Financial Statements

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, construction, mining and mineral exploration.

The principal activities of the subsidiaries are shown in Note 41 to the financial statements.

There are no significant changes in the nature of the activities of the Group and the Company during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year	804,302	339,016
Attributable to:		
– owners of the Parent	492,932	339,016
– non-controlling interests	311,370	–
	804,302	339,016

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

Directors' Report
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

DIVIDENDS

The dividends paid or declared by the Company since 31 December 2013 are as follows:

	RM'000
In respect of the financial year ended 31 December 2013, as shown in the Directors' report of that financial year, a final single-tier dividend of 3.0 sen per ordinary share, was paid on 27 June 2014	91,352

In respect of the financial year ended 31 December 2014, the Directors recommend the payment of a final single-tier dividend of 3.5 sen per ordinary share on the 3,045,058,552 ordinary shares, amounting to RM106,577,049 which is subject to the approval of members at the forthcoming Annual General Meeting of the Company, will be paid on 6 July 2015 to shareholders registered on the Company's Register of Members at the close of business on 22 June 2015. Such dividends, if approved by the shareholders, will be accounted for in shareholders' equity as appropriation of retained earnings in the financial year ending 31 December 2015.

DIRECTORS

The Directors who have held office during the period since the date of the last report are as follows:

Tan Sri Dato' Wira Syed Abdul Jabbar Syed Hassan, Chairman
Dato' Sri Che Khalib Mohamad Noh
Tan Sri Dato' Ir. (Dr.) Wan Abdul Rahman Haji Wan Yaacob
Datuk Mohd Sidik Shaik Osman
Dato' Abdullah Mohd Yusof
Datuk Ooi Teik Huat
Encik Abdul Hamid Sh Mohamed

In accordance with Article 78 of the Company's Articles of Association, Encik Abdul Hamid Sh Mohamed will retire by rotation and, being eligible, offers himself for re-election.

The offices of Tan Sri Dato' Wira Syed Abdul Jabbar Syed Hassan, Dato' Abdullah Mohd Yusof and Tan Sri Dato' Ir. (Dr.) Wan Abdul Rahman Haji Wan Yaacob, shall become vacant at the forthcoming Annual General Meeting pursuant to Section 129(2) of the Companies Act, 1965, in Malaysia and separate resolutions will be proposed for their re-appointment as Directors at the Annual General Meeting under the provision of Section 129(6) of the said Act, to hold office until the next Annual General Meeting of the Company.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

DIRECTORS' BENEFITS

During and at the end of the financial year ended 31 December 2014, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments and benefit-in-kind received or due and receivable by Directors or the fixed salary of a full time employee of the Company and its related corporations as disclosed in Note 8(ii) to 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.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, none of the Directors in office at the end of the financial year held any interest in shares in, or debentures of, the Company and its related corporations during the financial year.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

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

(b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business, their values as shown in the accounting records of the Group and the Company had been written down to an amount which they might be expected so to realise.

Directors' Report

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

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

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

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

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

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 which would render any amount stated in the financial statements misleading.

In the opinion of the Directors:

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

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

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

ULTIMATE HOLDING COMPANY

The Directors regard Indra Cita Sdn. Bhd., a company incorporated in Malaysia as the ultimate holding company.

AUDITORS

The auditors, PricewaterhouseCoopers, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 30 March 2015.

TAN SRI DATO' WIRA SYED ABDUL JABBAR SYED HASSAN
CHAIRMAN

DATO' SRI CHE KHALIB MOHAMAD NOH
GROUP MANAGING DIRECTOR

Kuala Lumpur

Statement By Directors

PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Tan Sri Dato' Wira Syed Abdul Jabbar Syed Hassan and Dato' Sri Che Khalib Mohamad Noh, two of the Directors of MMC Corporation Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 121 to 302 are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2014 and of the financial performance and cash flows of the Group and the Company for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 1965, in Malaysia.

The supplementary information set out in Note 45 on page 303 to the financial statements have 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.

Signed on behalf of the Board of Directors in accordance with their resolution dated 30 March 2015.

TAN SRI DATO' WIRA SYED ABDUL JABBAR SYED HASSAN
CHAIRMAN

DATO' SRI CHE KHALIB MOHAMAD NOH
GROUP MANAGING DIRECTOR

Kuala Lumpur

Statutory Declaration

PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Mohd Shahar Yope @ Yahya, the officer primarily responsible for the financial management of MMC Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 121 to 302 and the supplementary disclosure set out on page 303 are, in my opinion, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

MOHD SHAHAR YOPE @ YAHYA

Subscribed and solemnly declared by the abovenamed Mohd Shahar Yope @ Yahya
At: Kuala Lumpur
On: 30 March 2015

Before me:

COMMISSIONER FOR OATHS

Independent Auditors' Report

TO THE MEMBERS OF MMC CORPORATION BERHAD
(Incorporated in Malaysia) (Company No. 30245 H)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of MMC Corporation Berhad on pages 121 to 302 which comprise the statements of financial position as at 31 December 2014 and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 44.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirement of Companies Act, 1965, in Malaysia. The Directors are also responsible for such internal control 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 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 judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

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

Independent Auditors' Report

TO THE MEMBERS OF MMC CORPORATION BERHAD
(Incorporated in Malaysia) (Company No. 30245 H) (continued)

REPORT ON THE FINANCIAL STATEMENTS (CONTINUED)

Opinion

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 41 to the financial statements.

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF MMC CORPORATION BERHAD
(Incorporated in Malaysia) (Company No. 30245 H) (continued)

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 45 on page 303 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

JAYARAJAN A/L U. RATHINASAMY
(No. 2059/06/16 (J))
Chartered Accountant

Kuala Lumpur
30 March 2015

Consolidated Statement Of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Group 2014 RM'000	Group 2013 RM'000 (Restated)	Company 2014 RM'000	Company 2013 RM'000 (Restated)
Revenue	5	**8,765,501**	7,445,353	**1,362,697**	1,341,732
Cost of sales	6	**(6,006,293)**	(5,301,601)	**(712,324)**	(805,632)
Gross profit		**2,759,208**	2,143,752	**650,373**	536,100
Other operating income:					
- items relating to investments		**67,452**	-	**-**	-
- others		**321,536**	305,193	**29,398**	7,387
Administrative expenses	6	**(770,466)**	(769,841)	**(60,131)**	(46,184)
Other operating expenses	6	**(411,934)**	(451,487)	**(87,117)**	(65,462)
Finance costs	7	**(1,260,626)**	(1,159,901)	**(167,060)**	(162,202)
Share of results of:					
- associates	17	**117,873**	130,930	**-**	-
- joint ventures	18	**62,566**	52,023	**-**	-
Profit before zakat and taxation	8	**885,609**	250,669	**365,463**	269,639
Zakat expense	9	**(6,066)**	(3,909)	**(2,241)**	-
Tax (expense)/benefit	10	**(75,241)**	193,602	**(24,206)**	(40,686)
Net profit for the financial year		**804,302**	440,362	**339,016**	228,953
Other comprehensive income/(loss), net of tax:					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit liability		**413**	2,086	**-**	-
Items that may be reclassified subsequently to profit or loss:					
Available-for-sale financial assets					
- fair value losses		**(7,174)**	(18,991)	**-**	-
- disposal		**(6,410)**	-	**-**	-
Movement in associates' capital reserves		**240**	1,762	**-**	-
Fair value adjustment - cash flow hedge		**(100,703)**	181,257	**-**	-
Currency translation differences		**23,874**	3,167	**-**	-
Other comprehensive (loss)/income for the financial year (net of tax)		**(89,760)**	169,281	**-**	-
Total comprehensive income for the financial year		**714,542**	609,643	**339,016**	228,953

The notes on pages 136 to 302 are an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

	Note	Group		Company	
		2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000 (Restated)
Net profit attributable to:					
– owners of the Parent		**492,932**	223,523	**339,016**	228,953
– non-controlling interests		**311,370**	216,839	**–**	–
		804,302	440,362	**339,016**	228,953
Total comprehensive income attributable to:					
– owners of the Parent		**403,172**	392,804	**339,016**	228,953
– non-controlling interests		**311,370**	216,839	**–**	–
		714,542	609,643	**339,016**	228,953
Earnings per ordinary share attributable to the equity holders of the Company (sen):					
– basic	11	**16.2**	7.3		
– diluted	11	**16.2**	7.3		

The notes on pages 136 to 302 are an integral part of these financial statements.

Consolidated Statement Of Financial Position

AS AT 31 DECEMBER 2014

	Note	31.12.2014 RM'000	31.12.2013 RM'000 (Restated)	1.1.2013 RM'000 (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment	13	**21,203,402**	19,490,855	17,094,477
Finance lease receivables	14	**1,990,974**	2,012,945	–
Investment properties	15	**28,104**	29,923	31,391
Interests in associates	17	**2,545,302**	2,640,814	2,770,578
Investments in joint arrangements	18	**287,490**	271,809	263,212
Available-for-sale financial assets	19	**3,635**	6,936	7,706
Inventories	24	**1,751,122**	1,939,641	1,910,106
Trade and other receivables	21	**388,692**	144,165	162,167
Derivative financial instruments	35	**119,042**	80,241	–
Intangible assets	22	**6,902,658**	7,278,077	7,714,584
Deferred tax assets	23	**1,601,951**	1,408,310	1,255,165
		36,822,372	35,303,716	31,209,386
CURRENT ASSETS				
Inventories	24	**540,187**	493,734	507,923
Trade and other receivables	26	**2,589,856**	2,596,389	2,381,893
Derivative financial instruments	35	**15**	3,284	–
Tax recoverable		**322,560**	335,127	237,186
Amount due from holding company		**–**	–	2,518
Available-for-sale financial assets	19	**80,864**	88,576	88,576
Deposits, bank and cash balances	27	**5,036,025**	4,330,902	6,184,639
		8,569,507	7,848,012	9,402,735
Assets held for sale	25	**12,997**	131	–
		8,582,504	7,848,143	9,402,735
TOTAL ASSETS		**45,404,876**	43,151,859	40,612,121

The notes on pages 136 to 302 are an integral part of these financial statements.

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2014 (continued)

	Note	31.12.2014 RM'000	31.12.2013 RM'000 (Restated)	1.1.2013 RM'000 (Restated)
EQUITY AND LIABILITIES				
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT				
Share capital	28	**304,506**	304,506	304,506
Reserves	29	**7,200,928**	6,889,108	6,705,374
		7,505,434	7,193,614	7,009,880
Non-controlling interests		**2,828,729**	2,976,496	3,170,721
TOTAL EQUITY		**10,334,163**	10,170,110	10,180,601
NON-CURRENT LIABILITIES				
Redeemable preference shares	30	**89,739**	131,508	127,079
Borrowings	31	**23,981,508**	21,756,979	18,000,986
Land lease received in advance	32	**267,508**	281,909	296,975
Provision for retirement benefits	33(c)	**87,054**	78,679	83,574
Deferred income	34	**2,967,614**	2,783,247	2,524,477
Derivative financial instruments	35	**167,338**	31,762	162,750
Deferred tax liabilities	23	**3,302,373**	3,289,561	3,402,745
Trade and other payables	33	**39,633**	93,010	95,916
		30,902,767	28,446,655	24,694,502
CURRENT LIABILITIES				
Borrowings	31	**1,670,441**	2,221,426	3,374,412
Trade and other payables	33	**2,268,622**	2,185,830	2,246,080
Tax payables		**43,991**	8,286	51,536
Deferred income	34	**156,571**	85,121	64,990
Derivative financial instruments	35	**28,321**	34,431	–
		4,167,946	4,535,094	5,737,018
TOTAL LIABILITIES		**35,070,713**	32,981,749	30,431,520
TOTAL EQUITY AND LIABILITIES		**45,404,876**	43,151,859	40,612,121

The notes on pages 136 to 302 are an integral part of these financial statements.

Company Statement of Financial Position

AS AT 31 DECEMBER 2014

	Note	31.12.2014 RM'000	31.12.2013 RM'000 (Restated)	1.1.2013 RM'000 (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment	13	**14,295**	39,708	38,601
Investments in subsidiaries	16	**7,068,076**	7,240,467	7,266,300
Interests in associates	17	**70,737**	55,263	55,263
Investments in joint arrangements	18	**15,341**	15,001	15,001
Amounts due from subsidiaries	20	**1,334,395**	1,129,352	1,111,739
Trade and other receivables	21	**33,281**	14,368	19,901
Derivative financial instruments	35	**19,895**	–	–
		8,556,020	8,494,159	8,506,805
CURRENT ASSETS				
Inventories	24	**–**	848	929
Trade and other receivables	26	**597,166**	660,724	334,434
Tax recoverable		**14,080**	20,070	18,778
Amounts due from holding company		**–**	–	2,518
Deposits, bank and cash balances	27	**318,538**	173,142	133,326
		929,784	854,784	489,985
Assets held for sale	25	**12,997**	–	–
		942,781	854,784	489,985
TOTAL ASSETS		**9,498,801**	9,348,943	8,996,790
EQUITY AND LIABILITIES				
Share capital	28	**304,506**	304,506	304,506
Reserves	29	**5,320,862**	5,073,198	4,981,273
TOTAL EQUITY		**5,625,368**	5,377,704	5,285,779
NON-CURRENT LIABILITIES				
Trade and other payables	33	**27,142**	79,933	82,050
Amounts due to subsidiaries		**201,887**	537,547	368,651
Borrowings	31	**2,616,526**	1,982,250	1,016,750
		2,845,555	2,599,730	1,467,451
CURRENT LIABILITIES				
Borrowings	31	**540,000**	849,500	2,004,500
Trade and other payables	33	**487,878**	522,009	239,060
		1,027,878	1,371,509	2,243,560
TOTAL LIABILITIES		**3,873,433**	3,971,239	3,711,011
TOTAL EQUITY AND LIABILITIES		**9,498,801**	9,348,943	8,996,790

The notes on pages 136 to 302 are an integral part of these financial statements.

Consolidated Statement of Changes In Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Share capital RM'000	Share premium RM'000	Foreign exchange reserve RM'000	*Revaluation reserve RM'000	Available-for-sale financial assets RM'000
At 1 January 2014		304,506	2,039,770	(26,902)	1,219,271	83,338
Prior years adjustment	4	-	-	-	-	-
As restated		304,506	2,039,770	(26,902)	1,219,271	83,338
Net profit for the financial year		-	-	-	-	-
Other comprehensive income/(loss):						
Share of movement in associates' reserves	17	-	-	-	-	(3,516)
Movement in value of investment		-	-	-	-	(3,658)
Disposal		-	-	-	-	(6,410)
Fair value adjustment		-	-	-	-	-
Remeasurement of defined benefit plan		-	-	-	-	-
Currency translation differences		-	-	23,874	-	-
Total other comprehensive income/(loss)		-	-	23,874	-	(13,584)
Total comprehensive income/(loss) for the financial year		-	-	23,874	-	(13,584)
Transactions with owners:						
Transfer to capital reserves		-	-	-	-	-
Dividends for financial year ended 31 December 2013	12	-	-	-	-	-
Dividends paid to non-controlling shareholders	16	-	-	-	-	-
Non-cash distribution to non-controlling shareholder***		-	-	-	-	-
Total transactions with owners		-	-	-	-	-
At 31 December 2014		304,506	2,039,770	(3,028)	1,219,271	69,754

* The revaluation reserves mainly in relation to business combination of a subsidiary prior to the adoption of MFRS.

** The distributable capital reserves represent mainly the net gain from disposals of investments.

*** The non-cash distribution to non-controlling shareholder is in relation to the distribution of quoted investments in MMC-Shapadu Sdn. Bhd. following its members' voluntary liquidation progress.

The notes on pages 136 to 302 are an integral part of these financial statements.

Attributable to owners of the parent						
Non-distributable		Distributable				
Cash flow hedge reserve RM'000	Capital reserves RM'000	**Capital reserves RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
176,150	9,163	379,103	3,031,644	7,216,043	2,998,046	10,214,089
-	-	-	(22,429)	(22,429)	(21,550)	(43,979)
176,150	9,163	379,103	3,009,215	7,193,614	2,976,496	10,170,110
-	-	-	492,932	492,932	311,370	804,302
(22,608)	240	-	-	(25,884)	-	(25,884)
-	-	-	-	(3,658)	-	(3,658)
-	-	-	-	(6,410)	-	(6,410)
(78,095)	-	-	-	(78,095)	-	(78,095)
-	-	-	413	413	-	413
-	-	-	-	23,874	-	23,874
(100,703)	240	-	413	(89,760)	-	(89,760)
(100,703)	240	-	493,345	403,172	311,370	714,542
-	-	1,150	(1,150)	-	-	-
-	-	-	(91,352)	(91,352)	-	(91,352)
-	-	-	-	-	(180,217)	(180,217)
-	-	-	-	-	(278,920)	(278,920)
-	-	1,150	(92,502)	(91,352)	(459,137)	(550,489)
75,447	9,403	380,253	3,410,058	7,505,434	2,828,729	10,334,163

Consolidated Statement of Changes In Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

	Note	Share capital RM'000	Share premium RM'000	Foreign exchange reserve RM'000	*Revaluation reserve RM'000	Available-for-sale financial assets RM'000
At 1 January 2013 (restated)		304,506	2,039,770	(30,069)	1,219,271	102,329
Net profit for the financial year		–	–	–	–	–
Other comprehensive income/(loss):						
Share of movement in associates' reserves	17	–	–	–	–	(18,234)
Movement in value of investment		–	–	–	–	(757)
Fair value adjustment		–	–	–	–	–
Remeasurement of defined benefit plan		–	–	–	–	–
Currency translation differences		–	–	3,167	–	–
Total other comprehensive income/(loss)		–	–	3,167	–	(18,991)
Total comprehensive income/(loss) for the financial year		–	–	3,167	–	(18,991)
Transactions with owners:						
Transfer to capital reserves		–	–	–	–	–
Decrease in equity interest in an existing subsidiary		–	–	–	–	–
Acquisition of a subsidiary		–	–	–	–	–
Dividends for financial year ended 31 December 2012	12	–	–	–	–	–
Dividends paid to non-controlling shareholders	16	–	–	–	–	–
Total transactions with owners		–	–	–	–	–
At 31 December 2013		304,506	2,039,770	(26,902)	1,219,271	83,338

* The revaluation reserves mainly in relation to business combination of a subsidiary prior to the adoption of MFRS.

** The distributable capital reserves represent mainly the net gain from disposals of investments.

The notes on pages 136 to 302 are an integral part of these financial statements.

Attributable to owners of the parent						
Non-distributable		Distributable				
Cash flow hedge reserve RM'000	Capital reserves RM'000	**Capital reserves RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
(5,107)	79,443	376,803	2,922,934	7,009,880	3,170,721	10,180,601
–	–	–	223,523	223,523	216,839	440,362
(57,230)	1,762	–	–	(73,702)	–	(73,702)
–	–	–	–	(757)	–	(757)
238,487	–	–	–	238,487	–	238,487
–	–	–	2,086	2,086	–	2,086
–	–	–	–	3,167	–	3,167
181,257	1,762	–	2,086	169,281	–	169,281
181,257	1,762	–	225,609	392,804	216,839	609,643
–	–	2,300	(2,300)	–	–	–
–	(72,042)	–	–	(72,042)	(109,079)	(181,121)
–	–	–	–	–	18	18
–	–	–	(137,028)	(137,028)	–	(137,028)
–	–	–	–	–	(302,003)	(302,003)
–	(72,042)	2,300	(139,328)	(209,070)	(411,064)	(620,134)
176,150	9,163	379,103	3,009,215	7,193,614	2,976,496	10,170,110

Company Statement of Changes In Equity

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

			Non-distributable		Distributable		
	Note	Share capital RM'000	Share premium RM'000	*Capital reserves RM'000	**Capital reserves RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2014		**304,506**	**2,039,770**	**59,710**	**243,074**	**2,655,623**	**5,302,683**
Prior years adjustment	4	**-**	**-**	**-**	**-**	**75,021**	**75,021**
As restated		**304,506**	**2,039,770**	**59,710**	**243,074**	**2,730,644**	**5,377,704**
Net profit for the financial year		**-**	**-**	**-**	**-**	**339,016**	**339,016**
Transactions with owners:							
Dividends for the financial year ended 31 December 2013	12	**-**	**-**	**-**	**-**	**(91,352)**	**(91,352)**
At 31 December 2014		**304,506**	**2,039,770**	**59,710**	**243,074**	**2,978,308**	**5,625,368**
At 1 January 2013 (restated)		304,506	2,039,770	59,710	243,074	2,638,719	5,285,779
Net profit for the financial year		-	-	-	-	228,953	228,953
Transactions with owners:							
Dividends for the financial year ended 31 December 2012	12	-	-	-	-	(137,028)	(137,028)
At 31 December 2013		304,506	2,039,770	59,710	243,074	2,730,644	5,377,704

* The non-distributable capital reserves mainly consist of share premium of another company that merged with the Group in 1976.

** The distributable capital reserves represent mainly the net gain from disposals of investments.

The notes on pages 136 to 302 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Group 2014 RM'000	Group 2013 RM'000 (Restated)	Company 2014 RM'000	Company 2013 RM'000 (Restated)
OPERATING ACTIVITIES					
Profit before zakat and taxation		**885,609**	250,669	**365,463**	269,639
Adjustments for:					
Depreciation of:					
- property, plant and equipment		**845,815**	738,394	**9,159**	8,042
- investment properties		**489**	510	**-**	-
Amortisation of:					
- rights on Power Purchase Agreement and Operations and Maintenance Agreement arising through business combinations:					
- subsidiaries		**467,828**	427,163	**-**	-
- associates		**43,871**	42,673	**-**	-
- rights on water treatment business		**4,134**	5,174	**-**	-
- rights on airport business		**4,196**	4,195	**-**	-
- land lease received in advance		**(16,309)**	(16,052)	**-**	-
- deferred income		**(86,353)**	(73,976)	**-**	-
Impairment of:					
- property, plant and equipment		**856**	-	**856**	-
- amount due from a subsidiary		**-**	-	**-**	2,318
- trade and other receivables		**50,425**	189,723	**-**	-
(Gain)/loss on disposal of:					
- property, plant and equipment		**1,460**	10,870	**(672)**	(493)
- investment properties		**(1,778)**	(1,473)	**-**	-
- available-for-sale financial assets		**(6,473)**	12	**-**	-
- assets held for sale		**(1,212)**	-	**-**	-
Write-off of property, plant and equipment		**21,061**	116,931	**-**	5
Write-back of impairment of receivables		**(3,560)**	(16,435)	**-**	-
Dividend income		**(558)**	(651)	**(414,201)**	(422,232)

The notes on pages 136 to 302 are an integral part of these financial statements.

Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

	Note	Group 2014 RM'000	Group 2013 RM'000 (Restated)	Company 2014 RM'000	Company 2013 RM'000 (Restated)
Interest income		(160,606)	(180,145)	(3,489)	(3,061)
Interest expense		1,260,626	1,159,901	167,060	162,202
Share of results in:					
– associates	17	(117,873)	(130,930)	–	–
– joint ventures	18	(62,566)	(52,023)	–	–
Net unrealised (gain)/loss on foreign exchange		(8,480)	(29,634)	5	2
Provision for retirement benefits	33(c)	13,247	14,386	–	–
Fair value gain on acquisition of subsidiaries		(27,581)	–	–	–
Bargain purchase on acquisition of subsidiaries		(33,398)	–	–	–
Fair value gain on derivative assets		(18,790)	–	(18,790)	–
Fair value loss/(gain) on borrowings		33,728	14,262	(3,474)	–
Adjustments for property, plant and equipment		(641)	(458)	–	–
		3,087,167	2,473,086	101,917	16,422
Changes in working capital:					
Inventories		(36,112)	(15,346)	848	81
Trade and other receivables		52,298	(437,063)	49,809	(322,691)
Trade and other payables		4,977	(57,206)	(86,922)	280,831
Cash generated from/(used in) operations		3,108,330	1,963,471	65,652	(25,357)
Deferred income received	34	333,359	329,882	–	–
Income tax paid		(266,918)	(213,918)	(18,215)	(8,644)
Zakat paid		(6,066)	(3,909)	(2,241)	–
Land lease received in advance	32	17,045	16,035	–	–
Retirement benefits paid		(16)	(1,905)	–	–
Staff loans repaid		(88)	–	–	–
Net cash flow generated from/(used in) operating activities		3,185,646	2,089,656	45,196	(34,001)

The notes on pages 136 to 302 are an integral part of these financial statements.

Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

	Note	Group 2014 RM'000	Group 2013 RM'000 (Restated)	Company 2014 RM'000	Company 2013 RM'000 (Restated)
INVESTING ACTIVITIES					
Investments in joint ventures		**(374)**	–	**(340)**	–
Investments in subsidiaries	42(i)	**(153,541)**	(360,151)	**–**	–
Investment in an associate	42(ii)	**(221,975)**	–	**–**	–
Additional investment in an associate	17	**(36,755)**	–	**–**	–
Advances to subsidiaries		**–**	–	**(275,696)**	(29,243)
Repayment from subsidiaries		**–**	–	**20,653**	9,313
(Advances to)/repayment from joint ventures		**–**	–	**(3,695)**	2,054
Subscription in an associate:					
– rights issue		**(15,474)**	–	**(15,474)**	–
– warrants		**(1,105)**	–	**(1,105)**	–
Proceeds from selective capital return of an unquoted associate:	17	**2,871**	47,530	**–**	–
Dividends received from:					
– subsidiaries		**–**	–	**366,202**	351,899
– associates		**69,066**	127,233	**–**	–
– joint ventures		**46,500**	37,000	**46,500**	37,000
– others		**558**	651	**–**	–
Interest received		**160,606**	180,145	**3,489**	3,061
Proceeds from sale of:					
– property, plant and equipment		**5,424**	4,901	**4,664**	4,258
– investment properties		**3,108**	2,300	**–**	–
– available-for-sale financial assets		**7,418**	–	**–**	–
– assets held for sale		**1,343**	–	**–**	–
Purchase of property, plant and equipment	13	**(2,434,066)**	(3,267,041)	**(1,591)**	(12,919)
Changes in deposits with maturity more than 90 days		**618,474**	(967,756)	**–**	–
Net cash flow (used in)/generated from investing activities		**(1,947,922)**	(4,195,188)	**143,607**	365,423

The notes on pages 136 to 302 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

	Note	Group 2014 RM'000	Group 2013 RM'000 (Restated)	Company 2014 RM'000	Company 2013 RM'000 (Restated)
FINANCING ACTIVITIES					
Dividends paid		**(91,352)**	(137,028)	**(91,352)**	(137,028)
Dividends paid to non-controlling interests of subsidiaries		**(180,217)**	(302,003)	**–**	–
Interest paid		**(1,260,626)**	(1,159,901)	**(167,060)**	(162,202)
Repayment from holding company		**–**	–	**–**	2,518
Borrowings:					
– drawdown		**4,202,205**	13,032,761	**1,075,000**	300,000
– repayment		**(2,577,399)**	(11,972,380)	**(746,750)**	(489,500)
Purchase of additional shares in a subsidiary from non-controlling interests		**–**	(181,121)	**–**	–
Advances from subsidiaries		**–**	–	**60,381**	199,252
Repayment to subsidiaries		**–**	–	**(173,650)**	(4,522)
Advances from/(repayment to) an associate		**–**	–	**24**	(124)
Redemption of RPS in a subsidiary		**(45,621)**	–	**–**	–
Net cash flow generated from/(used in) financing activities		**46,990**	(719,672)	**(43,407)**	(291,606)
Net change in cash and cash equivalents		**1,284,714**	(2,825,204)	**145,396**	39,816
Foreign exchange differences		**23,874**	3,167	**–**	–
Cash and cash equivalents at beginning of the financial year		**3,118,117**	5,940,154	**173,142**	133,326
Cash and cash equivalents at end of the financial year		**4,426,705**	3,118,117	**318,538**	173,142

The notes on pages 136 to 302 are an integral part of these financial statements.

Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

	Note	Group 2014 RM'000	Group 2013 RM'000 (Restated)	Company 2014 RM'000	Company 2013 RM'000 (Restated)
Cash and cash equivalents comprise:					
Deposits, bank and cash balances	27	**5,036,025**	4,330,902	**318,538**	173,142
Less:					
Deposits with maturity more than 90 days	27	**(591,970)**	(1,210,444)	**–**	–
		4,444,055	3,120,458	**318,538**	173,142
Cash and bank balances	27	**601,126**	432,218	**72,141**	11,626
Deposits	27	**3,842,929**	2,688,240	**246,397**	161,516
		4,444,055	3,120,458	**318,538**	173,142
Bank overdrafts	31	**(17,350)**	(2,341)	**–**	–
		4,426,705	3,118,117	**318,538**	173,142

In the previous financial years, all deposits with licensed banks and other licensed corporations that have maturity of more than 3 months were classified as cash and cash equivalents. The Group has now excluded from cash and cash equivalents the fixed deposits that have maturity of more than 3 months in accordance with the guidance in FRSIC Consensus 22, Classification of Fixed Deposits and Similar Instruments as Cash and Cash Equivalents.

The notes on pages 136 to 302 are an integral part of these financial statements.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

Unless otherwise stated, the following accounting policies have been applied consistently by the Group and the Company in dealing with items which are considered material in relation to the financial statements. These policies have been consistently applied to all the financial years presented.

