PETALING TIN BERHAD (324-H)
INCORPORATED IN MALAYSIA

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NO 118, JALAN SEMANGAT,
46300 PETALING JAYA,
SELANGOR DARUL EHSAN.

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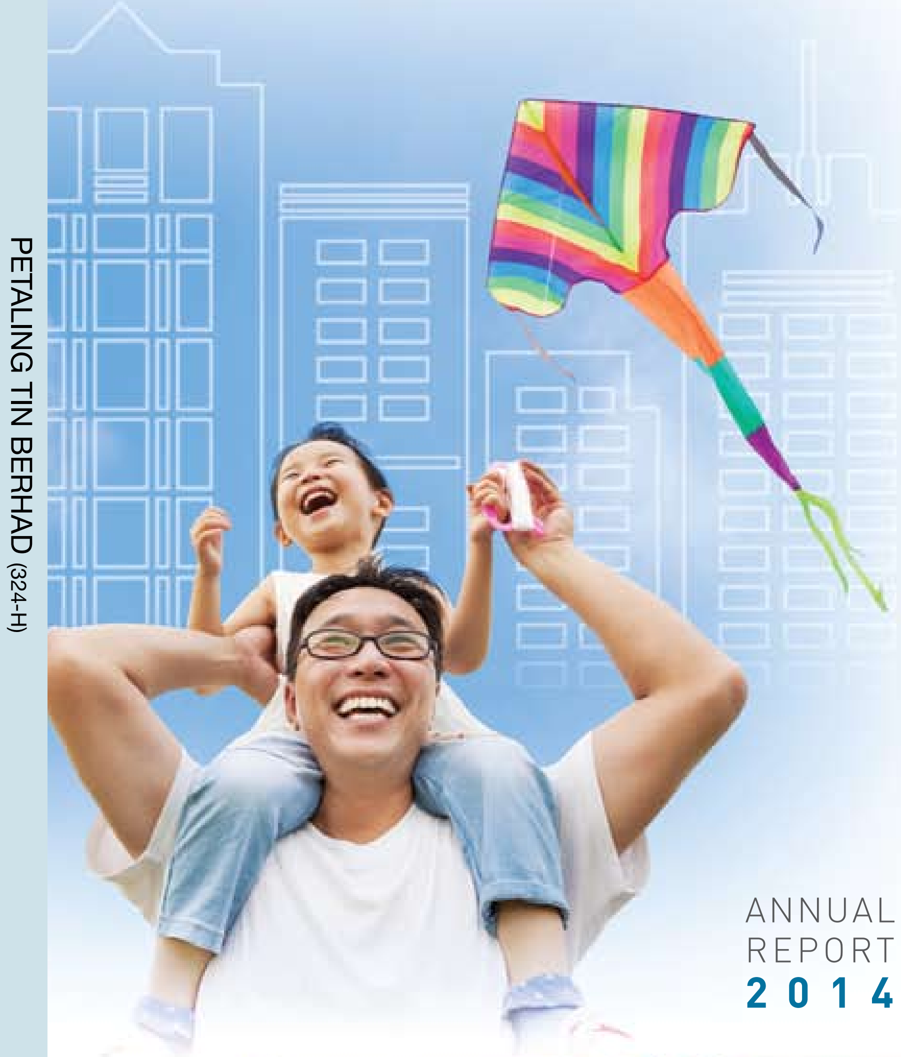
PETALING TIN BERHAD (324-H)

ANNUAL REPORT 2014

PETALING TIN BERHAD (324-H)
INCORPORATED IN MALAYSIA



ANNUAL REPORT 2014

2014

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Corporate Information

PRESIDENT

Tan Sri Dr Chen Lip Keong

BOARD OF DIRECTORS

Datuk Haji Jaafar bin Abu Bakar
Chairman

Mr Chen Yiy Fon
Chief Executive Officer

Datuk Wan Kassim bin Ahmed

Dato' Nik Kamaruddin bin Ismail

Mr Lim Mun Kee

AUDIT COMMITTEE

Datuk Haji Jaafar bin Abu Bakar
Chairman

Datuk Wan Kassim bin Ahmed

Mr Lim Mun Kee

NOMINATION COMMITTEE

Datuk Haji Jaafar bin Abu Bakar
Chairman

Datuk Wan Kassim bin Ahmed

REMUNERATION COMMITTEE

Datuk Haji Jaafar bin Abu Bakar
Chairman

Datuk Wan Kassim bin Ahmed

Mr Lim Mun Kee

COMPANY SECRETARIES

Mr Lam Hoi Khong
MIA 18848

Ms Voon Yoon Mei
MAICSA 0802554

AUDITORS

UHY Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur, Malaysia

SOLICITORS

Ben & Partners
Tan, Chua & Lawrence
Izral Partnership

PRINCIPAL PLACE OF BUSINESS

1st Floor, No. 118, Jalan Semangat
46300 Petaling Jaya
Selangor Darul Ehsan
Telephone : 603 7968 1222
Facsimile : 603 7954 1155

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

REGISTERED OFFICE

1st Floor, No. 118, Jalan Semangat
46300 Petaling Jaya
Selangor Darul Ehsan
Telephone : 603 7968 1222
Facsimile : 603 7954 1155

SHARE REGISTRAR

Semangat Corporate Resources Sdn Bhd
Ground Floor, No. 118, Jalan Semangat
46300 Petaling Jaya
Selangor Darul Ehsan
Telephone : 603 7968 1001
Facsimile : 603 7958 8013

Corporate Structure

PETALING TIN BERHAD

- PROPERTY DEVELOPMENT
- INVESTMENT HOLDING
- MANAGEMENT SERVICES

PROPERTY INVESTMENT &/OR DEVELOPMENT

- 100% GOLDEN DOMAIN DEVELOPMENT SDN BHD
- 100% LEMBAH LANGAT DEVELOPMENT SDN BHD
- 100% MAGILDS PARK SDN BHD
- 100% MAJURAMA DEVELOPMENTS SDN BHD
- 100% PTB DEVELOPMENT SDN BHD
- 100% PTB HORTICULTURE FARM SDN BHD

OTHERS

- 100% GOLDEN DOMAIN HOLDINGS SDN BHD
- 100% PETALING VENTURES SDN BHD
- 100% PTB CLAY PRODUCTS SDN BHD
- 100% UKAYLAKE COUNTRY CLUB BHD

Joint Chairman/CEO's Statement

Dear Valued Shareholders,

ON BEHALF OF THE BOARD OF DIRECTORS, WE ARE PLEASED TO PRESENT THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS OF PETALING TIN BERHAD ("PTB") FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014.

ECONOMIC REVIEW

The global economy experienced a moderate growth pace in 2014. The US market has shown positive signs of improvement, while the economies of other developed nations in particular the euro zone and Japan were still below par and certain parts of the world still remained in uncertainty due to upheavals affecting those regions.

The Malaysian economy managed a growth of 6.0% (2013: 4.7%), supported mainly by sustained domestic demand and the resilient export sector. Barring unforeseen circumstances, the positive outlook of the US economy will bode well for the Malaysian export sector.

FINANCIAL REVIEW

For financial year 2014, the Group recorded a lower turnover of RM17.5 million as compared to turnover of RM18.7 million in 2013, with a resultant net loss of RM6.1 million in the current year which was an improvement from the net loss of RM7.0 million in the previous financial year.

As at 31 December 2014, the Group's shareholders' funds stood at RM359.9 million as compared to RM366.0 million for the last financial year end. The Group's net tangible assets backing per share was RM1.04, a slight reduction from the previous year of RM1.06 .

OPERATIONAL REVIEW

For the year under review, the Group's revenue mainly contributed by sales of properties within its numerous project locations at Klang Valley, namely Taman Kelab Ukay, Ampang and Sungai Buloh, and its project at Senawang, Negeri Sembilan.

The commercial and residential components at Taman Kelab Ukay, Ampang achieved approximately RM7.2 million in revenue, while the industrial, commercial and residential components at Sungai Buloh project accounted for RM3.9 million in revenue. The commercial properties at Senawang recorded the remaining RM1.2 million in revenue. Collectively, the property development segment of the Group accounted for 70 percent of the Group's total revenue or RM12.3 million in value.

The Group's construction contracts secured previous years have reached their tail-end with contribution of RM2.8 million in revenue for the year. These contracts involved constructions of high-end landed residential houses at prime locations within Klang Valley.

The remaining component of Group revenue comprised rental income of RM2.4 million from the Group's investment properties which were recurring in nature.

Joint Chairman/CEO's Statement

CORPORATE DEVELOPMENT

The Group has on 5 December 2014, entered into a share sale agreement with Talent Joy Investment Limited for the disposal of 1,100,000 ordinary shares of HKD1.00 each representing forty percent (40%) of the issued and paid-up share capital of its associate company, Fandison Resources Management Limited ("Fandison") for a consideration of USD8,000 in cash on a "willing buyer willing seller" basis after taking into account the Group's investment in Fandison which has been fully impaired as at the date of the disposal.

