Pan Malaysia Holdings Berhad

Company No: 95469 - W

LAPORAN TAHUNAN 2014 ANNUAL REPORT

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NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Second Annual General Meeting of the Company will be held at Rembau Room, Corus Paradise resort Port Dickson, 3.5km, Jalan Pantai, 71000 Port Dickson, Negeri Sembilan Darul Khusus on Thursday, 18 June 2015 at 4.30 p.m. for the following purposes:-

As Ordinary Business

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

2. To approve Directors' fees of RM110,581. **Resolution 1**

3. To re-elect Puan Farizon binti Ibrahim, who is retiring in accordance with Article 111 of the Company's Articles of Association. **Resolution 2**

4. To re-appoint Messrs Crowe Horwath as auditors of the Company and to authorize the Directors to fix their remuneration. **Resolution 3**

As Special Business

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

5. Ordinary Resolution
   - Proposed authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965

   "THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approval of the relevant authorities, the Directors be and are hereby authorized to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting or until the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is the earlier and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided always that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the issued and paid-up share capital of the Company for the time being." **Resolution 4**

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

By order of the Board

Soo-Hoo Siew Hoon
Lee Chik Siong
Joint Company Secretaries

Kuala Lumpur
27 May 2015

Notes:-

1. *Only a member whose name appears on the Record of Depositors as at 9 June 2015 shall be entitled to attend and vote at the meeting or appoint proxies to attend and/or vote on his or her behalf. A member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualification of the proxy.*
2. *A member entitled to attend and vote shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint one proxy only in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorized nominee which holds ordinary share of the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds. An exempt authorized nominee refers to an authorized nominee defined under the Securities Industry (Central Depositories) Act, 1991 which is exempted from the compliance with the provisions of subsection 25A(1) of the Securities Industry (Central Depositories) Act, 1991.*
3. *Where a member and/or an exempt authorized nominee, appoint two or more proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy in the instrument appointing the proxies.*
4. *The Form of Proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing or if such appointor is a corporation, under its common seal or under the hand of the attorney.*
5. *The Form of Proxy must be deposited at the registered office of the Company at Unit 3, 191, Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment hereof.*

EXPLANATORY NOTE ON SPECIAL BUSINESS

The Ordinary Resolution proposed under item 5 is a renewal of the general authority for the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965. If passed, it will empower the Directors of the Company, from the date of the above Annual General Meeting until the next Annual General Meeting to allot and issue shares in the Company up to and not exceeding in total ten per centum (10%) of the issued and paid-up share capital of the Company for the time being for such purposes as they consider would be in the interests of the Company. This authority will expire at the next Annual General Meeting of the Company, unless revoked or varied at a general meeting.

The Company has not issued any new shares under the general authority which was approved at the Thirty-First Annual General Meeting held on 19 June 2014 and which will lapse at the conclusion of the Thirty-Second Annual General Meeting to be held on 18 June 2015.

The general authority to issue shares will allow the Company to take advantage of any strategic opportunities, including but not limited to, issuance of new shares for purpose of funding investment project(s), working capital and/or acquisitions which require new shares to be allotted and issued speedily and would also save the cost involved in convening a general meeting to approve such issuance of shares.

CORPORATE INFORMATION

Board of Directors

Wong Nyen Faat
Dr Wong Hong Meng
Farizon binti Ibrahim

Joint Company Secretaries

Soo-Hoo Siew Hoon
Lee Chik Siong

Auditors

Crowe Horwath (AF : 1018) *Chartered Accountants*

Principal Bankers

Affin Islamic Bank Berhad
AmBank (M) Berhad
CIMB Bank Berhad
Malayan Banking Berhad

Registrar

Tricor Investor Services Sdn Bhd
Level 17, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur
Tel No: 03-22643883 Fax No: 03-22821886

Registered Office

Unit 3, 191, Jalan Ampang, 50450 Kuala Lumpur
Tel No: 03-21487696 Fax No: 03-21445209 Website: www.pmholdings.com.my

PROFILE OF DIRECTORS

Wong Nyen Faat

Age 57. He is a Non-Independent Non-Executive Director of Pan Malaysia Holdings Berhad. He was appointed to the Board on 22 June 2011. He is a member of the Audit Committee. He is the Chief Operating Officer of the MUI Group and the Executive Director of Pan Malaysia Corporation Berhad. He also sits on the Board of Pan Malaysian Industries Berhad, Pan Malaysia Capital Berhad, Metrojaya Berhad, Laura Ashley Holdings plc and Corus Hotels Limited. He had served as Executive Director of Morning Star Resources Limited in Hong Kong. He holds a First Class Honours Bachelor's Degree in Science (Mathematics) with Education from University of Malaya and a Master's Degree in Business Management from Asian Institute of Management. He attended four (4) Board Meetings held during the financial year.

Dr Wong Hong Meng

Age 68. He is an Independent Non-Executive Director of Pan Malaysia Holdings Berhad. He was appointed to the Board on 4 October 2011. He is the Chairman of the Audit Committee and Remuneration Committee and a member of the Nomination Committee. He is also an independent non-executive director and member of the Investment Committee of TA Investment Management Berhad and a director of Malayan United Industries Berhad, MUI Continental Berhad and Full Gospel Business Men's Fellowship Berhad. He is a Chartered Accountant member of the Malaysian Institute of Accountants and an Associate of the Institute of Chartered Secretaries and Administrators. Professionally he was a Fellow of the Institute of Chartered Accountant in England and Wales. For more than thirty years, he had held senior management positions in management consultancy, merchant banking, commercial banking and stock broking. In January 1999, he took early retirement from his employment career as Executive Director of TA Enterprise Berhad. After retirement, he remained active in the business world and had served as an independent non-executive director and chairman of the audit committee of two companies listed on Bursa Securities Malaysia Berhad. He is an economics graduate from University of Malaya with an MBA from Cranfield School of Management, and earned his DBA from University of South Australia in 2007. He attended all the five (5) Board Meetings held during the financial year.

Farizon binti Ibrahim

Age 58. She is an Independent Non-Executive Director of Pan Malaysia Holdings Berhad. She was appointed to the Board on 25 October 2011. She is a member of the Audit Committee, Nomination Committee and Remuneration Committee. She also sits on the Boards of Pan Malaysian Industries Berhad, Pan Malaysia Capital Berhad and Metrojaya Berhad. She is the Advisor for EL Wafa Travel Services Sdn Bhd. She had worked with Tabung Haji Kuala Lumpur from 1980 to 1985 and was subsequently attached to Tabung Haji Saudi Arabia under the auspices of the Embassy of Malaysia from 1986 to 1992. She was appointed as the Councillor in the Haj Welfare Division in Tabung Haji Jeddah to assist pilgrims who need counselling during the Haj period in Saudi Arabia. She was also the Public Relation Manager of the Malaysian Women's Association Club of Jeddah. She handled the activities of the Club that includes public relation with various Goverment, Corporate and other associations in Saudi Arabia. She also played an important role in the International Women's Association of Jeddah in the affairs of Welfare and Charity work. Formerly, she was the Chief Executive Officer of FDI Travel Services Sdn Bhd. Her exposure and experience in trade and travel began while working for the family-owned businesses. She is a graduate in Accountancy and Business Management Studies. She attended all the five (5) Board Meetings held during the financial year.

Note: -
Save as disclosed, none of the Directors has any family relationship with any Director and/or major shareholder of the Company. None of the Directors has any conflict of interest with the Company nor have they been convicted of any offences within the past ten (10) years.

All the Directors are Malaysians.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors (the "Board") is committed to the principles of corporate governance set out in the Malaysian Code of Corporate Governance 2012 (the "Code").

The Board will continuously evaluate the status of the Group's corporate governance practices and procedures with a view to adopt and implement the recommendations of the Code wherever applicable in the best interests of the shareholders of the Company. The Board considers that it has generally applied the principles and recommendations of the Code.

Set out below is the description on the manner in which the Company has applied the principles and recommendations of the Code.

1. Board of Directors

1.1 Composition of Board

The Board is responsible for the overall performance of the Company and focuses mainly on strategies, performance, standards of conduct and critical business issues.

The Board currently consist of three (3) Directors:-

- Two (2) Independent Non-Executive Directors
- One (1) Non-Independent Non-Executive Director

The former Chairman of the Board, Mr Ooi Boon Leong had resigned on 21 October 2014. At this point of time, the Board has yet to appoint a new Chairman of the Board.

The Board complies with Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Listing Requirements") that requires at least two (2) or one-third (1/3) of the Board, whichever is higher, to be independent Directors.

The Board has reserved certain material matters for the collective review and decision by the Board. The roles and contributions of independent Directors also provide an element of objectivity, independent judgement and check and balance on the Board.

Together, the Directors bring a wide range of business and financial experience for effective direction and management of the Group's businesses. A brief description of the background of each Director is presented in page 5 of the Annual Report.

Dr Wong Hong Meng has been identified as the Senior Independent Non-Executive Director to whom concerns regarding the Company may conveyed.

The Board recognizes the importance of gender, age and ethnic diversity in the composition of the Board. The Board currently does not have any gender, age and ethnic policies. The Board believes that candidature to the Board should be based on a candidate's skills, experience, knowledge, expertise and commitment to fulfill the role and responsibilities of the position.

The Board has established Board committees, which operate within defined terms of reference. These committees are:-

- Audit Committee
- Nomination Committee
- Remuneration Committee

The Report of the Audit Committee for the financial year ended 31 December 2014 is set out in pages 18 to 20 of the Annual Report.

Details of the Nomination Committee and Remuneration Committee are set out in Section 2.2 and Section 2.3 respectively of this statement.

1.2 Independence of Directors

Recommendation 3.2 of the Code recommends that the tenure of an Independent Director should not exceed a cumulative term of nine years. However, upon completion of the nine years, the Independent Director may continue to serve the board.

The Board will continually evaluate from time to time the independence of each of its Independent Directors. In this regard, the Board will be guided by the criteria set out in the Bursa Securities Listing Requirements.

1.3 Board Charter

The Board has established a Board Charter which prescribes, among other things, the roles of the Board, schedule of matters reserved for the Board's collective decision and a Code of Ethics and Conduct.

The Board Charter is subject to review by the Board from time to time to ensure that the Board Charter remains consistent with the Board's objectives, current laws and practices.

The Board Charter is available in the Company's corporate website.

1.4 Board Meetings

The Board meets at least four (4) times a year, with additional meetings convened as necessary. The Chairman is responsible for setting the agenda for Board meetings. Any Board member may, however, recommend the inclusion of items on the agenda. Such recommendations will be accommodated to the extent practicable. The agenda typically reaches the Board at least two (2) weeks prior to Board meetings. Board meetings are typically scheduled a year in advance.

Five (5) Board meetings were held during the financial year ended 31 December 2014. Details of the attendance of the Directors are set out in the Profile of Directors appearing in page 5 of the Annual Report.

1.5 Appointments to the Board

The Nomination Committee has the responsibility to identify and evaluate potential candidates based on their skills, experience, knowledge, expertise and commitment to fulfill the role and responsibilities of the position before making any recommendation to the Board for approval of the appointment. The proposed appointment of each new director will be deliberated by the Board based on the recommendation by the Nomination Committee.

The Directors have direct access to the services of the Joint Company Secretaries who are responsible for ensuring that all appointments are properly made and all necessary information is obtained from Directors, both for the Company's own records and for the purposes of meeting the requirements of the Companies Act, 1965, Bursa Securities Listing Requirements and other regulatory requirements.

STATEMENT ON CORPORATE GOVERNANCE (Cont'd)

1. Board of Directors (Cont'd)

1.6 Re-election and Re-appointment of Directors

In accordance with the Company's Articles of Association, Directors who are appointed by the Board are subject to election by shareholders at the next Annual General Meeting following their appointment.

The Company's Articles of Association provide that at every Annual General Meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest one-third, shall retire from office and shall be eligible for re-election. The Company's Articles of Association further provide that subject to the provisions of any contract between a Managing Director and the Company, all Directors shall retire from office at least once in every three years and shall be eligible for re-election.

Directors over seventy (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129 of the Companies Act, 1965.

1.7 Directors' Remuneration

The Remuneration Committee will review the remuneration of the Directors and submits its recommendations to the Board for approval. The individual Director concerned will abstain from discussion of their own remuneration. Directors' fees are approved at the Annual General Meeting by the shareholders.

For the financial year ended 31 December 2014, the aggregate of remuneration of the Directors received from the Company categorized into appropriate components were as follows:-

	Fees RM'000	*Others RM'000*	*Total RM'000*
Non Executive Director	120	18	138

The number of Directors of the Company whose remuneration during the year falls within the respective bands are as follows:-

	Number of Directors	
Range of remuneration	*Executive*	*Non Executive*
Below RM50,000	-	4

1.8 Supply of Information

The Board has unrestricted access to information necessary for the furtherance of their duties.