(A) BASIS OF PREPARATION

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

The financial statements have been prepared under the historical cost convention, except as disclosed in this summary of significant accounting policies.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Group and the Company's accounting policies. Although these estimates and judgment are based on Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The new accounting standards, amendments and improvements to published standards and interpretations that are effective and applicable for the Group and the Company's financial year beginning on or after 1 January 2014 are as follows:

- Amendments to MFRS 132 Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 136 Recoverable Amount Disclosures for Non-Financial Assets
- Amendments to MFRS 139 Novation of Derivatives and Continuation of Hedge Accounting
- Amendments to MFRS 10, MFRS 12 and MFRS 127 Investment entities
- IC Interpretation 21 Levies
- FRSIC Consensus 22 Classification of Fixed Deposits and Similar Instruments as Cash and Cash Equivalents
- FRSIC 19 Accounting For Prepaid Leasehold Land Held For Property Development by Developers

The adoption of the above new/revised standards and interpretations did not have a significant financial impact on the Group and did not result in substantial changes in the Group's policies except for as discussed and disclosed in Note 4.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(A) BASIS OF PREPARATION (CONTINUED)

The following are accounting standards, amendments and interpretations of the MFRS framework that have been issued by the Malaysian Accounting Standards Board ("MASB") that are applicable to the Group and the Company but not yet effective.

The Group will apply the new standards, amendments and interpretations in the following period:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2015

- Annual Improvements to MFRSs 2010–2012 Cycle (Amendments to MFRS 2 Share-based Payment, MFRS 3 Business Combinations, MFRS 8 Operating Segments, MFRS 13 Fair Value Measurement, MFRS 116 Property, Plant and Equipment, MFRS 124 Related Party Disclosures and MFRS 138 Intangible Assets)
- Annual Improvements to MFRSs 2011–2013 Cycle (Amendments to MFRS 1 First-time Adoption of Financial Reporting Standards, MFRS 3 Business Combinations, MFRS 13 Fair Value Measurement and MFRS 140 Investment Property)
- Amendments to MFRS 119 Defined Benefits Plans: Employee Contributions

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

- MFRS 14 Regulatory Deferral Accounts
- Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations
- Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investment in associates and joint ventures – Sale or contribution of assets between an investor and its associates/joint ventures
- Amendments to MFRS 127 Separate Financial Statements – Equity accounting in separate financial statements
- Annual Improvements to MFRSs 2012 – 2014 Cycle (Amendments to MFRS 5 Non-current Assets Held for sale and Discontinued Operations, MFRS 7 Financial Instruments: Disclosures, MFRS 119 Employee Benefits, MFRS 134 Interim Financial Reporting)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(A) BASIS OF PREPARATION (CONTINUED)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2017

- MFRS 15 Revenue from Contracts with Customers

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

- MFRS 9 Financial instruments

The impact of initial application of a standard, an amendment or an interpretation are discussed below:

- Amendment to MFRS 116 Property, plant and equipment and MFRS 138 Intangible Assets

  Amendment to MFRS 116 Property, plant and equipment and MFRS 138, Intangible assets (effective from 1 January 2016) clarify that the use of revenue–based methods to calculate the depreciation and amortisation of an item of property, plant and equipment and intangible are not appropriate. This is because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

- MFRS 9 Financial Instruments

  MFRS 9 Financial Instruments (effective from 1 January 2018) will replace MFRS 139 Financial Instruments: Recognition and Measurement. The complete version of MFRS 9 was issued in November 2014.

  MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with a irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(A) BASIS OF PREPARATION (CONTINUED)

- MFRS 15 Revenue from Contracts with Customers

  MFRS 15 Revenue from Contracts with Customers (effective from 1 January 2017) deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces MFRS 118 Revenue and MFRS 111 Construction contracts and related interpretations.

The Group is in the process of assessing the full impact of the new standards, revisions and amendments to published standards.

(B) CONSOLIDATION

(i) Subsidiaries

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

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

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(B) CONSOLIDATION (CONTINUED)

(i) Subsidiaries (continued)

Acquisition-related costs are expensed as incurred.

Management consider that the Group has de facto control of certain subsidiaries as disclosed in Note 41 even though it has less than 50% of the voting rights. The Group is the majority shareholder of these subsidiaries. There is no history of other shareholders forming a group to exercise their votes collectively.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the successive acquisition dates at each stage, and the changes in fair value is taken through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

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

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(B) CONSOLIDATION (CONTINUED)

(i) Subsidiaries (continued)

Changes in ownership interests in subsidiaries without change of control

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

Disposal of subsidiaries

When the Group ceases to have control over a subsidiary, any retained interest in the entity is re–measured to its fair value at the date when control is lost, with the change in carrying amount recognised in the profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the profit or loss.

(ii) Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

The Group’s interest in a joint venture is accounted for in the financial statements by the equity method of accounting. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group’s share of the post–acquisition profits or losses and movements in other comprehensive income. When the Group’s share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long–term interests that, in substance, form part of the Group’s net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(B) CONSOLIDATION (CONTINUED)

(ii) Joint arrangements (continued)

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

In relation to the Group's interest in the joint operation, the Group recognises its assets (including its share of any assets held jointly), liabilities (including its share of any liabilities held jointly), revenue from the sale of its share of the output arising from the joint operation (including share of the revenue from the sale of the output by the joint operation) and expenses (including its share of any expenses incurred jointly).

(iii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(B) CONSOLIDATION (CONTINUED)

(iii) Associates (continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit or loss of an associate' in the profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

(C) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

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

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(C) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

C-inspection cost represents cost incurred at the scheduled major inspection dates for power plants.

Depreciation on capital work-in-progress commences when the assets are ready for their intended use.

Refer to Note (e) for accounting policy on depreciation.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

At end of each reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. Refer to accounting policy Note (g) on impairment of non–financial assets.

Gains and losses on disposals are determined by comparing net proceeds with carrying amount and are included in profit or loss from operations. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss on derecognition is recognised in the profit or loss.

(D) LEASES

A lease is an agreement whereby the lessor conveys to the lessee in return for a payment, or series of payments, the right to use an asset for an agreed period of time.

(i) Finance leases

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of interest on the remaining balance of the liability. The corresponding rental obligations, net of finance charges, are included in other long–term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(D) LEASES (CONTINUED)

(i) Finance leases (continued)

Initial direct costs incurred by the Group in negotiating and arranging finance leases are added to the carrying amount of the leased assets and recognised as an expense in the profit or loss over the lease term on the same basis as the lease expense.

(ii) Operating leases

(a) Group as lessee

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on the straight-line basis over the lease period. Initial direct costs incurred by the Group in negotiating and arranging operating leases are recognised in the profit or loss when incurred.

(b) Group as lessor

Power purchase agreement

The Group determines the arrangement entered whether it is or contains a lease based on the substance of the arrangement. It requires an assesment of whether the fullfillment of the arrangement is dependent on the use of specific asset and whether the arrangement conveys a right to use such assets. An arrangement that contains a lease is accounted for as a finance lease or an operating lease. Payment for services and the cost of inputs of the arrangement are excluded from the calculation of the minimum lease payments.

Operating lease accounting has been applied to the Group entities as lessors for the Power Purchase Agreements.

The operating lease income is recognised over the term of the lease on a straight-line basis.

Prepaid lease payments

Payments made under operating leases are recognised in the profit or loss on the straight–line basis over the term of the lease. Lease incentives received are recognised in the profit or loss as an integral part of the total lease payments made.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on the straight-line basis over the lease term.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(E) DEPRECIATION

Depreciation is provided at rates, which are considered adequate to write-off the cost/revalued amount of property, plant and equipment less estimated residual value over their estimated useful lives. No depreciation is provided on freehold land. Depreciation on capital work–in–progress commences when the assets are ready for their intended use.

The straight–line method is used to write-off the cost less estimated residual value of the other assets over the term of their estimated useful lives are summarised as follows:

Freehold properties	50 years
Leasehold properties	20 – 101 years
Building and port structures	20 – 50 years
Power plants	6 – 20 years
Plant and machinery	3 – 30 years
C-inspection costs	3 – 6 years

Mining lease properties (freehold) are not depreciated.

Residual values, useful lives and depreciation method of assets are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amount, period and method 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.

(F) INVESTMENT PROPERTIES

Investment properties are held for long term rental yields or for capital appreciation or both, and are not occupied by the Group.

Investment properties are stated at cost less any accumulated depreciation and impairment losses. Investment properties are depreciated on the straight–line basis over its estimated useful life as follows:

Building	50 years

Investment properties are derecognised when it is permanently withdrawn from use and no further economic benefit is expected from its disposal or when they have been disposed. Any gain or losses on the retirement or disposal of an investment property are recognised in the profit or loss in the financial year in which they arise.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(G) IMPAIRMENT OF NON–FINANCIAL ASSETS

Property, plant and equipment and other non–current assets (except for amounts due from subsidiaries, associates and deferred tax assets) are reviewed for impairment losses whenever events or changes in circumstances (for depreciable non-current assets) indicate that the carrying amount may not be recoverable. Impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and value-in-use ("VIU").

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash–generating units ("CGU")). An asset's recoverable amount is the higher of an asset's or CGU's fair value less cost to sell or its VIU. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre–tax discount rate. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in the profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(H) INVESTMENTS

Investments in subsidiaries, joint arrangements and associates are stated at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Refer to accounting policy Note (g) on impairment of non–financial assets.

Amount due from subsidiary which repayment is not expected within the next 12 months is stated at cost less accumulated impairment losses if it is the intention of the Company to treat the amount as a long term source of capital to the subsidiary.

On disposal of an investment, the difference between net disposals proceed and its carrying amount is charged/credited to the profit or loss.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(I) INTANGIBLES

(i) Rights on Power Purchase Agreements ("PPAs") and Operation & Maintenance Agreements ("OMAs")

Rights on PPAs and OMAs ("Rights") that are acquired by the Group are stated at cost less any accumulated amortisation and accumulated impairment losses. The Rights are amortised from the date that they are available for use. Amortisation is based on straight-line basis over its useful life or using the unit of production method. The amortisation is recognised within the "cost of sales" and "other operating expenses", respectively in statement of profit or loss and other comprehensive income.

(ii) Goodwill

Goodwill arising on an acquisition represents the excess of the cost of acquisition of subsidiaries over the fair value of the Group's shares of their net identifiable assets at the date of acquisition. Goodwill on acquisition of subsidiaries is stated at cost less accumulated impairment losses. Goodwill is tested for impairment on an annual basis or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose.

(iii) Rights on Water Treatment Business

The Rights on Water Treatment Business are based on the fair value of the remaining useful lives of the concession agreement entered by a subsidiary for the privatisation of the operations, maintenance and rehabilitation of water treatment plants in Johor Darul Takzim, less accumulated amortisation and any accumulated impairment losses. The rights are amortised on the straight-line basis over the remaining useful lives of the concession period at the end of each reporting period until the end of concession on 31 May 2014.

(iv) Rights on Airport Business

The Rights on Airport Business represent the right of a subsidiary to provide airport services and to charge users of the services. It encapsulated concession agreement, license and other agreements relating to the usage of the airport as these assets contribute to earnings only in concert with other assets and/or economic factors of the business. The rights are amortised on the straight-line basis over the remaining useful lives of the concession period at the end of each reporting period until the end of concession on 30 October 2053.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(J) CONSTRUCTION, ENGINEERING AND FABRICATION CONTRACTS

When the outcome of a construction or engineering and fabrication contract can be estimated reliably, contract revenue and contract costs are recognised by using the stage of completion method.

The Group uses the percentage of completion method to determine the appropriate amount of revenue and costs to recognise in a given period. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total costs for the contract.

When the outcome of such contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable; contract costs are recognised when incurred.

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

The aggregate of the costs incurred and the profit/loss recognised on each contract are compared against the progress billings up to the period end. Where cost incurred and recognised profit (less recognised losses) exceed progress billings, the balance is shown as amounts due from contract customers under trade and other receivables (within current assets). Where progress billings exceed cost incurred plus recognised profit (less recognised losses), the balance is shown as amounts due to contract customers under trade and other payables (within current liabilities).

(K) INVENTORIES

Inventories are stated at the lower of cost and net realisable value with cost being determined either on the first-in, first-out or weighted average cost basis depending on the type of inventories. Cost includes expenditure incurred in bringing the inventories to their present form and location. For work-in-progress and manufactured inventories, cost consists of materials, direct labour, other direct cost and an appropriate proportion of fixed and variable production overheads (based on normal operating capacity) but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(L) TRADE AND OTHER RECEIVABLES

Trade receivables are amounts due from customers arising from billings in the ordinary course of business. If collections are expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(M) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash in hand, balances and deposits held at call with banks and other short term, highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(N) BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred.

Borrowings are subsequently carried at amortised cost. Any difference between initial recognised amount and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method, except for borrowing costs incurred for the construction of any qualifying asset.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised as finance cost in the profit or loss.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale.

(O) GOVERNMENT GRANTS

Government grants are recognised initially at their fair value in the statement of financial position as deferred income where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grants shall be recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(P) TAXATION

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits, including withholding taxes payable by a foreign subsidiary on distributions of retained earnings to companies in the Group, and real property gains taxes payable on disposal of properties.

Deferred tax liabilities and/or assets are recognised, using the liability method, for all temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. Investment tax allowances are treated as tax credit at inception.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised. Deferred tax liability in respect of asset revaluations is also recognised.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, associates and joint ventures except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is not recognised if the temporary differences arise from goodwill or excess of the Group’s interest in the net fair value of acquiree’s identifiable assets, liabilities and contingent liabilities over cost of business combinations or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Tax rate enacted or substantively enacted by the end of the reporting period are used to determine deferred tax.

(Q) LAND LEASE RECEIVED IN ADVANCE

Land lease received in advance relates to deferred income from sub-leased land and is recognised as an income in the profit or loss equally over the period of the lease ranging from 17 to 60 years.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(R) EMPLOYEE BENEFITS

(i) Short-term employee benefits

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

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

The Group's contribution to statutory pension fund is charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(ii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation is performed at regular interval by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income.

The Group and the Company determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments.

Net interest expense and other expenses relating to defined benefit plans are recognised in the profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group and the Company recognise gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(S) REVENUE RECOGNITION

(i) Sales of goods and services

Sales are recognised upon delivery of products and customer acceptance, if any, or performance of services, net of sales tax and discount and after eliminating sales within the Group.

(ii) Energy payments, operation and maintenance charges, project management and engineering consultancy fees

Revenue is measured at the fair value of the consideration receivable and is recognised in the profit or loss as it accrues.

(iii) Capacity payments

Revenue from capacity payments is recognised on a straight-line basis where the PPAs are considered to be or contained an operating lease.

(iv) Construction contracts

(a) Fixed price contracts

Revenue from fixed price contracts where a fixed contract price is agreed upon is recognised under the percentage of completion method.

(b) Cost plus contracts

Cost plus contracts where reimbursements are made on costs incurred for works carried out on an agreed contract rate, are recognised as revenue attributed to the proportion of work done progressively over the duration of the contracts.

(v) Port operations, repairing and cleaning containers

Income from port operations, repair, preparation and trade of containers and containerisation system are recognised upon performance of services.

(vi) Toll operations

Revenue is recognised upon receipt of toll collections. Toll compensation is recognised when receipt is probable and the amount that is receivable can be measured reliably.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(S) REVENUE RECOGNITION (CONTINUED)

(vii) Water treatment activity

Revenue from water treatment activity is measured at the fair value of the consideration recoverable in accordance with the Concession Agreement ("CA") dated 31 May 1994 entered into between a subsidiary company, Southern Water Corporation Sdn. Bhd. ("SWC") and Syarikat Air Johor Sdn. Bhd. ("SAJ") and it is recognised in the profit or loss when sale of treated water has been received by the buyer and it is probable that the economic benefits associated with the transaction will flow to the companies in the Group.

(viii) Airport activity

Income from airport operations and aviation related services in the airport are recognised when services are rendered.

(ix) Income from land reclamation, shore protection, dredging, associated works and construction contract

Income from land reclamation, shore protection, dredging, associated works and construction contracts is recognised on the percentage of completion method, measured by reference to surveys of work performed.

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

(x) Dividend income

Dividend income is recognised when the right to receive payment is established.

(xi) Interest income

Interest income is recognised in the profit or loss as it accrues, taking into account the effective yield on the asset.

(xii) Rental income

Rental income is recognised on an accrual basis.

(xiii) Deferred income

Deferred income comprises the capacity payments received/receivable from Tenaga National Berhad in relation to the PPAs. The amount is credited on the straight-line basis over the term of the respective PPAs under "Revenue" in the profit or loss.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(T) ACCOUNTING FOR ZAKAT

The Group recognises its obligations towards the payment of zakat on business. Zakat for the current period is recognised as and when the Group has a current zakat obligation as a result of a zakat assessment. The amount of zakat expense shall be assessed when a subsidiary has been in operation for at least 12 months, i.e. for the period known as “haul”.

Zakat rates enacted or substantively enacted by the end of each reporting period are used to determine the zakat expense. The rate of zakat on business as determined by Zakat Authority under Pusat Pungutan Zakat Majlis Agama Islam Wilayah Persekutuan for 2014 is 2.5% of the zakat base. The zakat base of the Group is determined based on the profit after taxation of eligible companies within the Group after deducting certain non-operating income and expenses. Zakat on business is calculated by multiplying the zakat rate with zakat base. The amount of zakat assessed is recognised as an expense in the financial year in which it is incurred.

(U) FOREIGN CURRENCIES

(i) Presentation currency

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in Ringgit Malaysia, which is the Group’s presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

(iii) Group companies

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders’ equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the profit or loss as part of the gain or loss on sale.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(V) FINANCIAL INSTRUMENTS

(i) Description

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, a contractual right to receive cash or other financial assets from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable.

(ii) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available-for-sale and held-to-maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term. Derivatives are also categorised as held for trading unless they are designated as hedges.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'deposits, bank and cash balances' in the statement of financial position (Note 26 and 27 respectively).

Available-for-sale financial assets

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

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(V) FINANCIAL INSTRUMENTS (CONTINUED)

(ii) Classification (continued)

Held-to-maturity financial assets

Held–to–maturity financial assets are non–derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held–to–maturity financial assets, the whole category would be tainted and reclassified as available–for–sale. Held–to–maturity financial assets are included in non–current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

(iii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade–date, the date on which the Group commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit or loss.

(iv) Subsequent measurement – gains and losses

Available–for–sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held–to–maturity financial assets are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss, including the effects of currency translation, interest and dividend income are recognised in the profit or loss in the period in which changes arise.

Changes in the fair value of available-for-sale financial assets are recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary assets. The exchange differences on monetary assets are recognised in profit or loss, whereas exchange differences on non–monetary assets are recognised in other comprehensive income as part of fair value change.

Interest and dividend income on available–for–sale financial assets are recognised separately in profit or loss. Interest on available–for–sale debt securities calculated using the effective interest method is recognised in profit or loss. Dividend income on available-for-sale equity instruments are recognised in the profit or loss when the Group's right to receive payments is established.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(V) FINANCIAL INSTRUMENTS (CONTINUED)

(v) Subsequent measurement – Impairment on financial assets

Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss' event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the assets is reduced and the amount of the loss is recognised in the profit or loss. If 'loans and receivables' or a 'held–to–maturity investment' has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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 reversal of the previously recognised impairment loss is recognised in the profit or loss.

When an asset is uncollectible, it is written–off against the related allowance account. Such assets are written–off after all the necessary procedures have been completed and the amount of the loss has been determined.

Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, the Group uses criteria and measurement of impairment loss applicable for 'assets carried at amortised cost' above. If, in a subsequent period, the fair value of a debt instrument classified as available–for–sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the profit or loss, the impairment loss is reversed through profit or loss.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(V) FINANCIAL INSTRUMENTS (CONTINUED)

(v) Subsequent measurement – Impairment on financial assets (continued)

Assets classified as available-for-sale (continued)

In the case of equity securities classified as available-for-sale, in addition to the criteria for 'assets carried at amortised cost' above, a significant or prolonged decline in the fair value of the security below its cost is also considered as an indicator that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in the profit or loss. The amount of cumulative loss that is reclassified to the profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through the profit or loss.

De-recognition

Financial assets are de–recognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

When available-for-sale financial assets are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to the profit or loss.

(vi) Hedge accounting

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. In a cash flow hedge, the portion of the gain and loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in the profit or loss.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into the profit or loss in the same period or periods during which the hedged forecast cash flows affect the profit or loss. If the hedge item is a non–financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into the profit or loss.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(V) FINANCIAL INSTRUMENTS (CONTINUED)

(vi) Hedge accounting (continued)

Cash flow hedge (continued)

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, any related cumulative gain or loss recognised in other comprehensive income on the hedging instrument is reclassified from equity into the profit or loss.

(W) CONTINGENT LIABILITIES

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

In the acquisition of subsidiaries by the Group under business combinations, the contingent liabilities assumed are measured initially at their fair value at the acquisition date.

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where their fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisition.

(X) SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision–maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors and the working group consisting of Heads of Departments that makes strategic decisions.

Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

(Y) NON-CURRENT ASSETS CLASSIFIED AS ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the non-current assets (or all the assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable MFRSs. Then, on initial classification as held for sale, non-current assets or disposal groups (other than investment properties, deferred tax assets, employee benefits assets, financial assets and inventories) are measured in accordance with MFRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in the profit or loss.

A component of the Group is classified as a discontinued operations when the criteria to be classified as held for sale have been met or it has been disposed-off and such a component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view for resale.

(Z) SHARE CAPITAL

Proceeds from ordinary shares issued are accounted for as equity, with the nominal value of the shares being separately disclosed as share capital. Cost directly attributable to the issuance of new shares are shown in equity as a deduction from the proceeds.

Dividends to owners of the Company and non-controlling interests are recognised in the statement of changes in equity in the period in which they are declared.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

1 CORPORATE INFORMATION

The principal activities of the Company are investment holding, construction, mining and mineral exploration.

The principal activities of the subsidiaries are shown in Note 41 to the financial statements.

There is no significant change in the nature of these activities during the financial year, except as disclosed in Note 16 to the financial statements.

The ultimate holding company is Indra Cita Sdn. Bhd., a company incorporated in Malaysia.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Ground Floor, Wisma Budiman, Persiaran Raja Chulan, 50200, Kuala Lumpur.

The financial statements are expressed in thousands of Ringgit Malaysia unless otherwise stated.

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 30 March 2015.

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks, including foreign currency exchange risk, interest rate risk, market risk, credit risk, liquidity and cash flow risk. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders. The Group focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Financial risk management is carried out through risk reviews, internal control systems, insurance programmes and adherence to Group financial risk management policies. The Board regularly reviews these risks and approves the treasury policies, which covers the management of these risks.

The Group uses instruments such as foreign exchange contracts to cover certain exposures. It does not trade in financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial risk factors (continued)

(i) Foreign currency exchange risk

The Group is exposed to minimal foreign currency risk as the majority of the Group's transactions, assets and liabilities are denominated in Ringgit Malaysia.

The Group also maintains a natural hedge by maintaining foreign currency denominated cash reserves in licensed bank accounts to fund any potential future cash outflows arising from its business operations in foreign countries and by borrowing in the currency of the country in which the investment is located or by borrowing in currencies that match the future revenue stream to be generated by the investment.

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

	AUD RM'000	USD RM'000	EUR RM'000	CHF RM'000	KWD RM'000	Others RM'000
2014						
Deposits with licensed bank	23,317	115,931	161,377	–	9,610	–
Trade and other receivables	17,399	178,882	1,430	63,334	6,982	–
Borrowings	(454,217)	(295,804)	–	–	–	–
Trade and other payables	(17,393)	(6,122)	(5,224)	(1,249)	–	(426)
Net exposure	(430,894)	(7,113)	157,583	62,085	16,592	(426)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial risk factors (continued)

(i) Foreign currency exchange risk (continued)

	AUD RM'000	USD RM'000	EUR RM'000	CHF RM'000	KWD RM'000	Others RM'000
2013						
Deposits with licensed bank	42,751	29,693	–	43,767	23,368	–
Trade and other receivables	–	573,811	1,077	–	5,396	–
Borrowings	(425,508)	(285,951)	–	–	–	–
Trade and other payables	(23,013)	(60,642)	(61,989)	–	–	(916)
Net exposure	(405,770)	256,911	(60,912)	43,767	28,764	(916)

Foreign currency risk arises from Group entities which have functional currencies other than functional currencies of the Group entities. A 10% (2013: 10%) strengthening of the functional currencies against the following currencies would have (increased) decreased post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

(Profit) or loss	2014 RM'000	2013 RM'000
AUD	**(43,089)**	(40,577)
USD	**(711)**	25,691
EUR	**15,758**	(6,091)
CHF	**6,209**	4,377
KWD	**1,659**	2,876
Others	**(43)**	(92)
Net exposure	**(20,217)**	(13,816)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial risk factors (continued)

(i) Foreign currency exchange risk (continued)

A 10% (2013: 10%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

(ii) Interest rate risk

The Group's interest rate risk arises from the Group's borrowings and deposits denominated in Ringgit Malaysia, and are managed through the use of fixed and floating rates.

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

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Group calculates the impact on profit or loss of a defined interest rate shift.

An 0.25% increase/decrease of the weighted average rate of the Group's and the Company's borrowings and deposits, with all other variables held constant, would result in an decrease/increase of RM9 million and RM5 million respectively to the profit before tax and zakat.

(iii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated balance sheet either as available–for-sale or at fair value through profit or loss. The Group is not exposed to commodity price risk.

The Group's investments in equity of other entities that are publicly traded are included in one of the following two equity indexes: Bursa Malaysia and ASX.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial risk factors (continued)

(iii) Price risk (continued)

The table below summarises the impact of increases/decreases of the financial assets on the Group's post-tax profit for the year and on equity. The analysis is based on the assumption that the share price had increased/decreased by 5% with all other variables held constant.

	Impact on post-tax profit		Impact on other components of equity	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Available-for-sale	**–**	–	**4,225**	4,776
Derivative financial instruments – Warrants	**995**	–	**–**	–
Net exposure	**995**	–	**4,225**	4,776

(iv) Credit risk

Credit risk arises when sales are made on deferred credit terms. The Group seeks to control credit risk by ensuring its customers have sound financial standing, credit history and requirement of collateral where necessary.

Analysis of the Group and the Company's trade and other receivables is reflected in Note 26.

(v) Liquidity and cash flow risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, the Group aims at maintaining flexibility in funding by keeping committed credit lines available.

The Group matches its consistent cash flows from its concession businesses, which are long term in nature, against its borrowings obligations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial risk factors (continued)

(v) Liquidity and cash flow risk (continued)

In addition, the Group also maintains a certain level of deposits to ensure compliance with its borrowings requirements.

The Company meets its obligations with funds to be received in the form of dividends and distributions from its subsidiaries and joint venture companies.

The following table analyses the Group's and the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Within 1 year RM'000	Between 1 to 2 years RM'000	Between 2 to 5 years RM'000	After 5 years RM'000	Total RM'000
Group					
At 31 December 2014					
Trade and other payables	2,249,664	1,980	36,632	9,005	2,297,281
Redeemable preference shares	22,810	22,810	56,159	12,640	114,419
Borrowings:					
– fixed rate	3,022,899	1,866,562	8,758,214	25,690,183	39,337,858
– floating rate	713,377	1,503,190	1,750,409	91,725	4,058,701
	3,736,276	3,369,752	10,508,623	25,781,908	43,396,559

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial risk factors (continued)

(v) Liquidity and cash flow risk (continued)

	Within 1 year RM'000	Between 1 to 2 years RM'000	Between 2 to 5 years RM'000	After 5 years RM'000	Total RM'000
Group					
At 31 December 2013					
Trade and other payables	2,185,830	64,587	18,354	10,069	2,278,840
Redeemable preference shares	18,381	23,918	71,753	35,837	149,889
Borrowings:					
– fixed rate	2,300,606	1,894,340	7,026,741	21,525,831	32,747,518
– floating rate	933,554	312,975	1,431,944	342,193	3,020,666
	3,234,160	2,207,315	8,458,685	21,868,024	35,768,184

	Within 1 year RM'000	Between 1 to 2 years RM'000	Between 2 to 5 years RM'000	After 5 years RM'000	Total RM'000
Company					
At 31 December 2014					
Trade and other payables	**487,878**	**–**	**30,694**	**–**	**518,572**
Amount due to subsidiaries	**–**	**201,887**	**–**	**–**	**201,887**
Borrowings:					
– fixed rate	**–**	**159,165**	**1,061,100**	**–**	**1,220,265**
– floating rate	**571,698**	**894,242**	**659,288**	**–**	**2,125,228**
	571,698	**1,053,407**	**1,720,388**	**–**	**3,345,493**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial risk factors (continued)

(v) Liquidity and cash flow risk (continued)

	Within 1 year RM'000	Between 1 to 2 years RM'000	Between 2 to 5 years RM'000	After 5 years RM'000	Total RM'000
Company					
At 31 December 2013					
Trade and other payables	522,009	63,789	16,144	–	601,942
Amount due to subsidiaries	–	537,547	–	–	537,547
Borrowings:					
– fixed rate	–	–	157,821	–	157,821
– floating rate	894,439	312,974	1,274,123	342,193	2,823,729
	894,439	312,974	1,431,944	342,193	2,981,550

Details of borrowings are shown in Note 31.

(vi) Hedging activities and liquidity risk

The following are cash flow hedge and the liquidity risk of the derivative assets and liabilities.

