highly liquid investments	42,194,297	42,383,413
Cash at banks and on hand	141,460	162,882
	42,335,757	42,546,295

The short-term deposits of the Group bear effective interest at a rate of 3.10% to 3.35% (2013: 3.15%) with maturity period of 30 to 92 days (2013: 90 to 92 days).

17. SHARE CAPITAL

	Group/Company 2014 RM	2013 RM
Authorised:		
200,000,000 ordinary shares of of RM1 each	200,000,000	200,000,000
Issued and fully paid:		
75,000,000 ordinary shares of RM1 each	75,000,000	75,000,000

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 residual interests.

18. RESERVES

	2014 RM	2013 RM
Group		
Non-distributable		
Share premium	24,366,593	24,366,593
Distributable		
Retained earnings	92,420,531	96,922,830
	116,787,124	121,289,423
Company		
Non-distributable		
Share premium	24,366,593	24,366,593
Distributable		
Retained earnings	108,598,166	109,100,546
	132,964,759	133,467,139

18. RESERVES (CONT'D)

(a) Share premium

This reserve comprises premium paid on subscription of shares of the Company above par value of the shares.

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60 (3) of the Companies Act, 1965 in Malaysia.

(b) Retained earnings

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

19. DEFERRED TAX ASSETS

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

	2014 RM	2013 RM
Group		
Deferred tax assets		
Unabsorbed capital allowance	432,100	390,100
Unutilised tax losses	2,417,100	1,553,200
Fair value adjustment in respect of investment securities	3,359,800	1,378,900
Deductible temporary differences arising from expenses	3,516,000	3,178,800
	9,725,000	6,501,000
Company		
Deductible temporary differences arising from expenses	1,419,000	1,416,300

20. PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Other payables	4,590,221	4,259,698	177,429	1
Deposits	9,628	6,100	-	-
Accruals	382,620	363,280	210,563	164,300
	4,982,469	4,629,078	387,992	164,301

Included in other payables of the Group is deposit received from a third party amounting to RM4,100,000 (2013: RM4,100,000) for the disposal of a subsidiary, Radiant Response Sdn. Bhd. and the leasehold plantation land. The proposed disposal is under litigation as disclosed in Note 30.

21. PROVISIONS

Group	Retirement gratuity RM	Unutilised leave RM	Legal fee RM	Total RM
At 1 January 2014	1,256,825	234,653	2,045,578	3,537,056
Additional provision	96,482	46,117	830,000	972,599
Utilisation of provision	(46,570)	(39,246)	(621,278)	(707,094)
At 31 December 2014	1,306,737	241,524	2,254,300	3,802,561
At 1 January 2013	1,288,090	230,092	1,068,078	2,586,260
Additional provision	98,015	46,953	1,200,000	1,344,968
Utilisation of provision	-	(42,392)	(222,500)	(264,892)
Effect of discounting	(129,280)	-	-	(129,280)
At 31 December 2013	1,256,825	234,653	2,045,578	3,537,056

Provisions as at reporting date are shown as follows:

	2014 RM	2013 RM
Non-current	271,737	242,330
Current	3,530,824	3,294,726
	3,802,561	3,537,056

Company	Retirement gratuity RM	Unutilised leave RM	Total RM
At 1 January 2014	1,128,707	210,754	1,339,461
Additional provision	80,928	37,981	118,909
Utilisation of provision	-	(28,975)	(28,975)
At 31 December 2014	1,209,635	219,760	1,429,395
At 1 January 2013	1,136,050	205,285	1,341,335
Additional provision	82,775	37,981	120,756
Utilisation of provision	-	(32,512)	(32,512)
Effect of discounting	(90,118)	-	(90,118)
At 31 December 2013	1,128,707	210,754	1,339,461

Provisions as at reporting date are shown as follow:

	2014 RM	2013 RM
Non-current	174,635	157,082
Current	1,254,760	1,182,379
	1,429,395	1,339,461

21. PROVISIONS (CONT'D)

(a) Retirement gratuity

Provision for retirement gratuity are for employees and directors. The details of the retirement gratuity scheme is disclosed in Note 3 (c)(iii). The provision is discounted at a rate of 4.35% to 5.65% (2013: 4.3%).