Fandison was not a major contributing entity, and its business was not within the Group's core activities, hence the disposal enabled the Group to better focus its resources into other productive activities. The disposal was completed on 5 December 2014.

DIVIDEND

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

PROSPECTS FOR 2015

The Malaysian economy is expected to register estimated growth rate of between 4.5% - 5.5% for 2015 despite the challenging environment. Sustained domestic demand being the key anchor growth will be driven mainly by private sector spending. Public consumption and exports projected to experience only moderate growth due to Government's rationalisation measures in its expenditure, and overall lower commodity prices respectively.

However, uncertainty of the strength of the global economy outlook coupled with the sustained lower commodity prices in particular crude oil prices will likely have an impact on Malaysia's fiscal and balance payment position. There is also the upside risk of inflation from the recent implementation of the Goods and Services Tax (GST) in April 2015 which will likely affect the market sentiments.

The property sector will likely be affected by the implementation of GST and the sustained credit tightening measures by the financial institutions. Taking heed of the outlook, the Group shall continue to embark, albeit cautiously, on carefully planned future developments at its key land banks located at Sungai Buloh, Taman Kelab Ukay, Ampang and Senawang emphasizing on contemporary design, lifestyle, innovation, pricing and quality.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a responsible property developer, the Group adopts and promotes "Green Environmental" approaches and practices in all its property development activities. The Group works closely with its business associates and partners, with emphasis placed on using resources efficiently and effectively whilst adopting environmental best practices whenever possible.

Environmental friendly policies, practices and procedures are adopted to minimize energy wastages, with proper management of waste disposal and recycling of materials, and where possible prevention of emission of gas or air pollutants.

The Group acknowledges and recognizes the importance of its human resources and work force and their contributions and provides a safe, secure, healthy and conducive workplace environment for its employees.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, we wish to record our appreciation to Mr. Tiang Chong Seong who has retired from the Board, for his invaluable contributions during his tenure of service.

The Board would like to take this opportunity to express its gratitude and thanks to our valued shareholders, customers, business associates, bankers and relevant authorities for their confidence, contributions and continued support for the Group.

Our heartfelt thanks also extend to all our valued employees, the management team for their unwavering commitment, diligence, dedications and continuous efforts towards bringing the Group to greater heights.

Datuk Haji Jaafar Bin Abu Bakar
Chairman

Chen Yiy Fon
Chief Executive Officer

Dated: 21 April 2015

Profile of Directors/CEO

Datuk Haji Jaafar Bin Abu Bakar
Chairman, Independent Non-Executive Director

- Aged 68, Malaysian
- Appointed to the Board on 1 August 1997
- Appointed as Chairman on 26 September 2008
- Chairman of the Board, Audit, Nomination and Remuneration Committees
- Graduated with a Bachelor of Arts (Honours) from University of Malaya in 1969; obtained a Masters in Public Policy and Administration from University of Wisconsin, Madison, U.S.A. in 1980 and is a Fellow member of the Economic Development Institute of the World Bank, Washington D.C.
- Started his career as a Land Administrator in FELDA before joining the Malaysian civil service in 1970; has since served in various senior positions within the Government Departments which included State Development Officer in Penang, Pahang and Kelantan, Deputy General Manager of Central Terengganu Development Authority and South Kelantan Development Authority, Director of Kelantan Land Development Board, General Manager of Kelantan State Economic Development Corporation, Deputy Secretary General of the Ministry of Domestic Trade and Consumer Affairs and Council Member of Malaysian Industrial Development Authority; opted for early retirement from the civil service in 1991; joined Koperasi Usaha Bersatu as Group General Manager of KUB Holdings Berhad; subsequently took up a position as Executive Director of Damansara Realty Berhad and a year later, served as Managing Director; served as Executive Chairman of Cold Storage (Malaysia) Berhad from 1996 to 1998 and President / CEO of Uniphoenix Corp. Berhad until 2006

Mr Chen Yiy Fon
Chief Executive Officer, Non-Independent Executive Director

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

Datuk Wan Kassim Bin Ahmed
Independent Non-Executive Director

- Aged 66, Malaysian
- Appointed to the Board on 2 July 2001
- A member of the Audit, Nomination and Remuneration Committees
- Graduated with a Bachelor of Economics (Honours) from University of Malaya in 1973
- Began his career with Messrs Kassim Chan, an audit firm in 1973 before joining Bank Bumiputra Malaysia Berhad; joined Shamelin Berhad for 10 years before starting his own management consultancy firm, United Kadila Sdn Bhd in 1984; served as a Councillor for the Petaling Jaya Town Council between 1987 and 1991; served as a Board member of the Malaysian Tourist Development Board from 1992 to 1996
- Currently, he is also an Independent and Non-Executive Director of Karambunai Corp Berhad, FACB Industries Incorporated Berhad and Octagon Consolidated Berhad

Profile of Directors/CEO

Dato' Nik Kamaruddin Bin Ismail
Non-Independent Non-Executive Director

- Aged 61, Malaysian
- Appointed to the Board on 1 December 2004
- Graduated with a Bachelor of Science (Finance)
- Worked for a period of 14 years (1973-1987) in 3M Corporation. He served as a director of 3M Corporation from 1983 to 1987, being the first Malaysian appointed to its Board. He was also a director of TV3 from 1987 to 1991, an Executive Director of Karambunai Corp Bhd from November 1994 to November 2004 and a Non-Executive Director of Tebrau Teguh Berhad from December 2002 to November 2004

Mr Lim Mun Kee
Independent Non-Executive Director

- Aged 48, Malaysian
- Appointed to the Board on 1 August 2007
- A member of the Audit and Remuneration Committees
- A member of the Malaysian Institute of Accountants and Certified Public Accountants and the Malaysian Institute of Chartered Accountants
- He started his career as an article student in KPMG Peat Marwick in 1989 and obtained his professional qualification in 1995. He has over 15 years of experience in auditing, finance and accountancy field where he worked in several listed companies as the Accountant, Financial Controller and Head of Internal Audit
- Currently, he is also an Independent and Non-Executive Director of FACB Industries Incorporated Berhad and Karambunai Corp Berhad

Other Information

1. Mr Chen Yiy Fon is the son of Tan Sri Dr Chen Lip Keong, who is the President and Controlling Shareholder of Petaling Tin Berhad

2. Except for the following directors, the Directors do not have any conflict of interest with the Group:

   - Datuk Haji Jaafar Bin Abu Bakar by virtue of his interests in privately owned companies, of which some are also involved in property development. However, the said companies are not in direct competition with the business of the Group.

3. The President, Tan Sri Dr Chen Lip Keong by virtue of his interest in privately owned companies and in Karambunai Corp Berhad of which some of its subsidiaries are also involved in property development.

4. Neither the Directors nor Chief Executive Officer have been convicted for any offences within the past 10 years other than traffic offences.

Statement on Corporate Governance

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

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

BOARD OF DIRECTORS

Board Charter

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

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

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

Board Responsibilities

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

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

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

Board Meetings

The Company is led and controlled by an experienced Board with a wide range of expertise. Board members' judgement has a bearing on strategies, performances, resources and standards. Four (4) Board meetings were held during the financial year ended 31 December 2014. In between scheduled meetings and where appropriate, Board decisions may be effected via circular resolutions. The details of attendance during the meetings held during the financial year, is presented below:-

Directors	Attendance
Datuk Haji Jaafar bin Abu Bakar	4/4
Datuk Wan Kassim bin Ahmed	4/4
Dato' Nik Kamaruddin bin Ismail	2/4
Mr Lim Mun Kee	4/4
Mr Chen Yiy Fon	4/4

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

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

Board Composition

The Board currently consists of five (5) members comprising one (1) Executive Director and four (4) Non-Executive Directors. All the Non-Executive Directors, three (3) are Independent, hence more than a third of the Board is independent. The Board deems its Independent Non-Executive Directors to be persons of calibre, credibility and have the necessary skills and experience to bring an independent judgement to Board deliberations.

Statement on Corporate Governance

Board Composition (Cont'd)

The Board's composition reflects a commitment towards achieving a requisite mix of skills and experience in various business and financial competencies. Executive Directors have direct responsibilities for business operations whereas Non-Executive Directors are responsible for bringing independent objective judgement to bear on Board decisions.

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

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

Board Independence

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

The Company's Independent Non–Executive Directors, namely, Datuk Haji Jaafar bin Abu Bakar and Datuk Wan Kassim bin Ahmed having served more than 9 years, constitutes a departure from the Code recommendations. The Board is of the opinion that these directors, as a result of their long tenure, possess valuable knowledge of the structure, controls and dynamics of the Company.