Cash flow hedge for borrowings

The Group has entered into various interest rate swaps and cross currency swaps in order to hedge the interest rate risk and foreign exchange risk in relation to the variability in cash flows on the floating rate RM and USD loans of RM967,604,587 (75% of Junior Tranche Loan), RM525,000,000 (75% of Senior Tranche Loan), USD400,000,000 (100% of USD Loan) and AUD517,644,989 loan.

For the interest rate swaps and cross currency swaps that held by a subsidiary in Malaysia, the notional amount of the various swaps start with RM96,953,206 and thereafter as per schedule for Junior IRS, RM44,273,673 and thereafter as per schedule for Senior IRS and USD33,752,607 and thereafter as per schedule for CCS. The interest rate swaps and cross currency swaps were entered into for a period of 5 years for Junior IRS, 12 years for Senior IRS and 15 years for CCS.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial risk factors (continued)

(vi) Hedging activities and liquidity risk (continued)

Cash flow hedge for borrowings (continued)

For the interest rate swaps that held by a subsidiary in Australia, the Group had interest rate swaps with a notional value of AUD464 million. The interest rate swaps were entered into for a period of 10 to 17 years tenor.

The following table indicates the contractual periods in which the cash flows associated with the interest rate swap are expected to occur and affect profit or loss:

	Carrying amount RM'000	Expected cash flows RM'000	Under 1 year RM'000	1–2 years RM'000	2–5 years RM'000	More than 5 years RM'000
Group						
2014						
Financial asset:						
Cross currency swaps	**99,147**	**1,460**	**(66,536)**	**(17,211)**	**6,906**	**78,301**
Financial liability:						
Interest rate swap	**(195,042)**	**(253,449)**	**(43,030)**	**(34,929)**	**(91,127)**	**(84,362)**
2013						
Financial assets:						
Interest rate swaps	16,134	17,138	(8,859)	(6,671)	2,130	30,538
Cross currency swaps	64,107	32,909	(13,542)	(26,139)	(24,682)	97,272
	80,241	50,047	(22,401)	(32,810)	(22,552)	127,810

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial risk factors (continued)

(vi) Hedging activities and liquidity risk (continued)

Cash flow hedge for borrowings (continued)

2013	Carrying amount RM'000	Expected cash flows RM'000	Under 1 year RM'000	1–2 years RM'000	2–5 years RM'000	More than 5 years RM'000
Financial liability:						
Interest rate swap	(66,081)	(87,601)	(32,242)	(25,985)	(37,331)	7,957

During the financial year, a loss of RM78,095,000 (2013: gain of RM238,418,000) was recognised in other comprehensive income.

Ineffectiveness gain amounting to RM5,891,000 (2013: RM44,041,000) was recognised in profit or loss during the financial year in respect of the hedge.

Sensitivity analysis

Fair value sensitivity analysis

A change of 10% strengthening/weakening of the USD at the end of the reporting period would have increased/(decreased) equity by the amount shown below:

	Equity	
	10% strengthening of USD RM'000	10% weakening of USD RM'000
2014		
Cross currency swaps	**100,410**	**(100,410)**
Fair value sensitivity (net)	**100,410**	**(100,410)**
2013		
Cross currency swaps	35,128	(35,128)
Fair value sensitivity (net)	35,128	(35,128)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Financial risk factors (continued)

(vi) Hedging activities and liquidity risk (continued)

Cash flow hedge for asset acquisition

The Group has entered into forward exchange contracts to limit their exposure on foreign currency risk in relation to the payments to the asset suppliers.

The hedged highly probable forecast transactions denominated in foreign currency are expected to occur at various dates during the next 12 months. Gains and losses recognised in the hedging reserve in equity on forward foreign exchange contracts as of 31 December 2014 relates to purchases of property, plant and equipment and will be included in the carrying amount of the property, plant and equipment acquired.

The following table indicates the periods in which the cash inflows/(outflows) associated with the forward exchange contracts are expected to occur and affect profit or loss:

	Within 1 year RM'000	Between 1 to 2 years RM'000	Between 2 to 5 years RM'000	After 5 years RM'000	Total RM'000
2014					
Forward exchange contracts					
– inflows	**13,660**	**–**	**–**	**–**	**13,660**
– outflows	**(14,262)**	**–**	**–**	**–**	**(14,262)**
2013					
Forward exchange contracts					
– inflows	70,241	–	–	–	70,241
– outflows	(67,069)	–	–	–	(67,069)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Capital risk management

The primary objective of the Group's and Company's capital management is to ensure that the Group and Company would be able to continue as a going concern while maximising returns to shareholders.

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

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

The Group and the Company monitor capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

The gearing ratios at 31 December 2014 and 2013 were as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total borrowings	**25,651,949**	23,978,405	**3,156,526**	2,831,750
Less: Deposits, bank and cash balances	**(5,036,025)**	(4,330,902)	**(318,538)**	(173,142)
Net debt	**20,615,924**	19,647,503	**2,837,988**	2,658,608
Total equity	**10,334,163**	10,170,110	**5,625,368**	5,377,704
Total capital	**30,950,087**	29,817,613	**8,463,356**	8,036,312
Gearing ratio	**67%**	66%	**34%**	33%

Please refer to Note 31 for externally imposed financial covenants and capital structure.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have material impact on the Group's results and financial position are tested for sensitivity to changes in the underlying parameters. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next financial year are as follows:

(a) Goodwill impairment assessment

The Group tests goodwill for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary.

The recoverable amounts of the Port Business, Electricity Generation Business and Airport Operations; CGUs respectively, were determined based on the VIU calculations. The calculations require the use of estimates and judgments as set out in Note 22(A) Port Business, Note 22(B) Electricity Generation Business and Note 22(C)(i) Airport Operations; to the financial statements.

(b) Residual value of power plants

The Group charges depreciation on its depreciable property, plant and equipment based on the useful lives and residual values of the assets. Estimating the useful lives and residual values of property, plant and equipment involves significant judgment, selection of variety of methods and assumptions that are normally based on market conditions existing at the reporting date. The actual useful lives and residual values of the assets however, may be different from expected.

The PPAs provide for the disposal of the power plants at the end of the initial concession period, in the event that the PPAs are not extended. In assessing the appropriateness of the residual values adopted, management considered the recoverable values of the assets based on the VIU method. The VIUs were derived using the following critical assumptions:

(1) extension of five to ten years of the PPAs at the end of the initial concession period, in view of:
   - (i) limited new power plants being constructed;
   - (ii) increase in demand for power; and
   - (iii) Tenaga Nasional Berhad ("TNB")'s continued reliance on Independent Power Producers ("IPPs").

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

(b) Residual value of power plants (continued)

The existing PPAs expire as follows:

PPAs owner	Year of expiry	Residual value RM'million at 31.12.2014	Residual value RM'million at 31.12.2013
Segari Energy Ventures Sdn. Bhd. ("SEV")	2027	**370***	370*
GB3 Sdn. Bhd.	2022	**514**	514
Prai Power Sdn. Bhd.	2024	**315**	315
Tanjung Bin Power Sdn. Bhd.	2031	**1,924**	1,924
		3,123	3,123

* The original PPA for SEV expires in 2017. SEV has obtained approval for a 10 year extension to its PPA to 2027. Consequently, the residual value for SEV's power plant has been revised.

(2) an estimated Variable Operating Rate ("VOR") during the extension period which management deems to be reasonable based on the expected demand and the VOR rate at the end of the PPAs;

(3) an average despatch factor of 20% and 75% to reflect the future demand for power by the industry; and

(4) the discount rate of 7.5% (pre-tax: 10%) per annum.

If the recoverable amount at the end of the concession period is nil, there will be additional depreciation charge and impairment to property, plant and equipment of the Group.

At Company level, the impact, had the residual value been nil, there will be impairment on the cost of investment in the subsidiary, Malakoff Corporation Berhad.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

(c) Estimation of the VIU of the CGU for Airport City

The estimation of VIU of CGU is based on a single combined business unit ("Airport City") consisting of Airport Operations and Property Development Land. The Directors are of the view that this will provide a more accurate description of the overall strategy of the sub–group, whereby all of the activities within various companies within the sub–group are elements of the overall strategic master plan to develop Senai Airport City.

(d) Deferred tax assets of a subsidiary, Pelabuhan Tanjung Pelepas Sdn. Bhd. ("PTP")

Deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences, estimating the future taxable profits involves significant assumptions, especially in respect of capital expenditure and operating costs. These assumptions have been built based on past performance and adjusted for non-recurring circumstances and a reasonable growth rate. The Group expects that it will be able to utilise the deferred tax assets during the tenure of the concession. The principal assumptions used are as disclosed in Note 22 (A).

(e) Deferred tax assets of a subsidiary, Senai Airport Terminal Services Sdn. Bhd. ("SATS")

Deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Estimating the future taxable profits involves significant assumptions, especially in respect of capital expenditure, passenger and aircraft movement, cargo tonnage and operating costs. These assumptions have been built based on past performance and adjusted for non-recurring circumstances and a reasonable growth rate. The Group expects that it will be able to utilise the deferred tax assets during the tenure of the concession. The principal assumptions used are as disclosed in Note 22 (C).

(f) Recovery of claim receivable of a subsidiary, MMC International Holdings Ltd.

In assessing whether the claim receivable in respect of a discontinued involvement in a project in Middle East is recoverable, the management has assessed the debtor's ability to pay the amount claimed by the Group. Based on the latest development, the management makes a judgement that there is no indication of impairment on the amount claimed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

4 COMPARATIVES

The Group has adjusted the comparative figures in accordance with the following:

(a) Restatement of share of results of associates

During the year ended 31 December 2014, an associate of a 51%-owned subsidiary of the Company, has reassessed the classification of certain qualifying and non-qualifying expenditures for tax purpose. As a result thereof, the associate has restated the deferred tax and retained earnings balances retrospectively.

(b) Reclassification of property development expenditure

In accordance with the guidance in FRSIC Consensus 19, Accounting For Prepaid Leasehold Land Held For Property Development by Developers, the Group has reclassified land held for future development previously classified as property development expenditure as follows:

(i) Property, Plant and Equipment in accordance with MFRS 116 Property, Plant and Equipment where such land is (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used for more than one period.

(ii) Inventories in accordance with MFRS 102 Inventories where such land is held for sale in the ordinary course of business.

The reclassification from property development expenditure to property, plant and equipment, and inventories do not have any impact to the consolidated statement of comprehensive income as the land held for future development comprise of freehold land carried at cost.

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

4 COMPARATIVES (CONTINUED)

The Group has adjusted the comparative figures in accordance with the following: (continued)

Impact on the Group's statement of comprehensive income for the financial year ended 31 December 2013:

	As previously reported RM'000	Adjustment/ Reclassification 4(a) RM'000	4(b) RM'000	As restated RM'000
Share of results of associates	140,997	(10,067)	–	130,930
Net profit attributable to:				
– owners of the Parent	228,657	(5,134)	–	223,523
– non-controlling interests	221,772	(4,933)	–	216,839
Earnings per share (sen)	7.5	(0.2)	–	7.3

Impact on the Group's statement of financial position as at 31 December 2013:

	As previously reported RM'000	Adjustment/ Reclassification 4(a) RM'000	4(b) RM'000	As restated RM'000
Interests in associates	2,684,793	(43,979)	–	2,640,814
Property, plant and equipment	19,144,848	–	346,007	19,490,855
Property development expenditure	2,285,648	–	(2,285,648)	–
Inventories (Non-current)	–	–	1,939,641	1,939,641
Retained earnings	3,031,644	(22,429)	–	3,009,215
Non-controlling interests	2,998,046	(21,550)	–	2,976,496

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

4 COMPARATIVES (CONTINUED)

The Group has adjusted the comparative figures in accordance with the following: (continued)

Impact on the Group's statement of financial position as at 1 January 2013:

	As previously reported RM'000	Adjustment/ Reclassification 4(a) RM'000	4(b) RM'000	As restated RM'000
Interests in associates	2,804,490	(33,912)	–	2,770,578
Property, plant and equipment	16,779,064	–	315,413	17,094,477
Property development expenditure	2,225,519	–	(2,225,519)	–
Inventories (Non-current)	–	–	1,910,106	1,910,106
Retained earnings	2,940,229	(17,295)	–	2,922,934
Non-controlling interests	3,187,338	(16,617)	–	3,170,721

The Company has adjusted the comparative figures in accordance with the following:

(c) MFRS 11 Joint Arrangements

In accordance with MFRS 11 Joint Arrangements, the share of assets, liabilities, revenue and related expenses of Joint Operations is to be proportionately consolidated at both Group and Company level. As a result thereof, the Company level comparatives were restated to reflect the share of assets, liabilities, revenue and related expenses of the joint operations, retrospectively.

Impact on the Company's statement of comprehensive income for the financial year ended 31 December 2013:

	As previously reported RM'000	Adjustment 4(c) RM'000	As restated RM'000
Revenue	462,232	879,500	1,341,732
Cost of sales	–	(805,632)	(805,632)
Other operating income	5,361	2,026	7,387
Other operating expenses	(43,817)	(21,645)	(65,462)
Finance costs	(161,485)	(717)	(162,202)
Profit before zakat and taxation	216,107	53,532	269,639
Net profit for the financial year	175,421	53,532	228,953

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

4 COMPARATIVES (CONTINUED)

(c) MFRS 11 Joint Arrangements (continued)

Impact on the Company's statement of cash flows for the financial year ended 31 December 2013:

	As previously reported RM'000	Adjustment 4(c) RM'000	As restated RM'000
Net cash flow (used in)/generated from operating activities	(90,221)	56,220	(34,001)
Net cash flow generated from/(used in) investing activities	407,010	(41,587)	365,423
Net cash flow used in financing activities	(290,889)	(717)	(291,606)
Cash and cash equivalents at 1.1.2013	110,385	22,941	133,326
Cash and cash equivalents at 31.12.2013	136,285	36,857	173,142

Impact on the Company's statement of financial position as at 31 December 2013:

	As previously reported RM'000	Adjustment 4(c) RM'000	As restated RM'000
Property, plant and equipment	13,243	26,465	39,708
Trade and other receivables (Non-current)	–	14,368	14,368
Inventories	–	848	848
Trade and other receivables (Current)	76,499	584,225	660,724
Deposits, bank and cash balances	136,285	36,857	173,142
Retained earnings	2,655,623	75,021	2,730,644
Trade and other payables (Non-current)	–	79,933	79,933
Trade and other payables (Current)	14,200	507,809	522,009

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

4 COMPARATIVES (CONTINUED)

(c) MFRS 11 Joint Arrangements (continued)

Impact on the Company's statement of financial position as at 1 January 2013:

	As previously reported RM'000	Adjustment 4(c) RM'000	As restated RM'000
Property, plant and equipment	8,297	30,304	38,601
Trade and other receivables (Non-current)	–	19,901	19,901
Inventories	–	929	929
Trade and other receivables (Current)	81,620	252,814	334,434
Deposits, bank and cash balances	110,385	22,941	133,326
Retained earnings	2,617,230	21,489	2,638,719
Trade and other payables (Non-current)	–	82,050	82,050
Trade and other payables (Current)	15,710	223,350	239,060

5 REVENUE

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000 (Restated)
Electricity generation	**5,398,177**	4,612,563	**-**	–
Water treatment services	**46,093**	77,745	**-**	–
Port operations	**1,530,787**	1,407,213	**-**	–
Airport operations	**40,529**	33,977	**-**	–
Contract revenue	**1,103,765**	1,101,762	**948,496**	919,500
Services	**64,089**	50,942	**-**	–
Property lease	**248,289**	160,500	**-**	–
Sale of property	**333,214**	–	**-**	–
Dividends (Note 8(i))	**558**	651	**414,201**	422,232
	8,765,501	7,445,353	**1,362,697**	1,341,732

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

6 ANALYSIS OF EXPENSES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000 (Restated)
Cost of sales				
Cost of electricity generation	**3,956,082**	3,512,341	**–**	–
Cost of water treatment services	**40,368**	66,994	**–**	–
Cost of port operations	**874,034**	778,083	**–**	–
Contract cost recognised as an expense	**827,399**	944,183	**712,324**	805,632
Cost of property sale	**308,410**	–	**–**	–
	6,006,293	5,301,601	**712,324**	805,632

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000 (Restated)
Administrative and other operating expenses				
Consultants and professional fees	**66,275**	88,696	**7,923**	7,217
Depreciation, amortisation and impairment	**334,896**	320,097	**3,485**	2,334
Contributions and Corporate Social Responsibility activities	**112,772**	66,517	**82,201**	40,473
Office administration expenses	**41,802**	33,855	**1,200**	1,300
Repair and maintenance	**14,209**	7,393	**1,036**	644
Rental expenses	**31,181**	32,303	**2,328**	2,079
Staff related costs	**240,681**	214,901	**33,754**	26,663
Utilities	**19,908**	17,702	**209**	202
Insurance, cess fund and licenses	**103,862**	91,454	**278**	228
Impairment of receivables	**48,906**	170,149	**–**	–
Travelling expenses	**31,331**	28,014	**690**	164
Others	**136,577**	150,247	**14,144**	30,342
	1,182,400	1,221,328	**147,248**	111,646

Included in the cost of electricity generation is the amortisation of intangible assets relating to rights on PPAs and OMAs amounting to RM512 million (2013: RM470 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

7 FINANCE COSTS

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000 (Restated)
Al-Istisna Bonds	**13,043**	18,815	**-**	-
Medium Terms Notes	**345,393**	333,276	**-**	-
Term Loans	**380,104**	279,757	**146,071**	133,348
Junior Sukuk	**113,400**	113,400	**-**	-
Bai' Bithaman Ajil Islamic Debt Securities	**22,110**	19,711	**-**	-
Sukuk Ijarah Bonds	**238,248**	241,412	**-**	-
Subordinated Loan Notes	**3,498**	19,126	**-**	-
Commercial Papers	**1,827**	7,204	**-**	-
Islamic Medium Term Notes	**82,339**	81,331	**-**	-
Sukuk Wakalah	**21,823**	11,025	**-**	-
Others	**38,841**	34,844	**20,989**	28,854
	1,260,626	1,159,901	**167,060**	162,202

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

8 PROFIT BEFORE ZAKAT AND TAXATION

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000 (Restated)
(i) Profit before zakat and taxation is arrived at:				
After charging:				
Auditors' remuneration:				
– statutory audit (PwC)	**795**	606	**320**	276
– audit related services (PwC)	**812**	675	**331**	331
– non-audit services (PwC)	**24**	384	**24**	293
Other auditors' remuneration:				
– statutory audit (non-PwC)	**1,749**	766	**179**	113
– audit related services (non-PwC)	**1,225**	599	**–**	–
– non-audit services (non-PwC)	**2,635**	5,337	**–**	–
Directors' fees (Note 8(ii))	**902**	1,094	**425**	425
Depreciation of:				
– property, plant and equipment (Note 13)	**845,815**	738,394	**9,159**	8,042
– investment properties (Note 15)	**489**	510	**–**	–
Amortisation of:				
– rights on Power Purchase Agreement and Operations and Maintenance Agreement arising through business combinations:				
– subsidiaries (Note 22)	**467,828**	427,163	**–**	–
– associates	**43,871**	42,673	**–**	–
– rights on water treatment business (Note 22)	**4,134**	5,174	**–**	–
– rights on airport business (Note 22)	**4,196**	4,195	**–**	–
Impairment of trade and other receivables (Note 26)	**50,425**	189,723	**–**	–
Realised loss on foreign exchange	**48**	448	**–**	–
Unrealised loss on foreign exchange	**997**	811	**5**	2
Provision for retirement benefits (Note 33(c))	**13,247**	14,386	**–**	–
Hire of plant and machinery	**130,922**	108,518	**–**	–
Rent of leasehold land and buildings	**53,628**	60,491	**2,328**	2,079
Write-off of property, plant and equipment	**21,061**	116,931	**–**	5
Fair value loss on borrowings	**37,202**	14,262	**–**	–
Loss on disposal of property, plant and equipment	**1,460**	10,870	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

8 PROFIT BEFORE ZAKAT AND TAXATION (CONTINUED)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000 (Restated)
(i) Profit before zakat and taxation is arrived at: (continued)				
After charging: (continued)				
Contributions and Corporate Social Responsibility activities	**112,772**	66,517	**82,201**	40,473
Staff costs (including Executive Directors' remuneration (Note 8(ii)):				
– wages, salaries and bonuses	**446,852**	360,771	**24,098**	12,941
– defined contribution plan	**47,919**	39,727	**3,599**	1,927
– other employee benefits	**46,765**	43,262	**1,632**	1,854
After crediting:				
Realised gain on foreign exchange	**1,102**	627	**–**	–
Unrealised gain on foreign exchange	**9,477**	30,445	**–**	–
Amortisation of:				
– land lease received in advance (Note 32)	**16,309**	16,052	**–**	–
– deferred income (Note 34)	**86,353**	73,976	**–**	–
Fair value gain on derivative assets	**18,790**	–	**18,790**	–
Fair value gain on borrowings	**3,474**	–	**3,474**	–
Rental income	**724**	1,328	**115**	50
Write-back of impairment of receivables (Note 26)	**3,560**	16,435	**–**	–
Interest income	**160,606**	180,145	**3,489**	3,061
Gross dividend income:				
– subsidiaries: unquoted in Malaysia	**–**	–	**367,701**	385,232
– joint ventures: unquoted in Malaysia	**–**	–	**46,500**	37,000
– other investments: quoted in Malaysia	**558**	651	**–**	–
Gain/(loss) on disposal of:				
– property, plant and equipment	**–**	–	**672**	493
– investment properties	**1,778**	1,473	**–**	–
– non-current assets held for sale	**1,212**	–	**–**	–
– available-for-sale financial assets	**6,473**	(12)	**–**	–
Fair value gain on acquisition of subsidiaries	**27,581**	–	**–**	–
Bargain purchase on acquisition of subsidiaries	**33,398**	–	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

8 PROFIT BEFORE ZAKAT AND TAXATION (CONTINUED)

(ii) Directors' remuneration:

The aggregate amount of emoluments received by Directors of the Company during the financial year is as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Directors of the Company				
Non–Executive Directors:				
– fees	**902**	1,094	**425**	425
– other emoluments	**2,338**	2,217	**486**	481
– defined contribution plan	**293**	285	**7**	7
– estimated monetary value of benefits-in-kind	**304**	245	**107**	195
Executive Directors:				
– salaries and other emoluments	**3,406**	3,591	**2,712**	3,454
– defined contribution plan	**393**	542	**325**	541
– estimated monetary value of benefits-in-kind	**161**	194	**161**	194
	7,797	8,168	**4,223**	5,297

9 ZAKAT EXPENSE

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Movement in zakat liability:				
– current financial year's expense	**6,066**	3,909	**2,241**	–
– paid during the financial year	**(6,066)**	(3,909)	**(2,241)**	–
At the end of the financial year	**–**	–	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

10 TAX EXPENSE

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Malaysian income tax				
Current tax:				
- in respect of profit for the financial year	**286,669**	68,051	**60,440**	41,422
- (over)/under accrual in prior financial years (net)	**(32,623)**	4,676	**(36,234)**	(736)
	254,046	72,727	**24,206**	40,686
Deferred tax (Note 23):				
- origination and reversal of temporary differences	**(203,738)**	(269,144)	**–**	–
- under accrual in prior financial years (net)	**24,933**	2,815	**–**	–
	(178,805)	(266,329)	**–**	–
	75,241	(193,602)	**24,206**	40,686

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

10 TAX EXPENSE (CONTINUED)

The explanation of the relationship between income tax expense and profit before taxation and after zakat is as follows:

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000 (Restated)
Numerical reconciliation between tax expense and the product of accounting profit multiplied by the Malaysian tax rate				
Profit before taxation and after zakat	**879,543**	246,760	**363,222**	269,639
Tax calculated at the applicable Malaysian tax rate of 25% (2013: 25%)	**219,886**	61,690	**90,806**	67,410
Tax effects of:				
- expenses not deductible for tax purposes	**220,044**	180,102	**72,855**	46,025
- income not subject to tax	**(83,398)**	(43,970)	**(103,550)**	(72,225)
- tax incentives	**-**	(119,200)	**-**	-
- change in tax rate	**151**	(36,689)	**-**	-
- effect of deduction on C-Inspection costs	**(40,215)**	(114,606)	**-**	-
- temporary differences not recognised	**11,577**	1,697	**329**	212
- utilisation of previously unrecognised temporary differences and tax losses	**(7,653)**	(4,108)	**-**	-
- recognition of investment tax allowance	**(192,350)**	(87,145)	**-**	-
- share of results of associates and joint ventures (net)	**(45,111)**	(38,864)	**-**	-
- under/(over) accrual in prior financial years (net)	**(7,690)**	7,491	**(36,234)**	(736)
Income tax expense/(benefit)	**75,241**	(193,602)	**24,206**	40,686

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

11 EARNINGS PER ORDINARY SHARE

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

	Group	
	2014	2013 (Restated)
Profit attributable to ordinary equity holders of the Company (RM'000)	**492,932**	223,523
Weighted average number of ordinary shares in issue ('000)	**3,045,058**	3,045,058
Basic earnings per share (sen)	**16.2**	7.3
Diluted earnings per share (sen)	**16.2**	7.3

12 DIVIDENDS

	Group and Company	
	2014 RM'000	2013 RM'000
Dividends paid:		
In respect of financial year ended 31 December 2012:		
A final single-tier dividend of 4.5 sen per ordinary share on 3,045,058,552 ordinary shares paid on 28 June 2013	**-**	137,028
In respect of financial year ended 31 December 2013:		
A final single-tier dividend of 3.0 sen per ordinary share on 3,045,058,552 ordinary shares paid on 27 June 2014	**91,352**	-

At the forthcoming Annual General Meeting, a final single-tier dividend of 3.5 sen per ordinary share in respect of the financial year ended 31 December 2014 on 3,045,058,552 ordinary shares, amounting to RM106,577,049 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividends, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

13 PROPERTY, PLANT AND EQUIPMENT

Group	Freehold properties RM'000	Leasehold properties RM'000	Building and port structures RM'000
Cost			
At 1 January 2013 (restated)	80,764	954,129	3,904,770
Disposals	–	–	–
Additions	2	–	11,108
Reclassification	–	–	238,471
Reclassification to intangible assets	–	–	–
Write-off	–	–	(1,697)
# Adjustments	–	–	95
At 31 December 2013 (restated)	80,766	954,129	4,152,747
Acquisition through business combination	94,537	–	–
Disposals	–	–	–
Additions	1,612	68,103	68,797
Reclassification	–	–	219,781
Reclassification to			
– Inventories	–	(73,000)	–
– Assets held for sale (Note 25)	–	–	–
Write-off	–	–	(8,714)
# Adjustments	–	–	(766)
At 31 December 2014	**176,915**	**949,232**	**4,431,845**

Note:

Trade discounts granted by vendors of a subsidiary subsequent to completion of projects.