The Board is also updated by the Joint Company Secretaries on new statutory and regulatory requirements concerning their duties and responsibilities from time to time.

Board papers are distributed to Board members prior to the meeting. Important matters that are reasonably expected to have a material effect on the price, value or market activity of the Company's shares may be discussed at the meeting without materials being distributed prior to the meeting.

All Directors have access to the advice and services of the Joint Company Secretaries and where necessary, in the furtherance of their duties, obtain independent professional advice at the Group's expense.

1.9 Directorships in Other Companies

In accordance with Bursa Securities Listing Requirements, each member of the Board holds not more than five (5) directorships in public listed companies. Prior to acceptance of any other appointment for directorships in other public listed companies, the Directors are required to consult with the Chairman to ensure that the acceptance of the new directorships would not affect their commitments and responsibilities to the Group. Any acceptance of new directorship must be notified to the Company immediately and the Board is informed on changes to the directorships held by the Directors at the following Board meeting.

1.10 Directors' Training

All the Directors have attended and successfully completed the Mandatory Accreditation Programme prescribed by Bursa Securities. During the year, all the Directors have attended annual training which aims to assist them in the discharge of their duties as Directors.

For the year under review, all the Directors had attended training for Directors on the subject of "Independent Directors As The Game Changer For An Effective Board". The training was organized by the Company and held in-house. Apart from the in-house training, Mr Wong Nyen Faat also attended a training programme organized by Iclif Leadership and Governance Centre on the subject of "Board Chairman Series: The Role of the Chairman" and whilst Dr Wong Hong Meng attended various training programmes including training programmes on the subject of "Audit Committee Breakfast Series: Enhancing Internal Audit Practice", "Post Workshop Discussion – Risk Management and Internal Control for Audit Committees", "GST and Tax Training" and a seminar on the subject of "Pencegahan Pengubahan Wang Haram dan Pembiayaan Keganasan untuk Organisasi bukan Berasaskan Keuntungan: Pemantapan Mekanisma Kawalan Dalaman Organisasi Bukan Berasaskan Keuntungan di Malaysia".

The Directors are encouraged to attend training programmes and seminars which they feel may be conducive to ensure that they are kept abreast on the various aspects related to business of the Group and its regulations, compliance, risk management and sustainability.

2. Board Committees

2.1 Audit Committee

The Audit Committee comprises exclusively of Non-Executive Directors, and majority are Independent Directors. The members of Audit Committee are as follows:-

Chairman	Dr Wong Hong Meng *(An existing member and was appointed as Chairman on 19 November 2014)*	-Independent Non-Executive Director
Members	Wong Nyen Faat	-Non-Independent Non-Executive Director
	Farizon binti Ibrahim	-Independent Non-Executive Director

The terms of reference, attendance of members at the Audit Committee meeting and activities of Audit Committee for the financial year ended 31 December 2014 are set out in Report of the Audit Committee in pages 18 to 19 of the Annual Report.

2. Board Committees (Cont'd)

2.2 Nomination Committee

The Nomination Committee comprises exclusively of Non-Executive Directors, and all are Independent Directors. The members of Nomination Committee are as follows:-

Members	Dr Wong Hong Meng	-Independent Non-Executive Director
	Farizon binti Ibrahim	-Independent Non-Executive Director

The functions of the Nomination Committee are:-
- identifying and recommending new nominees for the Board and Board Committees;
- annually assesses the effectiveness of the Board as a whole, the Board Committees and contribution of each Director on an on-going basis;
- annually reviews the mix of skills, experience and other qualities, including core competencies of non-executive Directors; and
- annually reviews the Board structure, size and composition.

After the former Chairman of the Nomination Committee, Mr Ooi Boon Leong had relinquished his position as Chairman of the Nomination Committee due to his resignation from the Board on 21 October 2014, the Board has yet to appoint a new Chairman to replace Mr Ooi Boon Leong. However, the Board is confident that the existing members of the Nomination Committee are able to discharge their duties effectively.

The Nomination Committee has carried out the annual assessment for financial year ended 31 December 2014 and is satisfied that the size of the Board is optimum and there is an appropriate mix of knowledge, skills, attributes, diversity and core competencies in the Board's composition.

2.3 Remuneration Committee

The Remuneration Committee comprises exclusively of Non-Executive Directors. The members of the Remuneration Committee are as follows:-

Chairman	Dr Wong Hong Meng	-Independent Non-Executive Director
Member	Farizon binti Ibrahim	-Independent Non-Executive Director

The primary duty and responsibility of the Remuneration Committee is to recommend to the Board the remuneration of Executive Directors in all forms, drawing from outside advice as necessary. Nevertheless, the determination of remuneration packages of Executive Directors is a matter for the Board as a whole and individual Executive Directors are required to abstain from discussion of their own remuneration.

The Remuneration Committee shall also recommend to the Board the remuneration of Non-Executive Directors. The determination of the remuneration of the Non-Executive Directors is a matter for the Board collectively.

3. Corporate Disclosure Policy

The Company aims to provide accurate and fair disclosure of corporate information to enable informed and orderly market decisions by investors in accordance with the requirements under the Bursa Securities Listing Requirements.

4. Whistleblower Policy

The Company has adopted and implemented a Whistleblower Policy which is committed to promoting and maintaining high standards of transparency, accountability and ethics in the workplace, in line with good corporate governance and prevailing legislation.

Pursuant to this Whistleblower Policy, employees in the Company are encouraged to report or disclose alleged, suspected and/or known improper conduct in the workplace without fear of retribution or detrimental action.

5. Relationship with Shareholders and Investors

In addition to various announcements made during the year, the timely release of quarterly interim financial reports provides shareholders with a regular overview of the Group's performance and operations.

Shareholders and members of the public can also obtain information on the annual and quarterly reports and the announcements made by the Company by accessing Bursa Securities' website and the Company's corporate website.

Notice of the Annual General Meeting and the Annual Report are sent to all shareholders. At Annual General Meeting, shareholders have direct access to the Directors and are given the opportunity to ask questions during the question and answer session.

Shareholders and other interested parties may contact the Joint Company Secretaries for investor relations matter by writing or via telephone/facsimile as follows:

Postal Address	: Unit 3, 191, Jalan Ampang, 50450 Kuala Lumpur
Telephone number	: 03-21487696
Facsimile number	: 03-21445209

The Board encourages poll voting at general meetings.

6. Accountability and Audit

6.1 Financial Reporting

The Audit Committee is tasked to assist the Board in ensuring that the financial statements comply with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act, 1965 in Malaysia. The Board has the overall responsibility to ensure that the financial statements reviewed and recommended by the Audit Committee for the Board's approval are prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act, 1965 in Malaysia so as to present a true and fair view of the state of affairs of the Group.

The Statement by Directors pursuant to Section 169 of the Companies Act, 1965 is set out in page 29 of the Annual Report and the Statement explaining the Directors' responsibilities for preparing the annual audited financial statements pursuant to paragraph 15.26(a) of Bursa Securities Listing Requirements is set out in page 13 of the Annual Report.

6. Accountability and Audit (Cont'd)

6.2 Risk Management and Internal Control

The Directors acknowledge their responsibilities for the internal control system in the Group, covering not only financial controls but also controls relating to operational, compliance and risk management. The system of internal control involves each key business unit and its management, including the Board, and is designed to meet the business units' particular needs, and to manage the risks to which they are exposed. The system, by its nature, can only provide reasonable and not absolute assurance against material misstatement, loss or fraud. The concept of reasonable assurance recognizes the costing aspect, whereby the cost of control procedures is not to exceed the expected benefits. The Board has established an internal audit function who reports directly to the Audit Committee. Details of the internal audit function is set out in Report of the Audit Committee in page 20 of the Annual Report.

The Board recognizes that risks cannot be fully eliminated. As such, the Group has an Enterprise Risk Management ("ERM") framework in place to minimize and manage them. The Board has established a Risk Management Committee and guided by documented terms of reference and meetings are held regularly to deliberate on risk and control issues. Ongoing reviews are continuously carried out to ensure the effectiveness, adequacy and integrity of the system of internal controls and ERM framework in safeguarding the Group's assets.

Details of the Company's internal control system and risk management are set out in Statement on Risk Management and Internal Control in pages 14 to 16 of the Annual Report.

6.3 Relationship with the External Auditors

The Company's external auditors, Messrs Crowe Horwath has continued to report to members of the Audit Committee on their findings which are included as part of the Company's financial reports with respect to each year's audit on the statutory financial statements. In doing so, the Company has established a transparent arrangement with the auditors to meet their professional requirements.

The Audit Committee met the external auditors twice during the financial year ended 31 December 2014 without presence of management to discuss on key concerns and obtain feedback relating to the Company's affairs.

The Audit Committee is responsible for reviewing audit-related and non-audit services provided by the external auditors. The Audit Committee has reviewed the provision of non-audit services by the external auditors during the financial year ended 31 December 2014 and concluded that the provision of these non-audit services did not impair the independence of the external auditors as the amount of the fees paid were not significant compared to the total fees paid to the external auditors.

The role of the Audit Committee in relation to the external auditors is set out in the Report of the Audit Committee in pages 18 to 20 of the Annual Report.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year, which give a true and fair view of the state affairs of the Group and of the Company as at the end of the financial year and of the results and cash flows of the Group and of the Company for that period.

The Directors ensure that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgements and estimates have been made, in the preparation of the financial statements.

The Directors also ensure that Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act, 1965 in Malaysia have been followed.

The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Board Responsibility

The Board of Directors ("Board") is responsible for the Group's system of internal control and risk management and for reviewing the adequacy and integrity of the system. The system includes financial, operational, regulatory and compliance controls. This system is designed to manage, rather than to eliminate, the risks in the pursuit of the Group's business objective as well as to safeguard shareholders' investments and Group's assets. The system serves to provide reasonable but not absolute assurance against the risk of material misstatement, loss or fraud.

The Malaysian Code on Corporate Governance requires listed companies to maintain a sound system of risk management and internal controls to safeguard shareholders' investments and the Group's assets. The Bursa Malaysia Securities Berhad's ("Bursa Securities") Listing Requirements require directors of public listed companies to include a statement in their annual reports on the state of their risk management and internal controls framework. The Bursa Securities' Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines") provides guidance for compliance with these requirements. Set out below is the Board's Statement on Risk Management and Internal Control, which has been prepared in accordance with the Guidelines.

Risk Management

The Board confirms that an ongoing process for identifying, measuring and managing the Group's principal risks is in place. This process is carried out via the following risk management governance structure:-

- The Board – is fully responsible for the risk management of the Group and has carried out its duties by having regular Board meetings to review and approve business strategies, risk management policies and business performance of the Group.

- The Audit Committee – whose key function is to review the adequacy and effectiveness of internal control and governance systems of the Group. The Audit Committee's main role is to review, on behalf of the Board, the system of internal controls necessary to manage the key risk inherent in the business and to present its findings to the Board. The Audit Committee assumes its roles and responsibilities via the internal audit function.

- The Risk Management Committee ("RMC") – whose key function is to review the adequacy and effectiveness of risk management and internal control of the Group. The RMC's main roles is to review, on behalf of the Board, the system of risk management necessary to manage the key risks inherent in the business and to present its findings to the Audit Committee. The RMC shall meet on a quarterly basis. Additional meetings may be called as and when required by the RMC. The membership of the RMC comprises of the Chief Operating Officer, the Financial Controller and the Head of Operations.

Risk Management Process

Risks are reported and monitored at the operational level using Risk Register which captures risks, mitigating measures and risk ratings. Where applicable, Key Risk Indicators ("KRIs") are established to monitor risks.

For risks that are material, the mitigating measures and KRIs are presented to the Management for review on a regular basis. Risks are reviewed and managed at each level of reporting and consolidated for review at the next higher level, before they are escalated for review at Group level.

High and new risk areas are immediately flagged and reported to the Audit Committee whose comments and advice are noted for the full Board's information.

Types of Risks

The principal business activities of the Group are operating hotel and investment. There have been no significant changes in the nature of these activities during the financial year.