Consequently, pursuant to Recommendation 3.3 of the Code, the Board seek shareholders' approval to retain their designation as independent directors. The length of their service on the Board does not in any way interfere with their exercise of independent judgement and ability to act in the best interests of the Company as they continue to be scrupulously independent in the discharge of their duties as constructive challengers of executive management.

The Board, therefore, recommends that Datuk Haji Jaafar Bin Abu Bakar and Datuk Wan Kassim Bin Ahmed should
continue to serve as Independent Non-Executive Directors of the Company for another year.

Board Gender Diversity

The Board acknowledges the importance of board diversity, including gender diversity, to the effective functioning of the Board. Female representation will be considered when vacancies arise and suitable candidates are identified, underpinned by the overriding primary aim of selecting the best candidates to support the achievement of the Company's strategic objectives.

Continuing Education of Directors

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

Directors are required to attend the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad. During the financial year, the directors attended a seminar titled "Corporate Disclosure Policy under Listing Requirements and Responsibility of Financial Statements."

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

Supply of Information

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

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

Company Secretary

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

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

Statement on Corporate Governance

BOARD OF DIRECTORS (CONT'D)

Board Committees

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

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

Appointments to the Board

The Board had established a Nomination Committee with appropriate terms of reference on the 30th October 2001. The members of the Committee, are as follows:-

1. Datuk Haji Jaafar bin Abu Bakar (Chairman)
2. Datuk Wan Kassim bin Ahmed

The Nomination Committee consists wholly of non-executive and independent directors.

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

The Nomination Committee has a formal assessment mechanism in place to assess on annual basis, the effectiveness of the Board as a whole and the contribution of each individual director, including the Independent Non-Executive Directors.

The Committee shall meet at least once a year. Additional meetings are held as and when required. During the financial year, the Committee met one (1) time.

Re-election

In accordance with the provisions of the Articles of Association of the Company, all directors are subject to retirement from office at least once in every three (3) years, but shall be eligible for re-election. The Articles also provide that any director appointed during the year is required to retire and seek re-election at the following Annual General Meeting immediately after such appointment.

This provision is not only consistent with the underlying principles of the Code, but also, fully in line with paragraph 7.26 (2) of the Bursa Securities Main Market Listing Requirements.

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

Procedure

The Board had established a Remuneration Committee with appropriate terms of reference on 30th October 2001. The primary objective of the Remuneration Committee is to assist the Board in developing and establishing competitive remuneration policies and packages in all its forms, while drawing advice from experts if deemed necessary. The Committee members are as follows:-

1. Datuk Haji Jaafar bin Abu Bakar (Chairman)
2. Datuk Wan Kassim bin Ahmed
3. Lim Mun Kee

The Remuneration Committee consists wholly of non-executive and independent directors.

The Committee shall meet at least once a year. Additional meetings shall be scheduled if considered necessary by the Committee or Chairman. During the financial year, the Committee met one (1) time.

Disclosure

The details of Directors' Remuneration for the financial year are as follows:-

The aggregate remuneration of directors categorized into appropriate components :-

RM	Fees	Salaries	Others	Total
Executive	-	546,752	163,408	710,160
Non-executive	276,000	-	-	276,000

Statement on Corporate Governance

Disclosure (Cont'd)

The number of directors whose total remuneration falls within the following bands.

Range of remuneration (RM)	Executive	Non-executive
0 - 50,000	-	1
50,001 - 100,000	-	2
101,000 - 150,000	-	1
151,000 - 200,000	-	-
201,000 - 250,000	-	-
251,000 - 300,000	-	-
301,000 - 350,000	-	-
351,000 - 400,000	1	-
Above 400,000	-	-

The above disclosure is in compliance with the Bursa Securities Main Market Listing Requirements. Nevertheless, it represents a departure from the Principles of Corporate Governance which prescribes individual disclosure of directors' remuneration packages. The Board is of the view that the transparency and accountability aspects of corporate governance in respect of directors' remuneration have been appropriately served by the band disclosure made.

The Level and Make-up of Remuneration

The Committee's duty is to, inter-alia, review the remuneration framework and packages of newly appointed and existing Executive Directors and make recommendations to the Board for approval, with the underlying objective of attracting, motivating and retaining directors needed to run the Company successfully. In particular, the remuneration package is structured to commensurate with corporate and individual performance, business strategy and long term objective of the Company. In respect of Non- Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken and is a matter for consideration by the Board as a whole.

The Non-Executive Directors abstain from discussion pertaining to their own remuneration.

SHAREHOLDERS

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

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

To further enhance transparency to all shareholders and stakeholders of the Company, the Group has established a website at www.petalingtin.com where shareholders can access information encompassing corporate information, latest annual reports, latest press releases, latest financial results, share prices, Bursa Malaysia Securities Berhad's announcements, investors relations and briefings.

The Annual General Meeting ('AGM')

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

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

ACCOUNTABILITY AND AUDIT

Financial Reporting

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

Internal Control

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

Relationship with the Auditors

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

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

This statement is made in accordance with a resolution of the Board passed on 21 May 2015.

Statement on Risk Management and Internal Control

PREAMBLE

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

RESPONSIBILITY

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

INTERNAL CONTROL SYSTEM

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

- Organizational structure with well defined lines of responsibility, delegation of authority, segregation of duties and information flow. Besides the predominantly non-executive standing committees such as the Audit, Nomination and Remuneration Committees, the Board is supported operationally by Executive and Management Committees. These committees are entrusted with the implementation of the systems of internal control and convene as and when required to meet its strategic business agenda thus ensuring that the Board, properly apprised, maintains effective supervision over the entire operations. The Board however, still maintains full control and directions over appropriate strategic, financial, organizational and compliance issues.
- Well documented internal operating policies, procedures and standards have been established, reviewed from time to time and kept updated in accordance with changes in the operating environment.
- Functional limits of authority in respect of revenue and capital expenditure for all operating units. These commitment authority thresholds, working in tandem with payment controls, serve to facilitate the approval process whilst keeping potential exposure in check.
- Detailed justification and approval process for major projects and acquisitions imposed, to ensure congruence with the Company's strategic objectives.
- Independent appraisals by internal auditors to ensure ongoing compliance with policies, procedures, standards and legislations whilst assessing the effectiveness of the Group's system of financial, compliance and operational controls.

RISK MANAGEMENT FRAMEWORK

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

In response to the above challenge, the Group confirms that there is on-going process of identifying, evaluating, monitoring, managing and reporting significant risks affecting the achievement of the Group's business objectives on an informal basis via the establishment of an in-house structured risk management framework and via its Board and Audit Committee meetings with the assistance of the in house internal audit function.

Statement on Risk Management and Internal Control

RISK MANAGEMENT FRAMEWORK (CONT'D)

A Risk Advisory Committee (RAC) comprising senior management personnel responsible, inter alia, for internal policy communications, acquiring risk management skills, developing skills through education and training, and ensuring adequate scale of recognition, rewards and sanctions has been operating since 26 March,2002.

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

INTERNAL AUDIT

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

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

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

INTERNAL CONTROL ISSUES

Management maintains an ongoing commitment to strengthen the Group's control environment and processes. The Board of Directors has received assurance from the Chief Executive Officer and the Chief Financial Officer stating that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, for the financial year under review. During the year, there were no material losses caused by breakdown in internal control.

This statement is made in accordance with a resolution of the Board of Directors dated 21 May 2015 and has been duly reviewed by the external auditors, pursuant to paragraph 15.23 of the Bursa Malaysia Securities Listing Requirements.

Audit Committee Report

PREAMBLE

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

COMPOSITION

For the financial year, the members of the Audit Committee, their respective designations and directorships are as follows:-

- Datuk Haji Jaafar bin Abu Bakar
  Chairman, Independent Non-Executive Director
- Datuk Wan Kassim bin Ahmed
  Member, Independent Non-Executive Director
- Mr Lim Mun Kee
  Member, Independent Non-Executive Director

The composition of the Audit Committee reflects the requirements of both the Listing Requirements and the Malaysian Code on Corporate Governance ("the Code"), wherein all members must be non-executive directors with a majority being independent directors.

The tenure of an independent director should not exceed a cumulative term of nine (9) years which can either be consecutive service of nine years or cumulative service of nine years with intervals.

TERMS OF REFERENCE

Purpose

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

Chairman of the Audit Committee

The members of an Audit Committee shall elect a chairman from among their number who shall be an independent director.

Reporting Responsibilities

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

Attendance at Meetings

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

Frequency of Meetings

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

Quorum

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

Authority

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

Duties

The duties of the Audit Committee include the following:-

- To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal.

- To review and monitor the suitability and independence of external auditors and to establish policies governing the circumstances under which contracts for the provision of non-audit services can be entered into and procedures that must be followed by external auditors.

- To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;

- To obtain written assurance from the external auditors confirming that they are and have been independent throughout the conduct of audit engagement.