Mining leases properties RM'000	Power plants RM'000	Plant and machinery RM'000	Capital work in progress RM'000	C–inspection and parts cost RM'000	Total RM'000
347	10,671,618	2,761,333	2,441,729	841,315	21,656,005
–	–	(25,516)	–	(110,470)	(135,986)
–	24,599	69,250	2,691,773	470,309	3,267,041
–	–	103,422	(341,893)	–	–
–	–	(28)	–	–	(28)
–	(135,312)	(1,220)	–	(34,643)	(172,872)
–	–	363	–	–	458
347	10,560,905	2,907,604	4,791,609	1,166,511	24,614,618
–	135,724	477	–	–	230,738
–	(2,056)	(26,880)	(581)	–	(29,517)
–	53,267	198,151	1,885,778	158,358	2,434,066
–	–	493,413	(713,194)	–	–
–	–	–	–	–	(73,000)
–	–	(37,541)	–	–	(37,541)
–	(26,229)	(4,527)	–	–	(39,470)
–	–	1,407	–	–	641
347	**10,721,611**	**3,532,104**	**5,963,612**	**1,324,869**	**27,100,535**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold properties RM'000	Leasehold properties RM'000	Building and port structures RM'000
Accumulated depreciation			
At 1 January 2013 (restated)	(12,811)	(81,479)	(660,465)
Depreciation (Note 8(i))	(2,057)	(20,501)	(83,483)
Disposals	–	–	–
Write-off	–	–	–
Reclassification	–	–	–
At 31 December 2013 (restated)	(14,868)	(101,980)	(743,948)
Depreciation (Note 8(i))	(2,695)	(20,350)	(87,648)
Disposals	–	–	–
Write-off	–	–	8,714
Reclassification to			
– Inventories	–	7,715	–
– Assets held for sale (Note 25)	–	–	–
At 31 December 2014	**(17,563)**	**(114,615)**	**(822,882)**
Accumulated impairment losses			
At 1 January 2013	(11,257)	–	(1,348)
At 31 December 2013	(11,257)	–	(1,348)
Impairment loss	–	–	–
At 31 December 2014	**(11,257)**	**–**	**(1,348)**
Net book value			
At 31 December 2013	54,641	852,149	3,407,451
At 31 December 2014	**148,095**	**834,617**	**3,607,615**

Mining leases properties RM'000	Power plants RM'000	Plant and machinery RM'000	Capital work in progress RM'000	C-inspection and parts cost RM'000	Total RM'000
–	(2,007,074)	(1,270,534)	–	(512,927)	(4,545,290)
–	(337,461)	(193,739)	–	(101,153)	(738,394)
–	–	21,630	–	98,585	120,215
–	25,925	1,177	–	28,839	55,941
–	–	3	–	–	3
–	(2,318,610)	(1,441,463)	–	(486,656)	(5,107,525)
–	(363,022)	(206,447)	–	(165,653)	(845,815)
–	–	22,633	–	–	22,633
–	5,332	4,363	–	–	18,409
–	–	–	–	–	7,715
–	–	24,544	–	–	24,544
–	**(2,676,300)**	**(1,596,370)**	**–**	**(652,309)**	**(5,880,039)**
–	–	(3,633)	–	–	(16,238)
–	–	(3,633)	–	–	(16,238)
–	–	(856)	–	–	(856)
–	**–**	**(4,489)**	**–**	**–**	**(17,094)**
347	8,242,295	1,462,508	4,791,609	679,855	19,490,855
347	**8,045,311**	**1,931,245**	**5,963,612**	**672,560**	**21,203,402**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Freehold properties RM'000	Leasehold properties RM'000	Mining leases properties RM'000	Plant, machinery and equipment RM'000	Total RM'000
Cost					
At 1 January 2013 (restated)	826	5,620	347	85,321	92,114
Additions	–	–	–	12,919	12,919
Disposals	–	–	–	(12,683)	(12,683)
Write-off	–	–	–	(18)	(18)
At 31 December 2013 (restated)	826	5,620	347	85,539	92,332
Additions	–	–	–	1,591	1,591
Disposals	–	–	–	(13,223)	(13,223)
Reclassification to assets held for sale (Note 25)	–	–	–	(37,541)	(37,541)
Write-off	–	–	–	(10)	(10)
At 31 December 2014	**826**	**5,620**	**347**	**36,356**	**43,149**
Accumulated depreciation					
At 1 January 2013 (restated)	–	(1,292)	–	(52,221)	(53,513)
Depreciation (Note 8(i))	–	(57)	–	(7,985)	(8,042)
Disposals	–	–	–	8,918	8,918
Write-off	–	–	–	13	13
At 31 December 2013 (restated)	–	(1,349)	–	(51,275)	(52,624)
Depreciation (Note 8(i))	–	(57)	–	(9,102)	(9,159)
Disposals	–	–	–	9,231	9,231
Reclassification to assets held for sale (Note 25)	–	–	–	24,544	24,544
Write-off	–	–	–	10	10
At 31 December 2014	**–**	**(1,406)**	**–**	**(26,592)**	**(27,998)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

13 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Freehold properties RM'000	Leasehold properties RM'000	Mining leases properties RM'000	Plant, machinery and equipment RM'000	Total RM'000
Accumulated impairment losses					
At 31 December 2013	–	–	–	–	–
Impairment losses	–	–	–	(856)	(856)
At 31 December 2014	**–**	**–**	**–**	**(856)**	**(856)**
Net book value					
At 31 December 2013	826	4,271	347	34,264	39,708
At 31 December 2014	**826**	**4,214**	**347**	**8,908**	**14,295**

	Group	
	2014 RM'000	2013 RM'000
Net book value of property, plant and equipment pledged as security for borrowings	**18,360,343**	16,934,704

Included in the property, plant and equipment of the Group is interest capitalised at a rate ranging from 4.0% to 8.5% per annum amounting to RM267.4 million (2013: RM188.1 million).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

14 FINANCE LEASE RECEIVABLES

The finance lease receivable relates to the 25-year lease agreement for the right to use and occupy 3 parcels of land, substation and assets.

The future minimum lease payments under finance lease together with the present value of the net minimum lease payments are as follows:

	Group	
	2014 RM'000	2013 RM'000
Minimum lease payments:		
Within one year	143,629	141,499
1-2 years	157,675	146,452
2-5 years	495,574	492,726
Over 5 years	3,916,436	4,166,757
Gross finance lease	4,713,314	4,947,434
Less: unearned finance income	(2,722,340)	(2,934,489)
Present value of minimum lease payments	1,990,974	2,012,945

	Group	
	2014 RM'000	2013 RM'000
Analysed as:		
Within one year	–	–
1-2 years	211	–
2-5 years	24,960	–
Over 5 years	1,965,803	2,012,945
Total finance lease receivable	1,990,974	2,012,945
Comprising:		
Current	–	–
Non-current	1,990,974	2,012,945
	1,990,974	2,012,945

For the financial year ended 31 December 2014, the Group recognised a finance lease income of RM160 million (2013 : RM80 million) in the statement of comprehensive income.

The fair value of the finance lease receivables approximates its carrying amount.

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

15 INVESTMENT PROPERTIES

	Group	
	2014 RM'000	2013 RM'000
Cost		
At 1 January	**35,789**	36,845
Disposals	**(1,459)**	(871)
Transfer to assets held for sale (Note 25)	**-**	(185)
At 31 December	**34,330**	35,789
Accumulated depreciation		
At 1 January	**(4,978)**	(4,566)
Depreciation (Note 8(i))	**(489)**	(510)
Disposals	**129**	44
Transfer to assets held for sale (Note 25)	**-**	54
At 31 December	**(5,338)**	(4,978)
Accumulated impairment losses		
At 1 January/31 December	**(888)**	(888)
Net book value	**28,104**	29,923
Fair value	**167,946**	155,444

The fair value as at 31 December 2014 and 31 December 2013 were conducted by qualified professional valuers who have recent experience in location and category of the property being valued, based on the market comparable approach that reflects the recent transactions prices for the similar properties and are within level 2 of the fair value hierarchy as described in Note 43.

All investment properties are freehold properties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

15 INVESTMENT PROPERTIES (CONTINUED)

Rental income generated from and direct operating expenses incurred on investment properties are as follows:

	Group	
	2014 RM'000	2013 RM'000
Rental income	**609**	1,278
Direct operating expenses	**908**	881

16 INVESTMENTS IN SUBSIDIARIES

	Company	
	2014 RM'000	2013 RM'000
Investments in subsidiaries at cost:		
Unquoted shares	**7,079,321**	7,251,712
Less: accumulated impairment losses	**(11,245)**	(11,245)
Total	**7,068,076**	7,240,467

Details of the Group's subsidiaries are shown in Note 41.

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

16 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

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

	Malakoff Corporation Berhad RM'000	Pelabuhan Tanjung Pelepas Sdn. Bhd. RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
2014				
NCI percentage of ownership interest and voting interest	**49%**	**30%**	**10%-72.5%**	
Carrying amount of NCI	**2,223,907**	**607,036**	**(2,214)**	**2,828,729**
Profit allocated to NCI	**238,654**	**72,610**	**106**	**311,370**
Dividends paid to NCI of the Group	**179,017**	**1,200**	**–**	**180,217**
2013 (Restated)				
NCI percentage of ownership interest and voting interest	49%	30%	10%-72.5%	
Carrying amount of NCI	2,164,269	522,886	289,341	2,976,496
Profit allocated to NCI	152,277	43,716	20,846	216,839
Dividends paid to NCI of the Group	283,590	1,200	17,213	302,003

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

16 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The summarised financial statements before intra-group elimination of the Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	2014	
	Malakoff Corporation Berhad RM'000	Pelabuhan Tanjung Pelepas Sdn. Bhd. RM'000
NCI percentage of ownership interest and voting interest	49%	30%
As at 31 December		
Non-current assets	23,344,477	4,917,331
Current assets	5,991,595	622,744
Non-current liabilities	(23,267,720)	(3,077,937)
Current liabilities	(1,891,736)	(457,543)
Net assets	4,176,616	2,004,595
Year ended 31 December		
Revenue	5,594,484	1,043,727
Profit for the year	412,844	267,339
Total comprehensive income	317,720	267,339
Cash flows generated from operating activities	2,701,949	285,404
Cash flows used in investing activities	(856,168)	(537,920)
Cash flows (used in)/generated from financing activities	(646,665)	586,318
Net change in cash and cash equivalents	1,199,116	333,802

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

16 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The summarised financial statements before intra-group elimination of the Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: (continued)

	2013 (Restated)	
	Malakoff Corporation Berhad RM'000	Pelabuhan Tanjung Pelepas Sdn. Bhd. RM'000
NCI percentage of ownership interest and voting interest	49%	30%
As at 31 December		
Non-current assets	22,470,390	4,405,188
Current assets	5,597,897	273,198
Non-current liabilities	(21,964,604)	(2,473,916)
Current liabilities	(1,964,537)	(455,018)
Net assets	4,139,146	1,749,452
Year ended 31 December		
Revenue	4,717,419	906,458
Profit for the year	234,658	145,718
Total comprehensive income	392,410	145,718
Cash flows generated from operating activities	1,636,604	373,873
Cash flows used in investing activities	(1,426,702)	(642,469)
Cash flows (used in)/generated from financing activities	(532,512)	178,796
Net decrease in cash and cash equivalents	(322,610)	(89,800)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

17 INTERESTS IN ASSOCIATES

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000
Unquoted shares, at cost	**1,692,268**	1,677,517	**–**	–
Selective capital return of an unquoted associate	**(50,401)**	(47,530)	**–**	–
	1,641,867	1,629,987	**–**	–
Shares quoted in Malaysia, at cost	**1,250,253**	1,288,731	**154,511**	139,037
Share of post-acquisition loss	**(204,849)**	(127,548)	**–**	–
	2,687,271	2,791,170	**154,511**	139,037
Accumulated impairment losses	**(498,599)**	(507,386)	**(83,774)**	(83,774)
	2,188,672	2,283,784	**70,737**	55,263
Redeemable unquoted loan stocks	**356,630**	357,030	**–**	–
Interests in associates	**2,545,302**	2,640,814	**70,737**	55,263
Market value of quoted associates:				
Shares quoted in Malaysia	**1,535,486**	2,077,188	**87,869**	54,711

On 30 April 2014, Malakoff Corporation Berhad, a 51%-owned subsidiary of the Group, through its wholly-owned subsidiary, Hypergantic Sdn. Bhd. acquired the remaining 75% shareholding in Port Dickson Power Berhad. Prior to the acquisition, Port Dickson Power Berhad has been accounted as an associate in which the Group has 12.8% effective interest. The effect of the acquisition is disclosed in Note 42 (i).

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

17 INTERESTS IN ASSOCIATES (CONTINUED)

On 30 October 2014, Malakoff Oman Desalination Company Limited ("MODC"), a wholly–owned subsidiary of Malakoff Corporation Berhad, subscribed new shares of 3,130,929 at a nominal value of Omani Riyal ("RO") 1 (equivalent to RM8.70) each, representing 45% of its portion of existing interest in an associate, Muscat City Desalination Company S.A.O.C ("M.C.D.C") share capital at a subscription price of RO1.35 (equivalent to RM11.75) each. The total value of subscription amounted to RO4,226,754 (equivalent to RM36,755,000).

Details of the Group's associates and the accounting periods used for applying the equity method of accounting for the associates' results are shown in Note 41.

The Group has discontinued the recognition of its share of losses of its inactive associates as the share of losses of these associates has exceeded the Group's interest in those associates. The unrecognised share of losses of these associates for the current financial year and cumulatively were immaterial to the Group. The details of inactive associates are disclosed in Note 41.

The financial year end of all of the associates are the same with the Group except for Kapar Energy Ventures Sdn. Bhd. (31 August 2014). The management account as of 31 December 2014 for an associate has been used in the equity accounting of Group's share of profit or loss and reserves up to period ended on that date.

All the associates are strategic to the Group's activities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

17 INTERESTS IN ASSOCIATES (CONTINUED)

The following table summarises the financial information of the Group's material associates, adjusted for any differences in the accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates:

							2014
	Gas Malaysia Berhad RM'000	Zelan Berhad RM'000	Kapar Energy Ventures Sdn. Bhd. RM'000	Shuaibah Water and Electricity Company Limited RM'000	Hidd Power Company B.S.C RM'000	Red Sea Gateway Terminal Company Limited RM'000	NCB Holdings Berhad RM'000
Summarised financial information							
Effective percentage of ownership interest	30.9%	39.2%	20.4%	6.1%	20.4%	20.0%	15.7%
As at 31 December							
Non-current assets	1,052,358	369,581	3,256,852	6,739,485	4,303,278	1,530,453	1,637,046
Current assets	738,729	191,624	1,519,584	429,755	317,601	187,785	663,287
Non-current liabilities	(161,630)	(217,288)	(3,235,750)	(5,337,201)	(3,106,647)	(135,078)	(493,537)
Current liabilities	(616,463)	(189,033)	(952,954)	(538,611)	(418,412)	(931,797)	(400,744)
Net assets	1,012,994	154,884	587,732	1,293,428	1,095,820	651,363	1,406,052
Year ended 31 December							
Profit/(Loss) for the year	167,628	51,815	(128,789)	269,492	104,130	68,283	(768)
Other comprehensive (loss)/income	-	(8,601)	-	13,800	(59,423)	-	-
Total comprehensive income/(expense)	167,628	43,214	(128,789)	283,292	44,707	68,283	(768)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

17 INTERESTS IN ASSOCIATES (CONTINUED)

The following table summarises the financial information of the Group's material associates, adjusted for any differences in the accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates: (continued)

	2014						
	Gas Malaysia Berhad RM'000	Zelan Berhad RM'000	Kapar Energy Ventures Sdn. Bhd. RM'000	Shuaibah Water and Electricity Company Limited RM'000	Hidd Power Company B.S.C RM'000	Red Sea Gateway Terminal Company Limited RM'000	NCB Holdings Berhad RM'000
Effective percentage of ownership interest	30.9%	39.2%	20.4%	6.1%	20.4%	20.0%	15.7%
Revenue	2,773,462	287,072	1,973,405	947,910	1,039,970	239,948	66,503
Depreciation and amortisation	(51,336)	(895)	(241)	(241,788)	(160,454)	(71,628)	(10,510)
Interest income	7,512	55,190	18,277	-	13	-	323
Interest expense	(618)	(24,099)	(187,406)	(320,412)	(155,233)	(28,962)	(515)
Income tax (expense)/credit	(41,993)	(11,232)	(42,801)	-	-	(4,430)	82
Fair value based on hierarchy level 1	1,278,917	87,869					168,701

The information above reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts) adjusted for differences in accounting policies applied between the Group and the associates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

17 INTERESTS IN ASSOCIATES (CONTINUED)

The following table summarises the financial information of the Group's material associates, adjusted for any differences in the accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates: (continued)

									2014
	Gas Malaysia Berhad RM'000	Zelan Berhad RM'000	Kapar Energy Ventures Sdn. Bhd. RM'000	Shuaibah Water and Electricity Company Limited RM'000	Hidd Power Company B.S.C RM'000	Red Sea Gateway Terminal Company Limited RM'000	NCB Holdings Berhad RM'000	Other individually immaterial associates RM'000	Total RM'000
Reconciliation of net assets to carrying amount:									
Effective percentage of ownership interest	30.9%	39.2%	20.4%	6.1%	20.4%	20%	15.7%		
As at 31 December									
Group's share of net assets	313,340	57,293	235,093	155,212	438,309	134,498	221,854	60,402	1,616,001
Remeasurement gain	572,671	-	-	-	-	-	-	-	572,671
Investments in associates	886,011	57,293	235,093	155,212	438,309	134,498	221,854	60,402	2,188,672

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

17 INTERESTS IN ASSOCIATES (CONTINUED)

The following table summarises the financial information of the Group's material associates, adjusted for any differences in the accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates: (continued)

	Gas Malaysia Berhad RM'000	Zelan Berhad RM'000	Kapar Energy Ventures Sdn. Bhd. RM'000	Shuaibah Water and Electricity Company Limited RM'000	Hidd Power Company B.S.C RM'000	Red Sea Gateway Terminal Company Limited RM'000	NCB Holdings Berhad RM'000	Other individually immaterial associates RM'000	Total RM'000
									2014
Group's share of result									
Effective percentage of ownership interest	30.9%	39.2%	20.4%	6.1%	20.4%	20%	15.7%		
Year ended 31 December									
Group's share of profit/(loss) for the year	51,854	17,469	(51,515)	32,339	41,652	13,658	(121)	12,537	117,873
Group's share of other comprehensive (loss)/income	-	(3,276)	-	1,656	(23,769)	-	-	(495)	(25,884)
Group's share of total comprehensive income/(expense)	51,854	14,193	(51,515)	33,995	17,883	13,658	(121)	12,042	91,989
Other information									
Gross dividends received by the Group	49,091	-	-	-	16,975	-	-	3,000	69,066

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

17 INTERESTS IN ASSOCIATES (CONTINUED)

The following table summarises the financial information of the Group's material associates, adjusted for any differences in the accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates: (continued)

							2013 (Restated)
	Gas Malaysia Berhad RM'000	Zelan Berhad RM'000	Port Dickson Power Berhad RM'000	Kapar Energy Ventures Sdn. Bhd. RM'000	Shuaibah Water and Electricity Company Limited RM'000	Hidd Power Company B.S.C RM'000	Red Sea Gateway Terminal Company Limited RM'000
Summarised financial information							
Effective percentage of ownership interest	30.9%	39.2%	12.8%	20.4%	6.1%	20.4%	20.0%
As at 31 December							
Non-current assets	981,926	315,135	134,949	3,495,145	6,531,350	4,151,409	1,443,321
Current assets	525,312	154,860	152,386	1,733,203	429,933	293,508	147,515
Non-current liabilities	(170,763)	(76,790)	(15,387)	(3,387,729)	(5,294,617)	(2,985,281)	(935,953)
Current liabilities	(332,407)	(323,604)	(35,461)	(1,027,967)	(553,766)	(414,676)	(109,494)
Net assets	1,004,068	69,601	236,487	812,652	1,112,900	1,044,960	545,389
Year ended 31 December							
Profit/(Loss) for the year	171,436	(20,740)	78,500	(44,097)	237,302	69,916	61,565
Other comprehensive (loss)/income	–	(41,932)	–	–	–	263,751	–
Total comprehensive income/(expense)	171,436	(62,672)	78,500	(44,097)	237,302	333,667	61,565

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

17 INTERESTS IN ASSOCIATES (CONTINUED)

The following table summarises the financial information of the Group's material associates, adjusted for any differences in the accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates: (continued)

	2013 (Restated)						
	Gas Malaysia Berhad RM'000	Zelan Berhad RM'000	Port Dickson Power Berhad RM'000	Kapar Energy Ventures Sdn. Bhd. RM'000	Shuaibah Water and Electricity Company Limited RM'000	Hidd Power Company B.S.C RM'000	Red Sea Gateway Terminal Company Limited RM'000
Effective percentage of ownership interest	30.9%	39.2%	12.8%	20.4%	6.1%	20.4%	20.0%
Revenue	2,317,219	254,917	321,602	2,622,256	902,163	976,116	219,821
Depreciation and amortisation	(47,565)	(7,025)	(22,937)	(244)	(232,130)	(165,311)	(68,481)
Interest income	7,848	16,939	1,713	16,937	-	13	-
Interest expense	(342)	(92,748)	(1,314)	(288,523)	(324,195)	(156,318)	(29,929)
Income tax expense	(45,941)	(4,323)	(26,548)	(35,775)	-	-	-
Fair value based on hierarchy level 1	2,022,477	54,711					

The information above reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts) adjusted for differences in accounting policies applied between the Group and the associates.

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

17 INTERESTS IN ASSOCIATES (CONTINUED)

The following table summarises the financial information of the Group's material associates, adjusted for any differences in the accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates: (continued)

	2013 (Restated)								
	Gas Malaysia Berhad RM'000	Zelan Berhad RM'000	Port Dickson Power Berhad RM'000	Kapar Energy Ventures Sdn. Bhd. RM'000	Shuaibah Water and Electricity Company Limited RM'000	Hidd Power Company B.S.C RM'000	Red Sea Gateway Terminal Company Limited RM'000	Other individually immaterial associates RM'000	Total RM'000
Reconciliation of net assets to carrying amount:									
Effective percentage of ownership interest	30.9%	39.2%	12.8%	20.4%	6.1%	20.4%	20.0%		
As at 31 December									
Group's share of net assets	408,651	27,627	59,122	325,241	127,903	417,673	111,364	52,688	1,530,269
Remeasurement gain	753,515	–	–	–	–	–	–	–	753,515
Investments in associates	1,162,166	27,627	59,122	325,241	127,903	417,673	111,364	52,688	2,283,784

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

17 INTERESTS IN ASSOCIATES (CONTINUED)

The following table summarises the financial information of the Group's material associates, adjusted for any differences in the accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates: (continued)

2013 (Restated)	Gas Malaysia Berhad RM'000	Zelan Berhad RM'000	Port Dickson Power Berhad RM'000	Kapar Energy Ventures Sdn. Bhd. RM'000	Shuaibah Water and Electricity Company Limited RM'000	Hidd Power Company B.S.C RM'000	Red Sea Gateway Terminal Company Limited RM'000	Other individually immaterial associates RM'000	Total RM'000
Group's share of result									
Effective percentage of ownership interest	30.9%	39.2%	12.8%	20.4%	6.1%	20.4%	20.0%		
Year ended 31 December									
Group's share of profit/(loss) for the year	69,775	(8,140)	19,625	(17,639)	29,949	27,945	12,311	(2,896)	130,930
Group's share of other comprehensive (loss)/income	–	(16,457)	–	–	(108,591)	71,873	–	(20,527)	(73,702)
Group's share of total comprehensive income/(expense)	69,775	(24,597)	19,625	(17,639)	(78,642)	99,818	12,311	(23,423)	57,228
Other information									
Gross dividends received by the Group	71,545	–	27,750	–	–	23,947	–	3,991	127,233

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

18 INVESTMENTS IN JOINT ARRANGEMENTS

All the Group's joint arrangements have a financial year ending 31 December, which is consistent with the Group.

All the joint arrangements are strategic to the Group's activities.

Investments in joint ventures

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
At cost:				
Unquoted shares	**177,095**	176,721	**15,341**	15,001
Unquoted shares, outside Malaysia	**64,118**	64,118	**–**	–
Share of post-acquisition reserves	**46,277**	30,970	**–**	–
	287,490	271,809	**15,341**	15,001

Details of the Group's joint ventures are shown in Note 41.

The Group have applied the equity method of accounting consistently for all joint ventures within the Group.

Notes to The Financial Statements
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

18 INVESTMENTS IN JOINT ARRANGEMENTS (CONTINUED)

Investments in joint ventures (continued)

The following table summarises the financial information of the Group's material joint ventures, adjusted for any differences in the accounting policies and reconciles the information to the carrying amount of the Group's interest in the joint ventures:

					2014
	MMC Gamuda Joint Venture Sdn. Bhd. RM'000	MMC Gamuda KVMRT (PDP) Sdn. Bhd. RM'000	MMC Gamuda KVMRT (T) Sdn. Bhd. RM'000	Syarikat Mengurus Air Banjir dan Terowong Sdn. Bhd. RM'000	Almiyah Attilemcania SPA RM'000
Summarised financial information					
Effective percentage of ownership interest	50%	50%	50%	50%	18.2%
As at 31 December					
Non-current assets	4,832	29,199	401,367	628,678	492,250
Current assets	429,500	974,849	469,634	19,909	232,888
Non-current liabilities	(640)	(332,948)	(29,262)	(287,470)	(485,737)
Current liabilities	(191,127)	(601,578)	(848,276)	(50,100)	(77,258)
Deposits, cash and bank balances	331,891	421,427	64,382	18,052	76,223
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-	-	(287,470)	(482,704)
Current financial liabilities (excluding trade and other payables and provisions)	-	(82,000)	-	(14,535)	-
Year ended 31 December					
Profit/(Loss) for the year	10,648	101,897	(2,961)	2,238	18,461

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

18 INVESTMENTS IN JOINT ARRANGEMENTS (CONTINUED)

Investments in joint ventures (continued)

The following table summarises the financial information of the Group's material joint ventures, adjusted for any differences in the accounting policies and reconciles the information to the carrying amount of the Group's interest in the joint ventures: (continued)

	2014				
	MMC Gamuda Joint Venture Sdn. Bhd. RM'000	MMC Gamuda KVMRT (PDP) Sdn. Bhd. RM'000	MMC Gamuda KVMRT (T) Sdn. Bhd. RM'000	Syarikat Mengurus Air Banjir dan Terowong Sdn. Bhd. RM'000	Almiyah Attilemcania SPA RM'000
Included in the total comprehensive income/ (expense) is:					
Effective percentage of ownership interest	50%	50%	50%	50%	18.2%
Revenue	725,305	2,633,051	1,684,852	36,592	120,755
Depreciation and amortisation	(2,207)	(5,968)	(8,501)	(1,061)	(21,463)
Interest income	12,441	1,535	4,259	647	–
Interest expense	(951)	–	(24,232)	(17,400)	(17,139)
Income tax credit/ (expense)	(446)	(42,430)	(2,851)	(135)	–

The information above reflects the amounts presented in the financial statements of the joint ventures (and not the Group's share of those amounts) adjusted for differences in accounting policies applied between the Group and the joint ventures.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

18 INVESTMENTS IN JOINT ARRANGEMENTS (CONTINUED)

Investments in joint ventures (continued)

The following table summarises the financial information of the Group's material joint ventures, adjusted for any differences in the accounting policies and reconciles the information to the carrying amount of the Group's interest in the joint ventures: (continued)

	2014						
	MMC Gamuda Joint Venture Sdn. Bhd. RM'000	MMC Gamuda KVMRT (PDP) Sdn. Bhd. RM'000	MMC Gamuda KVMRT (T) Sdn. Bhd. RM'000	Syarikat Mengurus Air Banjir dan Terowong Sdn. Bhd. RM'000	Almiyah Attilemcania SPA RM'000	Other individually immaterial joint ventures RM'000	Total RM'000
Reconciliation of net assets to carrying amount:							
Effective percentage of ownership interest	50%	50%	50%	50%	18.2%		
As at 31 December							
Group's share of net assets/(liabilities)/Carrying amount in the statement of financial position	54,972	32,910	(3,266)	155,395	57,885	(10,406)	287,490
Group's share of result							
Year ended 31 December							
Group's share of profit/(loss) for the year	5,324	50,948	(1,480)	1,119	6,655	-	62,566
Other information							
Distribution received	-	46,500	-	-	-	-	46,500

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

18 INVESTMENTS IN JOINT ARRANGEMENTS (CONTINUED)

Investments in joint ventures (continued)

The following table summarises the financial information of the Group's material joint ventures, adjusted for any differences in the accounting policies and reconciles the information to the carrying amount of the Group's interest in the joint ventures: (continued)

					2013
	MMC Gamuda Joint Venture Sdn. Bhd. RM'000	MMC Gamuda KVMRT (PDP) Sdn. Bhd. RM'000	MMC Gamuda KVMRT (T) Sdn. Bhd. RM'000	Syarikat Mengurus Air Banjir dan Terowong Sdn. Bhd. RM'000	Almiyah Attilemcania SPA RM'000
Summarised financial information					
Effective percentage of ownership interest	50%	50%	50%	50%	18.2%
As at 31 December					
Non-current assets	29,530	186,088	289,969	633,505	535,944
Current assets	818,224	667,698	1,417,329	27,051	192,352
Non-current liabilities	(81,539)	(146,748)	(135,607)	(302,005)	(511,791)
Current liabilities	(666,916)	(650,112)	(1,575,264)	(49,997)	(73,004)
Deposits, cash and bank balances	522,267	10,382	39,446	24,742	60,024
Non-current financial liabilities (excluding trade and other payables and provisions)	–	–	–	(302,005)	(508,628)
Current financial liabilities (excluding trade and other payables and provisions)	–	(30,000)	(452,500)	(10,498)	–
Year ended 31 December					
Profit/(Loss) for the year	9,284	104,937	(16,418)	(1,344)	10,636

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

18 INVESTMENTS IN JOINT ARRANGEMENTS (CONTINUED)

Investments in joint ventures (continued)

The following table summarises the financial information of the Group's material joint ventures, adjusted for any differences in the accounting policies and reconciles the information to the carrying amount of the Group's interest in the joint ventures: (continued)

	2013				
	MMC Gamuda Joint Venture Sdn. Bhd. RM'000	MMC Gamuda KVMRT (PDP) Sdn. Bhd. RM'000	MMC Gamuda KVMRT (T) Sdn. Bhd. RM'000	Syarikat Mengurus Air Banjir dan Terowong Sdn. Bhd. RM'000	Almiyah Attilemcania SPA RM'000
Included in the total comprehensive income/ (expense) is:					
Effective percentage of ownership interest	50%	50%	50%	50%	18.2%
Revenue	1,357,732	2,272,554	2,512,493	36,719	121,082
Depreciation and amortisation	(2,207)	(4,938)	(5,578)	(1,022)	(23,156)
Interest income	12,024	1,847	1,834	1,243	–
Interest expense	(323)	–	(27,233)	(18,322)	(19,752)
Income tax credit/(expense)	1,900	(27,749)	(7,658)	–	–

The information above reflects the amounts presented in the financial statements of the joint ventures (and not the Group's share of those amounts) adjusted for differences in accounting policies applied between the Group and the joint ventures.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

18 INVESTMENTS IN JOINT ARRANGEMENTS (CONTINUED)

Investments in joint ventures (continued)

The following table summarises the financial information of the Group's material joint ventures, adjusted for any differences in the accounting policies and reconciles the information to the carrying amount of the Group's interest in the joint ventures: (continued)

	2013						
	MMC Gamuda Joint Venture Sdn. Bhd. RM'000	MMC Gamuda KVMRT (PDP) Sdn. Bhd. RM'000	MMC Gamuda KVMRT (T) Sdn. Bhd. RM'000	Syarikat Mengurus Air Banjir dan Terowong Sdn. Bhd. RM'000	Almiyah Attilemcania SPA RM'000	Other individually immaterial joint ventures RM'000	Total RM'000
Reconciliation of net assets to carrying amount:							
Effective percentage of ownership interest	50%	50%	50%	50%	18.2%		
As at 31 December							
Group's share of net assets/(liabilities)/Carrying amount in the statement of financial position	49,648	28,462	(1,787)	154,276	51,230	(10,020)	271,809
Group's share of result							
Year ended 31 December							
Group's share of profit/(loss) for the year	4,642	52,468	(8,209)	(673)	3,795	–	52,023
Other information							
Distribution received	–	37,000	–	–	–	–	37,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

18 INVESTMENTS IN JOINT ARRANGEMENTS (CONTINUED)

Investments in joint ventures (continued)

The Group's share of capital commitment and contingent liabilities in the joint ventures are as set out below:

	Group	
	2014 RM'000	2013 RM'000
Capital commitment:		
Property, plant and equipment:		
Authorised and contracted for	-	94,615
Contingent liabilities:		
Performance bond to Government of Malaysia	**773,647**	919,098
Advance payment Guarantee	**96,523**	196,752

Investments in joint operations

Details of the Group's joint operations are shown in Note 41.