The risk exposure faced by the Group during the financial year can be broadly categorized as follows:

Financial Risk

The risk of loss arising from:
- Recoverability of other receivables
- Impairment of investments

Operational Risk

The risk of loss arising from:
- Food quality and safety
- Quality of service and facilities
- Fire and safety
- Recoverability of trade receivables

Legal Risk

The risk of loss arising from:
- Non-compliance with statutory/regulatory requirements
- Legal suits and prosecutions

External Risk

The risk of loss arising from:
- Calamities and natural disasters
- Contagion

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

Key Elements of internal Control

The key elements of the Group's internal control system, that are regularly reviewed by the Board and are in accordance with the Guidelines, are described below:-

- Establishment of a conducive control environment in respect of the overall attitude, awareness and actions of Directors and Management regarding the internal control system and its importance to the Group;

- Recruitment of experienced, skilled and professional staff with the necessary caliber to fulfill the respective responsibilities and ensuring that adequate control are in place;

- Clear Group structure, reporting lines of responsibilities and appropriate levels of delegation;

- Documented policies, procedures and limits of approving authorities for key aspects of the business. This provides a sound framework of authority and accountability within the organization and facilitates proper corporate decision making at the appropriate level in the organization's hierarchy;

- Establishment of segregation of duties via independent checks, review and reconciliation activities to prevent human errors, fraud and abuses;

- Regular and comprehensive management reports to the Board from various lines of operations and business units, on key business performance, operating statistics and regular matters. This allows for an effective monitoring of significant variances and deviation from standard operating procedures and budget;

- Group Internal Audit function independently reviews the risk identification procedures and control processes implemented by Management, and reports to the Audit Committee on a quarterly basis. The Group Internal Audit function provides assurance over the operation and validity of the system of internal control in relation to the level of risk involved using Risk-Based-Auditing methodology; and

- The Audit Committee regularly convenes meetings to deliberate on the findings and recommendations for improvement by the Group Internal Audit function, external auditors as well as regulatory authorities. The Audit Committee reviews the actions taken to rectify the findings in a timely manner, and to evaluate the effectiveness adequacy of the Group's internal control systems.

For associated companies, the Group's interests are served through representation on the Boards of the respective associated companies, receipt and review of respective management accounts, and enquiries thereon. Such representation also provides the Board with information for timely decision making on the continuity of the Group's investments based on the performance of the associated companies.

The Board has received assurance from the Chief Operating Officer and the Financial Controller that based on the risk management and internal control of the Group as well as the inquiry and information provided, the Group's risk management and internal control system is operating adequately and effectively in all material aspects.

The Board is of the view that the risk management and internal control system in place for the year under review and up to the date of issuance of the financial statements, is adequate and effective to safeguard the shareholders' investment, the interests of customers, regulators and employees, and the Group's assets.

OTHER INFORMATION

1. Utilisation of Proceeds raised from Corporate Proposal

The Company does not have any corporate proposal during the financial year ended 31 December 2014.

2. Share Buy-Back

The Company has not made any purchase, resale or cancellation of its own shares in the financial year ended 31 December 2014.

3. Options, Warrants or Convertible Securities

There were no options, warrants or convertible securities issued and exercised during the financial year ended 31 December 2014.

4. Sponsored Depository Receipt Programme

The Company did not sponsor any depository receipt programme.

5. Sanctions and/or Penalties Imposed

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

6. Non-Audit Fees

For the financial year ended 31 December 2014, non-audit fees paid and payable to the external auditors amounted to RM11,500 (2013: RM51,300).

7. Variation in Results

There was no material variances between the audited financial statements for the financial year ended 31 December 2014 and the unaudited results announced to Bursa Malaysia Securities Berhad on 17 February 2015.

8. Profit Guarantee

There was no profit guarantee for the financial year ended 31 December 2014.

9. Material Contracts

For the financial year ended 31 December 2014, there were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest, either still subsisting at the end of the financial year ended 31 December 2014 or entered into since the end of the previous financial year except as disclosed in the financial statements.

REPORT OF THE AUDIT COMMITTEE

MEMBERS

Name	***Designation***
Dr Wong Hong Meng - *Chairman* *(An existing member and was appointed as Chairman on 19 November 2014)*	*Independent Non-Executive Director*
Wong Nyen Faat	*Non-Independent Non-Executive Director*
Farizon binti Ibrahim	*Independent Non-Executive Director*

TERMS OF REFERENCE

1. Constitution

The Audit Committee was established on 28 July 1994. The Board shall ensure that the composition of the Audit Committee comply with Bursa Securities Listing Requirements as well as other regulatory requirements.

2. Authority

- The Audit Committee is authorized by the Board to investigate any activity within its terms of reference. It is authorized to seek any information it requires from any employee and all employees are directed to co-operate with any request made by the Audit Committee.
- The Audit Committee shall have unlimited access to all information and documents relevant to its activities as well as to the internal and external auditors and senior management of the Group.
- The Audit Committee is authorized by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

3. Functions

The functions of the Audit Committee shall be:-

- to report to the Board after reviewing the following:-
  - (a) the audit plan with the external auditors;
  - (b) the evaluation of the system of internal controls with the external auditors;
  - (c) the audit report with the external auditors;
  - (d) the assistance and co-operation given by the employees of the Company to the external auditors;
  - (e) the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
  - (f) the internal audit programme, processes, the results of the internal audits, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
  - (g) the quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:-
    - (i) changes in or implementation of major accounting policy changes;
    - (ii) significant and unusual events;
    - (iii) significant adjustments arising from the audit;
    - (iv) the going concern assumption; and
    - (v) compliance with accounting standards and other legal requirements;
  - (h) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
  - (i) any letter of resignation from the external auditors;
  - (j) whether there is any reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment;

- to recommend the nomination of a person or persons as external auditors;
- to consider the external auditors' fee and questions of dismissal;
- to discuss problems and reservations arising out of external or internal audits and any matters which the auditors may wish to bring up (in the absence of the Executive Directors and employees of the Group whenever deemed necessary);
- to review the external auditors' management letter and management's response; and
- to consider the major findings of internal investigations and management's response,

together with such other functions as may be agreed to by the Audit Committee and the Board.

4. Meetings

During the financial year ended 31 December 2014, five (5) Audit Committee Meetings were held. Dr Wong Hong Meng and Puan Farizon binti Ibrahim attended all the five (5) meetings of the Audit Committee. Mr Wong Nyen Faat attended four (4) meetings of the Audit Committee.

In addition to the Committee members, the Head of Internal Audit and officer in charge of accounts are invited for attendance at each meeting. The respective head of companies/departments and their management team attend when audit reports on their companies/departments are tabled for discussion. The presence of the external auditors will be requested when required.

Upon the request of the external auditors, the Chairman shall convene a meeting of the Audit Committee to consider any matter the external auditors believe should be brought to the attention of the Board or shareholders.

5. Summary of Activities of the Audit Committee during the Financial Year Ended 31 December 2014

The Audit Committee reviewed and deliberated one (1) audit report on assignments conducted by the Internal Audit. The Audit Committee also appraised the adequacy and effectiveness of Management's response in resolving the audit issues reported.

In addition, the unaudited quarterly interim financial reports and the audited financial statements of the Company and the Group were reviewed by the Audit Committee prior to recommending the same for approval by the Board, upon being satisfied that the financial reporting and disclosure requirements of the relevant authorities had been complied with.

The Audit Committee met with the external auditors and discussed the nature and scope of the audit, considered any significant changes in accounting and auditing issues, reviewed audit issues and concerns affecting the financial statements of the Group and discussed applicable accounting and auditing standards that may have significant implication on the Group's financial statements. The Audit Committee also reviewed related party transactions carried out by the Group.

REPORT OF THE AUDIT COMMITTEE (Cont'd)

6. Internal Audit Function

The internal audit function is performed by the Internal Audit Department of Malayan United Management Sdn Bhd, a company under the MUI Group of companies; together with co-source services from external accounting firm. Both are independent of the activities audited. The function is performed with impartiality, proficiency and due professional care. The Internal Audit Department reports directly to the Audit Committee, and regularly reviews and appraises the Group's key operations to ensure that key risk and control concerns are being effectively managed. Its activities include:

- reviewing the effectiveness of risk management and internal control,
- appraising the adequacy and integrity of internal controls and management information systems,
- ascertaining the effectiveness of management in identifying principal risks and to manage such risks through appropriate systems of internal control,
- recommending improvements to existing systems of internal control,
- ascertaining the level of compliance with the Group's plans, policies, procedures and adherence to laws and regulations,
- appraising the effectiveness of administrative controls applied and the reliability and integrity of data that are produced within the Group,
- ascertaining the adequacy of controls for safeguarding the Group's assets from losses of all kinds,
- performing follow-up reviews of previous audit reports to ensure appropriate actions are implemented to address control issues highlighted, and
- conducting special reviews or investigations requested by senior management or by the Audit Committee.

The Internal Audit carries out audit assignments based on risk-based audit plan that is reviewed and approved by the Audit Committee. The reports of the audits undertaken were presented to the Audit Committee and forwarded to the management concerned for attention and necessary action.

The cost incurred for the internal audit function for the financial year ended 31 December 2014 is RM45,700 (2013: RM33,900).

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I present herewith the Annual Report and financial statements of our Company and the Group for the financial year ended 31 December 2014.

ECONOMIC REVIEW

According to Bank Negara Malaysia ("BNM") in its 2014 Annual Report, the Malaysian economy recorded a growth rate of 6.0% in real gross domestic product ("GDP") in 2014 compared with 4.7% growth in 2013. The economic growth was driven by the continued strength in domestic demand and better external trade performance.

In the first half of 2014, with low interest rates in the major economies, ample global liquidity and positive expectation on macroeconomic performance and corporate earnings of Malaysia, foreign portfolio funds continued to flow into the domestic equity market. The FTSE Bursa Malaysia KLCI ("FBM KLCI") performed strongly in the period and reached its new historical peak of 1,892.7 points on 8 July 2014.

However, in the second half of the financial year under review, market sentiments were adversely affected by the sharp decline in oil prices. Uncertainties over the impact of lower oil prices on the domestic economy led to sell off in the market towards the end of the year, particularly the oil and gas sector. The index declined by 11.6% from its peak to reach its lowest level for the year at 1673.9 points on 16 December 2014. For the financial year under review, the FBM KLCI declined by 5.7% to close at 1761.3 points.

FINANCIAL HIGHLIGHTS

For the financial year ended 31 December 2014, Group revenue decreased by 19.0% to RM9.4 million, compared with RM11.6 million in 2013. This was primarily due to lower occupancy rates at Corus Paradise Resort Port Dickson ("Corus PD"). The Group recorded Loss Before Tax ("LBT") of RM3.9 million compared with LBT of RM10.3 million in 2013. This was due to lower impairment charge and cost effectiveness that was taken by an associate, Pan Malaysia Capital Berhad ("PM Capital").

REVIEW OF OPERATIONS

Pan Malaysia Holdings Berhad ("PMH") is primarily involved in the hospitality industry through its wholly owned beachfront hotel, Corus PD, and financial services through its associate, PM Capital which has a stockbroking subsidiary, PM Securities Sdn Bhd ("PM Securities"), and a fund management unit, PCB Asset Management Sdn Bhd ("PCB Asset Management").

Corus PD, after a minor refurbishment towards the end of November, saw its average room rate ("ARR") increase by 13% to RM 162. However, the tragic MH 370 incident had adversely impacted the tourists from the China market resulting in a production drop of 53% compared with 2013. However, through better cost management, Profit Before Tax ("PBT") of the hotel only dropped slightly by RM 0.3 million.

PM Securities, for the financial year under review reported a 11.9% increase in revenue to RM23.4 million. This was due to the positive market sentiments and increase in its margin portfolio.

Despite achieving growth in revenue, PM Securities recorded a LBT of RM3.8million following impairment loss on 'penny' stocks of RM5.4 million in the financial year under review. Without the impairment loss, PM Securities would have reported a PBT of RM1.6 million arising from its cost reduction, debt recovery, processing fees and interest earned from margin financing.

PCB Asset Management is a wholly owned fund management subsidiary of PM Capital. For the financial year under review, PCB Asset Management recorded an increase in funds under its management from the previous year.

CORPORATE SOCIAL RESPONSIBILITY

In July 2014, Corus PD organised a charity event to break fast with staff and orphans from New Life Care Centre Port Dickson and Yayasan Anak-anak Yatim/ Piatu Daerah Port Dickson. In addition, Corus PD gave financial assistance to Yayasan Anak-anak Yatim/ Piatu Daerah Port Dickson and New Life Care Centre Port Dickson during Hari Raya. and New Life Care Centre Port Dickson during Hari Raya.

CHAIRMAN'S STATEMENT (Cont'd)

CORPORATE DEVELOPMENT

On 12 December 2014, the Company announced that Dato' Dr Yu Kuan Chon had entered into a share sale agreement with various vendors to acquire 642,700,783 shares in the Company for a total cash consideration of approximately RM77.1 million ("Proposed Disposal").