The amounts recognised in profit or loss are as follows:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Current service costs	86,062	98,015	74,174	82,775
Interest on obligation	10,420	-	6,754	-
	96,482	98,015	80,928	82,775

(b) Unutilised leave

The provision for unutilised leave is made based on the employees' salaries over the past years and the unutilised leave at the end of the financial year and will be reversed once the leave is utilised.

(c) Legal fee

The provision is made for legal services in respect of the Group's litigation case as mentioned in Note 30. The amount of provision is determined using the best estimate of the management based on their past experience on similar cases.

22. RELATED PARTY DISCLOSURES

(a) Identity of related parties

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

The Group and the Company have a related party relationship with its subsidiaries and key management personnel.

(b) Compensation of key management personnel

Key management personnel include personnel having authority and responsibility for planning, directing and controlling the activities of the entities, either directly or indirectly, including any directors of the Group.

22. RELATED PARTY DISCLOSURES (CONT'D)

(b) Compensation of key management personnel (cont'd)

The remuneration of the key management personnel are as follows:-

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Salaries and other emoluments	975,330	988,080	861,330	778,080
Directors' fees	60,000	60,000	60,000	60,000
Retirement gratuity benefits	72,845	69,375	72,845	69,375
Estimated monetary value of benefits-in-kind	64,683	65,300	-	-
	1,172,858	1,182,755	994,175	907,455

Included in compensation of key management personnel of the Group and of the Company are directors' remuneration as disclosed in Note 7.

Information regarding outstanding balances arising from related party transactions as at 31 December 2014 is disclosed in Note 15.

23. COMMITMENTS

(a) Operating lease commitments – as lessee

In addition to the prepaid land lease payments disclosed in Note 12 the Group have entered into non-cancellable operating lease arrangements for the use of buildings. These leases have an average tenure of between 1 and 3 years with option of renewal included in the contracts. There are no restrictions placed upon the Group and the Company by entering into these leases.

Minimum lease payments, including amortisation of prepaid lease payments recognised in profit or loss for the financial year ended 31 December 2014 for the Group and the Company amounted to RM1,861,581 (2013: RM1,861,581).

Future minimum rentals payable under non-cancellable operating leases (excluding prepaid lease payments) at the reporting date are as follows:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Not later than 1 year	204,080	208,080	193,680	193,680
Later than 1 year and not later than 5 years	129,120	333,200	129,120	322,800
	333,200	541,280	322,800	516,480

24. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

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

Group 2014	Fair value through profit or loss RM	Loans and receivables RM	Total RM
Financial assets			
Receivables and deposits	-	187,304	187,304
Other investments	20,825,249	-	20,825,249
Cash and cash equivalents	-	90,107,897	90,107,897
	20,825,249	90,295,201	111,120,450

Group 2014	Financial liabilities at amortised cost RM	Total RM
Financial liabilities		
Payables and accruals	4,982,469	4,982,469

Group 2013	Fair value through profit or loss RM	Loans and receivables RM	Total RM
Financial assets			
Receivables and deposits	-	107,982	107,982
Other investments	22,752,893	-	22,752,893
Cash and cash equivalents	-	89,891,000	89,891,000
	22,752,893	89,998,982	112,751,875

Group 2013	Financial liabilities at amortised cost RM	Total RM
Financial liabilities		
Payables and accruals	4,629,078	4,629,078

Company 2014	Loans and receivables RM	Total RM
Financial assets		
Receivables and deposits	400,632	400,632
Cash and cash equivalents	42,335,757	42,335,757
	42,736,389	42,736,389

Company 2014	Financial liabilities at amortised cost	Total RM
Financial liabilities		
Payables and accruals	387,992	387,992

24. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (cont'd)

Company 2013	Loans and receivables RM	Total RM
Financial assets		
Receivables and deposits	376,339	376,339
Cash and cash equivalents	42,546,295	42,546,295
	42,922,634	42,922,634

Company 2013	Financial liabilities at amortised cost RM	Total RM
Financial liabilities		
Payables and accruals	164,301	164,301

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

The methods and assumptions used to determine the fair value of the following classes of financial assets and liabilities are as follows:

(a) Cash and cash equivalents, trade and other receivables and payables

The carrying amounts of cash and cash equivalents, trade and other receivables and payables are reasonable approximation of fair values due to short term nature of these financial instruments.