In relation to the Group's share of interest in the joint operations, the Group consistently recognises its assets (including its share of any assets held jointly), liabilities (including its share of any liabilities held jointly), revenue from the sale of its share of the output arising from the joint operation (including share of the revenue from the sale of the output by the joint operation) and expenses (including share of any expenses incurred jointly).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

19 AVAILABLE-FOR-SALE FINANCIAL ASSETS

A reconciliation from opening balances to fair value measurement on level 1 of the fair value hierarchy as described in Note 43 is as follows:

	Group	
	2014 RM'000	2013 RM'000
At 1 January	**95,512**	96,282
Net losses transferred to equity	**(3,658)**	(757)
Disposals	**(7,355)**	(13)
At 31 December	**84,499**	95,512
Less: non-current portion	**(3,635)**	(6,936)
Current portion	**80,864**	88,576

Available-for-sale financial assets comprise the following:

	2014 RM'000	2013 RM'000
Listed equity securities:		
– in Malaysia	**80,912**	88,576
– outside Malaysia	**3,587**	6,936
	84,499	95,512

Available-for-sale financial assets are denominated in the following currencies:

	2014 RM'000	2013 RM'000
Ringgit Malaysia	**80,912**	88,576
Australian Dollar	**3,587**	6,936
	84,499	95,512

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

20 AMOUNTS DUE FROM SUBSIDIARIES

The amounts due from subsidiaries are non-trade in nature, unsecured, interest free, denominated in Ringgit Malaysia and have no fixed terms of repayment. However, these amounts are not expected to be recalled within the next twelve months as it is the intention of the Company to treat these amounts as a long term source of capital to the subsidiaries.

	Company	
	2014 RM'000	2013 RM'000
Amounts due from subsidiaries	**1,334,395**	1,129,352

21 TRADE AND OTHER RECEIVABLES

Analysis of amounts recoverable after 12 months:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000 (Restated)
Trade receivables	**270,855**	14,368	**33,281**	14,368
Staff loans	**3,044**	2,858	**–**	–
Other receivables	**114,793**	126,939	**–**	–
	388,692	144,165	**33,281**	14,368

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Staff loans to eligible staff	**3,223**	3,143	**–**	–
Repayments due within the next twelve months	**(179)**	(285)	**–**	–
	3,044	2,858	**–**	–

Analysis of repayment schedule:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Within 1 year	**179**	285	**–**	–
After 5 years	**3,044**	2,858	**–**	–
	3,223	3,143	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

21 TRADE AND OTHER RECEIVABLES (CONTINUED)

	Group and Company	
	2014	**2013**
	RM'000	**RM'000**
Mining exploration expenditure, at cost	**9,962**	9,962
Accumulated impairment losses	**(9,962)**	(9,962)
Carrying value	**–**	–

Trade receivables represent advance to subcontractors for construction materials purchase on behalf and cash advance in accordance with contracts. The advances are secured by advance payment guarantee from subcontractors, non-interest bearing and are repayable either upon termination or fully recouped upon completion of contracts.

Included in the trade receivables is the cash consideration from land disposal during the financial year. The outstanding consideration, receivables within 3 years are secured by bank guarantees issued by the buyer. Fair value adjustment has been made for the difference between the carrying amount and the present value of the estimated cash flows.

Other receivables represent the transaction costs which arose from derivative instruments, which will be amortised systematically over the tenure of the hedged item.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

22 INTANGIBLE ASSETS

Group	Rights on Power Purchase Agreement and Operations Maintenance Agreement RM'000	Goodwill on consolidation RM'000	Rights on water treatment business RM'000	Rights on airport business RM'000	Total RM'000
Cost					
1 January 2013	7,651,870	2,043,263	30,032	188,909	9,914,074
Reclassification	-	-	28	-	28
At 31 December 2013	7,651,870	2,043,263	30,060	188,909	9,914,102
Acquisition through business combination	100,739	-	-	-	100,739
At 31 December 2014	**7,752,609**	**2,043,263**	**30,060**	**188,909**	**10,014,841**
Accumulated amortisation/ impairment losses					
1 January 2013	(2,161,156)	-	(20,749)	(17,585)	(2,199,490)
Amortisation charge (Note 8(i))	(427,163)	-	(5,174)	(4,195)	(436,532)
Reclassification	-	-	(3)	-	(3)
At 31 December 2013	(2,588,319)	-	(25,926)	(21,780)	(2,636,025)
Amortisation charge (Note 8(i))	(467,828)	-	(4,134)	(4,196)	(476,158)
At 31 December 2014	**(3,056,147)**	**-**	**(30,060)**	**(25,976)**	**(3,112,183)**
Net book value					
At 31 December 2013	5,063,551	2,043,263	4,134	167,129	7,278,077
At 31 December 2014	**4,696,462**	**2,043,263**	**-**	**162,933**	**6,902,658**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

22 INTANGIBLE ASSETS (CONTINUED)

Goodwill on consolidation

The carrying amounts of goodwill arising from the acquisition of the respective subsidiaries allocated to the Group's CGUs are as follows:

	2014 RM'000	2013 RM'000
Pelabuhan Tanjung Pelepas Sdn. Bhd. – port business	**1,512,366**	1,512,366
Malakoff Corporation Berhad – electricity generation business	**340,392**	340,392
Senai Airport Terminal Services Sdn. Bhd. – manage, operate, maintain and develop the Senai International Airport in Johor Darul Takzim and to provide airport and aviation related services and property development ("Airport City")	**190,505**	190,505
	2,043,263	2,043,263

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

22 INTANGIBLE ASSETS (CONTINUED)

(A) Port Business

The recoverable amount of port business is determined based on the VIU calculation. The VIU of port business was determined by discounting the future cash flows to be generated from the continuing use of the unit and exceeds the carrying amount of the CGU.

The VIU is derived based on management's cash flow projections for 5 financial years from 2015 to 2019 and the key assumptions used in the calculation of VIU are as follows:

(a) Based on the business plan, the projected annual Twenty–Foot Equivalent Unit ("TEU") over the projection period from 2015 to 2019, will be in the region of 8.5 million TEUs;

(b) The cash flow projections after 2019 are extrapolated to the end of concession period using a nominal long–term growth rate of 3.0% (2013: 3.5%) per annum which takes into consideration the current GDP, inflation and average growth rate for the industry; and

(c) A pre-tax discount rate of 11.35% (2013: 9.0%) per annum.

Management's judgment is involved in estimating the future cash flows of port business. The VIU is sensitive to, amongst others, the projected cash flows during the explicit projection period and the assumptions regarding the long term sustainable pattern of cash flows thereafter.

The circumstances where a reasonably possible change in the key assumptions will cause an impairment loss to be recognised include the following:

(i) A decrease of more than 7.8% per annum in the total projected annual TEU in each financial year over the projection period; or

(ii) Long term growth rate beyond the explicit projection period is negative; or

(iii) Pre–tax discount rate is higher than 13.97%.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

22 INTANGIBLE ASSETS (CONTINUED)

(A) Port Business (continued)

If the total projected annual TEU in each financial year over the projection period was to reduce by an additional 0.09% per annum from the breakeven point as mentioned in (i) above (i.e. decrease of 7.89% per annum in the total projected annual TEU in each financial year over the projection period), the impairment charge would approximately be RM1.1 million.

Had the pre-tax discount rate been 0.01% higher from the breakeven point as mentioned in Note 22(A)(iii) above (discount rate of 13.98%), the impairment charge would be approximately RM4.0 million.

(B) Electricity Generation Business

The impairment of goodwill test on the Electricity Generation Business ("EGB") was conducted using its VIU as its recoverable amount. The VIU for EGB was determined by discounting the future cash flows generated from the continuing use of its power plants based on management's cash flow projections up to 25 financial years from 2015 to 2039.

The key assumptions used in the calculation of VIU as extracted from the respective PPAs are as follows:

(a) The terms of the PPAs will remain unchanged throughout the concession period.

(b) Remaining useful life of PPAs/OMAs/PWPA	8 – 17 years (2013: 9 – 18 years)
(c) Dependable capacity	
– power	350MW – 2,420MW (2013: 350MW – 2,420MW)
– water	17,047 m^3/hour (2013: 17,047 m^3/hour)
(d) Capacity factor	
– power	1% to 98% of dependable capacity (2013: 1% to 99% of dependable capacity)
– water	94% to 99% of dependable capacity (2013: 95% to 98% of dependable capacity)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

22 INTANGIBLE ASSETS (CONTINUED)

(B) Electricity Generation Business (continued)

The key assumptions used in the calculation of VIU as extracted from the respective PPAs are as follows: (continued)

(e) Net output	
– electrical (million kW/hour)	550 – 15,200 (2013: 735 – 15,864)
– water (thousand m^3)	67,435 – 72,670 (2013: 67,370 – 73,238)
(f) Capacity Rate	
– power (RM/kW/month)	5.85 – 50.00 (2013: 5.85 – 50.00)
– water (RM/m^3/month)	1,115 (2013: 1,117 – 1,241)
(g) Fixed Operating Rate under Revenue	
– power (RM/kW/month)	4.54 – 10.50 (2013: 4.75 – 10.50)
– water (RM/m^3/month)	208 – 256 (2013: N/A)
(h) Variable Operating Rate under Revenue	
– power (RM/kW/month)	0.0064 – 4.84 (2013: 0.0064 – 5.12)
– water (RM/m^3/month)	78 – 96 (2013: 77.25 – 111.58)
(i) Fuel price (RM/mmBtu)	6.07 – 63.39 (2013: 6.07 – 57.07)
(j) Variable Operating Rate under Cost (RM/kW/month)	0.0071 – 0.0240 (2013: 0.0071 – 0.0240)
(k) Fixed Operating Rate under Cost (RM/kW/month)	2.25 – 12.99 (2013: 2.16 – 12.99)

(l) Residual value of the respective power plants based on a range of five (5) to ten (10) years (2013: five (5) to ten (10) years) extension VIUs as described in Note 3(b).

(m) Pre-tax discount rate 7.5% (2013: 10.0%)

Management believes that a period greater than 5 years used in the cash flow projections is justified as the income derived during the extended period can be supported by its PPAs and OMAs which have remaining useful lives ranging from 8 to 17 years.

If the residual value of the power plant does not materialise, there will be impairment to the goodwill and intangible assets.

22 INTANGIBLE ASSETS (CONTINUED)

(C) Airport City

The estimation of VIU of CGU is based on a single combined Airport City business unit to provide a more accurate description of the overall strategy of the Senai Airport Terminal Services Sdn. Bhd. ("SATS") group, whereby all of the activities within various companies within the SATS group are elements of the overall strategic master plan to develop Senai Airport City.

(i) Airport Operations

The recoverable amount of the Airport Operations is determined based on a VIU approach. The VIU of the Airport Operations was determined by discounting the future cash flows to be generated from the continuing use of the unit over the remaining useful life of the concession which management has prepared 5 years cash flows based on the appropriate forecast.

The VIU is derived based on management's cash flow projections for the remaining concession period and the key assumptions used in the calculation of the VIU are as follows:

(a) Pre-tax discount rate of 10.5% (2013: 8.0%) per annum;
(b) A high growth potential is projected due to the development of the Iskandar Development Region. The development is expected to result in an exponential growth in the number of passenger over the next 6 years (2013: 5 years) and thereafter a 2% to 4% (2013: 3% to 5%) growth rate is expected for the duration of the concession period;
(c) The inflation rate is expected to remain at 2% to 5% per annum throughout the concession period;
(d) Non-aeronautical revenue is assumed to grow in tandem with passenger growth; and
(e) The planned land disposal and land development at Senai Airport Aviation Park and Senai Airport City is expected to be able to realise in tandem with growth of the Iskandar Development Region.

(ii) Property Development Land

The recoverable amount of the property development land is determined based on the market value of the land which as of December 2014, has been valued at a price higher than the fair value upon acquisition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

23 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
To be realised after more than 12 months:				
Deferred tax assets	**1,601,951**	1,408,310	**–**	–
Deferred tax liabilities	**(3,302,373)**	(3,289,561)	**–**	–
	(1,700,422)	(1,881,251)	**–**	–
At 1 January	**(1,881,251)**	(2,147,580)	–	–
(Charged)/Credited to profit or loss (Note 10):				
– property, plant and equipment	**(144,383)**	(75,299)	**(23)**	5
– deferred expense	**(22,516)**	(18,763)	**–**	–
– tax losses	**(17,639)**	37,500	**–**	–
– deferred income	**65,355**	44,652	**–**	–
– provisions	**16,837**	79,152	**96**	(28)
– intangibles	**123,234**	112,818	**–**	–
– investment tax allowances	**153,604**	81,225	**–**	–
– others	**4,313**	5,044	**(73)**	23
	178,805	266,329	**–**	–
Acquired through business acquisition	**(40,876)**	–	**–**	–
Recognised in OCI	**42,900**	–	**–**	–
At 31 December	**(1,700,422)**	(1,881,251)	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

23 DEFERRED TAXATION (CONTINUED)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Subject to income tax:				
Deferred tax assets (before offsetting)				
Property, plant and equipment	**325,617**	639,195	**–**	–
Tax losses	**44,584**	62,223	**–**	–
Provisions	**220,618**	153,681	**186**	90
Deferred income	**707,283**	641,928	**–**	–
Investment tax allowances	**884,334**	730,730	**–**	–
Others	**46,168**	38,397	**(44)**	29
	2,228,604	2,266,154	**142**	119
Offsetting	**(626,653)**	(857,844)	**(142)**	(119)
Deferred tax assets (after offsetting)	**1,601,951**	1,408,310	**–**	–
Deferred tax liabilities (before offsetting)				
Property, plant and equipment	**(2,814,164)**	(2,957,010)	**(142)**	(119)
Intangibles	**(1,073,583)**	(1,171,632)	**–**	–
Deferred expense	**(41,279)**	(18,763)	**–**	–
	(3,929,026)	(4,147,405)	**(142)**	(119)
Offsetting	**626,653**	857,844	**142**	119
Deferred tax liabilities (after offsetting)	**(3,302,373)**	(3,289,561)	**–**	–

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

23 DEFERRED TAXATION (CONTINUED)

The amount of deductible temporary differences and unused tax losses (both of which have no expiry dates) for which no deferred tax assets have been recognised in the statement of financial position are as follows:

	Group	
	2014 RM'000	2013 RM'000
Deductible temporary differences	**130,923**	70,977
Unused tax losses	**186,425**	274,564
	317,348	345,541

24 INVENTORIES

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000 (Restated)
Spares, consumables and container repair materials	**291,418**	248,968	**–**	848
Diesels and fuels	**87,241**	70,275	**–**	–
Coals	**161,345**	173,724	**–**	–
Chemicals	**112**	653	**–**	–
Raw materials	**71**	114	**–**	–
Current	**540,187**	493,734	**–**	848
Freehold land	**1,554,426**	1,813,457	**–**	–
Development expenditure	**196,696**	126,184	**–**	–
Non-current	**1,751,122**	1,939,641	**–**	–
	2,291,309	2,433,375	**–**	848

Inventories of the Group of RM32.3 million (2013: RM28.4 million) comprising spare parts, consumables and container repair materials are pledged as security for borrowings as disclosed in Note 31.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

24 INVENTORIES (CONTINUED)

Freehold land

Freehold land comprise several contiguous pieces of land with a total area of approximately 2,283.56 acres, earmarked for the development of a cargo and logistics hub, high-tech industries park and mixed development.

Development expenditure

Development expenditure includes the cost incurred in relation to the development in a subsidiary's leasehold properties.

25 ASSETS HELD FOR SALE

	Group	
	2014 RM'000	2013 RM'000
Investment properties (Note 15)	–	131
Property, plant and equipment (Note 13)	12,997	–

	Group	
	2014 RM'000	2013 RM'000
At 1 January	131	–
Transfer from investment properties (Note 15)	–	131
Transfer from property, plant and equipment (Note 13)	12,997	–
Disposal	(131)	–
	12,997	131

	Company	
	2014 RM'000	2013 RM'000
Property, plant and equipment (Note 13)	12,997	–

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

25 ASSETS HELD FOR SALE (CONTINUED)

	Company	
	2014 RM'000	2013 RM'000
At 1 January	–	–
Transfer from property, plant and equipment (Note 13)	**12,997**	–
	12,997	–

26 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000 (Restated)
Trade receivables	**1,539,871**	1,774,573	**221,072**	517,028
Less: impairment of trade receivables	**(375,933)**	(242,752)	**(8)**	(8)
	1,163,938	1,531,821	**221,064**	517,020
Other receivables	**840,024**	470,807	**309,789**	94,802
Less: impairment of other receivables	**(12,774)**	(12,965)	**(864)**	(864)
	827,250	457,842	**308,925**	93,938
Deposits	**119,277**	179,582	**1,595**	2,334
Prepayments	**45,511**	44,316	**33**	160
	992,038	681,740	**310,553**	96,432
Amounts due from contract customers (Note 36)	**65,525**	46,388	**17,564**	3,958
Amounts due from associates	**320,479**	293,259	**109**	133
Amounts due from joint ventures	**47,876**	43,181	**47,876**	43,181
	2,589,856	2,596,389	**597,166**	660,724

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

26 TRADE AND OTHER RECEIVABLES (CONTINUED)

Credit terms of trade receivables of the Group and Company vary from 30 to 60 days (2013: 30 to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

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

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on significant customers requiring credit over a certain amount. The Group and the Company do not require collateral in respect of financial assets.

At the end of the reporting period, the Group has a concentration of credit risk in the form of trade receivables due from Tenaga Nasional Berhad ("TNB") and a major international shipping line customer, representing approximately 57% (2013: 51%) of the total trade receivables of the Group. The maximum exposures to credit risk for the Group and the Company are represented by the carrying amount of each financial asset.

As at 31 December 2014, trade and other receivables of RM59.2 million (2013: RM436.7 million) for the Group were past due but not impaired. These relate to a number of independent customers for whom there is no history of default. The aging analysis of trade and other receivables (excluding deposits and prepayments) are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000 (Restated)
Neither past due nor impaired	**2,365,886**	1,935,822	**595,538**	658,230
Past due not impaired:				
Up to 3 months	**26,693**	364,252	**–**	–
3 to 6 months	**22,591**	7,474	**–**	–
More than 6 months	**9,898**	64,943	**–**	–
	59,182	436,669	**–**	–
Impaired	**388,707**	255,717	**872**	872
	2,813,775	2,628,208	**596,410**	659,102

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

26 TRADE AND OTHER RECEIVABLES (CONTINUED)

The receivables that are neither past due nor individually impaired are creditworthy debtors with good payment records with the Group. More than 84% (2013: 74%) of the Group's gross receivables are from this group of customers. Receivables that are past due but not individually impaired relate to a number of independent customers for whom there is no recent history of default.

As at 31 December 2014, trade and other receivables amounting to RM388.7 million (2013: RM255.7 million) for the Group and RM872,000 (2013: RM872,000) for the Company were impaired and provided for. The individually impaired receivables mainly relate to customers, which some have defaulted in payment. The aging analysis of these trade and other receivables are as follows:

	Group		Company	
	2014	2013	**2014**	2013
	RM'000	RM'000	**RM'000**	RM'000
Up to 3 months	**–**	41,041	**–**	–
3 to 6 months	**678**	186	**–**	–
More than 6 months	**388,029**	214,490	**872**	872
	388,707	255,717	**872**	872

The currency exposure profile of trade and other receivables for the Group (excluding deposits and prepayments) are as follows:

	Group	
	2014	2013
	RM'000	RM'000
Functional currency (RM)		
– US Dollar	**178,882**	573,811
– AUD	**17,399**	–
– CHF	**63,334**	–
– others	**8,412**	6,473
	268,027	580,284

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

26 TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade and other receivables for the Company are denominated in Malaysia.

The Group's historical experience shows that the allowances for impaired receivables have been adequate and due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's receivables.

Movements on the impairment for trade and other receivables are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
At 1 January	**255,717**	94,286	**872**	872
Impairment during the financial year (Note 8(i))	**50,425**	189,723	**–**	–
Acquisition through business combination	**86,661**	–	**–**	–
Write-off	**(536)**	(11,857)	**–**	–
Write-back of impairment of receivables (Note 8(i))	**(3,560)**	(16,435)	**–**	–
At 31 December	**388,707**	255,717	**872**	872

The allowance and the write-back of allowance for impaired trade and other receivables have been included in "other operating expenses" in the statement of comprehensive income.

The amounts due from associates mainly in respect of interest receivable, are subject to existing terms of the unsecured loan stocks.

The amounts due from joint ventures are unsecured, interest free, have no fixed terms of repayment and denominated in Ringgit Malaysia.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

27 DEPOSITS, BANK AND CASH BALANCES

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000 (Restated)
Deposits with:				
Licensed banks	**2,927,162**	2,139,442	**86,828**	88,516
Investment banks	**233,441**	79,200	**5,482**	12,000
Other financial institutions	**682,326**	469,598	**154,087**	61,000
	3,842,929	2,688,240	**246,397**	161,516
Cash and bank balances	**601,126**	432,218	**72,141**	11,626
	4,444,055	3,120,458	**318,538**	173,142
Deposits with maturity more than 90 days with:				
Licensed banks	**334,312**	922,432	**–**	–
Investment banks	**254,708**	42,820	**–**	–
Other financial institutions	**2,950**	245,192	**–**	–
	591,970	1,210,444	**–**	–
	5,036,025	4,330,902	**318,538**	173,142

The currency exposure profile of the deposits, bank and cash balances are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Functional currency (RM)				
- US Dollar	**115,931**	29,693	**–**	–
- Australian Dollar	**23,317**	42,751	**–**	–
- Kuwait Dinar	**9,610**	23,368	**–**	–
- Swiss Franc	**–**	43,767	**–**	–
- EURO	**161,377**	–	**–**	–
	310,235	139,579	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

27 DEPOSITS, BANK AND CASH BALANCES (CONTINUED)

The weighted average interest rates of deposits, bank and cash balances that were effective as at end of reporting period are as follows:

	Group		Company	
	2014 % per annum	2013 % per annum	2014 % per annum	2013 % per annum
Deposits placed with:				
Licensed banks	**3.76**	3.22	**3.24**	3.53
Investment banks	**3.69**	3.27	**3.55**	3.26
Other financial institutions	**4.33**	3.38	**4.03**	3.51
Deposits with maturity more than 90 days placed with:				
Licensed banks	**3.77**	3.30	**–**	–
Investment banks	**3.12**	3.27	**–**	–
Other financial institutions	**4.34**	3.36	**–**	–

The Group and the Company have deposits with an average maturity of 52 days (2013: 65 days) and 22 days (2013: 17 days) respectively.

28 SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2014 '000	2013 '000	2014 RM'000	2013 RM'000
Authorised:				
Ordinary shares of RM0.10 each:				
At 31 December	**10,000,000**	10,000,000	**1,000,000**	1,000,000
Issued and fully paid:				
Ordinary shares of RM0.10 each:				
At 31 December	**3,045,058**	3,045,058	**304,506**	304,506

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

29 RESERVES

As at 31 December 2013, the Company does not have any Section 108 tax credits and has therefore automatically moved to the single-tier tax system, which came into effect from the year of assessment 2008, under which companies are not required to have tax credits under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under this system are tax exempt in the hands of shareholders.

30 REDEEMABLE PREFERENCE SHARES ("RPS")

	Group	
	2014 RM'000	**2013 RM'000**
Nominal value of RPS at RM0.01 each:		
At 1 January/31 December	**1,140**	1,140
Premium on RPS:		
At 1 January/31 December	**112,911**	112,911
	114,051	114,051
Dividend on RPS	**40,267**	35,838
Classified as liabilities	**154,318**	149,889
Less: Redemption during the year	**(45,621)**	–
At 31 December	**108,697**	149,889
Amount recognised within the next twelve months (Note 33)	**(18,958)**	(18,381)
Classified as non-current liabilities	**89,739**	131,508

Details of the Redeemable Preference Shares ("RPS") are as follows:

(i) The RPS shall be fully redeemable in five equal instalments at the total amount of RM114.1 million to be payable on 30 September of every year starting from 30 September 2013 to 30 September 2017.

(ii) The holders of the RPS shall have the right to receive a fixed cumulative preferential dividend of RM50.0 million for all the RPS based on par value of RM0.01 per share and which shall be payable in three equal instalments on 30 September 2018, 30 September 2019 and 30 September 2020.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

30 REDEEMABLE PREFERENCE SHARES ("RPS") (CONTINUED)

Details of the Redeemable Preference Shares ("RPS") are as follows: (continued)

(iii) The RPS shall not confer any voting right except where the rights of the RPS are affected.

(iv) In the event of liquidation, the holders of the RPS shall rank pari passu with the holders of ordinary shares and shall rank in priority to the other holders of preference shares, save for the Special Share in respect of any distribution or repayment of capital.

31 BORROWINGS

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current				
Secured:				
Commercial Papers	**–**	198,173	**–**	–
Term loans	**616,065**	498,142	**175,000**	314,500
Al-Bai' Bithaman Ajil Bonds	**–**	130,000	**–**	–
Al-Istisna Bonds	**64,845**	63,736	**–**	–
Islamic Medium Term Notes	**13,090**	16,213	**–**	–
Sukuk Medium Term Notes	**440,000**	500,000	**–**	–
Revolving Credits	**–**	26,947	**–**	–
Sukuk Wakalah	**50,000**	20,000	**–**	–
USD term loan	**9,441**	8,844	**–**	–
AUD term loan	**13,629**	10,872	**–**	–
Bank overdrafts	**16,269**	–	**–**	–
Unsecured:				
Term loans	**–**	170,000	**–**	170,000
Revolving Credits	**380,900**	521,000	**365,000**	365,000
Bank overdrafts	**1,081**	2,341	**–**	–
Multi-option line	**3,454**	3,491	**–**	–
Government Loan	**61,667**	51,667	**–**	–
	1,670,441	2,221,426	**540,000**	849,500

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

31 BORROWINGS (CONTINUED)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-current				
Secured:				
Term loans	**4,910,708**	3,402,662	**2,296,526**	1,582,250
Al-Istisna Bonds	**64,650**	129,495	**–**	–
Sukuk Medium Term Notes	**3,884,427**	4,244,338	**–**	–
Islamic Medium Term Notes	**1,660,403**	1,333,444	**–**	–
Sukuk Ijarah Medium Term Notes	**3,581,077**	3,544,065	**–**	–
Senior Sukuk Murabahah	**3,290,000**	3,290,000	**–**	–
USD term loan	**931,163**	277,107	**–**	–
AUD term loan	**1,916,436**	1,926,832	**–**	–
Sukuk Wakalah	**400,000**	450,000	**–**	–
Unsecured:				
Term loans	**220,000**	300,000	**220,000**	300,000
Revolving Credits	**100,000**	100,000	**100,000**	100,000
Subordinated Loan Notes	**126,247**	183,798	**–**	–
Government Loan	**38,333**	48,333	**–**	–
Junior Sukuk Musharakah	**1,800,000**	1,800,000	**–**	–
Junior EBL Term Loan	**1,058,064**	726,905	**–**	–
	23,981,508	21,756,979	**2,616,526**	1,982,250
Total	**25,651,949**	23,978,405	**3,156,526**	2,831,750
Fair values of borrowings	**27,194,910**	25,192,070	**3,156,526**	2,831,750

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

31 BORROWINGS (CONTINUED)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Analysis of repayment schedule:				
Within 1 year	**1,670,441**	2,221,426	**540,000**	849,500
From 1 to 2 years	**1,727,853**	1,161,011	**550,000**	297,250
From 2 to 5 years	**7,781,870**	5,616,329	**2,066,526**	1,360,000
After 5 years	**14,471,785**	14,979,639	**–**	325,000
	25,651,949	23,978,405	**3,156,526**	2,831,750

Ports and Logistics

(i) A term loan of a subsidiary has fixed interest rate of 1% per annum above the effective cost of funds of the lender to be fixed at each drawdown date until 31 December 2016 and floating interest rate of 1% per annum above the cost of funds of the lender from 1 January 2017 onwards. Other term loans have fixed interest rate of 1.5% per annum above the effective cost of funds of the lenders.

The term loans are repayable in equal semi-annual instalments ranging from 14 to 26 equal instalments.

The term loans are secured by:

(a) a fixed and floating charge by way of debenture over all the assets and undertaking of the subsidiary.

(b) a charge on the specific Designated Accounts and all monies standing to the credit of the subsidiary.