Audit Committee Report

TERMS OF REFERENCE (CONT'D)

Duties (Cont'd)

- To review the quarterly and year-end financial statements of the company, focusing on:-
  - any changes in accounting policies and practices;
  - major judgmental areas;
  - significant adjustments arising from the audit;
  - the going concern assumption;
  - compliance with applicable financial reporting standards and other legal requirements;

- To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management, where necessary);

- To review the external auditor's management letter and management's response;

- To do the following, in relation to the internal audit function:-
  - review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
  - review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
  - review any appraisal or assessment of the performance of members of the internal audit function;
  - approve any appointments or termination of senior staff members of the internal audit function; and
  - take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning;

- To consider any related party transactions and conflict of interest situation that may arise within the Group;

- To consider the major findings of internal investigations and management's response; and

- To consider other topics as defined by the Board.

DETAILS OF MEETINGS

The Audit Committee met four times during the financial year and details of attendances are as follows :-

Datuk Haji Jaafar Bin Abu Bakar	4/4
Datuk Wan Kassim bin Ahmed	4/4
Mr Lim Mun Kee	4/4

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

SUMMARY OF AUDIT COMMITTEE ACTIVITIES

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

- Reviewed the quarterly and year end financial statements and made recommendations to the Board.

- Deliberated over the internal audit and compliance reports, ensuring recommendations are carried out by the management.

- Reviewed and assisted in the development and implementation of sound and effective internal controls and business systems within the Group.

- Reviewed the Risk Advisory Committee report, ensuring adequacy and effectiveness of the Group's Risk Management Framework.

- Discussed and reviewed with the external auditors the results of their examination, their reports and management letters in relation to the audit and accounting issues arising from the audit.

- Reviewed the Group's compliance with regards to the Bursa Malaysia Securities Main Market Listing Requirements and compliance with accounting standards.

SUMMARY OF INTERNAL AUDIT ACTIVITIES

The Audit Committee is supported by an Internal Audit Department which reports directly to the Committee and is independent of the activities they audit. The cost incurred on this function which includes risk management and corporate governance was approximately RM59,340. During the financial year, the Internal Audit Department conducted, inter alia, the following activities:

- Formulated and agreed with the Audit Committee on the audit plan, strategy and scope of work.

- Reviewed compliance with internal policies, procedures and standards, relevant external rules and regulations, as well as assessing the adequacy and effectiveness of the Group's internal control system.

- Analysed and assessed key business processes, report findings and made recommendations to improve effectiveness and efficiency.

- Followed up on internal audit recommendations to ensure adequate implementation.

- Advised on the implementation of the Malaysian Code on Corporate Governance, Bursa Malaysia Securities Main Market Listing Requirements and other regulatory requirements.

Audit Committee Report

SUMMARY OF INTERNAL AUDIT ACTIVITIES (CONT'D)

- Performed investigations and special reviews as requested by the Board and Management.
- Facilitated and reviewed the Group's risk management framework for adequacy and effectiveness in tandem with the business environment.

This report is made in accordance with a resolution of the Board of Directors dated 21 May 2015.

Other Compliance Statements

1. DIRECTORS' RESPONSIBILITY STATEMENT

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

The provisions of the Companies Act, 1965 requires the Directors to be responsible in preparing the financial statements for each financial year which gives a true and fair view of the state of affairs of the Group and the Company and of the results and cash flows of the Group and of the Company for the financial year ended 31 December 2014. In complying with these requirements, the Directors are responsible for ensuring that proper accounting records are maintained and suitable accounting policies are adopted and applied consistently. In cases whereby judgement and estimates were required, the Directors have ensured that these were made prudently and reasonably.

The Directors also ensured that all applicable accounting standards have been followed and confirmed that the financial statements have been prepared on a going concern basis.

In addition, the Directors are also responsible for safeguarding the assets of the Company by taking reasonable steps to prevent and detect fraud and other irregularities.

2. UTILISATION OF PROCEEDS

During the financial year, the Company did not raise funds from any corporate exercises.

3. SHARE BUY-BACK

During the financial year, the Company did not exercise any share buy-back.

As at 31 December 2014, a total of 271,700 of the Company's shares were held as treasury shares. None of the treasury shares held were resold or cancelled during the financial year.

4. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

During the financial year, the Company did not issue any options, warrants or convertible securities.

5. AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR")

During the financial year, the Company did not sponsor any ADR or GDR programme.

6. SANCTIONS AND/OR PENALTIES

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

7. NON-AUDIT FEES

Non-audit fees payable to the external auditors for the financial year amounts to RM5,000.

8. VARIATION IN RESULTS

There were no material variance between the results for the financial year and the unaudited results previously announced.

9. PROFIT GUARANTEE

During the financial year, there was no profit guarantee given by the Company.

10. MATERIAL CONTRACTS INVOLVING DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

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

11. REVALUATION POLICY

The Company does not have a policy of regular revaluation of its landed properties.

12. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

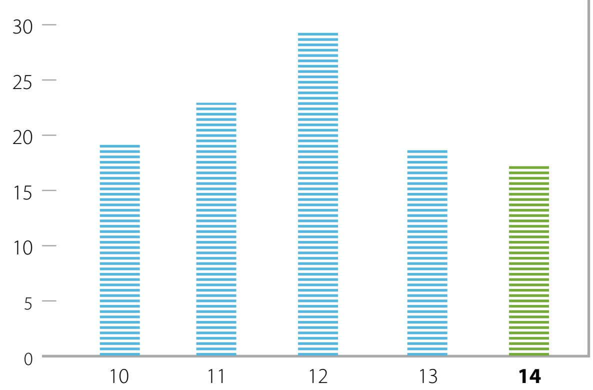
There were no material recurrent related party transactions of a revenue nature during the financial period other than those disclosed in the financial statements.

Five Years' Comparative Results

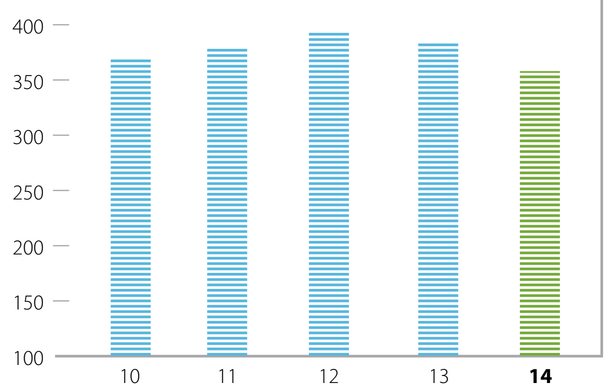
	FIVE YEARS COMPARATIVE RESULTS				
	2014	**2013**	**2012**	**2011**	**2010**
Operating revenue (RM'000)	**17,471**	18,726	29,681	24,577	19,355
(Loss) / Profit before taxation (RM'000)	**(6,237)**	(7,485)	(484)	1,452	(11,359)
(Loss) / Profit after taxation (RM'000)	**(6,068)**	(7,031)	8,531	1,474	(8,400)
Shareholders' funds (RM'000)	**359,918**	365,986	373,017	364,486	363,012
Total assets employed (RM'000)	**427,116**	433,080	438,204	440,055	442,356
Net tangible assets (RM'000)	**359,918**	365,986	373,017	364,486	363,012
Gearing ratio (times) *	**	**	**	**	**
Net tangible assets per share (RM)	**1.04**	1.06	1.08	1.05	1.05
(Loss) / Earnings per share (sen)					
Basic	**(1.6)**	(2.0)	2.5	0.4	(2.4)
Fully diluted	**-**	-	-	-	-

* Calculated based on bank borrowings over shareholders' funds
** Negligible

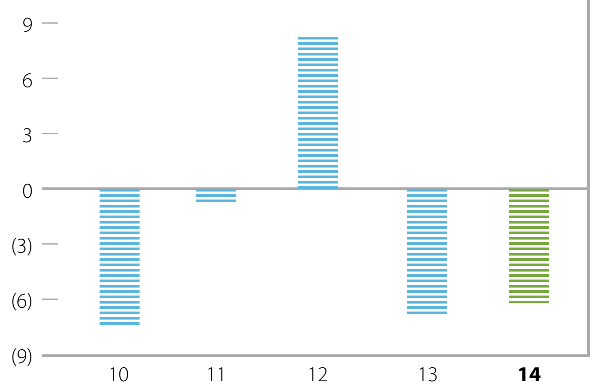
Operating Revenue
(RM'000)



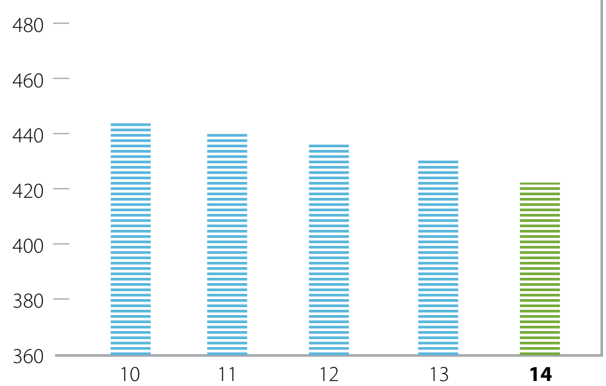
Shareholders' Funds
(RM'000)



Profit/(Loss) After Tax
(RM'000)



Total Assets Employed
(RM'000)



Financial Statements

Directors' Report

DIRECTORS' REPORT

The Directors hereby present their report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of property development, investment holding and providing management services.