(b) Quoted equity instruments

The fair value of these financial assets is determined by reference to the quoted closing bid price at the reporting date.

26. FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities as at 31 December:

		Fair value measurement using		
	Total RM	Level 1 RM	Level 2 RM	Level 3 RM
Group				
Assets measured at fair value				
2014				
Financial assets at fair value through profit or loss - Quoted equity and debt instruments	20,825,249	20,825,249	-	-
2013				
Financial assets at fair value through profit or loss - Quoted equity and debt instruments	22,752,893	22,752,893	-	-

26. FAIR VALUE HIERARCHY (CONT'D)

	Total RM	Fair value measurement using Level 1 RM	Level 2 RM	Level 3 RM
Group (cont'd)				
Assets for which fair value is disclosed (Note 11)				
2014				
Investment properties	1,470,000	-	-	1,470,000
2013				
Investment properties	1,500,000	-	1,500,000	-

During the financial years ended 31 December 2014 and 2013, there was no transfer between Level 1 and Level 2 of the fair value measurement hierarchy.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, liquidity and credit risks. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

It is, and has been throughout the financial year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken. The Group and the Company do not apply hedge accounting.

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

(a) Interest rate risk

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

The Group's and the Company's exposure to interest rate risk arises primarily from interest bearing financial assets which are deposits placed with licensed banks. The deposits placed with licensed banks are short term in nature and are not held for speculation purpose but are placed to earn better yield than cash at banks. The deposits at fixed rate expose the Group and the Company to fair value interest rate risk.

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables and the maximum risk associated with recognised financial assets is the carrying amounts as presented in the statements of financial position. For other financial assets, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group and the Company do not have any significant exposure to any individual customer at the reporting date.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. 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 objective is to maintain continuity of funding so as to ensure that all repayment and funding needs are met. As part of its liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

The Group's and the Company's financial liabilities at the reporting date either mature within one year or are repayable on demand.

(d) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market prices. The Group and the Company is exposed to market price risk arising from its investment in quoted shares. These instruments are classified financial assets at FVTPL. The Group and the Company do not have exposure to commodity price risk.

The Group's objective is to manage investment returns and equity price risk using a mix of investment grade shares with steady dividend yield and non-investment grade shares with higher volatility.

<u>Sensitivity analysis for market price risk</u>
At the reporting date, if the market prices had been 5% higher/lower, with all other variables held constant, the Group's loss/profit net of tax would have been RM780,950 (2013: RM835,200) higher/lower, arising as a result of higher/lower fair value gains on held for trading investments in equity instruments.

28. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder's value.

The Group manages its capital structure and makes adjustments to it, in light of changes in business and economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or obtaining borrowings.

No changes were made in the objectives, policies or processes during the financial years ended 31 December 2014 and 2013.

There were no bank borrowings for the current and previous financial year. Accordingly calculation of gross debt equity ratio is not meaningful to the Group and the Company.

The Group and the Company are not subject to any externally imposed capital requirements.

29. SEGMENT INFORMATION

The segment reporting format is determined to be business segments as the Group's risk and rates of return are affected predominantly by differences in the products and services produced. The operating business 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 services.

29. SEGMENT INFORMATION (CONT'D)

The Group comprises the following business segments:

(i) Investment holding
(ii) Oil palm plantation

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

	Investment holding RM	Oil palm plantation RM	Total RM
2014			
Results:			
Loss before tax	(2,493,445)	(2,014,390)	(4,507,835)
Income tax expense			5,536
Loss, net of tax			(4,502,299)
Assets:			
Segment assets	168,552,533	31,997,754	200,550,287
Unallocated assets			22,000
Total assets			200,572,287
Liabilities:			
Segment liabilities	2,430,863	6,354,300	8,785,163
Other segment information:			
Additions to non-current assets (excluding deferred tax assets and financial instruments)	194,701	-	194,701
Depreciation and amortisation	341,897	2,014,390	2,356,287
2013			
Results:			
Loss before tax	3,623,093	(2,014,390)	1,608,703
Income tax expense			(148,461)
Profit, net of tax			1,460,242
Assets:			
Segment assets	170,443,461	34,012,144	204,343,298
Unallocated assets			112,307
Total assets			204,455,605
Liabilities:			
Segment liabilities	2,020,604	6,145,578	8,166,182
Other segment information:			
Additions to non-current assets (excluding deferred tax assets and financial instruments)	10,803	-	10,803
Depreciation and amortisation	366,296	2,014,390	2,380,686

* The Group had suspended recognition of income from oil palm plantation and lease rental from oil mill with effect from 1 July 2011 as mentioned in Note 2(c).

<u>Geographical information</u>
The Group's operations are located only in Malaysia.

30. MATERIAL LITIGATION

On 5 April 2002, a wholly-owned subsidiary of the Company, Malpac Capital Sdn. Bhd. ("MCSB") entered into a Conditional Sale and Purchase Agreement ("the Agreement") to dispose of its subsidiary, Radiant Responses Sdn. Bhd. ("RRSB") together with 2 parcels of leasehold land to Yong Toi Mee and Cheang Kim Leong ("the Purchasers") for a consideration of RM2 and the repayment by the Purchasers of the shareholder's loan of RRSB of RM30,600,000, as part of a composite transaction and encompassing the palm oil mill situated on part of the plantation by a lessee for a total consideration of RM53,000,002.

On 15 November 2002, a Subsequent Letter Agreement was executed by both parties recognising the Agreement had lapsed as not all approvals from the relevant authorities had been obtained and also negotiations to acquire the palm oil mill sited on the subject plantation had not been successful.

On 21 April 2007, the Purchasers (hereinafter also referred to as "the Plaintiffs") had filed a writ of summons and statements of claim against MCSB and RRSB seeking for specific performance of the Agreement.

On 5 May 2011, the Ipoh High Court ("High Court") delivered an oral judgement in favour of the Plaintiffs and ordered specific performance of the Agreement whereby MCSB and RRSB were required to complete the sale within three months from the date of receipt of the balance purchase price. Costs were ordered against the defendants.

Effective 1 July 2011, MCSB had suspended recognition of income from oil palm plantation and palm oil mill since no income had been received from the oil palm plantation following the High Court's decision given in favour of the Plaintiffs in the Civil Suit.

The Court of Appeal had on 17 January 2012 made a unanimous decision in MCSB's and RRSB's favour with costs awarded to MCSB. No plantation income have been received from the Plaintiffs despite demand from MCSB following the Court of Appeal's decision.

On 4 September 2013, the Federal Court allowed the Plaintiffs' appeal, set aside the decision of the Court of Appeal and affirmed the decision of the High Court.

On 4 March 2014, the Federal Court dismissed the Company's application for a judicial review.

On 31 July 2014, the Board convened an Extraordinary General Meeting to seek shareholders' approval for the disposal of the palm oil plantation and mill. The proposal was rejected by the shareholders. The Group was served a copy of an Application for Supplementary Orders on 3 July 2014 by the Plaintiffs for the completion of the sale of the plantation and palm oil mill. On 17 February 2015, the High Court allowed the Plaintiffs' application for supplementary orders and declined and dismissed the Group's cross application to determine certain threshold and/ or related questions (including the payment by the Plaintiffs of the Plantation profits of RM36.7 million as at June 2014 as well as the implication of Section 132C of the Companies Act, 1965). The Group's solicitors had applied for a stay of execution in relation to the High Court's decision and the hearing for application is fixed for 22 April 2015.

On 19 March 2015, the Group's solicitors had filed appeals to the Court of Appeal against the decision of the High Court. The appeals are fixed for case management on 16 April 2015.

As at 31 December 2014, the net carrying amount of the 2 parcels of leasehold land and the palm oil mill were RM31.33 million and RM0.14 million respectively. Should the decision of the Courts be carried through to completion, the directors expect to realise a gain on disposal of RM21.53 million based on the financial statements of the Group for the financial year ended 31 December 2014.