(c) assignment of certain rights and benefits of the subsidiary.

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

31 BORROWINGS (CONTINUED)

Ports and Logistics (continued)

(ii) A term loan (Commodity Murabahah Term Financing loan) of a subsidiary, carries effective islamic cost of funds rate plus 1.30% per annum and is repayable in 10 instalments commencing from the end of the fourth year from the first disbursement date. This facility is secured by way of a negative pledge over the subsidiary's property, plant and equipment. In addition, the subsidiary shall remain as the subsidiary of the Company and the value of their shareholders' funds shall not be less than RM500 million at all times.

(iii) A term loan (Commodity Murabahah Term Financing loan) of a subsidiary, carries effective islamic cost of funds rate plus 1.20% per annum. This facility is secured by way of a negative pledge over the subsidiary's property, plant and equipment. In addition, the subsidiary shall remain as the subsidiary of the Company and the value of their shareholders' funds shall not be less than RM500 million at all times, the gearing ratio shall not exceed 1 times and minimum profit coverage of 5 times at the subsidiary level.

(iv) The Islamic Medium Term Notes ("IMTN") entered into by a subsidiary in 2010 was established in accordance with Shariah principle of Musyarakah. The tenure of the IMTN commencing from date of the first issuance of the IMTN and ending on date falling 10 years thereafter, maturing on September 2020. Profit rates on the IMTN are charged at a fixed rate which ranges from 3.75% to 4.36% per annum.

(v) A revolving credit (Murabahah Tawarruq) of a subsidiary is charged at profit rate of 1% per annum above the islamic cost of funds rate and repayable in full at the end of each profit period, unless rollover. Profit shall be paid in arrears upon maturity of each period at prevailing rate.

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

31 BORROWINGS (CONTINUED)

Energy and Utilities

(vi) The Commercial Papers, bonds, Medium Term and Loan Notes and Senior Sukuk of subsidiaries are secured over property, plant and equipment with a carrying amount of RM13,336 million (2013: RM12,365 million). The Sukuk Wakalah is secured over the Operation and Maintenance Agreement, Sub Operation and Maintenance Agreement and Assets Sales Agreement held by a subsidiary and all the balances in the Revenue Account, Operating Account, Finance Service Reserve Account, Maintenance Reserve Account and Overhaul Reserve Account of the subsidiary.

These borrowings are subject to the following significant financial covenants:

(a) Al-Bai' Bithaman Ajil: Maintain the Debt/Equity ratio to be no greater than 9:1 during post-completion (of power plant) period and ensure that the Debt Service Cover ratio is not less than 1.25 times commencing from commercial operations date. The bond was fully redeemed during the year.

(b) Al-Istisna bonds: Maintain a Debt/Equity ratio of not higher than 4:1 and maintain an Annual Finance Service ratio of not less than 1.4 times commencing from the third year of the first issue of the bonds.

(c) Sukuk Ijarah Medium Term Notes: Maintain a Debt/Equity ratio of not more than 80:20 and a Finance Service Cover ratio of at least 1.25 times.

(d) USD term loan: Maintain a Debt/Equity ratio of not more than 1.25:1 and a Group Debt/Equity ratio of not more than 7:1.

(e) Junior term loan: Maintain a Debt/Equity ratio of not more than 1.25:1 and a Group Debt/Equity ratio of not more than 7:1.

(f) Senior Sukuk Murabahah: Maintain a Debt/Equity ratio of not more than 80:20 and a Finance Service Cover ratio of not less than 1.05:1.

(g) Senior USD term loan: Maintain a Debt/Equity ratio of not more than 80:20 and a Finance Service Cover ratio of not less than 1.05:1. The loan was drawn down during the financial year.

(h) Senior RM term loan: Maintain a Debt/Equity ratio of not more than 80:20 and a Finance Service Cover ratio of not less than 1.05:1. The loan was drawn down during the financial year.

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

31 BORROWINGS (CONTINUED)

Energy and Utilities (continued)

(vi) The Commercial Papers, bonds, Medium Term and Loan Notes and Senior Sukuk of subsidiaries are secured over property, plant and equipment with a carrying amount of RM13,336 million (2013: RM12,365 million). The Sukuk Wakalah is secured over the Operation and Maintenance Agreement, Sub Operation and Maintenance Agreement and Assets Sales Agreement held by a subsidiary and all the balances in the Revenue Account, Operating Account, Finance Service Reserve Account, Maintenance Reserve Account and Overhaul Reserve Account of the subsidiary. (continued)

These borrowings are subject to the following significant financial covenants: (continued)

(i) AUD term loan: Maintain a total Debt/Equity ratio of not more than 1.25:1, Group total Debt/Equity ratio of not more than 7:1 and a minimum projected Debt Service Cover ratio of 1.10:1 on any two consecutive calculation date.

(j) Sukuk Wakalah: Maintain a Debt/Equity ratio of not more than 80:20 commencing 24 months after the issue date until the final maturity and a Finance Service Cover ratio of at least 1.25 times.

(k) Sukuk Medium Term Note: Maintain an aggregated Debt/Equity ratio of not more than 1:1 and a Group Debt/Equity ratio of not more than 5.5:1.

(l) Commercial Papers: Maintain a Debt/Equity ratio of no greater than 1.25:1 and Group Debt/Equity ratio to be no greater than 7:1 at all times. Commercial paper was fully redeemed during the financial year.

(m) Term loans:
- Maintain a Debt/Equity ratio of not more than 1.50:1 and a Debt Service Cover ratio of not less than 1.20 times.
- Maintain a Debt Service Cover ratio of not less than 1.10 times. The loan was drawn down during the financial year.

The profit rates and interest rates per annum of the aforementioned borrowings ranging from 3.65% to 9.3% (2013: 3.65% to 9.30%) and from 9.0% to 12.0% (2013: 9.0% to 12.0%), respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

31 BORROWINGS (CONTINUED)

Engineering and Construction

(vii) The revolving credit of subsidiaries are unsecured and bear an effective interest rate of 4.8% (2013: 4.6%) per annum.

Corporate and others

(viii) The term loans of the Company are secured by certain assets of the Company and a wholly-owned subsidiary. Interest rates on the term loans of the Company ranging from 4.92% to 6.31% per annum (2013: 4.40% to 5.85%) per annum. The tenure of the loans ranging from 1 – 5 years with bullet repayments.

(ix) A term loan (Al-Ijarah Muntahiah Bitamlik) of a subsidiary has an effective islamic cost of funds plus 2.25% (2013: 2.25%) per annum. In 2012, the term loan has been extended by another 3 years, repayable in 28 quarterly instalments from March 2015. The term loan was fully settled in December 2014.

(x) A term financing-i of a subsidiary carries an effective islamic cost of funds plus 0.5% per annum with repayable period up to 31 December 2018. The term financing-i was drawn down during the financial year and secured by:

(a) pledge of bank guarantees issued by the purchaser in respect of the land disposal;

(b) first party Assignment and Charge over the Designated Accounts-i; and

(c) Letter of Comfort from the holding company.

(xi) The IMTN entered into by a subsidiary in 2011 was established in accordance with the Shariah principle of Ijarah. The IMTN program comprised first tranche with a tenure of 13 years and second tranche with a tenure of 12 years, commencing from date of the issuance of each tranche. The profit rates for first and second tranche are charged at 4.218% per annum and 4.118% per annum respectively, payable on semi-annually.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

31 BORROWINGS (CONTINUED)

Corporate and others (continued)

(xii) The revolving credit facilities of the Company bear interest ranging from 4.00% to 4.69% per annum (2013: 4.00% to 4.33% per annum).

(xiii) The Government loan of a subsidiary is repayable starting on the sixth concession year from 2009 in ten equal instalments and each payment shall be made within the first month of the particular concession year.

32 LAND LEASE RECEIVED IN ADVANCE

	Group	
	2014 RM'000	2013 RM'000
At cost:		
At 1 January	**281,909**	296,975
Additions during the financial year	**17,045**	16,035
Recognised as income during the financial year (Note 8(i))	**(16,309)**	(16,052)
Recognisable within next 12 months (included under other payables) (Note 33)	**(15,137)**	(15,049)
At 31 December	**267,508**	281,909

Included in the land lease received in advance is an amount of RM95,966,357 (2013: RM99,951,542) received in respect of part of the leasehold land stated in Note 13 being sub-leased to certain third party for a period of 30 years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

33 TRADE AND OTHER PAYABLES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000 (Restated)
Current				
Trade payables	**804,857**	522,441	**246,537**	148,972
Other payables	**523,190**	805,779	**57,767**	190,643
Accruals	**636,905**	581,246	**9,213**	9,158
Dividend payable on RPS (Note 30)	**18,958**	18,381	**–**	–
Land lease received in advance (Note 32)	**15,137**	15,049	**–**	–
Land lease liabilities (Note 33(a))	**3,068**	3,468	**–**	–
Concession fee payable (Note 33(b))	**20,000**	20,000	**–**	–
Amounts due to contract customers (Note 36)	**244,370**	217,476	**174,361**	173,236
Provision for retirement benefits (Note 33(c))	**2,137**	1,990	**–**	–
	2,268,622	2,185,830	**487,878**	522,009
Non-current				
Trade payables	**27,354**	79,934	**27,142**	79,933
Land lease liabilities (Note 33(a))	**12,279**	13,076	**–**	–
	39,633	93,010	**27,142**	79,933
Total	**2,308,255**	2,278,840	**515,020**	601,942

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

33 TRADE AND OTHER PAYABLES (CONTINUED)

The currency exposure profile of the trade and other payables are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Functional currency (RM):				
– Australian Dollar	**17,393**	23,013	**–**	–
– US Dollar	**6,122**	60,642	**–**	–
– EURO	**5,224**	61,989	**–**	–
– Others	**1,675**	916	**–**	–
	30,414	146,560	**–**	–

Credit terms of trade payables granted to the Group and Company vary from immediate payment to 90 days (2013: immediate payment to 90 days).

(a) Land lease liabilities

	Group	
	2014 RM'000	2013 RM'000
Minimum lease payments:		
Not later than 1 year	**4,098**	4,559
Later than 1 year and not later than 5 years	**7,918**	7,396
Later than 5 years	**9,005**	11,354
	21,021	23,309
Less: Unexpired term charges	**(5,674)**	(6,765)
	15,347	16,544

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

33 TRADE AND OTHER PAYABLES (CONTINUED)

(a) Land lease liabilities (continued)

	Group	
	2014 RM'000	2013 RM'000
Present value of finance lease obligations:		
Not later than 1 year	**3,068**	3,468
Later than 1 year and not later than 5 years	**4,559**	3,007
Later than 5 years	**7,720**	10,069
	15,347	16,544

Land lease liabilities are in respect of the airport land which was leased by a subsidiary from the Federal Land Commissioner for a period of 30 years commencing 1 November 2003 with an option to extend for a further period of 20 years upon terms and conditions as to be mutually agreed.

(b) Concession fee payable

	Group	
	2014 RM'000	2013 RM'000
Not later than 1 year	**20,000**	20,000

A Concession Agreement was entered by a subsidiary with the Federal Government for a cumulative period of 50 years commencing 1 November 2003 to operate, manage and develop the Senai International Airport, Johor Darul Takzim. The said agreement is subject to the continued existence of the operating license granted by the Federal Government which is for a period of 50 years commencing on the same date with an option to extend for a further period upon terms and conditions to be mutually agreed.

The concession fee of RM20 million (2013: RM20 million) is payable to Federal Government which is for the rights granted to operate, manage and develop the Airport, as disclosed above.

The first payment of the concession fee shall be payable on the sixth concession year, which is 1 November 2009 and the next four payments shall be on subsequent concession years and each payment shall be made within the first month of the particular concession year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

33 TRADE AND OTHER PAYABLES (CONTINUED)

(c) Provision for retirement benefits

	Group 2014 RM'000	Group 2013 RM'000
Present value of unfunded obligations	**104,810**	97,459
Fair value of plan assets	**(15,619)**	(16,790)
Net liability recognised in the statement of financial position	**89,191**	80,669
Analysed as:		
Current	**2,137**	1,990
Non-current	**87,054**	78,679
	89,191	80,669

Movement in defined benefit liabilities:

	Group 2014 RM'000	Group 2013 RM'000
Defined benefit liabilities at beginning of the year	**97,459**	87,791
Included in profit or loss:		
Current service cost	**9,317**	9,185
Interest cost	**4,913**	4,277
Other service cost	**(54)**	997
	14,176	14,459

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

33 TRADE AND OTHER PAYABLES (CONTINUED)

(c) Provision for retirement benefits (continued)

Movement in defined benefit liabilities: (continued)

	Group	
	2014 RM'000	2013 RM'000
Included under other comprehensive income:		
Actuarial (gain) arising from:		
– financial assumption changes	**1,239**	(1,773)
– demographic assumption changes	**(1,160)**	–
– experience adjustment	**(872)**	694
Others	**161**	(831)
	(632)	(1,910)
Other movement:		
Benefits paid by the plan	**(3,125)**	(1,892)
Benefits paid directly by the employer	**(3,068)**	(989)
	(6,193)	(2,881)
Defined benefit obligations at end of the year	**104,810**	97,459
Movement in fair value of plan assets:		
Plan assets at beginning of the year	**(16,790)**	(1,885)
Included in profit or loss:		
Interest income	**(929)**	(73)
Included under other comprehensive income:		
Return on scheme assets	**783**	(176)
Other movement:		
Benefits paid by the plan	**2,719**	976
Employer contribution	**(1,402)**	(15,632)
	1,317	(14,656)
Plan assets at end of the year	**(15,619)**	(16,790)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

33 TRADE AND OTHER PAYABLES (CONTINUED)

(c) Provision for retirement benefits (continued)

Movement in net defined benefit liabilities:

	Group	
	2014 RM'000	2013 RM'000
Net defined benefit liabilities at beginning of the year	**80,669**	85,906
The expense included under profit or loss is analysed as follows:		
Current service cost	**9,316**	9,185
Interest cost	**3,984**	4,204
Other service cost	**(53)**	997
Expenses recognised in the profit or loss	**13,247**	14,386
The expense included under other comprehensive income is analysed as follows:		
Actuarial loss/(gain) arising from:		
– demographic changes	**(1,160)**	–
– financial assumption changes	**1,239**	(1,773)
– experience adjustment	**(872)**	694
Return on scheme assets	**783**	(176)
Others	**161**	(831)
Expenses recognised in the other comprehensive income	**151**	(2,086)
Other movement is analysed as follows:		
Benefits paid directly by the employer	**(3,068)**	(989)
Benefits paid by the plan	**(406)**	(916)
Employer contribution	**(1,402)**	(15,632)
	(4,876)	(17,537)
Net defined benefit liabilities at end of the year	**89,191**	80,669

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

33 TRADE AND OTHER PAYABLES (CONTINUED)

(c) Provision for retirement benefits (continued)

Plan assets

The major categories of plan assets are as follows:

	Group	
	2014	2013
	RM'000	RM'000
Equity instruments	**8,981**	8,237
Malaysian government securities	**3,998**	3,492
Foreign investments	**1,234**	2,965
Cash and cash equivalents	**609**	1,847
Corporate bonds	**500**	–
Others	**297**	249
At 31 December	**15,619**	16,790

The principal actuarial assumptions used in respect of the subsidiaries' defined benefit plan are as follows:

	Group	
	2014	2013
	%	%
Discount rates	**5.4 to 5.5**	5.3 to 6.6
Salary inflation rates	**5.0 to 7.9**	5.0 to 7.9

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

33 TRADE AND OTHER PAYABLES (CONTINUED)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Group	
	2014	2013
	%	%
Impact on the aggregate service and interest costs:		
Discount rate:		
One percentage point increase	**(1,509)**	(784)
One percentage point decrease	**1,546**	892
Salary inflation:		
One percentage point increase	**2,786**	1,818
One percentage point decrease	**(2,568)**	(1,541)
Impact on the defined benefit obligation:		
Discount rate:		
One percentage point increase	**(8,680)**	(9,517)
One percentage point decrease	**10,147**	11,244
Salary inflation:		
One percentage point increase	**9,884**	11,852
One percentage point decrease	**(8,637)**	(10,196)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

34 DEFERRED INCOME

	Group	
	2014 RM'000	2013 RM'000
At 1 January	**2,868,368**	2,589,467
Deferred income received during the financial year	**333,359**	329,882
Grant recognised during the financial year	**8,811**	22,995
Recognised as income during the financial year (Note 8 (i))	**(86,353)**	(73,976)
At 31 December	**3,124,185**	2,868,368
Non-current	**2,967,614**	2,783,247
Current	**156,571**	85,121
At 31 December	**3,124,185**	2,868,368

Deferred income is in respect of grants/funds received by subsidiaries to promote the development of the Group's logistics business and the portion of unearned revenue from capacity payments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

35 DERIVATIVE FINANCIAL INSTRUMENTS

	Group			
	2014		2013	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Current				
Derivative used for hedging:				
Interest rate swap	–	27,704	–	34,319
Forward foreign exchange	15	617	3,284	112
	15	28,321	3,284	34,431
Non-Current				
Derivative used for hedging:				
Interest rate swap	–	167,338	16,134	31,762
Cross currency swap	99,147	–	64,107	–
	99,147	167,338	80,241	31,762
Derivative held for trading:				
Warrants	19,895	–	–	–
	119,042	167,338	80,241	31,762

	Company			
	2014		2013	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Non-Current				
Derivative held for trading:				
Warrants	19,895	–	–	–
	19,895	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

35 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

i) Interest rate swap and cross currency swap are used to achieve an appropriate mix of fixed and floating interest rate exposure within the Group's policy. The Group entered into interest rate swaps and cross currency swaps, to hedge the interest rate risk and foreign exchange risk. The interest rate swaps and cross currency swaps were entered into for a period of 5 years to 25 years tenure.

ii) The notional principal amounts of the outstanding forward foreign exchange contracts at 31 December 2014 were RM14,262,000 (2013: RM67,069,000). The hedged highly probable forecast transactions denominated in foreign currency are expected to occur at various dates during the next 12 months. Gains and losses recognised in the hedging reserve in equity on forward foreign exchange contracts as of 31 December 2014 relates to purchases of property, plant and equipment and will be included in the carrying amount of the property, plant and equipment acquired.

iii) The warrants are traded on Bursa Malaysia. It entitles the holder to subscribe for 1 new ordinary shares of Zelan Berhad at the exercise price of RM0.25 per warrant and matures on 25 January 2019.

36 CONSTRUCTION CONTRACTS

	Group		Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000 (Restated)**
Aggregate costs incurred and recognised profits (less losses) to date	**6,662,522**	5,910,036	**5,704,146**	4,696,550
Progress billings	**(6,841,367)**	(6,081,124)	**(5,860,943)**	(4,865,828)
	(178,845)	(171,088)	**(156,797)**	(169,278)
Amounts due from contract customers (Note 26)	**65,525**	46,388	**17,564**	3,958
Amounts due to contract customers (Note 33)	**(244,370)**	(217,476)	**(174,361)**	(173,236)
	(178,845)	(171,088)	**(156,797)**	(169,278)
Retentions on contracts	**1,997**	10,775	–	–

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

36 CONSTRUCTION CONTRACTS (CONTINUED)

The following costs are part of contract costs incurred during the financial year:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000 (Restated)
Office rental	**2,348**	2,302	**1,437**	1,233
Depreciation of property, plant and equipment	**6,096**	5,924	**5,671**	5,691
Hire of plant and machinery	**2,217**	14,953	**2,128**	8,826
Staff costs	**110,230**	110,785	**50,878**	58,413

Staff costs consist of the following:

	Group 2014	Group 2013	Company 2014	Company 2013
Salaries, wages and bonuses	**94,180**	93,978	**35,619**	42,322
Defined contribution plan – contribution	**3,878**	4,845	**3,461**	4,472
Other employee benefits	**12,172**	11,962	**11,798**	11,619
	110,230	110,785	**50,878**	58,413

The amounts due from and to contract customers are denominated in Ringgit Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

37 SEGMENTAL INFORMATION

The Board of Directors is the Group's Chief Operating Decision–Maker ("CODM"). Management has determined the operating segments based on the directions provided by the Board of Directors for the purposes of allocating resources and assessing performance. The Heads of Departments are responsible for the development of corporate strategies.

The reportable segments of ports and logistics mainly derive their revenue from ports while energy and utilities derive their revenue mainly from electricity generation (Energy) and water treatment business (Utilities); engineering and construction segment derive their revenue from infrastructure and construction projects. Although the Utilities segment does not meet the quantitative thresholds required by MFRS 8 Operating Segments, management monitored this segment as it forms an integral part of the Group's overall key business objectives. Included in "Others" are mainly investment holding and airport operations, which individually does not meet the quantitative thresholds required by MFRS 8.

Segmental information is presented in respect of the Group's business segments. Inter–segment pricing is determined based on negotiated terms. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	Ports and logistics	Energy and utilities			Engineering and construction	Others	Total
		Gas	Energy	Utilities			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2014							
Revenue							
Total	1,659,168	–	5,594,484	73,076	1,261,272	374,936	8,962,936
Inter-segment	(12,945)	–	–	(5,731)	(178,759)	–	(197,435)
External	1,646,223	–	5,594,484	67,345	1,082,513	374,936	8,765,501
Results							
Profit/(loss) before zakat and taxation	254,034	51,854	595,484	(10,349)	314,101	(319,515)	885,609
Finance costs	135,757	–	911,242	127	(354)	213,854	1,260,626
Depreciation and amortisation	248,517	–	1,030,816	5,468	7,231	30,430	1,322,462
EBITDA*	638,308	51,854	2,537,542	(4,754)	320,978	(75,231)	3,468,697

* EBITDA – Earnings/(loss) before interest, tax, depreciation and amortisation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

37 SEGMENTAL INFORMATION (CONTINUED)

	Ports and logistics	Energy and utilities			Engineering and construction	Others	Total
		Gas	Energy	Utilities			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2014							
Other information							
Segment assets	8,276,470	-	24,511,038	52,254	664,862	4,031,435	37,536,059
Joint ventures	-		57,885	-	240,385	(10,780)	287,490
Associates	221,854	886,011	1,251,521	(5,875)	57,293	134,498	2,545,302
Interest-bearing instruments	680,057	-	3,896,409	74,999	185,403	199,157	5,036,025
Total assets							45,404,876
Segment liabilities	1,067,845	-	6,931,977	30,804	615,770	682,629	9,329,025
Interest-bearing instruments	3,348,193	-	18,224,005	5,535	3,000	4,160,955	25,741,688
Total liabilities							35,070,713
Other disclosures							
Capital expenditure	776,857	-	1,614,561	376	2,852	39,420	2,434,066
Interest income	(16,226)	-	(132,688)	(2,063)	(2,362)	(7,267)	(160,606)
Depreciation:							
- property, plant and equipment	248,517	-	562,988	1,334	7,231	25,745	845,815
- investment properties	-	-	-	-	-	489	489
Amortisation of:							
- rights on Power Purchase Agreement and Operations and Maintenance Agreement	-	-	467,828	-	-	-	467,828
- rights on water treatment business	-	-	-	4,134	-	-	4,134
- rights on airport business	-	-	-	-	-	4,196	4,196

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

37 SEGMENTAL INFORMATION (CONTINUED)

	Ports and logistics	Energy and utilities			Engineering and construction	Others	Total
		Gas	Energy	Utilities			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2013 (Restated)							
Revenue							
Total	1,526,397	–	4,717,419	117,956	1,227,384	35,938	7,625,094
Inter-segment	(13,908)	–	–	–	(165,833)	–	(179,741)
External	1,512,489	–	4,717,419	117,956	1,061,551	35,938	7,445,353
Results							
Profit/(loss) before zakat and taxation	265,162	69,775	84,147	3,015	144,573	(316,003)	250,669
Finance costs	109,966	–	840,318	198	971	208,448	1,159,901
Depreciation and amortisation	227,678	–	902,890	6,586	6,810	31,472	1,175,436
EBITDA*	602,806	69,775	1,827,355	9,799	152,354	(76,083)	2,586,006

* EBITDA – Earnings/(loss) before interest, tax, depreciation and amortisation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

37 SEGMENTAL INFORMATION (CONTINUED)

	Ports and logistics	Energy and utilities			Engineering and construction	Others	Total
		Gas	Energy	Utilities			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2013 (Restated)							
Other information							
Segment assets	7,868,023	–	23,516,320	65,894	717,058	3,741,039	35,908,334
Joint ventures	–	–	51,230	–	230,603	(10,024)	271,809
Associates	–	1,162,166	1,342,661	(3,004)	27,627	111,364	2,640,814
Interest-bearing instruments	352,624	–	3,541,737	113,516	90,196	232,829	4,330,902
Total assets							43,151,859
Segment liabilities	994,820	–	6,385,754	49,203	694,589	747,470	8,871,836
Interest-bearing instruments	2,778,192	–	17,543,385	6,585	16,000	3,765,751	24,109,913
Total liabilities							32,981,749
Other disclosures							
Capital expenditure	733,322	–	2,534,967	173	7,415	(8,836)	3,267,041
Interest income	(9,610)	–	(161,052)	(2,235)	(920)	(6,328)	(180,145)
Depreciation							
– property, plant and equipment	227,678	–	475,727	1,412	6,810	26,767	738,394
– investment properties	–	–	–	–	–	510	510
Amortisation of:							
– rights on Power Purchase Agreement and Operations and Maintenance Agreement	–	–	427,163	–	–	–	427,163
– rights on water treatment business	–	–	–	5,174	–	–	5,174
– rights on airport business	–	–	–	–	–	4,195	4,195

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

37 SEGMENTAL INFORMATION (CONTINUED)

The Group's operations are principally based in Malaysia. The foreign-based entities' revenue, results, assets and liabilities in comparison to the Group's figures are negligible. Accordingly, no segmental information based on geographical segment is disclosed.

The following is major customer with revenue equal or more than 10% of the Group's total revenue:

	2014 RM'000	2013 RM'000
Tenaga Nasional Berhad	**5,457,407**	4,726,492

38 SIGNIFICANT CONTINGENT LIABILITIES

(a) Jurutera Perunding Daya Sdn. Bhd. and Pengurusan Projek Daya Sdn. Bhd. (collectively known as "Daya Group") have instituted legal proceedings against the Company and a subsidiary, Projek Lebuhraya Timur Sdn. Bhd. ("Pelita") for, among others, general damages which the Daya Group indicated are in the region of RM49.9 million, for alleged work undertaken in respect of the privatisation of the East Coast Expressway.

On 22 December 2011, the High Court delivered its decision and dismissed the Daya Group's claim against the Company and allowed the Company's counterclaim. The High Court however, allowed the Daya Group's claim on liability only against Pelita and dismissed Pelita's counterclaim. The quantum of damages, if any, will be assessed in separate proceedings. Pelita's solicitors are unable to provide an assessment of possible damages against Pelita as documents for the assessment have not been provided by solicitors of the Daya Group to-date.

Both the Daya Group and Pelita have lodged appeals to the Court of Appeal, which hearing is pending. No proceedings to assess damages have been filed by the Daya Group as yet. Based on the advice of solicitors acting for the Company and Pelita, the Directors are of the view that both the Company and Pelita have good chances to have the decision in their favour during appeal.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

38 SIGNIFICANT CONTINGENT LIABILITIES (CONTINUED)

(b) The arbitral tribunal in the arbitration proceedings between Wayss & Freytag (Malaysia) Sdn. Bhd. ("Wayss & Freytag") and the MMC Engineering Group Berhad–Gamuda Berhad Joint Venture ("the JV") delivered its award ("the Award") on 16 April 2013 and 30 May 2013. On 23 May 2013, the JV filed an application to refer questions of law arising out of the Award to the High Court, with a view of setting aside the Award ("1st Application"). On 4 July 2013 the JV filed another application to set aside the award on the basis of, among others, the Award being in conflict with the public policy in Malaysia and that there has been a breach of duty by one of the arbitrators in the arbitral tribunal ("2nd Application"). Both the 1st Application and the 2nd Application were dismissed by the High Court on 9 June 2014 and 16 December 2014 respectively. Additionally, on 16 December 2014, the High Court ordered that the Award be recognised as a judgment in terms of the Award against the JV.

On 7 July 2014, the JV filed an appeal to the Court of Appeal against the decision of the High Court in the 1st Application. On 30 December 2014, the JV filed its appeals against the decisions of the High Court delivered on 16 December 2014. Based on the advice of solicitors acting for the JV, the Directors are of the view that the JV has a fair chance of succeeding in the appeals.

(c) On 10 September 2014, the High Court dismissed Logistic Air FCZ and Logistic Air, Inc.'s ("LA") claim against Senai Airport Terminal Services Sdn. Bhd. ("SATS"), a wholly-owned subsidiary of the Company, with costs on full indemnity basis. The High Court also allowed SATS' counterclaim of RM821,761.79 with interest and costs, and that SATS be entitled to dispose of LA's aircrafts presently on SATS' premises. On 29 September 2014, LA filed an appeal against the decision of the High Court. On 18 March 2015, the Court of Appeal dismissed LA's appeal.

(d) Almiyah Attilemcania SPA ("AAS"), an associate of Malakoff Corporation Berhad in which the Company has an 18.2% effective interest, has been charged in the Court of Ghazouet in the district of Tlemcen, Algeria, for an alleged breach of foreign exchange regulations concerning a sum of US$26.99 million. On 24 December 2014, the court found against AAS in respect of the offence, with a penalty of approximately US$44.6 million imposed on it. The penalty will not be imposed until exhaustion of all appeals.