With regrets, the Securities Commission Malaysia had rejected the Proposed Disposal by their letter dated 7 May 2015. The board will deliberate as to the next course of action to be taken in the best interests of the Company.

PROSPECTS FOR 2015

According to BNM, the Malaysia's real GDP is projected to grow between 4.5% and 5.5% in 2015, supported by strong domestic demand and resilient investment activity.

The Group will continue to be prudent in managing its stockbroking business while focusing on yield management for its hotel business. The stockbroking's performance is expected to improve through tighter credit control, better cost management and optimized use of margin financing.

The Board remains cautious on the Group's performance for 2015.

DIRECTORATE

On behalf of the Board, I wish to extend our heartfelt gratitude to Mr Ooi Boon Leong who resigned as Independent Non-Executive Director and Chairman on 21 October 2014. The Board would like to thank Mr Ooi for his guidance over the years.

ACKNOWLEDGEMENTS

On behalf of the Board, I wish to take this opportunity to thank our customers, shareholders, business associates and bankers for their continued support. I would also like to express my heartfelt appreciation to the management and staff of the Group for their efforts, dedication and commitment. Last but not least, I wish to put on record my sincere gratitude to my fellow Directors for their invaluable counsel and contributions.

Wong Nyen Faat
Director, for and on behalf of the Board of Directors of the Company

12 May 2015

GROUP FINANCIAL HIGHLIGHTS

	2014	*2013*	*2012*	*2011*	*2010*
KEY RESULTS (RM'000)					
Revenue	**9,385**	**11,605**	**11,116**	12,119	17,515
Operating (loss)/profit (EBITDA)	**(1,463)**	**(6,632)**	**(36,498)**	4,654	6,884
(Loss)/Profit before tax	**(3,880)**	**(10,262)**	**(39,331)**	1,439	3,264
Net (loss)/Profit attributable to owners of the Company	**(2,950)**	**(10,333)**	**(39,325)**	1,424	3,291
OTHER KEY DATA (RM'000)					
Total assets	**82,286**	**85,310**	**95,134**	137,263	140,928
Total liabilities	**25,183**	**25,257**	**24,541**	27,548	32,910
Share Capital (Ordinary shares of RM0.10 each)	**92,887**	**92,887**	**92,887**	92,887	92,887
Equity attributable to owners of the Company	**57,103**	**60,053**	**70,593**	109,715	107,896
Total equity	**57,103**	**60,053**	**70,593**	109,715	108,018
Total borrowings	**19,646**	**19,781**	**20,300**	23,140	28,105
FINANCIAL RATIOS					
Operating (loss)/profit margin (%)	**(15.59)**	**(57.15)**	**(328.34)**	38.40	39.30
Current ratio (times)	**9.24**	**13.12**	**5.90**	5.01	3.78
Gearing ratio (times)	**0.34**	**0.33**	**0.29**	0.21	0.26
SHARE INFORMATION					
Basic (loss)/earnings per share (sen)	**(0.32)**	**(1.11)**	**(4.23)**	0.15	**0.35**
Net assets per share attributable to owners of the Company (RM)	**0.06**	**0.06**	**0.08**	0.12	**0.12**

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM'000	The Company RM'000
Loss after taxation for the financial year	(2,950)	(2,164)

DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year:-

(a) there were no changes in the authorised and issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

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

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

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

CHANGE OF CIRCUMSTANCES

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

DIRECTORS' REPORT (Cont'd)

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

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, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

Wong Nyen Faat
Dr Wong Hong Meng
Farizon Binti Ibrahim
Ooi Boon Leong (Resigned on 21.10.2014)

DIRECTORS' INTERESTS

None of the Directors holding office at the end of the financial year held any beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2014 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) 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 except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 25 to the financial statements.

DIRECTORS' BENEFITS (continued)

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

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 28 to the financial statements.

SIGNIFICANT EVENT OCCURING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 29 to the financial statements.

ULTIMATE HOLDING COMPANY

The ultimate holding company is Malayan United Industries Berhad, a company incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

DIRECTORS' REPORT (Cont'd)

AUDITORS

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 30 April 2015.

Dr Wong Hong Meng
Director

Wong Nyen Faat
Director

Kuala Lumpur

STATEMENT BY DIRECTORS

We, Dr Wong Hong Meng and Wong Nyen Faat, being two of the directors of Pan Malaysia Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 33 to 96 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 December 2014 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 30, which is not part of the financial statements, is prepared in all material respects, 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 and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 30 April 2015.

Dr Wong Hong Meng
Director

Wong Nyen Faat
Director

Kuala Lumpur

STATUTORY DECLARATION

I, Wong Shuk Fuen, being the officer primarily responsible for the financial management of Pan Malaysia Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 33 to 97 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Wong Shuk Fuen,
at Kuala Lumpur in the Federal Territory
on this 30 April 2015

Before me
P.Valliamah (W 594)
Commissioner for Oaths

Wong Shuk Fuen

INDEPENDENT AUDITORS' REPORT

To The Members Of Pan Malaysia Holdings Berhad

Report on the Financial Statements

We have audited the financial statements of Pan Malaysia Holdings Berhad, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 33 to 96.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 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.

Other Matters

The financial statements of the Group and of the Company for the preceding financial year were audited by another firm of auditors whose report dated 25 April 2014, expressed an unmodified opinion on those statements.

Report on Other Legal and Regulatory Requirements

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

(a) In our opinion, the accounting and other records and the registers required by the 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 6 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.

Other Reporting Responsibilities

The supplementary information set out in Note 30 on page 97 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.

INDEPENDENT AUDITORS' REPORT (Cont'd)

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.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

James Chan Kuan Chee
Approval No: 2271/10/15 (J)
Chartered Accountant

30 April 2015

Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

At 31 December 2014

		The Group		The Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	25,001	25,932	1	1
Investments in subsidiaries	6	-	-	480	480
Investments in associates	7	105	1,938	105	1,938
Other investments	8	872	872	872	872
		25,978	28,742	1,458	3,291
Current assets					
Inventories	9	148	417	-	-
Trade and other receivables	10	729	1,455	25	22
Amount owing by subsidiaries	11	-	-	5,076	4,963
Amount owing by associates	12	50,766	52,766	50,766	52,766
Amount owing by related companies	13	83	126	-	-
Current tax assets		8	19	-	-
Cash and cash equivalents	14	4,574	1,785	1,473	22
		56,308	56,568	57,340	57,773
TOTAL ASSETS		82,286	85,310	58,798	61,064
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	15	92,887	92,887	92,887	92,887
Reserves	16	495	495	495	495
Accumulated losses		(36,279)	(33,329)	(37,156)	(34,992)
TOTAL EQUITY		57,103	60,053	56,226	58,390

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

STATEMENTS OF FINANCIAL POSITION (Cont'd)

	Note	The Group 2014 RM'000	The Group 2013 RM'000	The Company 2014 RM'000	The Company 2013 RM'000
LIABILITIES					
Non-current liabilities					
Borrowing	17	18,797	19,709	-	-
Deferred tax liabilities	18	294	1,238	-	-
		19,091	20,947	-	-
Current liabilities					
Trade and other payables	19	4,286	3,261	113	126
Amount owing to subsidiaries	11	-	-	2,459	2,548
Amount owing to associates	12	943	943	-	-
Amount owing to related companies	13	1	1	-	-
Borrowing	17	849	72	-	-
Current tax liabilities		13	33	-	-
		6,092	4,310	2,572	2,674
TOTAL LIABILITIES		25,183	25,257	2,572	2,674
TOTAL EQUITY AND LIABILITIES		82,286	85,310	58,798	61,064

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2014

		The Group		The Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	20	9,385	11,605	24	24
Cost of services		(4,019)	(4,985)	-	-
Gross profit		5,366	6,620	24	24
Other operating income		143	208	11	-
		5,509	6,828	35	24
Administrative expenses		(1,264)	(1,609)	(366)	(488)
Other operating expenses		(4,960)	(5,692)	(1,833)	(7,963)
Finance costs		(1,332)	(2,062)	-	(611)
Share of loss after tax of associates		(1,833)	(7,727)	-	-
Loss before taxation	21	(3,880)	(10,262)	(2,164)	(9,038)
Income tax expense	22	930	(71)	-	-
Loss after taxation		(2,950)	(10,333)	(2,164)	(9,038)
Other comprehensive expenses					
Items that will not be reclassified subsequently to profit or loss					
Fair value changes of available-for-sale financial assets		-	(207)	-	(193)
Total other comprehensive expenses		-	(207)	-	(193)
Total comprehensive expenses for the financial year		(2,950)	(10,540)	(2,164)	(9,231)

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Cont'd)

	Note	The Group 2014 RM'000	The Group 2013 RM'000	The Company 2014 RM'000	The Company 2013 RM'000
Loss after taxation attributable to:-					
Owners of the Company		(2,950)	(10,540)	(2,164)	(9,231)
Total comprehensive expenses attributable to:-					
Owners of the Company		(2,950)	(10,540)	(2,164)	(9,231)
Loss per share (sen)	23				
Basic		0.32	1.11		
Diluted		**Not Applicable**	**Not Applicable**		

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

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2014

	Non-Distributable			
	Share capital RM'000	**Available for-sale reserve RM'000**	**Distributable Accumulated losses RM'000**	**Total equity RM'000**
The Group				
Balance at 1 January 2013	92,887	702	(22,996)	70,593
Loss after taxation	-	-	(10,333)	(10,333)
Other comprehensive expenses for the financial year:				
- Fair value loss on available-for-sales financial assets	-	(207)	-	(207)
Total comprehensive expenses for the financial year	-	(207)	(10,333)	(10,540)
Balance at 31 December 2013	92,887	495	(33,329)	60,053
Loss after taxation/Total comprehensive expenses for the financial year	-	-	(2,950)	(2,950)
Balance at 31 December 2014	92,887	495	(36,279)	57,103

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

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

	Non-Distributable		Distributable	
	Share capital RM'000	Available-for-sale reserve RM'000	Accumulated losses RM'000	Total equity RM'000
The Company				
Balance at 1 January 2013	92,887	688	(25,954)	67,621
Loss after taxation	-	-	(9,038)	(9,038)
Other comprehensive expenses for the financial year:				
- Fair value loss on available-for-sales financial assets	-	(193)	-	(193)
Total comprehensive expenses for the financial year	-	(193)	(9,038)	(9,231)
Balance at 31 December 2013/1 January 2014	92,887	495	(34,992)	58,390
Loss after taxation/Total comprehensive expenses for the financial year	-	-	(2,164)	(2,164)
Balance at 31 December 2014	92,887	495	(37,156)	56,226

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

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31 December 2014

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before taxation:	(3,880)	(10,262)	(2,164)	(9,038)
Adjustments for:-				
Bad debts written off	-	36	-	-
Depreciation of property, plant and equipment	1,085	1,568	-	1
Loss on disposal of other investment	-	85	-	52
Loss on disposal of property, plant and equipment	-	4	-	-
Impairment losses on:				
- investment in a subsidiary	-	-	-	169
- investment in associates	-	-	1,833	7,727
- other investments	-	16	-	16
- related companies	22	-	-	-
- trade and other receivables	232	174	-	-
Interest expense on term loans	1,332	1,636	-	407
Interest income	(35)	(9)	-	-
Inventories written off	-	60	-	-
Reversal of impairment losses on:				
- trade and other receivables	(22)	(8)	-	-
Property, plant and equipment written off	180	-		
Share of results in associates	1,833	7,727	-	-
Operating profit/(loss) before working capital changes	747	1,027	(331)	(666)
Decrease in inventories	269	24	-	-
Decrease/(increase) in trade and other receivables	516	235	(3)	1
Increase/(decrease) in trade and other payables	1,025	1,271	(13)	(8)
Cash from/(for) operations	2,557	2,557	(347)	(673)
Tax refunded	16	11	-	-
Tax paid	(39)	(57)	-	-
Net cash from/(for) operating activities	2,534	2,511	(347)	(673)

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

STATEMENTS OF CASH FLOWS (Cont'd)

	Note	The Group 2014 RM'000	The Group 2013 RM'000	The Company 2014 RM'000	The Company 2013 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Repayments from/(Advances to) related companies		21	(90)	-	(69)
Repayments from associates		2,000	455	2,000	455
Interest received		35	9	-	-
(Advances to)/Repayments from subsidiaries		-	-	(113)	6,342
Proceeds from disposal of:					
- other investments		-	224	-	171
- property, plant and equipment		-	3	-	-
Purchase of property, plant and equipment	5	(334)	(460)	-	-
Net cash from investing activities		1,722	141	1,887	6,899
CASH FLOWS FROM FINANCING ACTIVITIES					
Drawdown of bank borrowings		-	19,781	-	-
Repayments of bank borrowing		(135)	(20,300)	-	(5,820)
Repayments to subsidiary		-	-	(89)	-
Interest paid		(1,332)	(1,636)	-	(407)
Net cash for financing activities		(1,467)	(2,155)	(89)	(6,227)
Net increase/(decrease) in cash and cash equivalents		2,789	497	1,451	(1)
Cash and cash equivalents at beginning of the financial year		1,785	1,288	22	23
Cash and cash equivalents at end of the financial year	14	4,574	1,785	1,473	22

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

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2014

1. CORPORATE INFORMATION

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

The registered office and the principal place of business of the Company are located at Unit 3, 191, Jalan Ampang, 50450 Kuala Lumpur.