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

The following analysis of realised and unrealised retained earnings of the Group and of the Company at 31 December 2014 and 31 December 2013 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Malaysia") dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The retained earnings of the Group and of the Company as at reporting date are analysed as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total retained earnings of the Company and its subsidiaries:				
- realised	91,437	94,732	108,598	109,100
- unrealised	503	1,882	-	-
	91,940	96,614	108,598	109,100
Add: Consolidation adjustments	481	309	-	-
Total retained earnings	92,421	96,923	108,598	109,100

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

LIST OF PROPERTIES HELD

as at 31 December 2014

Location	Description (Building Age)/ Existing Use	Tenure	Land Area/ Built-up Area	Net Book Value (RM'000)	Date of Acquisition
Lot No. 11644 Mukim Durian Sebatang Daerah Hilir Perak Perak Darul Ridzuan	Oil palm estate	Leasehold (expiring 24.7.2034)	1,266.05 hectares	19,504	4.8.2003
Lot No. 6863 Mukim Hutan Melintang Daerah Hilir Perak Perak Darul Ridzuan	Oil palm estate	Leasehold (expiring 24.7.2034)	767.33 hectares	11,821	4.8.2003
Lot P.T.65571 Mukim Tebrau Daerah Johor Bahru Johor Darul Takzim	Vacant commercial land	Freehold	6.74 hectares	37,364	9.9.2003
PTD 58152-58177 HS(D) 216990-217015 PTD 58179-58211 HS(D) 217016-217048 PTD 58213-58331 HS(D) 217049-217167 Mukim of Tebrau Daerah of Johor Bahru Johor Darul Takzim	178 vacant bungalow lots	Freehold	113,369.85 sq. metres	15,118	9.9.2003
Lot 491 Mukim & Daerah Seremban Negeri Sembilan Darul Khusus	Vacant land	Freehold	6.481 acres	679	5.10.2004
Lot 5142 Bandar & Daerah Seremban Negeri Sembilan Darul Khusus	Vacant land	Freehold	34.50 poles	206	5.10.2004
B-6-10, B-9-10, B-12-3A West Wing 10 Semantan No. 10 Jalan Semantan 50490 Kuala Lumpur	3 units of 2-bedroom condominium (6 years)/ 2 units tenanted 1 unit vacant	Leasehold (expiring 3.6.2108)	980 sq. feet per unit	1,179	27.6.2008
No. 16.01 PT No. 200, Seksyen 1 Bandar Tanjong Tokong Daerah Timur Laut Pulau Pinang	A 4-bedroom condominium (5 years)/ For own use	Freehold	6,300 sq. feet	2,002	11.2.2009

FINANCIAL CALENDAR

Financial Period From 1 January 2014 to 31 December 2014

RESULTS

First Quarter ended 31 March 2014	Announced On	23 April 2014
Second Quarter ended 30 June 2014	Announced On	20 August 2014
Third Quarter ended 30 September 2014	Announced On	19 November 2014
Fourth Quarter ended 31 December 2014	Announced On	25 February 2015

NOTICE OF ANNUAL GENERAL MEETING	28 April 2015
TWENTY-FIFTH ANNUAL GENERAL MEETING	21 May 2015

ANALYSIS OF SHAREHOLDINGS

as at 1 April 2015

Share Capital

Authorised share capital	:	RM200,000,000.00
Issued and paid-up capital	:	RM75,000,000.00
Class of shares	:	Ordinary shares of RM1.00 each
Voting rights	:	1 vote per ordinary share
No. of shareholders	:	1,832

Directors' Shareholdings

Name of Directors	Direct Interest	% of Issued Shares	Indirect Interest	% of Issued Shares
Lim Hong Liang	13,366,008	17.82	3,691,900*	4.92
Tan Chon Sing @ Tan Kim Tieng	10,315,393	13.75	2,209,300**	2.95
Gan Teck Chong @ Gan Kwan Chong	3,917,303	5.22	3,091,300**	4.12
Chew Loy Chee	3,152,188	4.20	360,000**	0.48
Kan Ah Chun	2,180,260	2.91	-	-
Muhayuddin Bin Musa	-	-	-	-
Johari Low Bin Abdullah	-	-	-	-