The principal activities of the subsidiaries are disclosed in Note 10 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Net loss for the financial year	(6,067,670)	(1,022,833)
Attributable to:		
Owner of the Company	(6,067,670)	(1,022,833)
Non-controlling interest	-	-
	(6,067,670)	(1,022,833)

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares and debentures was made by the Company.

DIRECTORS OF THE COMPANY

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

Datuk Haji Jaafar Bin Abu Bakar
Datuk Wan Kassim Bin Ahmed
Dato' Nik Kamaruddin Bin Ismail
Lim Mun Kee
Chen Yiy Fon
Tiang Chong Seong (Resigned on 7 October 2014)

DIRECTORS' INTERESTS

The Directors in office at the end of the financial year who have an interest in the shares of the Company during the financial year according to the registers required to be kept under Section 134 of the Companies Act, 1965 are as follows:-

	Number of Ordinary Shares of RM1 Each			
	At 1.1.2014	Acquired	Disposed	At 31.12.2014
Direct Interest				
Datuk Haji Jaafar bin Abu Bakar	5,000	-	-	5,000
Indirect Interest				
Chen Yiy Fon *	117,859,622	-	-	117,859,622

* Deemed interested by virtue of shares held by his father, Tan Sri Dr. Chen Lip Keong.

The Directors who have substantial interests in the shares of the Company are also deemed to have interests in the shares of the subsidiaries to the extent that the Company has an interest.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than the Directors' remuneration as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

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

RESERVES AND PROVISIONS

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

OTHER STATUTORY INFORMATION

Before the statements of comprehensive income and statements of financial position were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; and

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

Directors' Report

OTHER STATUTORY INFORMATION (CONT'D)

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

(i) which would render it necessary to write off any bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
(iii) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading; or
(iv) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

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

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

In the opinion of the Directors:

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

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

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

AUDITORS

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

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 08 April 2015

DATUK HAJI JAAFAR BIN ABU BAKAR **CHEN YIY FON**

Statement By Directors

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

We, the undersigned, being two of the directors of Petaling Tin Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 26 to 75 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out in Note 36 to the financial statements on page 75 have been compiled in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 08 April 2015

DATUK HAJI JAAFAR BIN ABU BAKAR

CHEN YIY FON

Statutory Declaration

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

I, Lam Hoi Khong, being the officer primarily responsible for the financial management of Petaling Tin Berhad, do solemnly and sincerely declare that the financial statements as set out on pages 26 to 75 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 Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory on 08 April 2015)

LAM HOI KHONG

Before me,

Salim Bin Zahid
No: W-425
Commissioner For Oaths

Independent Auditors' Report

To the Members of Petaling Tin Berhad (Company No.: 324-H)
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Petaling Tin Berhad, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 26 to 75.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the 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 have been properly drawn up in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the financial year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

Independent Auditors' Report

To the Members of Petaling Tin Berhad (Company No.: 324-H)
(Incorporated in Malaysia)

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 36 on page 75 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad ("Bursa Securities") and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Securities. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

UHY
Firm Number: AF1411
Chartered Accountants

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

Kuala Lumpur
Date: 08 April 2015

Statements Of Profit Or Loss And Other Comprehensive Income

For the financial year ended 31 December 2014

		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
Revenue	4	**17,471,341**	18,725,816	**3,550,451**	3,639,459
Direct costs	5	**(11,996,314)**	(12,828,556)	**-**	-
Gross profit		**5,475,027**	5,897,260	**3,550,451**	3,639,459
Other income		**350,033**	634,126	**31,424**	51,761
Distribution costs		**-**	(17,401)	**-**	-
Administrative costs		**(11,421,164)**	(10,663,742)	**(4,494,943)**	(4,710,171)
Other costs		**(469,201)**	(3,046,524)	**(107,332)**	(92,067)
		(11,890,365)	(13,727,667)	**(4,602,275)**	(4,802,238)
Loss from operations		**(6,065,305)**	(7,196,281)	**(1,020,400)**	(1,111,018)
Finance costs		**(171,493)**	(288,630)	**(2,433)**	(4,021)
Loss before tax	6	**(6,236,798)**	(7,484,911)	**(1,022,833)**	(1,115,039)
Income tax credit	7	**169,128**	453,843	**-**	96,900
Loss net of tax, representing total comprehensive income for the financial year		**(6,067,670)**	(7,031,068)	**(1,022,833)**	(1,018,139)
Basic loss per share (sen)	8	**(1.55)**	(2.03)		

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

Statements Of Financial Position

As at 31 December 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Assets					
Property, plant and equipment	9	**872,283**	905,504	**300,287**	242,511
Investments in subsidiaries	10	**-**	-	**465,827,660**	465,827,660
Investments in associates	11	**-**	-	**-**	-
Investment properties	12	**155,527,174**	155,527,174	**4,026,020**	4,026,020
Land held for property development	13	**226,315,940**	232,667,372	**38,631,942**	38,631,942
Total non-current assets		**382,715,397**	389,100,050	**508,785,909**	508,728,133
Property development costs	14	**13,058,082**	11,560,281	**-**	-
Inventories	15	**-**	1,788,018	**-**	-
Tax recoverable		**140,412**	249,162	**875**	-
Accrued billings in respect of property development costs		**6,740,985**	11,604,905	**-**	-
Trade receivables	16	**19,561,546**	9,755,293	**-**	-
Other receivables	17	**1,673,586**	3,920,397	**83,866,745**	79,096,766
Cash and bank balances	18	**3,226,371**	5,102,016	**109,937**	706,934
Total current assets		**44,400,982**	43,980,072	**83,977,557**	79,803,700
Total assets		**427,116,379**	433,080,122	**592,763,466**	588,531,833
Equity and liabilities					
Share capital	19	**346,102,679**	346,102,679	**346,102,679**	346,102,679
Reserves	20	**13,883,765**	19,951,435	**(4,723,474)**	(3,700,641)
Treasury shares	21	**(68,236)**	(68,236)	**(68,236)**	(68,236)
Total equity		**359,918,208**	365,985,878	**341,310,969**	342,333,802
Liabilities					
Finance lease liabilities	22	**3,868**	26,487	**3,868**	26,487
Borrowings	23	**-**	1,314,006	**-**	-
Deferred taxation	24	**33,975,809**	34,314,994	**-**	-
Total non-current liabilities		**33,979,677**	35,655,487	**3,868**	26,487
Trade payables	25	**9,806,365**	9,174,175	**-**	-
Other payables	26	**8,057,947**	3,134,938	**251,426,010**	246,118,955
Provisions	27	**2,344,914**	5,373,834	**-**	-
Finance lease liabilities	22	**22,619**	21,195	**22,619**	21,195
Borrowings	23	**1,312,154**	1,187,407	**-**	-
Provision for taxation		**11,674,495**	12,547,208	**-**	31,394
Total current liabilities		**33,218,494**	31,438,757	**251,448,629**	246,171,544
Total liabilities		**67,198,171**	67,094,244	**251,452,497**	246,198,031
Total equity and liabilities		**427,116,379**	433,080,122	**592,763,466**	588,531,833

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

Statement Of Changes in Equity

For the financial year ended 31 December 2014

Group	Share Capital RM	Treasury Shares RM	Share Premium RM	Revaluation Reserve RM	Other Reserve RM	Accumulated Losses RM	Total Equity RM
	← Attributable to Owners of the parent →						
			← Non-Distributable →				
At 1.1.2013	346,102,679	(68,236)	43,953,998	1,149,133	3,526,514	(21,647,142)	373,016,946
Loss net of tax, representing total comprehensive income for the financial year	-	-	-	-	-	(7,031,068)	(7,031,068)
Realisation of revaluation deficit on sales of development properties	-	-	-	472,728	-	(472,728)	-
At 31.12.2013	346,102,679	(68,236)	43,953,998	1,621,861	3,526,514	(29,150,938)	365,985,878
At 1.1.2014	**346,102,679**	**(68,236)**	**43,953,998**	**1,621,861**	**3,526,514**	**(29,150,938)**	**365,985,878**
Loss net of tax, representing total comprehensive income for the financial year	**-**	**-**	**-**	**-**	**-**	**(6,067,670)**	**(6,067,670)**
Realisation of revaluation surplus on sales of development properties	**-**	**-**	**-**	**(51,414)**	**-**	**51,414**	**-**
At 31.12.2014	**346,102,679**	**(68,236)**	**43,953,998**	**1,570,447**	**3,526,514**	**(35,167,194)**	**359,918,208**