The ultimate holding company is Malayan United Industries Berhad, a company incorporated in Malaysia and listed on the Main Market of Malaysia Bursa Securities Berhad.

The consolidated financial statements for the financial year ended 31 December 2014 comprise the Company and its subsidiaries and the Group's investments in associates. The financial statements are presented in Ringgit Malaysia ('RM'), which is also the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 30 April 2015.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

3. BASIS OF PREPARATION (continued)

3.1 During the current financial year, the Group has adopted the following new accounting standards and interpretation (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities

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

IC Interpretation 21 Levies

The adoption of the above accounting standards and interpretation (including the consequential amendments) did not have any material impact on the Group's financial statements.

3.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities - Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements - Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture - Bearer Plants	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans - Employee Contributions	1 July 2014
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2016

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(c) Impairment of Non-Financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(d) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(e) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(f) Impairment of Available-for-sale Financial Assets

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant' or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

(g) Classification of Leasehold Land

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

(h) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 BASIS OF CONSOLIDATION

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

Subsidiaries are entities (including structured entities) controlled by the Group. 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 consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

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

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 BASIS OF CONSOLIDATION (continued)

(b) Non-Controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(c) Changes In Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(c) Foreign Operations

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under the translation reserve. On the disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 FINANCIAL INSTRUMENTS

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

(i) Financial Assets at Fair Value through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 FINANCIAL INSTRUMENTS (continued)

(a) Financial Assets (Continued)

(ii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis

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

(iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

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

(iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 FINANCIAL INSTRUMENTS (continued)

(b) Financial Liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(c) Equity Instruments

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

(i) Ordinary Shares

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(ii) Distributions of Non-Cash Assets to Owners of the Company

The Group measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference between the carrying amount of the assets distributed and the carrying amount of the liability, if any, in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 FINANCIAL INSTRUMENTS (continued)

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

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

4.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.6 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group and the Company have a long-term equity interest and where it exercises significant influence over the financial and operating policies.

Investments in associates are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investment includes transaction costs.

The investment in an associate is accounted for in the consolidated statement of financial position using the equity method, based on the financial statements of the associate made up to 31 December 2014. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group’s share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group’s share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 INVESTMENTS IN ASSOCIATES (continued)

Unrealised gains on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 139. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method if the dilution does not result in a loss of significant influence or when an investment in a joint venture becomes an investment in an associate. Under such changes in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the associate will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in associates are recognised in profit or loss.

4.7 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land has unlimited useful life and is not depreciated. Construction-in-progress represents renovation-in-progress and is stated at cost. Construction-in-progress is not depreciated until such time when the asset is available for use.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Long term leasehold land	66 - 92 years
Buildings	2%
Office equipment	10% - 20%
Furniture and fittings	10% - 20%
Motor vehicles	20%
Plant and machinery	5% - 10%
Renovation	10% - 20%

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 PROPERTY, PLANT AND EQUIPMENT (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

4.8 IMPAIRMENT

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 IMPAIRMENT (continued)

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.9 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average method and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs necessary to make the sale.

4.10 INCOME TAXES

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs 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.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 INCOME TAXES (continued)

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

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 income taxes relate to the same taxation authority.

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

4.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

4.12 PROVISIONS

Provisions are recognised when the Group has a present obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 EMPLOYEE BENEFITS

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

4.14 RELATED PARTIES

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

(i) has control or joint control over the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a) above.
(vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

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

Level 3: Inputs are unobservable inputs for the asset or liability.

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

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.16 REVENUE AND OTHER INCOME

(a) Hotel Operations

Revenue from hotel comprises sales of room, food and beverage. Sale of room is recognised upon actual occupancy of rooms by guest whilst sale of food and beverage is recognised upon delivery to guest.

(b) Management Fees

Management fees are recognised on an accrual basis.

(c) Interest Income

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

(d) Rental Income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease.

4.17 OPERATING SEGMENTS

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

4.18 BORROWING COSTS

Borrowing costs, directly attributable to the acquisition, construction or production of a qualifying asset, are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

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

5. PROPERTY, PLANT AND EQUIPMENT

The Group

2014	1.1.2014	Additions	Written off	Reclassi-fication	Depreciation charge	31.12.2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Carrying amount						
Freehold land	180	-	(180)	-	-	-
Long term leasehold land	4,807	-	-	-	(88)	4,719
Buildings	19,640	-	-	-	(721)	18,919
Office equipment	667	185	-	-	(123)	729
Furniture and fittings	18	-	-	-	(2)	16
Motor vehicles	1	-	-	-	(1)	-
Plant and machinery	60	-	-	28	(9)	79
Renovation	531	138	-	-	(141)	528
Construction-in-progress	28	11	-	(28)	-	11
	25,932	334	(180)	-	(1,085)	25,001

	At 31.12.2014			
	Cost	Accumulated depreciation	Impairment loss	Carrying amount
	RM'000	RM'000	RM'000	RM'000
Freehold land	180	-	(180)	-
Long term leasehold land	6,617	(1,898)	-	4,719
Buildings	34,765	(13,220)	(2,626)	18,919
Office equipment	2,675	(1,946)	-	729
Furniture and fittings	1,417	(1,401)	-	16
Motor vehicles	294	(294)	-	-
Plant and machinery	296	(217)	-	79
Renovation	927	(399)	-	528
Construction-in-progress	11	-	-	11
	47,182	(19,375)	(2,806)	25,001

The Group

2013	1.1.2013	Additions	Disposal	Depreciation charge	31.12.2013
	RM'000	RM'000	RM'000	RM'000	RM'000
Carrying amount					
Freehold land	180	-	-	-	180
Long term leasehold land	5,395	-	-	(588)	4,807
Buildings	20,361	-	-	(721)	19,640
Office equipment	593	208	-	(134)	667
Furniture and fittings	1	19	-	(2)	18
Motor vehicles	1	-	-	-	1
Plant and machinery	52	24	(7)	(9)	60
Renovation	464	181	-	(114)	531
Construction-in-progress	-	28	-	-	28
	27,047	460	(7)	(1,568)	25,932

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	At 31.12.2013			
	Cost RM'000	Accumulated depreciation RM'000	Impairment loss RM'000	Carrying amount RM'000
Freehold land	180	-	-	180
Long term leasehold land	6,617	(1,810)	-	4,807
Buildings	34,765	(12,499)	(2,626)	19,640
Office equipment	2,490	(1,823)	-	667
Furniture and fittings	1,417	(1,399)	-	18
Motor vehicles	294	(293)	-	1
Plant and machinery	268	(208)	-	60
Renovation	789	(258)	-	531
Construction-in-progress	28	-	-	28
	46,848	(18,290)	(2,626)	25,932

The Company

2014	1.1.2014 RM'000	Depreciation charge RM'000	31.12.2014 RM'000
Carrying amount			
Office equipment	1	-	1

	At 31.12.2014		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Office equipment	263	(262)	1
Furniture and fittings	119	(119)	-
Motor vehicles	130	(130)	-
	512	(511)	1

The Company

2013	1.1.2013 RM'000	Depreciation charge RM'000	31.12.2013 RM'000
Carrying amount			
Office equipment	2	(1)	1

	At 31.12.2013		
	Cost RM'000	Accumulated depreciation RM'000	Carrying amount RM'000
Office equipment	263	(262)	1
Furniture and fittings	119	(119)	-
Motor vehicles	130	(130)	-
	512	(511)	1

5. PROPERTY, PLANT AND EQUIPMENT (continued)

The property, plant and equipment of the Group with a carrying amount of RM23,638,000 (2013: RM24,447,000) have been charged to a bank for credit facilities granted to the Group as disclosed in Note 17 to the financial instruments.

6. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2014 RM'000	2013 RM'000
Unquoted shares, at cost	7,863	7,863
Less: Impairment losses	(7,383)	(7,383)
	480	480

(a) The details of the subsidiaries are as follows:

	Effective interest In equity held by				
	Company		Subsidiaries		
Name of Company	2014 %	2013 %	2014 %	2013 %	Principal activities
Golden Carps Pte. Ltd. +~	100	100	-	-	Inactive
Grandvestment Company Limited +#	100	100	-	-	Dormant
Kayangan Makmur Sdn. Bhd. +	100	100	-	-	Investment holding
Pengkalen Equities Sdn. Bhd. +	100	100	-	-	Investment holding and dealing
Pengkalen Foodservices Sdn. Bhd. +	100	100	-	-	Inactive
Pengkalen Holiday Resort Sdn. Bhd. *	100	100	-	-	Operating a hotel
Pengkalen Properties Sdn. Bhd. +	100	100	-	-	Inactive
Pan Malaysia Travel & Tours Sdn. Bhd. +	99.3	99.3	0.07	0.07	Travel agent & provision of travel - related services
Asia Entertainment Network Sdn. Bhd. ^	60	60	-	-	In liquidation
Pengkalen Building Materials Sdn. Sdn. Bhd. ^	100	100	-	-	In liquidation
Pengkalen Electronics Industries Sdn. Bhd. ^	67	67	-	-	In liquidation

6. INVESTMENTS IN SUBSIDIARIES (continued)

(a) The details of the subsidiaries are as follows: (continued)

	Effective interest In equity held by				
	Company		Subsidiaries		
	2014	2013	2014	2013	
Name of Company	%	%	%	%	**Principal activities**
Technitone (M) Sdn. Bhd. ^	64.10	64.10	-	-	In liquidation
Subsidiary of Pan Malaysia Travel & Tours Sdn. Bhd.					
Destiny Aims Sdn. Bhd. +	-	-	100	100	Dormant
Subsidiary of Pengkalen Foodservices Sdn. Bhd.					
Twin Pheonix Sdn. Bhd. +	-	-	100	100	Dormant
Subsidiary of Technitone (M) Sdn. Bhd.					
Office Business Systems Sdn. Bhd. ^	-	-	100	100	In liquidation
Subsidiary of Office Business System Sdn. Bhd.					
Office Business Systems (Malacca) Sdn. Bhd. ^	-	-	65	65	In liquidation
Office Business Systems (Penang) Sdn. Bhd. ^	-	-	100	100	In liquidation
Sensor Equipment Sdn. Bhd. ^	-	-	100	100	In liquidation

* *Subsidiaries audited by Crowe Horwath Malaysia.*
\+ *Subsidiaries audited by other firms of chartered accountants.*
\# *Subsidiaries incorporated in Hong Kong.*
~ *Subsidiaries incorporated in Singapore.*
^ *Subsidiaries under liquidation and not dealt with in the consolidated financial statements of the Group for financial year ended 31 December 2014 and 31 December 2013. The contributions of these subsidiaries to the Group are insignificant.*

(b) An impairment loss on investment in a subsidiary amounting to RM169,000 relating to a subsidiary, Pan Malaysia Travel & Tours Sdn. Bhd., has been recognised by the Company during the previous financial year as the cost of investment in the subsidiary exceeded its recoverable amount based on value in use.