Notes:

* *Deemed indirect interest by virtue of him being a director and shareholder in Wawasan Lembaran Sdn Bhd which in turn holds 4.92% in Malpac Holdings Berhad.*

** *Indirect interest through family members.*

Size of Shareholdings

Size of Holdings	No. of Holders	% of Holders	No. of Shares Held	% of Issued Shares
Less than 100	12	0.66	356	0.00
100 - 1,000	649	35.43	628,992	0.84
1,001 - 10,000	1,015	55.40	3,813,900	5.09
10,001 - 100,000	114	6.22	3,410,200	4.55
100,001 - 3,749,999*	38	2.07	31,510,348	42.01
3,750,000 and above**	4	0.22	35,636,204	47.51
	1,832	100	75,000,000	100

* *Less than 5% of issued shares.*

** *5% and above of issued shares.*

ANALYSIS OF SHAREHOLDINGS (CONT'D)

as at 1 April 2015

Substantial Shareholders

Name of Substantial Shareholders	Direct Interest	% of Issued Shares	Indirect Interest	% of Issued Shares
Lim Hong Liang	13,366,008	17.82	3,691,900*	4.92
Tan Chon Sing @ Tan Kim Tieng	10,315,393	13.75	2,209,300**	2.95
Advance Synergy Capital Sdn Bhd (ASCSB)	8,037,500	10.71	-	-
Advance Synergy Berhad (ASB)	-	-	8,037,500^	10.71
Dato' Ahmad Sebi Bakar	-	-	8,037,500+	10.71
Gan Teck Chong @ Gan Kwan Chong	3,917,303	5.22	3,091,300**	4.12

Notes:

* *Deemed indirect interest by virtue of him being a director and shareholder in Wawasan Lembaran Sdn Bhd which in turn holds 4.92% in Malpac Holdings Berhad.*

** *Indirect interest through family members.*

^ *Deemed interested by virtue of its interest in ASCSB, a wholly-owned subsidiary.*

+ *Deemed interested by virtue of his substantial shareholdings in ASB.*

30 Largest Shareholders

No.	Name of Shareholders	No. Of Shares Held	% of Issued Shares
1.	Lim Hong Liang	13,366,008	17.82
2.	Tan Chon Sing @ Tan Kim Tieng	10,315,393	13.75
3.	Advance Synergy Capital Sdn Bhd	8,037,500	10.71
4.	Gan Teck Chong @ Gan Kwan Chong	3,917,303	5.22
5.	Wawasan Lembaran Sdn Bhd	3,691,900	4.92
6.	Chew Loy Chee	3,152,188	4.20
7.	Mary Tan @ Tan Hui Ngoh	3,091,300	4.12
8.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teo Siew Lai (Margin)	2,428,700	3.24
9.	Ng Faai @ Ng Yoke Pei	2,209,300	2.95
10.	Kan Ah Chun	2,180,260	2.91
11.	Goh Siang Kuan	2,084,400	2.78
12.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Garth Kevin Albuquerque	2,001,000	2.67

ANALYSIS OF SHAREHOLDINGS (CONT'D)
as at 1 April 2015

30 Largest Shareholders (cont'd)

No.	Name of Shareholders	No. Of Shares Held	% of Issued Shares
13.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teo Kwee Hock (STA 1)	1,595,400	2.13
14.	Loh Siew Hooi	1,402,700	1.87
15.	Teo Kwee Hock	1,343,500	1.79
16.	Yee Quek Peng	933,700	1.24
17.	Chin Kian Fong	380,000	0.51
18.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Soh Chee Wen	365,000	0.49
19.	Yap Ah Ngah @ Yap Neo Nya	360,000	0.48
20.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chin Kiam Hsung	344,000	0.46
21.	Goh Ah Peng	289,600	0.39
22.	CIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lee Chin Hwa (Seremban-CL)	260,000	0.35
23.	Looi Lei Chow	247,700	0.33
24.	Goh Peng Cheong	242,000	0.32
25.	Tong Seow Mei	225,000	0.30
26.	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Phng Hooi Siang @ Fong Hooi Siang	210,000	0.28
27.	Law Chee Pei	209,100	0.28
28.	Tan Akuan	203,000	0.27
29.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chin Kiam Hsung	199,000	0.27
30.	Lama Tile (Utara) Sdn Bhd	179,000	0.24
	Total	65,463,952	87.29