Company	Share Capital RM	Treasury Shares RM	Non-Distributable Share Premium RM	Other Reserve RM	Accumulated Losses RM	Total Equity RM
At 1.1.2013	346,102,679	(68,236)	43,953,998	4,519,264	(51,155,764)	343,351,941
Loss net of tax, representing total comprehensive income for the financial year	-	-	-	-	(1,018,139)	(1,018,139)
At 31.12.2013	346,102,679	(68,236)	43,953,998	4,519,264	(52,173,903)	342,333,802
Loss net of tax, representing total comprehensive income for the financial year	-	-	-	-	(1,022,833)	(1,022,833)
At 31.12.2014	**346,102,679**	**(68,236)**	**43,953,998**	**4,519,264**	**(53,196,736)**	**341,310,969**

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

Statements Of Cash Flows

For the financial year ended 31 December 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Cash Flows from Operating Activities					
Loss before tax		**(6,236,798)**	(7,484,911)	**(1,022,833)**	(1,115,039)
Adjustments for:-					
Depreciation of property, plant and equipment		**154,045**	114,596	**60,598**	45,974
Gain on disposal of property, plant and equipment		**-**	(10,000)	**-**	(10,000)
Gain on disposal of investment in associate		**(27,593)**	-	**(27,593)**	-
Provision for liquidated ascertained damages		**-**	2,273,680	**-**	-
Interest expense		**171,493**	288,630	**2,433**	4,021
Interest income		**(79,983)**	(363,970)	**(3,831)**	(41,761)
Operating loss before working capital changes		**(6,018,836)**	(5,181,975)	**(991,226)**	(1,116,805)
Changes in working capital:					
Land and development expenditure		**4,853,631**	1,333,136	**-**	(73,969)
Inventories		**1,788,018**	2,965,879	**-**	-
Receivables		**(2,695,522)**	173,171	**(3,692)**	(1,346)
Payables		**2,526,280**	1,930,471	**4,602,486**	(409,147)
Cash generated from/(used in) operations		**453,571**	1,220,682	**3,607,568**	(1,601,267)
Infrastructure works incurred		**-**	(103,050)	**-**	-
Interest paid		**(171,493)**	(288,630)	**(2,433)**	(4,021)
Interest received		**79,983**	363,970	**3,831**	41,761
Tax paid		**(934,021)**	(637,026)	**(32,270)**	(54,414)
Net cash (used in)/ from operating activities		**(571,960)**	555,946	**3,576,696**	(1,617,941)
Cash Flows from Investing Activities					
Proceeds from disposal of property, plant and equipment		**-**	10,000	**-**	10,000
Proceeds from disposal of investment in associate		**27,593**	-	**27,593**	-
Advances to subsidiaries		**-**	-	**(4,766,287)**	(13,027,939)
Purchase of property, plant and equipment	9	**(120,824)**	(763,908)	**(118,374)**	(84,588)
Net cash used in investing activities carried forward		**(93,231)**	(753,908)	**(4,857,068)**	(13,102,527)

Statements Of Cash Flows

For the financial year ended 31 December 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Net cash used in investing activities brought forward		**(93,231)**	(753,908)	**(4,857,068)**	(13,102,527)
Cash Flows from Financing Activities					
Advances from subsidiaries		**-**	-	**704,570**	14,832,304
Repayment of loans		**(1,189,259)**	(1,077,369)	**-**	-
Payments of finance lease liabilities		**(21,195)**	(37,608)	**(21,195)**	(37,608)
Net cash (used in)/ from financing activities		**(1,210,454)**	(1,114,977)	**683,375**	14,794,696
Net (decrease)/increase in cash and cash equivalents		**(1,875,645)**	(1,312,939)	**(596,997)**	74,228
Cash and cash equivalents at beginning of the financial year		**5,102,016**	6,414,955	**706,934**	632,706
Cash and cash equivalents at end of the financial year	18	**3,226,371**	5,102,016	**109,937**	706,934
Cash and cash equivalents at end of the financial year comprises:					
Cash and bank balances	18	**1,128,974**	253,988	**59,503**	57,778
Fixed deposits with licensed banks	18	**1,184,872**	1,153,778	**50,000**	50,000
Cash held under housing development accounts	18	**907,668**	3,091,530	**-**	-
Short term funds	18	**4,857**	602,720	**434**	599,156
Cash and bank balances/Cash and cash equivalents		**3,226,371**	5,102,016	**109,937**	706,934

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

NOTES TO THE FINANCIAL STATEMENTS
– 31 December 2014

1. CORPORATE INFORMATION

Petaling Tin Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of its registered office and principal place of business are as follows:

1st Floor, No. 118,
Jalan Semangat,
46300 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia.

The Company is principally engaged in the business of property development, investment holding and providing management services. The principal activities of the subsidiaries are disclosed in Note 10. There have been no significant changes in the nature of these activities during the financial year.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

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

Adoption of new and amended standards and IC Interpretation

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

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

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

Notes To The Financial Statements
– 31 December 2014

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

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

		Effective dates for financial periods beginning on or after
Amendments to FRS 119	Defined Benefits Plans: Employee Contributions	1 July 2014
Annual Improvements to FRSs 2010 – 2012 Cycle		1 July 2014
Annual Improvements to FRSs 2011 – 2013 Cycle		1 July 2014
FRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Annual Improvements to FRSs 2012–2014 Cycle		1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to FRS 101	Disclosure Initiative	1 January 2016
FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018

The Group and the Company intend to adopt the above FRSs when they become effective.

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

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

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

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

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

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

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

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

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

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

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

The Group and the Company fall within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in their first MFRS financial statements for the financial year ending 31 December 2017. In presenting their first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group and the Company have not completed its assessment of the financial effects of the differences between FRSs and accounting standards under the MFRS Framework. Accordingly, the consolidated and separate financial performance and financial position as disclosed in these financial statements for the financial year ended 31 December 2014 could be different if prepared under the MFRS Framework.

(b) Functional and Presentation Currency

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

(c) Significant accounting judgments, estimates and assumptions

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

Judgments

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment properties. The Group has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Notes To The Financial Statements
– 31 December 2014

2. BASIS OF PREPARATION (CONT'D)

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

Judgments (Cont'd)

Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on FRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as investment property.

Key sources of estimation uncertainty

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

Useful lives of property, plant and equipment (Note 9)

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

Impairment of property, plant and equipment and deferred development costs

The Group assesses whether there is any indication that property, plant and equipment and deferred development costs are impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. The recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate.

Projected future cash flows are calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information. Changes to any of these assumptions would affect the amount of impairment.

The impairment assessment on property, plant and equipment and deferred development costs are disclosed in Notes 9 and 14 respectively.

Impairment of goodwill on consolidation

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

2. BASIS OF PREPARATION (CONT'D)

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

Key sources of estimation uncertainty (Cont'd)

Impairment of investment in subsidiary companies

The Company has recognised impairment loss in respect of its investments in subsidiary companies. The Company carried out the impairment test based on the estimation of the higher of the value-in-use or the fair value less cost to sell of the cash-generating units to which the investments in subsidiary companies belong to. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investments in subsidiary companies is disclosed in Note 10.

Development costs

The Group capitalises development costs for a project in accordance with the accounting policy. Initial capitalisation of development costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generations of the project, discount rates to be applied and the expected period of benefits. Details of development costs are disclosed in Note 14.

The project continues to progress in a satisfactory manner, and customer reaction has reconfirmed the Directors' previous estimates of anticipated revenues from the project. However, increased competitor activity has caused the Directors to reconsider their assumptions regarding future market share and anticipated margins of this product. Detailed sensitivity analysis has been carried out and the Directors are confident that the carrying amount of the asset will be recovered in full, even if returns are reduced. This situation will be closely monitored, and adjustments made in future periods, if market activity indicates that such adjustments are appropriate.

Fair value measurement of contingent consideration

Contingent consideration, resulting from business combination, is valued at fair value at the acquisition date as part of the business combination. Where the contingent consideration meets the definition of a derivative and, thus, a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions taken into consideration include the probability of meeting each performance target and the discounted factor.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Details of deferred tax assets are disclosed in Note 24.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 15.

Notes To The Financial Statements
– 31 December 2014

2. BASIS OF PREPARATION (CONT'D)

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

Key sources of estimation uncertainty (Cont'd)

Impairment of loans and receivables

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

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts at the reporting date for loans and receivables are disclosed in Notes 16 and 17 respectively.

Construction Contracts

The Group recognises construction contracts revenue and expenses in statements of profit or loss based on stage of completion method. Revenue recognised from construction contracts reflects management's best estimate about each contract's outcome and stage of completion. The Group assesses the profitability of on-going construction contracts and the order backlog at least monthly, using project management procedures. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty. Details of construction contracts costs are disclosed in Notes 4 and 5.