On 29 December 2014, AAS filed an appeal against the conviction to the Algerian Court of Appeal. Based on the legal opinion provided by AAS' solicitor, AAS has a good chance of success in its appeal. As advised by its solicitor, AAS has defences against the charge, based on procedural as well as substantive grounds.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

38 SIGNIFICANT CONTINGENT LIABILITIES (CONTINUED)

(e) Pelabuhan Tanjung Pelepas Sdn. Bhd. ("PTP"), a subsidiary of the Company, commenced arbitration proceedings against Pioneer Smith (M) Sdn. Bhd. ("Pioneer Smith") on 6 May 2014. In the proceedings, PTP claimed for inter alia damages in the region of RM2.5 million being unpaid rentals and outstanding charges, interest and costs. Conversely, Pioneer Smith counterclaimed against PTP, claiming RM152 million for loss of profits and loss of contracts, as well as other claims for trespass and nuisance, together with interest and costs.

Hearing of the arbitration proceedings is ongoing. Based on the legal advice by PTP's solicitors, the Directors are of the view that PTP has a good chance of succeeding in the arbitration and that there is no merit in Pioneer Smith's counterclaim.

(f) On 2 October 2014, International Water Treatment LLC ("IWT"), the contractor for the engineering, procurement and construction of the water desalination plant in Muscat, Oman ("Water Desalination Plant"), issued a request for arbitration ("Request") to Muscat City Desalination S.A.O.C ("MCDC"), an associate company of Malakoff Corporation Berhad in which the Company has a 22.95% effective interest, alleging the following claims:

(i) IWT has sought to challenge the delay liquidated damages clause under the Al Ghubrah EPC Contract ("LD Clause") on the basis that it is a penalty, and is therefore unenforceable ("Delay LD"); and
(ii) failing MCDC's ability to provide IWT with an extension of time, IWT is entitled to complete the works within a reasonable period of time.

However, IWT has failed to particularise the grounds on which its claims are based in the arbitration.

MCDC has filed a response to the request for arbitration on 30 October 2014, defending its position as to the enforceability of the LD Clause and has required IWT to further particularise its claims. On 13 February 2015, the London Court of International Arbitration appointed an arbitral tribunal for the arbitration proceedings, after which a procedural timetable will be put in place.

MCDC takes the view that the Delay LD is not a penalty and therefore is enforceable.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

38 SIGNIFICANT CONTINGENT LIABILITIES (CONTINUED)

(g) At 31 December 2014, the contingent liabilities in respect of guarantees issued are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Bank guarantees issued to third parties for performance (secured/unsecured)	**464,993**	426,980	**–**	–

Bank guarantees issued to third parties mainly comprise customers and utilities suppliers. These are mainly in respect of performance bonds and payment guarantee for utilities facilities.

There are no other material contingent liabilities, litigations or guarantees other than those arising in the ordinary course of the business of the Group and the Company and the Directors are of the opinion that their outcome will not have a material adverse effect on the financial positions of the Group and the Company.

39 COMMITMENTS

Capital expenditure not provided for in the financial statements is as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
(a) Capital commitments:				
Property, plant and equipment				
Authorised but not contracted for	**463,428**	345,936	**544**	1,066
Contracted but not provided for	**1,494,013**	2,820,141	**–**	–
Total	**1,957,441**	3,166,077	**544**	1,066

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

39 COMMITMENTS (CONTINUED)

(b) Non-cancellable operating lease commitments

	Group	
	2014 RM'000	2013 RM'000
(i) For computer hardware		
Not later than 1 year	**533**	1,574
Later than 1 year and not later than 5 years	**278**	811
	811	2,385
(ii) For the port area		
Not later than 1 year	**31,301**	30,201
Later than 1 year and not later than 5 years	**130,964**	129,044
Later than 5 years	**1,637,002**	1,670,224
	1,799,267	1,829,469
(iii) For rental of office building and equipment		
Not later than 1 year	**4,930**	4,295
Later than 1 year and not later than 5 years	**8,220**	1,321
	13,150	5,616
Total	**1,813,228**	1,837,470

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

40 SIGNIFICANT RELATED PARTY DISCLOSURES

Significant related party transactions and year end balances other than those disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Dr/(Cr)				
(a) The following transactions were carried out with related parties:				
Transactions with subsidiary companies:				
Transfer of equity interest in a subsidiary company	**–**	–	**222,391**	25,833
Transactions with associated companies:				
Interest income on unsecured subordinated loan notes	**(26,410)**	(65,402)	**–**	–
Companies subject to common significant influence:				
Borrowings	**1,269**	125,000	**–**	–
Deposits	**282,148**	(134,550)	**97,018**	50,000

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

40 SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

Significant related party transactions and year end balances other than those disclosed elsewhere in the financial statements are as follows: (continued)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Dr/(Cr)				
(b) Financial year-end balances arising from:				
Transactions with subsidiaries:				
Transfer of equity interest in a subsidiary company	**–**	–	**1,122,703**	900,312
Associated companies:				
Interest income on unsecured subordinated loan notes	**320,370**	293,960	**–**	–
Companies subject to common significant influence:				
Borrowings	**341,269**	340,000	**–**	–
Deposits	**569,627**	287,479	**147,018**	50,000

(c) Key management compensation

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Fees	**902**	1,094	**425**	425
Salaries and bonuses	**9,367**	7,960	**8,688**	7,861
Defined contribution plan – contributions	**1,602**	1,621	**1,248**	1,342
Other employee benefits	**3,218**	3,101	**1,154**	1,277
	15,089	13,776	**11,515**	10,905

Key management includes Directors (executive and non-executive) and head of departments of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

41 COMPANIES IN THE GROUP

The principal activities of the companies in the Group, their places of incorporation and the interest of the Group are shown below:

Subsidiaries

Name of company	Country of incorporation	Group's effective interest		Principal activities
		2014 %	2013 %	
Anglo-Oriental (Annuities) Sdn. Bhd.	Malaysia	**100.0**	100.0	Investment holding
Anglo-Oriental (Malaya) Sdn. Bhd.	Malaysia	**100.0**	100.0	Property and investment holding
Labohan Dagang Galian Sdn. Bhd.	Malaysia	**100.0**	100.0	Investment holding
Pernas Charter Management Sdn. Bhd.	Malaysia	**100.0**	100.0	Provision of management services to holding company and fellow subsidiaries
Pembetungan Langat Sdn. Bhd.	Malaysia	**100.0**	-	Design, develop, construct and build sewage plant
MMC Marketing Sdn. Bhd.	Malaysia	**100.0**	100.0	Property investment
Timah Securities Berhad	Malaysia	**100.0**	100.0	Property investment
Tronoh Holdings (Selangor) Sendirian Berhad	Malaysia	**100.0**	100.0	Property investment
MMC Engineering Group Berhad	Malaysia	**100.0**	100.0	Engineering, management services and investment holding

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

41 COMPANIES IN THE GROUP (CONTINUED)

Subsidiaries (continued)

Name of company	Country of incorporation	Group's effective interest		Principal activities
		2014 %	2013 %	
MMC Engineering & Construction Sdn. Bhd.	Malaysia	**100.0**	100.0	Civil engineering construction works
MMC Engineering Services Sdn. Bhd.	Malaysia	**100.0**	100.0	Specialised engineering construction works
MMC Oil & Gas Engineering Sdn. Bhd.	Malaysia	**100.0**	100.0	Provision of professional engineering services to the oil & gas industry
MMC–GTM Bina Sama Sdn. Berhad	Malaysia	**100.0**	100.0	Contractor for civil engineering and construction works
^Pelepas Terminal Inland Services Sdn. Bhd.	Malaysia	**49.0**	49.0	Repair, prepare and trade of containers, containerisation system and other related works
MMC Tepat Teknik Sdn. Bhd. (formerly known as Tepat Teknik Sdn. Bhd.)	Malaysia	**70.0**	70.0	Construction and fabrication
MMC Tepat Teknik (Kejuruteraan) Sdn. Bhd. (formerly known as Tepat Teknik (Kejuruteraan) Sdn Bhd).	Malaysia	**70.0**	70.0	Construction and fabrication
Pelabuhan Tanjung Pelepas Sdn. Bhd.	Malaysia	**70.0**	70.0	Port operations

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

41 COMPANIES IN THE GROUP (CONTINUED)

Subsidiaries (continued)

Name of company	Country of incorporation	Group's effective interest 2014 %	Group's effective interest 2013 %	Principal activities
* Johor Port Berhad	Malaysia	**100.0**	100.0	Port operations
* MMC Zelan Sdn. Bhd.	Malaysia	**60.0**	60.0	Undertake, construct, maintain, manage/ execute any Light Rail Transit (LRT) project in Malaysia or elsewhere and to carry out all related works thereto
* JP Logistics Sdn. Bhd.	Malaysia	**100.0**	100.0	Providing logistics services
* JP Logistics Pte. Ltd.	Singapore	**100.0**	100.0	Providing logistics services
* Seaport Worldwide Sdn. Bhd.	Malaysia	**100.0**	100.0	Investment holding and property development
#MMC International Holdings Ltd.	British Virgin Islands	**100.0**	100.0	Investment holding
# MMC Saudi Holdings Ltd.	British Virgin Islands	**100.0**	100.0	Investment holding
# City Island Holdings Limited	British Virgin Islands	**100.0**	100.0	Investment holding
# MMC Utilities Limited	British Virgin Islands	**100.0**	100.0	Investment holding and provision of project management services

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

41 COMPANIES IN THE GROUP (CONTINUED)

Subsidiaries (continued)

Name of company	Country of incorporation	Group's effective interest 2014 %	2013 %	Principal activities
* MMC Saudi Arabia Ltd.	Kingdom of Saudi Arabia	**100.0**	100.0	Investment holding
* Malakoff Corporation Berhad	Malaysia	**51.0**	51.0	Investment holding
* Malakoff Power Berhad	Malaysia	**51.0**	51.0	Operation and maintenance of power plants
* ^ Segari Energy Ventures Sdn. Bhd.	Malaysia	**47.8**	47.8	Design, construction, operation and maintenance of a combined cycle power plant, generation and sale of electrical energy and generating capacity of power plant
* Teknik Janakuasa Sdn. Bhd.	Malaysia	**51.0**	51.0	Investment holding company and provision of operation and maintenance and any related services
* ^ GB3 Sdn. Bhd.	Malaysia	**38.3**	38.3	Design, construction, operation and maintenance of a combined cycle power plant, generation and sale of electrical energy and generating capacity of the power plant

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

41 COMPANIES IN THE GROUP (CONTINUED)

Subsidiaries (continued)

Name of company	Country of incorporation	Group's effective interest 2014 %	2013 %	Principal activities
* Prai Power Sdn. Bhd.	Malaysia	**51.0**	51.0	Design, construction, operation and maintenance of a combined cycle power plant, generation and sale of electrical energy and generating capacity of the power plant
* ^ Tanjung Bin Power Sdn. Bhd.	Malaysia	**45.9**	45.9	Design, engineering, procurement, construction, installation and commissioning, testing, operation and maintenance of a 2,100 MW coal-fired electricity generating facilitiy and sale of electrical energy and generating capacity of the power plant
* Malakoff Engineering Sdn. Bhd.	Malaysia	**51.0**	51.0	Provision of engineering and project management services
* MESB Project Management Sdn. Bhd.	Malaysia	**51.0**	51.0	Dormant

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

41 COMPANIES IN THE GROUP (CONTINUED)

Subsidiaries (continued)

Name of company	Country of incorporation	Group's effective interest		Principal activities
		2014 %	2013 %	
* Malakoff Utilities Sdn. Bhd.	Malaysia	**51.0**	51.0	Build, own and operate an electricity distribution system and a centralised chilled water plant system
* Hypergantic Sdn. Bhd.	Malaysia	**51.0**	51.0	Investment holding
* Desa Kilat Sdn. Bhd. ^	Malaysia	**27.5**	27.5	Land reclamation, development and/or sale of reclaimed land
* Malakoff AlDjazair Desal Sdn. Bhd.	Malaysia	**51.0**	51.0	Investment holding
* TJSB Global Sdn. Bhd.	Malaysia	**51.0**	51.0	Investment holding
* Tuah Utama Sdn. Bhd.	Malaysia	**51.0**	51.0	Investment holding
* Natural Analysis Sdn. Bhd.	Malaysia	**51.0**	51.0	Dormant
* TJSB Services Sdn. Bhd.	Malaysia	**51.0**	51.0	Provision of maintenance, repair and overhaul and any related services to power plants and any other plants of similar main and auxiliary operating systems
# Malakoff International Limited	Cayman Islands	**51.0**	51.0	Offshore – Investment holding

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

41 COMPANIES IN THE GROUP (CONTINUED)

Subsidiaries (continued)

Name of company	Country of incorporation	Group's effective interest 2014 %	Group's effective interest 2013 %	Principal activities
# Malakoff Hidd Holding Company Limited	Guernsey	**51.0**	51.0	Asset, property, investment, intellectual property and other holding companies
# ^ Malakoff Summit Hidd Holding Company Limited	Guernsey	**29.1**	29.1	Asset, property, investment, intellectual property and other holding companies
* Malakoff Gulf Limited	British Virgin Islands	**51.0**	51.0	Offshore – Investment holding
# Malakoff Technical (Dhofar) Limited	British Virgin Islands	**51.0**	51.0	Offshore – Investment holding
# Malakoff Oman Desalination Company Limited	British Virgin Islands	**51.0**	51.0	Offshore – Investment holding
* ^ Tlemcen Desalination Investment Company SAS	France	**35.7**	35.7	Offshore – Investment holding
# TJSB International Limited	Cayman Islands	**51.0**	51.0	Offshore – Investment holding
# TJSB International (Shoaiba) Limited	British Virgin Islands	**51.0**	51.0	Offshore – Investment holding
# TJSB Middle East Limited	British Virgin Islands	**51.0**	51.0	Operation and maintenance of power plant

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

41 COMPANIES IN THE GROUP (CONTINUED)

Subsidiaries (continued)

Name of company	Country of incorporation	Group's effective interest 2014 %	Group's effective interest 2013 %	Principal activities
* PT. Teknik Janakuasa ^	Indonesia	**48.5**	48.5	Provision of operation and maintenance services to power plant and/or other utility plants
* Aliran Ihsan Resources Berhad	Malaysia	**100.0**	100.0	Investment holding
* Southern Water Corporation Sdn. Bhd.	Malaysia	**100.0**	100.0	Investment holding, water treatment and rehabilitation of water treatment plants, construction of water works
* Southern Water Technology Sdn. Bhd.	Malaysia	**100.0**	100.0	Construction of water works and water treatment plant
* Southern Water Engineering Sdn. Bhd.	Malaysia	**100.0**	100.0	Water treatment specialist and operation, maintenance and provision of services related to water treatment and equipment
* Aliran Utara Sdn. Bhd.	Malaysia	**100.0**	100.0	Operation, maintenance and management of water treatment plant

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

41 COMPANIES IN THE GROUP (CONTINUED)

Subsidiaries (continued)

Name of company	Country of incorporation	Group's effective interest 2014 %	2013 %	Principal activities
* Senai Airport Terminal Services Sdn. Bhd.	Malaysia	**100.0**	100.0	To manage, operate, maintain and develop the Senai International Airport
* Senai High Tech Park Sdn. Bhd.	Malaysia	**100.0**	100.0	Construct, develop, equip, maintain, carry on, market and manage the Senai High Technology Park in Johor
MMC Technical Services Sdn. Bhd. (formerly known as MMC Petroleum & Resources Sdn Bhd)	Malaysia	**100.0**	100.0	Investment holding company and to provide professional services to the oil and gas and resources industries
* Malakoff R&D Sdn. Bhd.	Malaysia	**51.0**	51.0	Promoting, developing, acquiring and enhancing the group's capacity and innovation in the energy business
* Enigma Harmoni Sdn. Bhd.	Malaysia	**100.0**	100.0	Property development

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

41 COMPANIES IN THE GROUP (CONTINUED)

Subsidiaries (continued)

Name of company	Country of incorporation	Group's effective interest 2014 %	Group's effective interest 2013 %	Principal activities
* Tanjung Bin Energy Sdn. Bhd.	Malaysia	**51.0**	51.0	Design, engineering, procurement, construction, installation and commissioning, testing, operation and maintenance of a 1,000MW coal-fired electricity generating facility
* Tanjung Bin Energy Issuer Berhad	Malaysia	**51.0**	51.0	Administer and manage the development of a 1,000MW coal-fired electricity generating facility
* Tanjung Bin O&M Berhad	Malaysia	**51.0**	51.0	Operation and maintenance of power plant
* Pacific Goldtree Sdn. Bhd.	Malaysia	**51.0**	51.0	Investment holding
* Skyfirst Power Sdn. Bhd.	Malaysia	**51.0**	51.0	Investment holding
* Malakoff Australia Pty. Ltd.	Australia	**51.0**	51.0	Investment holding company
* Wind Macarthur Holdings (T) Pty. Limited	Australia	**51.0**	51.0	Investment holding

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

41 COMPANIES IN THE GROUP (CONTINUED)

Subsidiaries (continued)

Name of company	Country of incorporation	Group's effective interest 2014 %	2013 %	Principal activities
* Malakoff Holdings Pty. Ltd.	Australia	**51.0**	51.0	Investment holding
* Wind Macarthur (T) Pty. Limited	Australia	**51.0**	51.0	Leasing of plant and equipment
* Wind Macarthur Finco Pty. Limited	Australia	**51.0**	51.0	Financing operations for Macarthur wind farm project
* Malakoff Wind Macarthur Holdings Pty. Limited	Australia	**51.0**	51.0	Investment holding
* Malakoff Wind Macarthur Pty. Limited	Australia	**51.0**	51.0	Leasing of wind turbine assets
Port Dickson Power Berhad	Malaysia	**51.0**	12.8	Independent power producer licensed by the Government to supply electricity exclusively to TNB
PDP O&M Sdn. Bhd. (formerly known as Sime Darby Biofuels Sdn. Bhd.)	Malaysia	**51.0**	–	Operation and maintenance of power plant

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

41 COMPANIES IN THE GROUP (CONTINUED)

Inactive subsidiaries

Name of company	Country of incorporation	Group's effective interest	
		2014 %	2013 %
* Anglo-Oriental do Brasil Ltd.	Brazil	**100.0**	100.0
Bidor Malaya Tin Sdn. Bhd.	Malaysia	**100.0**	100.0
Dana Vision Sdn. Bhd.	Malaysia	**100.0**	100.0
Kramat Tin Dredging Berhad	Malaysia	**52.9**	52.9
* MMC Belgium NV	Belgium	**–**	100.0
* MMC Exploration & Production (Philippines) Pte. Ltd.	Samoa	**100.0**	100.0
* MMC Exploration & Production (Thailand) Pte. Ltd. (under liquidation)	Thailand	**100.0**	100.0
MMC Rail Ventures Sdn. Bhd.	Malaysia	**100.0**	100.0
MMC Utilities Berhad	Malaysia	**100.0**	100.0
Projek Lebuhraya Timur Sdn. Bhd.	Malaysia	**100.0**	100.0
Southern Kinta Consolidated (M) Berhad	Malaysia	**100.0**	100.0
Southern Malayan Tin Dredging (M) Berhad	Malaysia	**100.0**	100.0
* MMC EG Co. Ltd.	Mongolia	**90.0**	90.0
* Tepat Teknik (Labuan) Ltd.	Malaysia	**70.0**	70.0
MMC Tepat Teknik (Sarawak) Sdn. Bhd. (formerly known as Tepat Teknik (Sarawak) Sdn. Bhd.)	Malaysia	**70.0**	70.0
# MMC Ports Limited	British Virgin Islands	**100.0**	100.0
# Spring Assets Limited	British Virgin Islands	**51.0**	51.0

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

41 COMPANIES IN THE GROUP (CONTINUED)

Inactive subsidiaries (continued)

Name of company	Country of incorporation	Group's effective interest 2014 %	Group's effective interest 2013 %
* Malakoff Capital (L) Ltd.	Malaysia	**51.0**	51.0
* RNC Corporations Berhad (in creditors' liquidation)	Malaysia	**73.5**	73.5
* Aturan Jernih Sdn. Bhd.	Malaysia	**100.0**	100.0
* Senai Airport Sdn. Bhd.	Malaysia	**100.0**	100.0
* SPJ Corporation Berhad	Malaysia	**100.0**	100.0
MMC AMEC Sdn. Bhd. (under creditors' liquidation)	Malaysia	**51.0**	51.0
MMC Ventures Sdn. Bhd.	Malaysia	**100.0**	100.0
MMC Utilities Holdings Sdn. Bhd.	Malaysia	**100.0**	100.0
Aliran Jebat Sdn. Bhd.	Malaysia	**80.0**	80.0
MMC Transport Engineering Sdn. Bhd.	Malaysia	**100.0**	100.0
Anglo-Oriental (Malaya) Trustees Sdn. Bhd. (under members' voluntary liquidation)	Malaysia	**100.0**	100.0
MMC-Shapadu (Holdings) Sdn. Berhad (under members' voluntary liquidation)	Malaysia	**76.0**	76.0
* Equiventures Sdn. Bhd. (under members' voluntary liquidation)	Malaysia	**49.0**	49.0
* Strategy Tegas (M) Sdn. Bhd. (under members' voluntary liquidation)	Malaysia	**30.0**	30.0
MMC Frigstad Offshore	Malaysia	**100.0**	100.0

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

41 COMPANIES IN THE GROUP (CONTINUED)

Associates

Name of company	Country of incorporation	Group's effective interest 2014 %	Group's effective interest 2013 %	Accounting date for inclusion of company results	Principal activities
++ Zelan Berhad &	Malaysia	**39.2**	39.2	31.12.2014	Investment holding, civil engineering and construction of power plant and buildings
& Kapar Energy Ventures Sdn. Bhd.	Malaysia	**20.4**	20.4	31.12.2014	Generation and sale of electricity
* Lekir Bulk Terminal Sdn. Bhd.	Malaysia	**10.2**	10.2	31.12.2014	Development, ownership and management of dry bulk terminal
* Malaysian Shoaiba Consortium Sdn. Bhd.	Malaysia	**20.4**	20.4	31.12.2014	Investment holding
* Saudi-Malaysia Water & Electricity Company Limited	Kingdom of Saudi Arabia	**10.2**	10.2	31.12.2014	Offshore – Investment holding
* Shuaibah Water & Electricity Company Limited	Kingdom of Saudi Arabia	**6.1**	6.1	31.12.2014	Design, construction, commissioning, testing, possession, operation and maintenance of crude oil fired power generation and water desalination plant

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

41 COMPANIES IN THE GROUP (CONTINUED)

Associates (continued)

Name of company	Country of incorporation	Group's effective interest		Accounting date for inclusion of company results	Principal activities
		2014 %	2013 %		
* Shuaibah Expansion Holding Company Limited	Kingdom of Saudi Arabia	**6.1**	6.1	31.12.2014	Development, construction, ownership, operation and maintenance of the Shuaibah Phase 3 Expansion Independent Water Producer ("IWP"), transport and sale of water and undertake all works and activities related thereto, directly or through another company holding most of its shares or stock
* Shuaibah Expansion Project Company Limited	Kingdom of Saudi Arabia	**6.0**	6.0	31.12.2014	Development, construction, possession, operation and maintenance of the Shuaibah Phase 3 Expansion IWP, transfer and sell water and all relevant works and activities
# Oman Technical Partners Limited	British Virgin Island	**22.1**	22.1	31.12.2014	Offshore – Investment Holding

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

41 COMPANIES IN THE GROUP (CONTINUED)

Associates (continued)

Name of company	Country of incorporation	Group's effective interest		Accounting date for inclusion of company results	Principal activities
		2014 %	2013 %		
# Salalah Power Holdings Limited	Bermuda	**22.1**	22.1	31.12.2014	Offshore – Investment holding
* Al-Imtiaz Operation & Maintenance Company Limited	Kingdom of Saudi Arabia	**10.2**	10.2	31.12.2014	Implementation of operation and maintenance contracts for stations of electrical power generation and water desalination
* Saudi-Malaysia Operation & Maintenance Services Company Limited	Kingdom of Saudi Arabia	**10.2**	10.2	31.12.2014	Operation and maintenance of power and water desalination plant
* Red Sea Gateway Terminal Company Limited	Kingdom of Saudi Arabia	**20.0**	20.0	31.12.2014	Operation and maintenance of container terminals
* Red Sea Ports Development Company	Kingdom of Saudi Arabia	**20.0**	20.0	31.12.2014	Operation and maintenance of container terminals
* Jazan Economic City Land Company	Kingdom of Saudi Arabia	**50.0**	50.0	31.12.2014	Development of Jazan Economic City in the Kingdom of Saudi Arabia

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

41 COMPANIES IN THE GROUP (CONTINUED)

Associates (continued)

Name of company	Country of incorporation	Group's effective interest		Accounting date for inclusion of company results	Principal activities
		2014 %	2013 %		
* Hyflux-TJSB Algeria SPA	Algeria	**24.9**	24.9	31.12.2014	Operation and maintenance of water desalination plant
++ Gas Malaysia Berhad	Malaysia	**30.9**	30.9	31.12.2014	Selling, marketing and promotion of natural gas to the industrial, commercial and residential sectors as well as construct and operate the Natural Gas Distribution System in Peninsular Malaysia
Pelantar Teknik (M) Sdn. Bhd.	Malaysia	**30.9**	30.9	31.12.2014	Property holding
Gas Malaysia (LPG) Sdn. Bhd.	Malaysia	**30.9**	30.9	31.12.2014	Selling of LPG via a reticulation system
# Hidd Power Company B.S.C (c)	Bahrain	**20.4**	20.4	31.12.2014	Building, operation and maintenance of power and water stations for special purposes (specific supply only)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

41 COMPANIES IN THE GROUP (CONTINUED)

Associates (continued)

Name of company	Country of incorporation	Group's effective interest		Accounting date for inclusion of company results	Principal activities
		2014 %	**2013 %**		
Muscat City Desalination Company S.A.O.C	Oman	**23.0**	23.0	31.12.2014	Desalination of water
Muscat City Desalination Operation and Maintenance Company LLC	Oman	**16.0**	16.0	31.12.2014	Operation and maintenance of pump stations and pipelines, installation and repair of electric power and transformer plants and telecommunications and radar plants, export and import offices, and laying and maintenance of all kinds of pipes
++ NCB Holdings Berhad * &	Malaysia	**15.7**	–	31.12.2014	Investment holding and provision of management services to its subsidiaries with interest in port operations

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

41 COMPANIES IN THE GROUP (CONTINUED)

Inactive associates

Name of company	Country of incorporation	Group's effective interest 2014 %	Group's effective interest 2013 %
* Ajil Minerals Sdn. Bhd.	Malaysia	**49.0**	49.0
* Tepat Teknik-VME Sdn. Bhd.	Malaysia	**34.9**	34.9

Joint arrangements

Name of company	Country of incorporation	Proportion of ownership interest 2014 %	Proportion of ownership interest 2013 %	Principal activities
Joint ventures				
* MMCE-Franky Consortium Joint Venture	Malaysia	**60.0**	60.0	Construction and completion of Kuantan–Kertih Railway Project Civil Works Package 2
* MMC-Gamuda Joint Venture Sdn. Bhd.	Malaysia	**50.0**	50.0	Design, construction, testing, commissioning and maintenance of the Electric Double Tracking Project
* MMC Gamuda KVMRT (PDP) Sdn. Bhd.	Malaysia	**50.0**	50.0	Undertake, construct, maintain, improve, develop, implement, control, execute and manage any Mass Rapid Transit project in Malaysia or elsewhere

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

Name of company	Country of incorporation	Proportion of ownership interest		Principal activities
		2014 %	2013 %	
Joint ventures (continued)				
* MMC Gamuda KVMRT (T) Sdn. Bhd.	Malaysia	**50.0**	50.0	Undertake pre-qualifying and tendering of the tunnelling, underground works and such other works in relation to the underground works package for the Klang Valley Mass Rapid Transit Project
* Projek Smart Holdings Sdn. Bhd.	Malaysia	**50.0**	50.0	Investment holding
* Syarikat Mengurus Air Banjir dan Terowong Sdn. Bhd.	Malaysia	**50.0**	50.0	Undertakes the Stormwater Management and Road Tunnel project
* Whale Shark Maritime Sdn. Bhd. (under creditors' liquidation)	Malaysia	**20.0**	20.0	Transportation of open market cargoes

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

41 COMPANIES IN THE GROUP (CONTINUED)

Joint arrangements (continued)

Name of company	Country of incorporation	Proportion of ownership interest 2014 %	2013 %	Principal activities
Joint ventures (continued)				
Salcon MMCB AZSB JV Sdn. Bhd.	Malaysia	**34.0**	34.0	Process engineering, construction and operation for clean water and waste/water treatment plants and pipe network and related mechanical, electrical and instrumentation work
Salcon MMCES AZSB JV Sdn. Bhd.	Malaysia	**34.0**	34.0	Process engineering, construction and operation for clean water and waste/water treatment plants and pipe network and related mechanical, electrical and instrumentation work
* MMC Gamuda KVMRT (PDP SSP) Sdn. Bhd.	Malaysia	**50.0**	–	Undertake, construct, maintain, improve, develop, implement, control, execute and manage any Mass Rapid Transit project in Malaysia or elsewhere

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

41 COMPANIES IN THE GROUP (CONTINUED)

Joint arrangements (continued)

Name of company	Country of incorporation	Proportion of ownership interest		Principal activities
		2014 %	2013 %	
Joint ventures (continued)				
* Almiyah Attilemcania SPA	Algeria	**18.2**	18.2	Construction, operation and maintenance of a sea water desalination plant and marketing the desalinated water produced
Joint operations				
* MMC-Gamuda Joint Venture (2T)	Malaysia	**50.0**	50.0	Construction, completion, testing, commissioning and maintenance of the infrastructure works comprising packages N1 to N6 including maintenance works for N7 and N8 of the Electrified Double Tracking Project ("EDTP") between Ipoh and Padang Besar
* MMC-Gamuda Joint Venture	Malaysia	**50.0**	50.0	Design, engineering, procurement, construction, installation, testing and commissioning of Stormwater Management and Road Tunnel project

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

41 COMPANIES IN THE GROUP (CONTINUED)

Joint arrangements (continued)

Name of company	Country of incorporation	Proportion of ownership interest		Principal activities
		2014 %	2013 %	
Joint operations (continued)				
* MMC Gamuda KVMRT (UGW) Joint Venture	Malaysia	**50.0**	50.0	Execution of the tunnelling, underground works and such other works in relation to the underground works package for the Klang Valley Mass Rapid Transit Project

The keys to the symbols used are as follows:

* Audited by firms other than PricewaterhouseCoopers, Malaysia
++ Quoted companies
# No legal requirement to appoint auditors
^ De facto controlled subsidiaries
& Company results are based on the latest unaudited management accounts

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

42 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) ACQUISITION OF SUBSIDIARIES

Group

On 30 April 2014, Hypergantic Sdn. Bhd., a wholly-owned subsidiary of Malakoff Corporation Berhad, which in turn is a 51%-owned subsidiary of the Company acquired 112,500 ordinary shares of RM1.00 each and 112,500 redeemable preference shares of RM1.00 each in Port Dickson Power Berhad for RM289,000,000, representing 75% of the total issued and paid up share capital of Port Dickson Power Berhad. Prior to the acquisition, Port Dickson Power Berhad was an equity accounted investee with 25% equity interest held by the Group. With the acquisition, Port Dickson Power Berhad has become a wholly-owned subsidiary of Malakoff Corporation Berhad.