7. INVESTMENTS IN ASSOCIATES

	The Group 2014 RM'000	The Group 2013 RM'000	The Company 2014 RM'000	The Company 2013 RM'000
Quoted shares in Malaysia, at cost	-	296,672	-	296,672
Unquoted shares in Malaysia, at cost	296,672	-	296,672	-
Share of post acquisition reserve	(53,963)	(52,130)	-	-
	242,709	244,542	296,672	296,672
Less: Impairment losses	(242,604)	(242,604)	(296,567)	(294,734)
	105	1,938	105	1,938

(a) The details of the associates, which are all incorporated in Malaysia, are as follows:

Name of Company	Effective interest in equity held by Company 2014 %	Company 2013 %	Associates 2014 %	Associates 2013 %	Principal activities
Pan Malaysia Capital Berhad	34.84	34.84	-	-	Investment holding
Subsidiaries of Pan Malaysia Capital Berhad					
Bayan Niaga Sdn. Bhd.	-	-	100	100	Investment holding
KESB Nominees (Asing) Sdn. Bhd.	-	-	100	100	Dormant
KESB Nominees (Tempatan) Sdn. Bhd.	-	-	100	100	Nominee and custodian services
Meridian Nominees (Tempatan) Sdn. Bhd.	-	-	100	100	Share registration, nominees and custodian services
Pan Malaysia Equities Sdn. Bhd.	-	-	100	100	Property and investment holding
PCB Asset Management Sdn. Bhd.	-	-	100	100	Research and fund management services
PM Asset Management Sdn. Bhd.	-	-	100	100	Investment holding
PM Nominees (Asing) Sdn. Bhd.	-	-	100	100	Nominees and custodian services

7. INVESTMENTS IN ASSOCIATES (continued)

(a) The details of the associates, which are all incorporated in Malaysia, are as follows (continued):

	Effective interest in equity held by				
	Company		Associates		
Name of Company	**2014 %**	**2013 %**	**2014 %**	**2013 %**	**Principal activities**
Subsidiaries of Pan Malaysia Capital Berhad (continued)					
PM Nominees (Tempatan) Sdn. Bhd.	-	-	100	100	Nominees and custodian services
PM Options & Futures Sdn. Bhd.	-	-	100	100	Inactive
PM Securities Sdn. Bhd.	-	-	99.99	99.99	Stock and sharebroking and corporate advisory services
Miranex Sdn. Bhd.	-	-	100	100	Moneylending

All the above associates are accounted for using the equity method in the consolidated financial statements.

7. INVESTMENTS IN ASSOCIATES (continued)

(b) The summarised financial information of the associates is as follows:

	2014 RM'000	2013 RM'000
At 31 December		
Current assets	135,566	163,719
Non-current assets	37,636	38,350
Current liabilities	(172,899)	(196,506)
Net assets	303	5,563
12-month period ended 31 December		
Revenue	24,338	21,546
Loss for the financial year/Total comprehensive expenses	(5,260)	(22,177)
Group's share of loss for the financial year	(1,833)	(7,727)
Reconciliation of net assets to carrying amount		
Group's share of net assets above	105	1,938
Carrying amount of the Group's interests in this associate	105	1,938

(c) During the financial year, impairment losses on investments in associates amounting to RM1,833,000 (2013: RM7,727,000) were recognised by the Company as the cost of investments in associates exceed their recoverable amounts.

8. OTHER INVESTMENTS

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Quoted shares outside Malaysia	807	807	807	807
Club memberships	65	65	65	65
	872	872	872	872

(a) Other investments of the Group are designated as available-for-sale financial assets and are measured at fair value.

(b) Impairment loss on other investment of RM16,000 was recognised during the previous financial year based on comparable market value of similar investments.

9. INVENTORIES

	The Group	
	2014 RM'000	2013 RM'000
At cost		
Consumables, food and beverages	148	417

During the financial year, inventories of the Group recognised as cost of sales amounted to RM 1,386,000 (2013: RM1,753,000). In addition, inventories written off amounted to RM60,000 was recognised in other operating expenses in the previous financial year.

10. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade receivables – third parties	673	1,185	-	-
Less: Impairment losses	(544)	(372)	-	-
	129	813	-	-
Other receivables	11,224	11,225	16	13
Less: Impairment losses	(11,034)	(10,996)	(1)	(1)
	190	229	15	12
Refundable deposits	465	459	89	89
Less: Impairment losses	(79)	(79)	(79)	(79)
	386	380	10	10
Loans and receivables	705	1,422	25	22
Prepayments	24	33	-	-
	729	1,455	25	22

(a) Trade receivables are non-interest bearing and the normal credit terms granted by the Group range from cash term to 30 days (2013: cash term to 30 days) from date of invoice. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

(b) Bad debts written off on other receivables during the previous financial year amounted to RM36,000 for the Group.

(c) All trade and other receivables are denominated in Ringgit Malaysia..

(d) The ageing analysis of trade receivables of the Group are as follows:

	The Group	
	2014 RM'000	2013 RM'000
Neither past due nor impaired	129	605
Past due, not impaired		
- 31 to 60 days	-	98
- 61 to 90 days	-	18
- More than 90 days	-	27
		143
Past due and impaired	544	437
	673	1,185

10. TRADE AND OTHER RECEIVABLES (continued)

(e) Trade receivables of the Group that are past due and impaired at the end of the reporting period are as follows:

Group	Collectively impaired RM'000	Individually impaired RM'000	Total RM'000
2014			
Trade receivables	258	286	544
Less: Impairment losses	(258)	(286)	(544)
	-	-	-

	Collectively impaired RM'000	Individually impaired RM'000	Total RM'000
2013			
Trade receivables	151	286	437
Less: Impairment losses	(86)	(286)	(372)
	65	-	65

(f) The reconciliation of movements in the impairment loss are as follows:

	The Group 2014 RM'000	The Group 2013 RM'000	The Company 2014 RM'000	The Company 2013 RM'000
Trade receivables				
At 1 January	372	372	-	-
Charge for the financial year	172	-	-	-
At 31 December	544	372	-	-
Other receivables				
At 1 January	10,996	10,839	1	1
Charge for the financial year	60	174	-	-
Written off	-	(9)	-	-
Reversal of impairment loss	(22)	(8)	-	-
At 31 December	11,034	10,996	1	1
Refundable deposits				
At 1 January/31 December	79	79	79	79
	11,657	11,447	80	80

10. TRADE AND OTHER RECEIVABLES (continued)

(f) The reconciliation of movements in the impairment loss is as follows (continued):

Trade and other receivables that are individually determined to be impaired at the end of each reporting period relate to those debtors that exhibit significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

11. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	The Company	
	2014 RM'000	2013 RM'000
Amount owing by subsidiaries	340,083	339,970
Less: Impairment losses	(335,007)	(335,007)
	5,076	4,963
Amount owing to subsidiaries	2,459	2,548

(a) Amounts owing by subsidiaries are unsecured, interest-free and payable upon demand in cash and cash equivalents.

(b) All amounts owing by/(to) subsidiaries are denominated in RM.

12. AMOUNTS OWING BY/(TO) ASSOCIATES

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Amount owing by associates	50,766	52,766	50,766	52,766
Amount owing to associates	943	943	-	-

(a) Amounts owing by/(to) associates are unsecured, interest-free and payable upon demand in cash and cash equivalents.

(b) All amounts owing by/(to) associates are denominated in RM.

13. AMOUNTS OWING BY/(TO) RELATED COMPANIES

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Amount owing by related companies	1,058	1,079	604	604
Less: Impairment losses	(975)	(953)	(604)	(604)
	83	126	-	-
Amount owing to related companies	1	1	-	-

(a) Amounts owing by/(to) related companies are unsecured, interest-free and payable upon demand in cash and cash equivalents.

(b) All amounts owing by/(to) related companies are denominated in RM.

14. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cash and bank balances	2,153	795	120	22
Deposits with licensed banks	2,421	990	1,353	-
	4,574	1,785	1,473	22

(a) The weighted average effective interest rate of term and call deposits of the Group that was effective during the financial year was 2.9% (2013: 2.9%) per annum.

Deposits with the licensed banks of the Group have a maturity period of 7 days (2013: 7 days)

(b) All cash and cash equivalents are denominated in RM.

15. SHARE CAPITAL

	The Company			
	2014		2013	
	Number of shares '000	RM'000	Number of shares '000	RM'000
Ordinary shares of RM0.10 each:				
Authorised	30,000,000	3,000,000	30,000,000	3,000,000
Issued and fully paid	928,867	92,887	928,867	92,887

The owners of the Company are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

16. RESERVES

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-distributable:				
Available-for-sale reserve	495	495	495	495

Available-for-sale-reserve arose from gains or losses of on financial assets classified as available-for-sale.

17. BORROWING

	The Group	
	2014 RM'000	2013 RM'000
Current liability		
Term loan	849	72
Non-current liability		
Term loan	18,797	19,709
	19,646	19,781

(a) The term loan of the Group is secured by fixed and floating legal charges over property, plant and equipment of the Group (Note 5). In addition, the term loan of the Group is guaranteed by the ultimate holding company.

(b) The term loan is repayable in one hundred sixty eight (168) monthly instalments commencing December 2014.

(c) The term loan is denominated in RM.

18. DEFERRED TAX LIABILITIES

	The Group	
	2014 RM'000	2013 RM'000
At 1 January	1,238	1,238
Recognised in profit or loss (Note 22)	(944)	-
At 31 December	294	1,238

(a) The deferred tax liabilities are made up of the following:

	The Group	
	2014 RM'000	2013 RM'000
As at 1 January / 31 December		
- property, plant and equipment	294	1,238

(b) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Taxable temporary differences	(1,196)	(1,226)	(1)	(1)
Unused tax losses	24,055	23,876	15,978	15,799
Unabsorbed capital allowances	4,870	4,284	3,009	3,009
	27,729	26,934	18,986	18,807

Deferred tax assets have not been recognised in respect of these items as it is not probable that taxable profit will be available against which the deductible temporary difference could be utilised.

The deductible temporary differences do not expire under the current tax legislation.

19. TRADE AND OTHER PAYABLES

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Trade payables				
Third parties	680	529	-	-
Other payables				
Other payables	3,178	2,262	62	59
Accruals	428	470	51	67
	3,606	2,732	113	126
	4,286	3,261	113	126

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and to the Company range from 14 to 60 days (2013:14 to 60 days) from date of invoice.

(b) Included in other payables of the Group is an amount of RM1,104,000 (2013: RM1,013,000) in respect of a legal suit settlement.

(c) The currency exposure profile of trade and other payables are as follows:

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Ringgit Malaysia	4,279	3,252	113	126
Singapore Dollar	7	9	-	-
	4,286	3,261	113	126

20. REVENUE

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Revenue from hotel operations	9,385	11,605	-	-
Management fees from subsidiaries	-	-	24	24
	9,385	11,605	24	24

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

21. LOSS BEFORE TAXATION

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Loss before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration:				
Statutory audit				
- current year	88	108	45	69
- overprovision in prior years	2	-	-	-
Non-statutory audit				
- current year	7	6	6	6
- underprovision in prior years	-	-	-	-
Bad debts written off	-	36	-	-
Depreciation of property, plant and equipment	1,085	1,568	-	1
Directors' remuneration paid and payable by the Company to the Directors of the Company:				
- fees	120	154	120	154
- other emoluments	18	19	18	19
Impairment losses on:				
- investment in a subsidiary	-	-	-	169
- investment in associates	-	-	1,833	7,727
- other investments	-	16	-	16
- trade receivables	172	-	-	-
- other receivables	60	174	-	-
- related companies	22	-	-	-
Finance costs:				
- interest expense on term loans	1,332	1,636	-	407
- other bank charges	-	426	-	204
Inventories written off	-	60	-	-
Loss on disposal of other investments	-	85	-	52
Loss on disposal of property, plant and equipment	-	4	-	-
Legal suit settlement	1,104	1,013	-	-
Property, plant and equipment written off	180	-	-	-
Rental of:				
- equipment	185	186	-	-
- land and building	51	72	3	24
Interest income	(35)	(9)	(11)	-
Management fees received and receivable from a subsidiary	-	-	(24)	(24)
Rental income on premises	(60)	(60)	-	-
Reversal of impairment losses on:				
- Trade and other receivables	(22)	(8)	-	-

21. LOSS BEFORE TAXATION (continued)

Number of Directors of the Company whose aggregate of remuneration received from the Company and its subsidiaries during the financial year is analysed as follows:

	Number of Directors	
	2014	2013
Non-Executive Directors		
Below RM50,000	4	4

22. INCOME TAX EXPENSE

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current tax expenses:				
- for the financial year	9	-	-	-
- underprovision in the previous financial year	5	71	-	-
	14	71	-	-
Deferred tax expenses (Note 18):				
- overprovision in the previous financial year	(944)	-	-	-
	(930)	71	-	-

22. INCOME TAX EXPENSE (continued)

A reconciliation of income tax expense applicable to the loss before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Loss before taxation	(3,880)	(10,262)	(2,164)	(9,038)
Tax at the statutory tax rate of 25% (2013: 25%)	(970)	(2,566)	(541)	(2,260)
Tax effects of:-				
Non-allowable expenses	323	753	496	2,174
Non-taxable income	(1)	(30)	-	-
Deferred tax assets not recognised during the financial year	199	25	45	86
Share of results in associate	458	1,932	-	-
Utilisation of previously unrecognised deferred tax assets	-	(114)	-	-
Underprovision of income tax in the previous financial year	5	71	-	-
Underprovision of deferred taxation in the previous financial year	(944)	-	-	-
	(930)	71	-	-

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective year of assessment 2016.