Malpac Holdings Berhad
(197424-V)

PROXY FORM

Number of Shares Held	

I/We, ______________________________ NRIC No. / Company No. ______________
(PLEASE USE BLOCK LETTERS)

of ____

being a member(s) of **MALPAC HOLDINGS BERHAD**, hereby appoint ______________________

NRIC No. ______________ of ______________________________

or ______________________ NRIC No. ______________________

of ____

or the Chairman of the meeting to be my/our proxy/proxies to attend and on a poll to vote for me/us on my/our behalf at the Twenty-Fifth Annual General Meeting of the Company to be held at Dewan Tuanku Ja'afar, Royal Sungai Ujong Club, 2A, Jalan Dato' Kelana Ma'amor, 70000 Seremban on Thursday, 21 May 2015 at 10.00 a.m. or at any adjournment thereof.

My/Our proxy/proxies is/are to vote as indicated below:

Resolution		For	Against
1.	To receive and adopt the audited financial statements for the year ended 31 December 2014 together with the Reports of Directors and Auditors thereon.		
2.	To approve the payment of Directors' Fee of RM60,000.00 for the year ended 31 December 2014.		
3.	To re-elect Mr Lim Hong Liang who retire pursuant to Article 80 and 82 of the Company's Articles of Association.		
4.	To re-appoint Mr Chew Loy Chee pursuant to Section 129 (6) of the Companies Act 1965.		
5.	To re-appoint Mr Tan Chon Sing @ Tan Kim Tieng pursuant to Section 129 (6) of the Companies Act 1965.		
6.	To re-appoint Auditors and to authorize the Directors to fix their remuneration.		
7.	Special Business (Ordinary Resolution): Authority to issue shares pursuant to Section 132(D) of the Companies Act 1965. (Ordinary Resolution)		
8.	Special Business (Ordinary Resolution): Proposed renewal of authority to purchase its own shares by the Company (Ordinary Resolution)		

Date __________ day of __________, 2015

____
Signature/Common Seal

Notes:

1. A member of the Company who is entitled to attend and vote in the Meeting is entitled to appoint a proxy / proxies to attend and vote in his / her stead. A proxy may but need not be a member of the Company

   The Form of Proxy must be deposited with the Company Secretary at the registered office of the Company at Chamber E, Lian Seng Courts, 275 Jalan Haruan 1, Oakland Industrial Park, 70200 Seremban, Negeri Sembilan Darul Khusus not less than 48 hours before the time appointed for holding the Meeting.

2. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hand of the appointor or of his attorney duly authorized in writing or, if the appointor is a corporation, either under the Seal or under the hand of an officer or attorney duly authorized.

3. Where a member appoints two or more proxies to attend at the same meeting, the appointment shall be invalid unless the holder specified the proportion of his shareholdings to be represented by each proxy.

4. Only members whose names appear in the Record of Depositors as at 12 May 2015 will be entitled to attend and vote at the meeting.

5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with ordinary shares of the Company.

6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominees may appoint in respect of each omnibus account it holds.

7. Please indicate with an "X" in the appropriate box how you wish your vote to be cast in respect of each resolution. If this proxy is returned without any indication as to how the proxy shall vote, the proxy shall vote or abstain from voting at his discretion.

8. Any alteration made in this form must be initiated by the person who signs it.

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STAMP

THE COMPANY SECRETARY

MALPAC HOLDINGS BERHAD

(197424-V)

Chamber E, Lian Seng Courts
275 Jalan Haruan 1
Oakland Industrial Park
70200 Seremban
Negeri Sembilan Darul Khusus

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