On 30 April 2014, in connection with the above acquisition, Malakoff Power Berhad, a wholly-owned subsidiary of Malakoff Corporation Berhad also acquired 2 ordinary shares of RM1.00 each in PDP O&M Sdn. Bhd. for RM11,000,000, representing 100% of the total issued and paid up share capital of PDP O&M Sdn. Bhd.

The total purchase consideration of the acquisition of RM300,000,000 were paid in cash. The companies are engaged in generating, operating and maintaining a gas-fuelled generation power plant in Port Dickson, Negeri Sembilan. In the eight months to 31 December 2014, these subsidiaries contributed revenue of RM223,534,000 and profit of RM75,715,000. If the acquisitions had occurred on 1 January 2014, management estimates that consolidated revenue would have been RM8,890,625,000 and consolidated profit for the financial year would have been RM791,757,000. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2014.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

42 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(i) ACQUISITION OF SUBSIDIARIES (CONTINUED)

Group (continued)

The following summarises the recognised amount of assets and liabilities assumed at the acquisition date:

	2014 RM'000
Property, plant and equipment	230,738
Intangible assets	100,739
Deferred tax assets	10,658
Inventories	19,068
Trade and other receivables	38,616
Cash and cash equivalents	146,459
Trade and other payables	(46,767)
Current tax liabilities	(18,246)
Deferred tax liabilities	(51,534)
Provisional fair value of net assets acquired	429,731

Net cash outflow arising from acquisition of subsidiaries:

Purchase consideration settled in cash and cash equivalents	(300,000)
Less: cash and cash equivalents acquired	146,459
Cash outflow on acquisitions, net of cash and cash equivalents acquired	(153,541)

Bargain purchase was recognised as a result of the acquisitions as follows:

Purchase consideration	300,000
Provisional fair value of existing interest in the acquiree	96,333
Provisional fair value of identifiable assets, liabilities and contingent liabilities	(429,731)
Bargain purchase	(33,398)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

42 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(i) ACQUISITION OF SUBSIDIARIES (CONTINUED)

Group (continued)

The remeasurement to fair value of the Group's existing 25% interest in Port Dickson Power Berhad, the acquiree, resulted in a gain of RM27,581,000 (RM96,333,000 less RM68,752,000 carrying value of equity-accounted investee at acquisition date), which has been recognised in other operating income in the statement of profit or loss and other comprehensive income.

Purchase Price Allocation ("PPA")

The PPA of the acquisition was provisional as at 31 December 2014 and the Group expects to complete the final PPA exercise within the twelve–month period from the acquisition date.

Acquisition-related costs

The Group incurred acquisition-related costs of RM736,000 related to external legal fees and due diligence costs. The legal fees and due diligence costs have been included in administrative expenses in the Group's consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

42 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(i) ACQUISITION OF SUBSIDIARIES (CONTINUED)

On 28 June 2013, Malakoff Corporation Berhad, a 51%-owned subsidiary of the Company, through its indirect wholly-owned subsidiary, Malakoff Holdings Pty. Ltd. had completed the acquisition of the entire issued and paid up share capital of Malakoff Wind Macarthur Holdings Pty. Ltd. ("MWMH") (formerly known as Meridian Wind Macarthur Holdings Pty. Ltd.) for a cash consideration approximately of RM383 million. With the acquisition, MWMH has an indirect 50% participating interest in an unincorporated joint venture of the Macarthur Wind Farm, through its wholly-owned subsidiary, Malakoff Wind Macarthur Pty. Ltd. ("MWM") (formerly known as Meridian Wind Macarthur Pty. Ltd.).

The following summarises the recognised amount of assets and liabilities acquired at the acquisition date:

	2013	
	Acquiree's carrying amount RM'000	Fair value recognised on acquisition date RM'000
Finance lease receivables	2,021,035	2,021,035
Cash and cash equivalents	23,013	23,013
Borrowings	(1,527,819)	(1,527,819)
Interest rate swap	(110,052)	(110,052)
Deferred liability	(23,013)	(23,013)
Net assets and liabilities acquired	383,164	383,164
Purchase consideration	383,164	383,164
Excess Purchase Price	–	–

Net cash outflow arising from the acquisition:	
Purchase consideration	383,164
Cash and cash equivalents	(23,013)
Cash outflow on acquisition, net of cash and cash equivalents acquired	360,151

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

42 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

(ii) ACQUISITION OF AN ASSOCIATE

On 2 December 2014, MMC Ventures Sdn. Bhd., a wholly-owned subsidiary of the Company acquired 73,991,679 ordinary shares of RM1.00 each, representing 15.73% issued and paid-up share capital of NCB Holdings Berhad ("NCB"), a listed company on Bursa Malaysia for a total cash consideration of RM221.98 million. NCB principal activities are investment holding and the provision of management services to its subsidiaries. Through its subsidiaries, NCB operates a port and provides haulage, freight forwarding, ancillary services and shipping services. As at reporting date, NCB has been accounted as an associate by virtue of the Group's influence over its financial and operating policies.

43 FINANCIAL INSTRUMENTS

Policy on transfer between levels

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

(a) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(b) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

(c) Financial instruments in Level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

43 FINANCIAL INSTRUMENTS (CONTINUED)

Fair value information

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

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

2014

Group	Fair value of financial instruments carried at fair value in the financial statements				Fair value of financial instruments not carried at fair value in the financial statements				Total	
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	fair value RM'000	Carrying amount RM'000
Financial assets										
Derivative financial assets:										
Cross currency swaps	-	99,147	-	99,147	-	-	-	-	99,147	99,147
Forward foreign exchange	-	15	-	15	-	-	-	-	15	15
Warrants	19,895	-	-	19,895	-	-	-	-	19,895	19,895
Available-for-sale financial assets	84,499	-	-	84,499	-	-	-	-	84,499	84,499
	104,394	99,162	-	203,556	-	-	-	-	203,556	203,556
Financial liabilities										
Derivative financial liabilities:										
Interest rate swaps	-	(195,042)	-	(195,042)	-	-	-	-	(195,042)	(195,042)
Forward foreign exchange	-	(617)	-	(617)	-	-	-	-	(617)	(617)
Redeemable preference share	-	-	-	-	-	(90,330)	-	(90,330)	(90,330)	(108,697)
Borrowings	-	-	-	-	-	(27,077,822)	(117,088)	(27,194,910)	(27,194,910)	(25,651,949)
	-	(195,659)	-	(195,659)	-	(27,168,152)	(117,088)	(27,285,240)	(27,480,899)	(25,956,305)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

43 FINANCIAL INSTRUMENTS (CONTINUED)

Fair value information (continued)

2013

Group	Fair value of financial instruments carried at fair value in the financial statements				Fair value of financial instruments not carried at fair value in the financial statements				Total	
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	fair value RM'000	Carrying amount RM'000
Financial assets										
Derivative financial assets:										
Interest rate swaps	-	16,134	-	16,134	-	-	-	-	16,134	16,134
Cross currency swaps	-	64,107	-	64,107	-	-	-	-	64,107	64,107
Forward foreign exchange	-	3,284	-	3,284	-	-	-	-	3,284	3,284
Available-for-sale financial assets	95,512	-	-	95,512	-	-	-	-	95,512	95,512
	95,512	83,525	-	179,037	-	-	-	-	179,037	179,037
Financial liabilities										
Derivative financial liabilities:										
Interest rate swaps	-	(66,081)	-	(66,081)	-	-	-	-	(66,081)	(66,081)
Forward foreign exchange	-	(112)	-	(112)	-	-	-	-	(112)	(112)
Redeemable preference shares	-	-	-	-	-	(125,546)	-	(125,546)	(125,546)	(149,889)
Borrowings	-	-	-	-	-	(25,044,137)	(147,933)	(25,192,070)	(25,192,070)	(23,978,405)
	-	(66,193)	-	(66,193)	-	(25,169,683)	(147,933)	(25,317,616)	(25,383,809)	(24,194,487)

Notes to The Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

43 FINANCIAL INSTRUMENTS (CONTINUED)

Fair value information (continued)

2014

Company	Fair value of financial instruments carried at fair value in the financial statements				Fair value of financial instruments not carried at fair value in the financial statements				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Financial assets										
Warrants	19,895	-	-	19,895	-	-	-	-	19,895	19,895
Financial liabilities										
Borrowings	-	-	-	-	-	(3,156,526)	-	(3,156,526)	(3,156,526)	(3,156,526)
Amounts due to subsidiaries	-	-	-	-	-	(201,887)	-	(201,887)	(201,887)	(201,887)
	-	-	-	-	-	(3,358,413)	-	(3,358,413)	(3,358,413)	(3,358,413)

2013

Company	Fair value of financial instruments carried at fair value in the financial statements				Fair value of financial instruments not carried at fair value in the financial statements				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Financial liabilities										
Borrowings	-	-	-	-	-	(2,831,750)	-	(2,831,750)	(2,831,750)	(2,831,750)
Amounts due to subsidiaries	-	-	-	-	-	(537,547)	-	(537,547)	(537,547)	(537,547)
	-	-	-	-	-	(3,369,297)	-	(3,369,297)	(3,369,297)	(3,369,297)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

43 FINANCIAL INSTRUMENTS (CONTINUED)

Level 3 fair value

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

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

a) Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Subordinated loan notes	Discounted cash flows using a rate based on the weighted average cost of capital of the Company at the reporting date

Valuation process applied by the Group for Level 3 fair value

The Group has an established control framework in respect to the measurement of fair values of financial instruments. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Chief Financial Officer. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

44 SUBSEQUENT EVENTS

i) On 13 January 2015, Malakoff Oman Desalination Company Limited ("MODC"), a wholly-owned subsidiary of Malakoff Corporation Berhad, which in turned is a 51%-owned subsidiary of the Group, subscribed new issuance of shares of 3,643,839 at a nominal value of Omani Riyal ("RO") 1 (equivalent to RM9.15) each, representing 45% of its portion of existing interests in an associate, Muscat City Desalination Company S.A.O.C ("MCDC") share capital at a subscription price of RO 4,919,183 (equivalent to RM45,015,000). The Group's effective interest in MCDC is at 22.95% (2013: 22.95%).

ii) At an Extraordinary General Meeting held on 30 March 2015, the shareholders had approved the Proposed Listing of Malakoff Corporation Berhad ("Malakoff") on the main market of Bursa Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (continued)

45 SUPPLEMENTARY INFORMATION DISCLOSED PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

For the purpose of improving transparency, Bursa Malaysia Securities Berhad had on 25 March 2010, and subsequently on 20 December 2010, issued directives which require all listed corporations to disclose the breakdown of unappropriated retained earnings or accumulated losses into realised and unrealised on the Group and the Company basis, in the annual audited financial statements.

The retained earnings as at reporting date are analysed as follows:

	Group		Company	
	2014 RM'000	2013 RM'000 (Restated)	2014 RM'000	2013 RM'000 (Restated)
Total retained earnings of the Company and its subsidiary companies:				
- realised earnings	**2,944,137**	2,765,071	**2,978,308**	2,730,644
- unrealised earnings	**373,525**	261,764	**-**	-
	3,317,662	3,026,835	**2,978,308**	2,730,644
Total retained earnings from associated companies:				
- realised earnings	**203,673**	100,181	**-**	-
- unrealised losses	**(28,371)**	(28,371)	**-**	-
	175,302	71,810	**-**	-
Total (accumulated losses)/retained earnings from joint ventures:				
- realised earnings	**23,279**	15,468	**-**	-
- unrealised losses	**(24,978)**	(24,970)	**-**	-
	(1,699)	(9,502)	**-**	-
	3,491,265	3,089,143	**2,978,308**	2,730,644
Less: consolidation adjustments	**(81,207)**	(79,928)	**-**	-
	3,410,058	3,009,215	**2,978,308**	2,730,644

LIST OF PROPERTIES

Pursuant to Appendix 9C Part A (25) of the Listing Requirements of Bursa Malaysia Securities Berhad

Location	Tenure	Area (hectares)	Description/ existing use	Year of expiry	Net book value (RM'000)	Age of building (years)	Year of acquisition
PTD No. 2423, Tanjung Kupang, District of Johor Bahru, Johor	Leasehold	349.04	Building (Port)	2055)		15	1995
PTD Nos. 2424-2426, PTD Nos 2427-2504, PTD Nos 2514, 2516, 2517, 2520, 2521 Tanjung Kupang, District of Johor Bahru Johor	Leasehold	472.010 251.428 5.623	Building (Port) Industrial land Building	2055)	2,228,716	-	1995
PTD No. 1586, Serkat, District of Pontian, Johor	Leasehold	114.918	Building (Port)	2055)		-	1995
PTD No. 2519, Tanjung Kupang, District of Johor Bahru, Johor	Leasehold	0.221	Building (Bin Centre)	2055)		-	1995
PTD 3161, Tanjung Kupang, District of Johor Bahru, Johor	Leasehold	2.7964	Building	2107)		-	2008
H.S (D) 23569, PTD 8797, Mukim of Senai, District of Kulaijaya, Johor	Leasehold	495.98	Senai International Airport	2033	822,974	11	2003
PTD Nos. 1836-1838, 1851 & 1357, Serkat/Sg. Karang, District of Pontian, Johor	Leasehold	912.78	Industrial/vacant	2103	493,223	9	2005
Plentong, District of Johor Bahru, Johor	Leasehold	112.10	Break bulk and dry bulk cargo berths 7-11	2052	82,098	17	1997

List of Properties

Pursuant to Appendix 9C Part A (25) of the Listing Requirements of Bursa Malaysia Securities Berhad

Location	Tenure	Area (hectares)	Description/ existing use	Year of expiry	Net book value (RM'000)	Age of building (years)	Year of acquisition
Plentong, District of Johor Bahru, Johor	Leasehold	13.44	Container Terminal berths 1 - 3	2052	49,416	22	1992
Mukim of Serkat, District of Pontian, Johor	Leasehold	362.43	Industrial land with power plant	2048	63,285	8	2003
Plentong, District of Johor Bahru, Johor	Leasehold	-	Dangerous cargo jetty 4	2052	30,742	15	1999
Plentong, District of Johor Bahru, Johor	Leasehold	-	Dangerous cargo jetty	2052	12,444	22	1992
Mukim Ulu Sepetang, Taiping, Perak	Freehold	737.90	Oil palm plantation	-	21,516	-	1994
Lot Nos. 762 & 763, Setul, District of Seremban, Negeri Sembilan	Leasehold	5.56	Factory building	2089	18,913	23	1992

List of Properties

Pursuant to Appendix 9C Part A (25) of the Listing Requirements of Bursa Malaysia Securities Berhad

Location	Tenure	Area (hectares)	Description/ existing use	Year of expiry	Net book value (RM'000)	Age of building (years)	Year of acquisition
Lot 84, No. Hakmilik GM 12; Lot 85, No. Hakmilik GM 13; Lot 87, No. Hakmilik GM 14; Lot 89, No. Hakmilik GM 16; Lot 90, No. Hakmilik GM 17; Lot 91, No. Hakmilik GM 18; Lot 92, No. Hakmilik GM 19; Lot 93, No. Hakmilik GM 20; Lot 94, No. Hakmilik GM 21; Lot 95, No. Hakmilik GM 22; Lot 97, No. Hakmilik GM 24; Lot 98, No. Hakmilik GM 23; Lot 100, No. Hakmilik GM 25; Lot 825, No. Hakmilik GRN 237425; Lot 1877, No. Hakmilik GRN 237289; Lot 3590, No. Hakmilik GRN 237420; H.S.(D) 50570, PTD 102255,; H.S.(D) 50571, PTD 102256,; H.S.(D) 50574, PTD 102259,; H.S.(D) 50575, PTD 102260,; H.S.(D) 50576, PTD 102261 and H.S.(D) 50577, PTD 102262, Mukim of Senai, District of Kulaijaya, Johor	Freehold	439.52	Land held for development of Senai Airport City	)		-	2008
Lot 86, No. Hakmilik GM 36, Mukim of Kulai, District of Kulaijaya, Johor	Freehold	1.59	Land held for development of Senai Airport City	)	1,554,426	-	2008

List of Properties

Pursuant to Appendix 9C Part A (25) of the Listing Requirements of Bursa Malaysia Securities Berhad

Location	Tenure	Area (hectares)	Description/ existing use	Year of expiry	Net book value (RM'000)	Age of building (years)	Year of acquisition
H.S.(D) 457199, PTD 151375,; H.S.(D) 457200, PTD 151376,; H.S.(D) 457196, PTD 151379 and H.S.(D) 457197, PTD 151380, Mukim of Tebrau, District of Johor Bahru, Johor	Freehold	527.44	Land held for development of Senai Airport City	))))))))		-	2008
PLO 702, Zone 12C Pasir Gudang Industrial Area, Johor	Leasehold	26.97	Industrial/ Vacant	2073	54,699	-	2014
PLO 796, Zone 12C Pasir Gudang Industrial Area, Johor	Leasehold	6.20	Industrial/ Vacant	2073	13,363	-	2014

SHAREHOLDING STATISTICS

AS AT 31 MARCH 2015

Class of securities	:	Ordinary Shares of RM0.10 each
Authorised Share Capital	:	RM1,000,000,000.00
Issued and paid-up Capital	:	RM304,505,855.20
Voting rights	:	One vote for every Ordinary Share
No. of shareholders	:	8,394

SUBSTANTIAL SHAREHOLDERS

	No. of Shares			
	Direct	%	Indirect	%
Seaport Terminal (Johore) Sdn Bhd	1,576,108,840	51.76	–	–
Amanahraya Trustees Berhad – (Skim Amanah Saham Bumiputera)	617,592,900	20.28	–	–
Lembaga Tabung Haji	181,734,900	5.97	–	–
Citigroup Nominees (Tempatan) Sdn Bhd – (Employees Provident Fund Board)	167,718,700	5.51	–	–
Indra Cita Sdn Bhd	–	–	*1,576,108,840	51.76
Tan Sri Dato' Seri Syed Mokhtar Shah bin Syed Nor	–	–	@1,576,108,840	51.76

Notes:
* deemed interested through Seaport Terminal (Johore) Sdn Bhd
@ deemed interested through Indra Cita Sdn Bhd

ANALYSIS BY SIZE OF SHAREHOLDING

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Less than 100 shares	320	3.81	7,384	0.00
100 – 1,000	1,084	12.91	811,047	0.03
1,001 – 10,000	5,083	60.56	23,139,517	0.76
10,001 – 100,000	1,566	18.66	47,694,069	1.57
100,001 to less than 5% of issued shares	337	4.01	430,251,195	14.13
5% and above of issued shares	4	0.05	2,543,155,340	83.52
TOTAL	**8,394**	**100.00**	**3,045,058,552**	**100.00**

DIRECTORS' INTEREST AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS

None of the directors has any direct or indirect interest in the Company or in a related corporation.

Thirty Largest Shareholders

No.	Name	No. of shares held	% of issued capital
1	Seaport Terminal (Johore) Sdn. Bhd.	1,576,108,840	51.76
2	Amanahraya Trustees Berhad - Skim Amanah Saham Bumiputera	617,592,900	20.28
3	Lembaga Tabung Haji	181,734,900	5.97
4	Citigroup Nominees (Tempatan) Sdn Bhd - Employees Provident Fund Board	167,718,700	5.51
5	Kumpulan Wang Persaraan (Diperbadankan)	99,838,600	3.28
6	Amanahraya Trustees Berhad - Amanah Saham Wawasan 2020	26,115,300	0.86
7	Citigroup Nominees (Asing) Sdn Bhd - Exempt AN for Citibank New York (Norges Bank 1)	20,925,720	0.69
8	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	15,468,880	0.51
9	HSBC Nominees (Asing) Sdn Bhd - BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	14,997,900	0.49
10	Amanahraya Trustees Berhad - Public Islamic Dividend Fund	12,373,200	0.41
11	Amanahraya Trustees Berhad - Amanah Saham Didik	10,484,400	0.34
12	Amanahraya Trustees Berhad - AS 1Malaysia	10,308,300	0.34
13	Maybank Nominees (Tempatan) Sdn Bhd - Etiqa Takaful Berhad (Family Prf Eq)	9,664,300	0.32
14	Amanahraya Trustees Berhad - Amanah Saham Malaysia	8,097,700	0.27
15	HSBC Nominees (Asing) Sdn Bhd - Exempt AN for JPMorgan Chase Bank, National Association (U.S.A.)	6,148,000	0.20
16	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	5,964,700	0.20
17	Citigroup Nominees (Asing) Sdn Bhd - UBS AG	5,300,900	0.17

Thirty Largest Shareholders

No.	Name	No. of shares held	% of issued capital
18	Amanahraya Trustees Berhad – Public Islamic Sector Select Fund	5,122,700	0.17
19	Citigroup Nominees (Asing) Sdn Bhd – Exempt AN for Citibank New York (Norges Bank 14)	4,340,300	0.14
20	HSBC Nominees (Tempatan) Sdn Bhd – HSBC (M) Trustee Bhd for Amb Value Trust Fund (4259)	4,031,500	0.13
21	Maybank Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Lee Ai Chu	3,585,300	0.12
22	Malaysia Nominees (Tempatan) Sendirian Berhad – Great Eastern Life Assurance (Malaysia) Berhad (LSF)	3,557,400	0.12
23	Citigroup Nominees (Asing) Sdn Bhd – Legal & General Assurance (Pensions Management) Limited (A/C 1125250001)	3,509,200	0.12
24	Cartaban Nominees (Asing) Sdn Bhd – SSBT Fund C021 for College Retirement Equities Fund	3,468,130	0.11
25	Citigroup Nominees (Asing) Sdn Bhd – CBHK PBGSGP for Sunnyvale Holdings Ltd	3,395,300	0.11
26	Maybank Nominees (Tempatan) Sdn Bhd – Pledged Securities Account for Cheng Mooi Soong	3,327,000	0.11
27	HSBC Nominees (Asing) Sdn Bhd – Exempt AN for Credit Suisse Securities (Europe) Limited	3,199,700	0.11
28	Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board (AM Inv)	2,813,400	0.09
29	CIMB Group Nominees (Tempatan) Sdn Bhd – CIMB Islamic Trustee Berhad for Pacific Dana Aman (3717TR01)	2,809,400	0.09
30	Citigroup Nominees (Asing) Sdn Bhd – Merrill Lynch International	2,634,308	0.09
Total		**2,834,636,878**	**93.11**

Administrative Details

ADMINISTRATIVE DETAILS FOR THE THIRTY-NINTH ANNUAL GENERAL MEETING OF MMC CORPORATION BERHAD TO BE HELD AT MAHKOTA II, HOTEL ISTANA, 73, JALAN RAJA CHULAN, 50200 KUALA LUMPUR, MALAYSIA ON MONDAY, 25 MAY 2015 AT 10.00 A.M.

PARKING

- Parking for visitors is available at the parking bays of the Hotel. Parking fee will be borne by MMC. Visitors are to exchange their entry tickets with exit tickets at the designated counter outside the Ballroom.

REGISTRATION

- Registration will start at 8.00 a.m. and registration counters will remain open until the conclusion of the Annual General Meeting or such time as may be determined by the Chairman of the meeting.
- Please read the signage placed around the Hotel to ascertain where you should register for the meeting and join the queue accordingly.
- Please produce your original Identity Card (IC) during the registration for verification and ensure that you collect your IC thereafter.
- After the verification and registration, you will be given an identification tag. No person will be allowed to enter the Ballroom without the identification tag.

REFRESHMENT

- Light refreshment will be served outside Mahkota II before the commencement of the Annual General Meeting.
- Lunch will be served at the room next to Mahkota II upon conclusion of the Annual General Meeting.

DOOR GIFTS/MEAL VOUCHERS

- No door gifts or meal vouchers will be distributed at the Annual General Meeting.

RECORD OF DEPOSITORS FOR ATTENDANCE AT ANNUAL GENERAL MEETING

- For the purpose of determining members who shall be entitled to attend the Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 18 May 2015. Only depositors whose names appear on the Record of Depositors as at 18 May 2015 shall be entitled to attend the Annual General Meeting or appoint proxies to attend and/or vote on their behalf.

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PROXY FORM

No. of Ordinary Share(s) held	
CDS Account No.	

I/We, ____
(block letters)

of ____

being a member/members of MMC CORPORATION BERHAD hereby appoint:

	Name/NRIC No.	No. of Shares	Percentage (%)	
Proxy 1	______________	______	______	and/or failing him/her
Proxy 2	______________	______	______	or failing him/her the

Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the Mahkota II, Hotel Istana, 73, Jalan Raja Chulan, 50200 Kuala Lumpur, Malaysia on Monday, 25 May 2015 at 10.00 a.m., and at any adjournments thereof, on the following resolutions referred to in the notice of the Annual General Meeting:

(Please indicate "X" in the appropriate box against each Resolution as to how you wish your proxy/proxies to vote)

AGENDA

1.	To receive the Audited Financial Statements for the financial year ended 31 December 2014 and the Reports of the Directors and Auditors thereon.		
	ORDINARY BUSINESS	**FOR**	**AGAINST**
2.	Declaration of Final Single-Tier Dividend of 3.5 sen per share (Resolution 1)		
3.	Re-election of Encik Abdul Hamid Sh Mohamed pursuant to Article 78 of the Articles of Association of the Company (Resolution 2)		
4.	Re-appointment of Tan Sri Dato' Wira Syed Abdul Jabbar Syed Hassan pursuant to Section 129(6) of the Companies Act, 1965 (Resolution 3)		
5.	Re-appointment of Dato' Abdullah Mohd Yusof pursuant to Section 129(6) of the Companies Act, 1965 (Resolution 4)		
6.	Re-appointment of Tan Sri Dato' Ir. (Dr.) Wan Abdul Rahman Haji Wan Yaacob pursuant to Section 129(6) of the Companies Act, 1965 (Resolution 5)		
7.	Re-appointment of Messrs PricewaterhouseCoopers as Auditors of the Company (Resolution 6)		

Signature: ______________________ Date: ______________________

Notes:

1. The proxy form, to be valid, must be deposited at the Company's Share Registrar, Symphony Share Registrars Sdn Bhd, Level 6, Symphony House, Block D13, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for the meeting or any adjournment thereof.
2. A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies or attorney or other duly authorised representative to attend and vote at his stead. A member of the Company may appoint up to two (2) proxies to attend the same meeting. Where the member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.
3. In case of a corporation, the proxy form should be under its common seal or under the hand of an officer or attorney duly authorised on its behalf. A proxy need not be a member of the Company and a member may appoint any person to be his proxy. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.
4. In the case of joint holders, the signature of any one of them will suffice.
5. Where a member is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. Unless voting instructions are indicated in the spaces provided in the proxy form, the proxy may vote as he/she thinks fit.
7. Registration of members/proxies attending the meeting will commence at 8.00 a.m. on the day of the meeting and shall remain open until the conclusion of the AGM or such a time as may be determined by the Chairman of the meeting. Members/proxies are required to produce identification documents for registration.
8. **Only members whose names appear on the Record of Depositors as at 18 May 2015 shall be entitled to attend the said AGM or appoint a proxy(ies) to attend and/or vote on their behalf.**

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Affix Stamp
Here

To:

The Registrar
Symphony Share Registrars Sdn Bhd
Level 6, Symphony House, Block D13
Pusat Dagangan Dana 1, Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan, Malaysia

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MMC Corporation Berhad (30245-H)
Ground Floor, Wisma Budiman
Persiaran Raja Chulan
50200 Kuala Lumpur
Malaysia

Tel : 03-2071 1000
Fax : 03-2026 1921

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