23. LOSS PER SHARE

(a) Basic loss per share is calculated by dividing the loss after taxation attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2014	2013
	RM'000	RM'000
Loss attributable to owners of the Company	(2,950)	(10,333)

	The Group	
	2014	2013
	'000	'000
Total weighted average number of ordinary shares in issue	928,867	928,867

	The Group	
	2014	2013
	Sen	Sen
Basic loss per share	(0.32)	(1.11)

(b) Diluted

The diluted loss per share was not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

24. EMPLOYEE BENEFITS

	The Group		The Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Wages, salaries and bonuses	1,698	1,946	5	18
Contributions to defined contribution plan	222	210	1	2
Social security contributions	38	43	-	-
Retirement gratuity	111	-	-	-
Other benefits	478	512	-	3
	2,547	2,711	6	23

25. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

The Company has controlling related party relationship with the ultimate holding company and its direct and indirect subsidiaries.

Related parties of the Group include:

(i) Malayan United Industries Berhad, the ultimate holding company;

(ii) Direct and indirect subsidiaries and associates of the ultimate holding company;

(iii) Pan Malaysia Capital Berhad, an associate of the Company; and

(iv) Pan Malaysian Industries Berhad, a corporate shareholder of the ultimate holding company.

(b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Related companies:				
- internal audit fee	-	21	-	15
- marketing fee paid and payable	-	24	-	-
- office rental paid and payable	3	24	3	24
- rental of motor vehicle	-	2	-	-
- renewal domain and webmail hosting	-	1	-	-
Subsidiary:				
- management fee received and receivable	-	-	24	24

Significant balances with related parties at the end of the reporting period are disclosed in Notes 11, 12 and 13 to the financial statements.

The abovementioned related party transactions were entered into the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with the respective parties.

25. RELATED PARTY DISCLOSURES (continued)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and the Company.

The remuneration of Directors and other key management personnel during the financial year was as follows:

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Short term employee benefits	18	19	18	19

26. OPERATING SEGMENTS

Pan Malaysia Holdings Berhad as well as its subsidiaries and associates are principally engaged in hotel, travel, stockbroking and investment holding.

Pan Malaysia Holdings Berhad has arrived at four reportable segments that are organised and managed separately according to the nature of products and services, specific expertise and technology requirements, which require different business and marketing strategies. The reportable segments are summarised as follows:

(a) Hotel

Hotel operations.

(b) Travel

Travel agent and provision of travel-related services.

(c) Stockbroking

Comprise mainly businesses involved in stock and sharebroking, corporate advisory services, research and fund management services, nominee and custodian services principally engaged by an associate.

(d) Investment holding

Comprise mainly investment, dormant and inactive subsidiaries.

The accounting policies of operating segments are the same as those described in the summary of significant accounting policies.

The Group evaluates performance on the basis of profit or loss from operation before tax.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial years.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

26. OPERATING SEGMENTS (continued)

2014	Hotel RM'000	Travel RM'000	Stockbroking RM'000	Investment holding RM'000	Total RM'000
Revenue					
Total revenue	9,385	-	-	24	9,409
Inter-segment revenue	-	-	-	(24)	(24)
Revenue from external customers	**9,385**	**-**	**-**	**-**	**9,385**
Interest income	24	-	-	11	35
Finance costs	(1,332)	-	-	-	(1,332)
Net finance expense	(1,308)	-	-	11	(1,297)
Depreciation of property, plant and equipment	(1,085)	-	-	-	(1,085)
Segment loss before taxation	**(1,683)**	**(16)**	-	**316**	**(1,383)**
Share of loss of associate	-	-	(1,833)	-	(1,833)
Income tax expense	930	-	-	-	930
Other material non-cash items:					
Impairment losses on:					
- trade receivables	(172)	-	-	-	(172)
- other receivables	(60)	-	-	-	(60)
Investments in associates	-	-	1,833	-	1,833
Additions to non-current assets other than financial instruments and deferred tax assets	334	-	-	-	334
Segment assets	**28,877**	**470**	**-**	**60,802**	**90,149**
Segment liabilities	**51,286**	**4**	**-**	**400,684**	**451,974**

26. OPERATING SEGMENTS (continued)

2013	Hotel RM'000	Travel RM'000	Stockbroking RM'000	Investment holding RM'000	Total RM'000
Revenue					
Total revenue	11,605	-	-	24	11,629
Inter-segment revenue	-	-	-	(24)	(24)
Revenue from external customers	**11,605**	-	-	-	**11,605**
Interest income	9	-	-	-	9
Finance costs	(1,229)	-	-	(407)	(1,636)
Net finance expense	(1,220)	-	-	(407)	(1,627)
Depreciation of property, plant and equipment	(1,567)	-	-	(1)	(1,568)
Segment loss before taxation	**(1,410)**	**(80)**	-	**(4,349)**	**(5,839)**
Share of loss of associate	-	-	(7,727)	-	(7,727)
Income tax expense	-	(72)	-	1	(71)
Other material non-cash items:					
Bad debts written off	(36)	-	-	-	(36)
Impairment losses on:					
- other investment	-	-	-	(16)	(16)
- other receivables	(174)	-	-	-	(174)
Inventories written down	(60)	-	-	-	(60)
Investments in associates	-	-	1,938	-	1,938
Additions to non-current assets other than financial instruments and deferred tax assets	460	-	-	-	460
Segment assets	**29,512**	**557**	**-**	**62,734**	**92,803**
Segment liabilities	**50,249**	**41**	**-**	**400,897**	**451,187**

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

26. OPERATING SEGMENTS (continued)

(a) Reconcilations

Reconcilations of reportable segment revenues, profit or loss, assets and liabilities to the corresponding amounts of the Group are follows:

	2014 RM'000	2013 RM'000
Revenue		
Total revenue for reportable segments	9,409	11,629
Elimination of inter-segmental revenues	(24)	(24)
Consolidated revenue	9,385	11,605
Loss for the financial year		
Total loss for reportable segments	(1,383)	(5,839)
Share of results of associates	(1,833)	(7,727)
Elimination of inter-segment (loss)/profit	(664)	3,304
Loss before taxation	(3,880)	(10,262)
Income tax expenses	930	(71)
Consolidated loss after taxation	(2,950)	(10,333)
Assets		
Total assets for reportable segments	90,149	92,803
Elimination of inter-company balances	(7,871)	(7,512)
Current tax assets	8	19
Consolidated total assets	82,286	85,310
Liabilities		
Total liabilities for reportable segments	451,974	451,187
Elimination of inter-company balances	(427,098)	(427,201)
Tax liabilities	307	1,271
Consolidated total liabilities	25,183	25,257

27. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

27.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currency giving rise to this risk is primarily Singapore Dollar. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

A 10% (2013 - 10%) strengthening/weakening of the Ringgit Malaysia against the Singapore Dollar at the end of the reporting period would have immaterial impact on profit after taxation. This assumes that all other variables remain constant.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 27.1(c) to the financial statements.

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

27. FINANCIAL INSTRUMENTS (continued)

27.1 FINANCIAL RISK MANAGEMENT POLICIES (continued)

(a) Market Risk (continued)

(ii) Interest Rate Risk

Interest rate risk sensitivity analysis (continued)

	The Group 2014 RM'000	The Group 2013 RM'000	The Company 2014 RM'000	The Company 2013 RM'000
Effective on loss after taxation/equity				
Increase of 100 basis points	(129)	141	10	-
Decrease of 100 basis points	129	(141)	(10)	-

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

If prices for quoted investments at the end of the reporting period strengthen by 1% (2013 - 1%) with all other variables being held constant, the Group's equity would have increased by RM8,000 (2013 – RM8,000). A 1% (2013 - 1%) weakening in the quoted prices would have had an equal but opposite effect on the profit after taxation and equity respectively.

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

27. FINANCIAL INSTRUMENTS (continued)

27.1 FINANCIAL RISK MANAGEMENT POLICIES (continued)

(b) Credit Risk (continued)

(i) Credit risk concentration profile

The Group's major concentration of credit risk relates to the amount owing by an associate which constituted approximately 98% of its receivables at the end of the reporting period.

(ii) Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the end of the reporting period.

(iii) Ageing analysis

The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows:-

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Value RM
2014				
Not past due	129	-	-	129
Past due:				
- 31 to 60 days	-	-	-	-
- 61 to 90 days	-	-	-	-
- over 90 days	544	(286)	(258)	-
	673	(286)	(258)	129
2013				
Not past due	605	-	-	605
Past due:				
- 31 to 60 days	98	-	-	98
- 61 to 90 days	18	-	-	18
- over 90 days	464	(286)	(86)	92
	1,185	(286)	(86)	813

27. FINANCIAL INSTRUMENTS (continued)

27.1 FINANCIAL RISK MANAGEMENT POLICIES (continued)

(b) Credit Risk (continued)

(iii) Ageing analysis (continued)

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Groups uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 90 days, which are deemed to have higher credit risk, are monitored individually.

27. FINANCIAL INSTRUMENTS (continued)

27.1 FINANCIAL RISK MANAGEMENT POLICIES (continued)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

The Group	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
2014						
Term loan	6.85	19,646	30,755	2,168	8,674	19,913
Trade and other payables	-	4,286	4,286	4,286	-	-
Amount owing to associate	-	943	943	943	-	-
Amount owing to related companies	-	1	1	1	-	-
		24,876	35,985	7,398	8,674	19,913
2013						
Term loan	6.60	19,781	32,219	1,463	10,843	19,913
Trade and other payables	-	3,261	3,261	3,261	-	-
Amount owing to associate	-	943	943	943	-	-
Amount owing to related companies	-	1	1	1	-	-
		23,986	36,424	5,668	10,843	19,913

27. FINANCIAL INSTRUMENTS (continued)

27.1 FINANCIAL RISK MANAGEMENT POLICIES (continued)

(c) Liquidity Risk (continued)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (continued):-

The Company	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	On demand Within 1 Year RM	1 – 5 Years RM	Over 5 Years RM
2014						
Trade and other payables	-	113	113	113	-	-
Amount owing to subsidiaries	-	2,459	2,459	2,459	-	-
		2,572	2,572	2,572	-	-
2013						
Trade and other payables	-	126	126	126	-	-
Amount owing to subsidiaries	-	2,548	2,548	2,548	-	-
		2,674	2,674	2,674	-	-

27. FINANCIAL INSTRUMENTS (continued)

27.2 CAPITAL RISK MANAGEMEMT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on gearing ratio, which is net debt divided by total equity. The Group includes within net debts, loan and borrowing, trade and other payables, less cash and bank balances and deposits with licensed banks.

	The Group	
	2014	**2013**
	RM'000	**RM'000**
Amounts owing to associates	943	943
Amounts owing to related companies	1	1
Borrowing	19,646	19,781
Trade and other payables	4,286	3,261
Other liabilities	307	1,271
Total liabilities	25,183	25,257
Less: Cash and bank balances	(2,153)	(795)
Less: Fixed deposit with licensed banks	(2,421)	(990)
Net debt	20,609	23,472
Equity attributable to owners of The Company	57,103	60,053
Gearing ratio	0.36	0.39

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity (total equity attributable to owners of the Company) equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

27. FINANCIAL INSTRUMENTS (continued)

27.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Financial Assets				
Available-for-sale financial assets				
Quoted investments	807	807	807	807
Club membership	65	65	65	65
	872	872	872	872
Loans and receivables financial assets				
Trade and other receivables	705	1,422	25	22
Amount owing by subsidiaries	-	-	5,076	4,963
Amount owing by associates	50,766	52,766	50,766	52,766
Amount owing by related companies	83	126	-	-
Fixed deposits with licensed banks	2,421	990	1,353	22
Cash and bank balances	2,153	795	120	-
	56,128	56,099	57,340	57,773
Financial Liabilities				
Other financial liabilities				
Term loan	19,646	19,781	-	-
Trade and other payables	4,286	3,261	113	126
Amount owing to subsidiaries	-	-	2,459	2,548
Amount owing to associates	943	943	-	-
Amount owing to related companies	1	1	-	-
	24,876	23,986	2,572	2,674

27. FINANCIAL INSTRUMENTS (continued)

27.4 FAIR VALUE INFORMATION

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			**Total Fair Value**	**Carrying Amount**
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
The Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2014								
Financial Assets								
Other investments:								
– quoted shares	807	-	-	-	-	-	807	807
– club membership	-	-	65	-	-	-	65	65
Financial Liabilities								
Term loan	-	-	-	-	19,646	-	19,646	19,646

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

27. FINANCIAL INSTRUMENTS (continued)

27.4 FAIR VALUE INFORMATION (continued)

The Group	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			**Total Fair Value**	**Carrying Amount**
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000	RM'000
2013								
Financial Assets								
Other investments:								
– quoted shares	807	-	-	-	-	-	807	807
– club membership	-	-	65	-	-	-	65	65
Financial Liabilities								
Term loan	-	-	-	-	19,781	-	19,781	19,781

27. FINANCIAL INSTRUMENTS (continued)

27.4 FAIR VALUE INFORMATION (continued)

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			**Total Fair Value**	**Carrying Amount**
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
The Company	RM	RM	RM	RM	RM	RM	RM	RM
2014								
Financial Assets								
Other investments:								
– quoted shares	807	-	-	-	-	-	807	807
– club membership	-	-	65	-	-	-	65	65

27. FINANCIAL INSTRUMENTS (continued)

27.4 FAIR VALUE INFORMATION (continued)

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			**Total Fair Value**	**Carrying Amount**
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
The Company	RM	RM	RM	RM	RM	RM	RM	RM
2013								
Financial Assets								
Other investments:								
– quoted shares	807	-	-	-	-	-	807	807
– club membership	-	-	65	-	-	-	65	65

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 31 December 2014 and 31 December 2013.

28. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 12 December 2014, the Company announced that Dato' Dr Yu Kuan Chon ("Offeror") had entered into a Share Sale Agreement to acquire 642,700,783 ordinary shares of RM0.10 each in the Company, representing 69.192% of the voting shares of the Company, from Acquiline Sdn Bhd, Loyal Design Sdn Bhd, Malayan United Management Sdn Bhd, MUI Media Ltd, MUI Property Services Sdn Bhd and Megawise Sdn Bhd (collectively referred to as "Vendors") for a total cash consideration of RM77,124,094 ("Proposed Acquisition").

Upon completion of the Proposed Acquisition, the aggregate interest of the Offeror and the persons acting in-concert with him ("PACs") will increase from 49,506,900 ordinary shares of the Company, representing approximately 5.330% to 692,207,683 ordinary shares of the Company, representing 74.522% of the issued and paid-up share capital of the Company.

After the Proposed Acquisition, the Offeror will be obliged to extend a mandatory offer for all the remaining shares of the Company not already owned by the Offeror pursuant to Part III, Section 9(1)(b) of the Malaysian Code on Take-overs and Mergers, 2010 ("Code") at a cash offer of RM0.120 per ordinary share of the Company.

Consequent to the Proposed Acquisition and pursuant to Paragraph 4.1 of Practice Note 9 of the Code, the Offeror and the PACs are required to undertake an unconditional take-over offer for all the remaining ordinary shares of RM0.40 each in Pan Malaysia Capital Berhad not already owned by the Offeror and the PACs. The Company is presumed to be acting in-concert with the Offeror pursuant to Section 216 of Capital Market and Services Act, 2007 as the Offeror's obligation to undertake the Proposed Downstream Offer arises from the Company's interests in Pan Malaysia Capital Berhad, pursuant to Paragraph 4.1 of Practice Note 9 of the Code. Currently, the Offeror and the PACs hold in aggregate 39,955,300 ordinary shares of Pan Malaysia Capital Berhad, representing approximately 4.901% of the issued and paid-up share capital of Pan Malaysia Capital Berhad. After the Proposed Acquisition, RHB Investment Bank Berhad will serve a notice on the board of directors of Pan Malaysia Capital Berhad, for and on behalf of the Offeror and the PACs, stating that the Offeror and the PACs intend to undertake the Proposed Downstream Offer at a cash offer price of RM0.010 per ordinary share of Pan Malaysia Capital Berhad, in accordance with Paragraph 1.8 of Practice Note 21 of the Code.

The shareholdings of the Vendors in the Company as at 11 December 2014 as set out below:

No.	Vendors	No. of shares	%
1.	Acquiline Sdn Bhd	30,463,488	3.280
2.	Loyal Design Sdn Bhd	358,496,163	38.595
3.	Malayan United Management Sdn Bhd	86,300	0.009
4.	MUI Media Ltd	170,877,552	18.396
5.	MUI Property Services Sdn Bhd	27,773	0.003
6.	Megawise Sdn Bhd	82,749,507	8.909
	Total	**642,700,783**	**69.192**

29. SIGNIFICANT EVENT OCCURING AFTER THE REPORTING PERIOD

On 11 March 2015, the Company announced that the Offeror and Vendors had mutually agreed to extend the period for fulfillment of the Condition Precedent to 11 April 2015.

On 10 April 2015, the Company announced that the Offeror and Vendors had mutually agreed to extend the period for fulfillment of the Condition Precedent to 11 May 2015. Accordingly, the completion date for the Share Sale Agreement shall now be 13 May 2015, subject to the fulfillment of the Condition Precedent.

30. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

The accumulated losses as at the end of each reporting period may be analysed as follows:

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total accumulated losses of the Company and its subsidiaries:				
- realised	(451,911)	(450,507)	(37,156)	(34,992)
- unrealised	(294)	(1,238)	-	-
	(452,205)	(451,745)	(37,156)	(34,992)
Total share of accumulated losses of associate:				
- realised	(54,749)	(52,937)	-	-
- unrealised	786	807	-	-
	(506,168)	(503,875)	(37,156)	(34,992)
Less: Consolidation adjustments	469,889	470,546	-	-
At 31 December	(36,279)	(33,329)	(37,156)	(34,992)

PROPERTIES OWNED BY THE GROUP

As At 31 December 2014

Location & Description	Usage	Tenure	Approximate Area	Approximate Age of the Building	Net Book Value	Date of Acquisition/ Last Revaluation
			Sq. Metres	*No. Of Years*	***RM'000***	
State of Negeri Sembilan Darul Khusus						
4 lots of land with a 10-storey resort hotel at Lot 286, 288, & 289 and PT5855, 3 1/2 km, Jalan Pantai, Port Dickson	Hotel	Leasehold Expiring 2059/2087	55,745	19	23,638	1993

ANALYSIS OF SHAREHOLDINGS

As At 20 April 2015

Class of Share : Ordinary share of RM0.10 each
Voting Rights : 1 vote per ordinary share

Substantial Shareholders
as per Register of Substantial Shareholders

	Direct Interest		Deemed Interest	
Name	**No. of Shares**	**%**	**No. of Shares**	**%**
1. Pan Malaysian Industries Berhad	–	–	643,330,487	69.26
2. Tan Sri Dato' Khoo Kay Peng	–	–	643,330,487	69.26
3. Malayan United Industries Berhad	–	–	642,700,783	69.19
4. Loyal Design Sdn Bhd	358,496,163	38.59	–	–
5. MUI Media Ltd	170,877,552	18.40	–	–
6. Megawise Sdn Bhd	82,749,507	8.91	–	–
7. Pan Malaysia Corporation Berhad	–	–	82,749,507	8.91
8. KKP Holdings Sdn Bhd	–	–	643,330,487	69.26
9. Soo Lay Holdings Sdn Bhd	–	–	643,330,487	69.26
10. Norcross Limited	–	–	643,330,487	69.26
11. Cherubim Investment (HK) Limited	–	–	643,330,487	69.26

Distribution of Shareholders

Holdings	No. of Holders	%	No. of Shares	%
Less than 100 shares	350	4.71	14,189	0.00
100 - 1,000 shares	1,902	25.58	1,654,137	0.18
1,001 - 10,000 shares	3,771	50.71	17,158,676	1.84
10,001 - 100,000 shares	1,166	15.68	40,189,116	4.33
100,001 to less than 5% of issued shares	244	3.28	257,728,071	27.75
5% and above of issued shares	3	0.04	612,123,222	65.90
Total	7,436	100.00	928,867,411	100.00

ANALYSIS OF SHAREHOLDINGS (Cont'd)

Thirty (30) Largest Registered Shareholders

	Name	No. of Shares	%
1.	Loyal Design Sdn Bhd	358,496,163	38.59
2.	MUI Media Ltd	170,877,552	18.40
3.	Megawise Sdn Bhd	82,749,507	8.91
4.	Acquiline Sdn Bhd	30,463,488	3.28
5.	CIMSEC Nominees (Tempatan) Sdn Bhd - Danaharta Urus Sdn Bhd	13,554,211	1.46
6.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ho Swee Ming	13,409,500	1.44
7.	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chan Weng Fui	12,114,100	1.30
8.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yu Kuan Chon	11,106,700	1.20
9.	AllianceGroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yu Kuan Chon	10,736,000	1.20
10.	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ho Swee Ming	10,244,400	1.10
11.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yu Kuan Chon	8,679,300	0.93
12.	AllianceGroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chan Sow Keng	8,388,500	0.90
13.	AllianceGroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yu Chong Chen	6,326,800	0.68
14.	CIMSEC Nominees (Tempatan) Sdn Bhd - Danaharta Managers Sdn Bhd	5,673,118	0.61
15.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Cheong Swee Yong	4,774,900	0.51
16.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Leong Wouh	4,717,400	0.51
17.	Affin Hwang Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yu Kuan Chon	4,554,200	0.49
18.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Yet Lien	4,475,100	0.48
19.	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chan Yan Meng	4,117,200	0.44
20.	Tai Chang Eng @ Teh Chang Ying	3,307,000	0.36
21.	AllianceGroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ho Swee Ming	3,036,000	0.33
22.	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lim Wen Tzer	2,607,400	0.28
23.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yu Chong Chen	2,524,900	0.27
24.	Yeap Poh Tin	2,500,000	0.27
25.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Chun Weng	2,428,300	0.26
26.	Ong Yew Beng	2,300,000	0.25
27.	AllianceGroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Yu Kuan Chon	2,166,300	0.23
28.	RHB Capital Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lee Yuen Lang	1,990,500	0.21
29.	Bank Kerjasama Rakyat Malaysia Berhad	1,985,751	0.21
30.	Kenanga Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Chan Yan Meng	1,925,600	0.21
	Total	792,229,890	85.29

Pan Malaysia Holdings Berhad
95469-W
Incorporated in Malaysia

FORM OF PROXY

IMPORTANT!
Please take note that all the fields underlined in this proxy form are mandatory and must be completed in full and accurately. The Company reserves the right to invalidate and/or reject any proxy form which is not complete or accurately filled in.

No. of Shares Held: ______________________

I/We ______________________________ NRIC / Company No. ______________________
of ______________________________ Tel. No. ______________________
being a member of PAN MALAYSIA HOLDINGS BERHAD hereby appoint ______________________
______________________________ NRIC No. ______________________
of ______________________________ (percentage of shareholding represented: __________%)
or failing him/her, ______________________________ NRIC No. ______________________
of ______________________________ (percentage of shareholding represented: __________%)

or failing him/her, the Chairman of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Thirty-Second Annual General Meeting of the Company to be held at Rembau Room, Corus Paradise resort Port Dickson, 3.5km, Jalan Pantai, 71000 Port Dickson, Negeri Sembilan Darul Khusus on Thursday, 18 June 2015 at 4.30 p.m. and at any adjournment thereof, and to vote as indicated below:-

	Resolutions	For	Against
1.	To approve Directors' fees of RM110,581.		
2.	To re-elect Puan Farizon binti Ibrahim as Director of the Company.		
3.	To re-appoint Messrs Crowe Horwath as auditors of the Company and to authorize the Directors to fix their remuneration.		
4.	Proposed authority to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		

(Please indicate with 'X' how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

Seal

____
Signature

Signed this ______________ day of ______________ 2015

Notes:-
1. *Only a member whose name appears on the Record of Depositors as at 9 June 2015 shall be entitled to attend and vote at the meeting or appoint proxies to attend and/or vote on his or her behalf. A member of the Company entitled to attend and vote at a meeting of the Company, or at a meeting of any class of the members of the Company, shall be entitled to appoint any person as his proxy to attend and vote instead of the member at the meeting. There shall be no restriction as to the qualification of the proxy.*
2. *A member entitled to attend and vote shall not be entitled to appoint more than two proxies to attend and vote at the same meeting. Where a member is an authorized nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint one proxy only in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. Where a member of the Company is an exempt authorized nominee which holds ordinary share of the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds. An exempt authorized nominee refers to an authorized nominee defined under the Securities Industry (Central Depositories) Act, 1991 which is exempted from the compliance with the provisions of subsection 25A(1) of the Securities Industry (Central Depositories) Act, 1991.*
3. *Where a member and/or an exempt authorized nominee, appoints two or more proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.*
4. *The Form of Proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing or if such appointor is a corporation, under its common seal or under the hand of the attorney.*
5. *The Form of Proxy must be deposited at the registered office of the Company at Unit 3, 191, Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.*

fold here first

Stamp

The Company Secretary
Pan Malaysia Holdings Berhad
Unit 3, 191, Jalan Ampang
50450 Kuala Lumpur
Malaysia