Income taxes

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

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of income tax expense are disclosed in Note 7.

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the Note 32 regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

(i) Subsidiary companies

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

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

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

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

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

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

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

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

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

Notes To The Financial Statements
– 31 December 2014

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(iii) Goodwill on consolidation

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

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

(b) Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

On acquisition of an investment in an associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of associate's profit or loss for the period in which the investment is acquired.

An associate is equity accounted for from the date on which the investee becomes an associate. Under the equity method, on initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the Group's share of profit or loss and other comprehensive income of the associate after the date of acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits or losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investors' interests in the associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the assets transferred.

The financial statements of the associates are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group applies FRS 139 to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with FRS 136 Impairment of Assets as a single assets, by comparing its recoverable amount (higher of value-in-use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

In the Company's separate financial statements, investments in associates are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(n) to the financial statements on impairment of non-financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, plant and equipment

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

(i) Recognition and measurement

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

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

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

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

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight line basis to write off the cost or valuation of each asset to its residual value over its estimated useful life. Freehold land is not depreciated. Leased assets are depreciated over the shorter of the lease term and their useful lives. Property, plant and equipment under construction are not depreciated until the assets are ready for its intended use.

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

Buildings	2%
Plant and equipment	10% - 33%
Motor vehicles	20%
Renovation	20%

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

Notes To The Financial Statements
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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Leases

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

(i) Finance lease

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

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

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

(ii) Operating lease

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

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

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

(e) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the reporting period in which they arise. The fair values are determined by external professional valuers with sufficient experience with respect to both the location and the nature of the investment property and supported by market evidence.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from the disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the reporting period of retirement or disposal.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings, the transfer is not made through profit or loss.

Notes To The Financial Statements
– 31 December 2014

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Investment properties (Cont'd)

When an item of inventory or property development is transferred to investment property following a change in its use, any difference between the fair value of the property at the date of transfer and its carrying amount immediately prior to the transfer is recognised in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(f) Land held for property development

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

In certain subsidiaries, the revalued amount of land in land held for property development is retained as its surrogate cost as allowed under the transitional provisions of FRS 201.

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

(g) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. Costs consist of land, construction costs and other development costs including related overheads and capitalised borrowing costs.

In certain subsidiaries, the revalued amount of land in property development cost is retained as its surrogate cost as allowed under the transitional provisions of FRS 201.

When the financial outcome of a development activity can be reliably estimated, property development revenue and costs are recognised in the profit or lossby reference to the stage of completion of development activities at the reporting date.

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

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

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

Accrued billings within receivables represent the excess of revenue recognised in the profit or loss over billings to purchasers. Progress billings within payables represent the excess of billings to purchasers over revenue recognised in the profit or loss,

(h) Inventories

Inventories of unsold completed properties are stated at the lower of cost and net realisable value. Cost of unsold completed properties is determined on specific identification basis and comprises attributable land and development expenditure incurred up to completion of the properties.

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

Notes To The Financial Statements
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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Financial assets

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

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

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

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

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

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

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

(ii) Loans and receivables

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

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

The Group and the Company do not have any financial assets designated as available-for-sale, financial assets at fair value through profit or loss nor held to maturity investment.

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

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

Notes To The Financial Statements
– 31 December 2014

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Financial liabilities

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

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

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

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

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

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

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

(ii) Other financial liabilities measured at amortised cost

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

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

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

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

(k) Offsetting of financial instruments

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

(l) Construction contracts

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

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

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

Notes To The Financial Statements
– 31 December 2014

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Construction contracts (Cont'd)

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

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

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

(m) Cash and cash equivalents

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

(n) Impairment of assets

(i) Non-financial assets

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

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

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

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

Notes To The Financial Statements
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3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(n) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

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

(ii) Financial assets

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

Financial assets carried at amortised cost

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

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

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

Available-for-sale financial assets

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

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

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

Notes To The Financial Statements
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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Share capital

(i) Ordinary shares

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

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

(ii) Treasury shares

When issued share of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares in the statement of changes in equity. No gain or loss is recognised in the statement of profit or loss on the sale, re-issuance or cancellation of the treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is applied as a reduction of the share premium account or the distributable retained earnings or both.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(p) Provisions

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

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

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

(q) Employee benefits

(i) Short term employee benefits

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Employee benefits (Cont'd)

(ii) Defined contribution plans

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

(r) Revenue

(i) Development properties

Revenue from development properties sold is recognised on the percentage of completion method when the outcome of the property development projects can be reliably estimated. The stage of completion is measured by the proportion that development costs incurred for work performed to-date bear to the estimated total development costs for units sold. Where foreseeable losses on development properties are anticipated, full allowance of those losses is made in the financial statements.

(ii) Revenue from sale of developed land and completed landed properties

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

(iii) Construction contracts

Revenue from construction contracts is accounted in accordance to the accounting policies as described in Note 3(l) to the financial statements.

(iv) Rental income

Revenue from rental is recognised on accrual basis.

(v) Management fee

Management fee is recognised on accrual basis when services are rendered.

(s) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for theirs intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

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

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

Notes To The Financial Statements
– 31 December 2014

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

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

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

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

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

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against the unutilised tax incentive can be utilised.

(u) Segments reporting

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

(v) Contingencies

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

Notes To The Financial Statements
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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Fair value measurement

The Group measures financial instruments, such as, derivatives, and non-financial assets such as investment properties, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 32.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

– In the principal market for the asset or liability, or
– In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market 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.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy as described in Note 32.

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

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by the management after discussion with and approval by the Company's Board of Directors. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares each the changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the management and the Group's external valuers present the valuation results to the audit committee. This includes a discussion of the major assumptions used in the valuations.

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

Notes To The Financial Statements
– 31 December 2014

4. REVENUE

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Attributable property development revenue	**1,068,717**	8,412,380	**-**	-
Attributable contract revenue	**2,777,000**	4,773,436	**-**	-
Sales of land held for property development	**7,695,374**	-	**-**	-
Sales of completed properties	**3,531,450**	3,150,000	**-**	-
Rental income from investment properties	**2,398,800**	2,390,000	**-**	-
Management fees	**-**	-	**3,550,451**	3,639,459
	17,471,341	18,725,816	**3,550,451**	3,639,459

5. DIRECT COSTS

	Group	
	2014	**2013**
	RM	**RM**
Attributable property development costs	**710,347**	4,854,297
Attributable contract costs	**2,693,690**	4,630,233
Cost of land held for property development sold	**6,712,482**	-
Cost of completed properties sold	**1,717,355**	3,133,786
Direct operating costs from revenue generating investment properties	**162,440**	210,240
	11,996,314	12,828,556

6. LOSS BEFORE TAX

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

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Auditor's remuneration				
- statutory audit	**82,000**	77,910	**46,000**	55,000
- other services	**-**	18,610	**-**	-
Depreciation of property, plant and equipment	**154,045**	114,596	**60,598**	45,974
Directors' remuneration	**986,160**	1,097,935	**986,160**	1,097,935
Interest expense	**171,493**	288,630	**2,433**	4,021
Rental of office equipment	**14,610**	11,536	**14,610**	11,536
Rental of premises	**7,200**	7,200	**-**	-
Personnel expenses				
- contributions to defined contribution plan	**284,671**	278,946	**284,671**	278,373
- salaries, wages and others	**2,621,987**	2,664,563	**2,621,987**	2,658,143
Provision for liquidated ascertained damages	**2,389,937**	2,273,680	**-**	-
Gain on disposal of property, plant and equipment	**-**	(10,000)	**-**	(10,000)
Gain on disposal of investment in associate	**(27,593)**	-	**(27,593)**	-
Interest income	**(79,982)**	(363,970)	**(3,831)**	(41,761)
Rental income	**(73,041)**	(71,820)	**-**	-

6. LOSS BEFORE TAX (CONT'D)

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Executive Directors				
- Salaries and other emoluments	**710,160**	821,935	**710,160**	821,935
Non-Executive Directors				
- Fees	**276,000**	276,000	**276,000**	276,000
	986,160	1,097,935	**986,160**	1,097,935

7. INCOME TAX CREDIT

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Current tax				
Malaysian tax - current year	**169,782**	16,483	**-**	-
Under/(over) provision in prior financial year	**275**	(240,000)	**-**	(96,900)
	170,057	(223,517)	**-**	(96,900)
Deferred tax (Note 24)				
Origination and reversal of temporary differences	**(339,185)**	(226,526)	**-**	-
Overprovision in prior year	**-**	(3,800)	**-**	-
	(339,185)	(230,326)	**-**	-
Tax credit	**(169,128)**	(453,843)	**-**	(96,900)

Malaysia income tax is calculated at the statutory tax rate of 25% (2013: 25%) of the estimated assessable profits for the financial year. Income tax for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

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

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Loss before tax	**(6,236,798)**	(7,484,911)	**(1,022,833)**	(1,115,039)
At Malaysian statutory tax rate of 25% (2013: 25%)	**(1,559,200)**	(1,871,200)	**(255,700)**	(278,800)
Expenses not deductible for tax purposes	**438,497**	171,082	**52,000**	46,800
Utilisation of previously unrecognised deferred tax assets	**1,069,000**	862,000	**203,700**	232,000
Tax effect on fair value changes of investment properties	**(117,700)**	628,075	**-**	-
Under/(Over) provision in prior years	**275**	(243,800)	**-**	(96,900)
	(169,128)	(453,843)	**-**	(96,900)

Note:

The Group and the Company have estimated unutilised tax losses of RM19,519,000 (2013: RM14,531,000) and RM12,006,600 (2013: RM11,137,400) and unabsorbed capital allowances of RM393,000 (2013: RM344,700) and RM390,900 (2013: RM271,000) carried forward respectively, available for set-off against future taxable profits of the Group and of the Company.

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8. BASIC LOSS PER SHARE

The basic loss per share are calculated based on the consolidated loss for the financial year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2014 RM	2013 RM
Loss attributable to ordinary shareholders	**(6,067,670)**	(7,031,068)
Weighted average number of ordinary shares in issue (in thousands of shares)		
Issued ordinary shares at 1 January	**346,102**	346,102
Effect of treasury shares held	**(271)**	(271)
Weighted average number of ordinary shares at 31 December	**345,831**	345,831
Basic loss per ordinary shares (in sen)	**(1.75)**	(2.03)

As at financial year end, the Company has no potential ordinary shares which are dilutive in nature. Accordingly, diluted earnings per share is equivalent to the basic earnings per share.

9. PROPERTY, PLANT AND EQUIPMENT

	Buildings RM	Plant & Equipment RM	Motor Vehicles RM	Renovation RM	Total RM
Group					
Cost					
At 1.1.2014	201,757	1,620,150	1,401,478	419,383	3,642,768
Additions	-	120,824	-	-	120,824
At 31.12.2014	201,757	1,740,974	1,401,478	419,383	3,763,592
Accumulated Depreciation					
At 1.1.2014	201,754	1,526,313	589,814	419,383	2,737,264
Charge for the financial year	-	54,598	99,447	-	154,045
At 31.12.2014	201,754	1,580,911	689,261	419,383	2,891,309
Carrying Amount					
At 31.12.2014	3	160,063	712,217	-	872,283
Cost					
At 1.1.2013	730,344	1,535,562	722,158	419,383	3,407,447
Additions	-	84,588	679,320	-	763,908
Disposal	(528,587)	-	-	-	(528,587)
At 31.12.2013	201,757	1,620,150	1,401,478	419,383	3,642,768

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

	Buildings RM	Plant & Equipment RM	Motor Vehicles RM	Renovation RM	Total RM
Group (Cont'd)					
Accumulated Depreciation					
At 1.1.2013	730,341	1,486,249	515,282	419,383	3,151,255
Charge for the financial year	-	40,064	74,532	-	114,596
Disposal	(528,587)	-	-	-	(528,587)
At 31.12.2013	201,754	1,526,313	589,814	419,383	2,737,264
Carrying Amount					
At 31.12.2013	3	93,837	811,664	-	905,504
Company					
Cost					
At 1.1.2014	201,757	1,577,897	542,383	419,383	2,741,420
Additions	-	118,374	-	-	118,374
At 31.12.2014	201,757	1,696,271	542,383	419,383	2,859,794
Accumulated Depreciation					
At 1.1.2014	201,754	1,484,265	393,507	419,383	2,498,909
Charge for the financial year	-	53,998	6,600	-	60,598
At 31.12.2014	201,754	1,538,263	400,107	419,383	2,559,507
Carrying Amount					
At 31.12.2014	3	158,008	142,276	-	300,287
Cost					
At 1.1.2013	730,344	1,493,309	542,383	419,383	3,185,419
Additions	-	84,588	-	-	84,588
Disposal	(528,587)	-	-	-	(528,587)
At 31.12.2013	201,757	1,577,897	542,383	419,383	2,741,420
Accumulated Depreciation					
At 1.1.2013	730,341	1,444,891	386,907	419,383	2,981,522
Charge for the financial year	-	39,374	6,600	-	45,974
Disposal	(528,587)	-	-	-	(528,587)
At 31.12.2013	201,754	1,484,265	393,507	419,383	2,498,909
Carrying Amount					
At 31.12.2013	3	93,632	148,876	-	242,511

At 31 December 2014, the net carrying amount of leased motor vehicles of the Group was RM142,276 (2013: RM148,877).

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10. INVESTMENTS IN SUBSIDIARIES

	Company	
	2014 RM	2013 RM
At cost		
Unquoted shares	**467,845,004**	467,845,004
Less: Impairment loss	**(2,017,344)**	(2,017,344)
	465,827,660	465,827,660

The particulars of the subsidiaries are as follows:

Name of Company	Country of Incorporation	Effective Equity Interest 2014	Effective Equity Interest 2013	Principal Activities
PTB Clay Products Sdn. Bhd.	Malaysia	100%	100%	Dormant
Ukaylake Country Club Bhd.	Malaysia	100%	100%	Dormant
Golden Domain Holdings Sdn. Bhd.	Malaysia	100%	100%	Investment holding
Petaling Ventures Sdn. Bhd.	Malaysia	100%	100%	Property investment and development
Lembah Langat Development Sdn. Bhd.	Malaysia	100%	100%	Property investment and development
PTB Development Sdn. Bhd.	Malaysia	100%	100%	Property development
PTB Horticulture Farm Sdn. Bhd.	Malaysia	100%	100%	Property investment and development
Golden Domain Development Sdn. Bhd.	Malaysia	100%	100%	Investment holding, property investment and development
Majurama Developments Sdn. Bhd.	Malaysia	100%	100%	Property development
Magilds Park Sdn. Bhd.	Malaysia	100%	100%	Property development

11. INVESTMENTS IN ASSOCIATES

	Group/Company	
	2014 RM	2013 RM
At cost		
Unquoted shares	**-**	114
Less: Impairment loss	**-**	(114)
	-	-

During the financial year, the Group has disposed its investments in associates. The Group has not recognised losses relating to the associates where its share of losses exceeds the Group's interest in these associates. The Group's cumulative share of unrecognised losses and currency fluctuation reserve at the reporting date was RMNil (2013 : RM3,517,332). The Group has no obligation in respect of these losses.

11. INVESTMENTS IN ASSOCIATES (CONT'D)

The particulars of the associates are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 2014	Effective Equity Interest 2013	Principal Activities
Fandison Resources Management Limited #	Hong Kong	-	40%	Investment holding
Subsidiary of Fandison Resources Management Limited				
Hainan Wansing Mineral Development Limited * #	People's Republic of China	-	28%	Production of mineral sand products

* Fandison Resources Management Limited owns 70% equity interest in Hainan Wansing Mineral Development Limited.

\# The associates are not audited by UHY.

The share of results in associates not recognised are based on unaudited management financial statements. The reporting date of the financial statements of the associates are coterminous with those of the Group.

12. INVESTMENT PROPERTIES

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
At beginning / end of the financial year	**155,527,174**	155,527,174	**4,026,020**	4,026,020
Included in the above are :				
At fair value				
Leasehold land	**116,041,154**	116,041,154	**-**	-
Land and buildings	**39,486,020**	39,486,020	**4,026,020**	4,026,020
	155,527,174	155,527,174	**4,026,020**	4,026,020

(a) Long term leasehold land

The long term leasehold land has an unexpired lease period of more than 50 years. The long term leasehold land is held under a master title jointly with other land owners which include certain director related companies.

(b) Master land title

The master land title to the investment property with a carrying amount of RM13,460,000 (2013 : RM13,460,000) which the Group has beneficial interest is still held under the name of previous proprietor.

(c) Fair value basis of investment properties

The fair values of investment properties are determined based on approximations of market value except for certain properties where the fair values are determined by considering the aggregate of the present value of the estimated cash flows expected to be received from renting out the property using yield rates ranging from 4% to 10% (2013: 4% to 12%).

(d) Investment properties pledged as securities to financial institutions

Investment properties of the Group amounting to RM22,000,000 (2013: RM22,000,000) have been pledged to secure banking facilities granted to the Group.

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13. LAND HELD FOR PROPERTY DEVELOPMENT

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Long term leasehold land, at cost				
At beginning of the financial year	**172,256,660**	179,205,315	**38,631,942**	38,557,973
Additions	**-**	-	**-**	73,969
Transfer to property development costs (Note 14)	**-**	(6,948,655)	**-**	-
Disposals	**(574,806)**	-	**-**	-
At end of the financial year	**171,681,854**	172,256,660	**38,631,942**	38,631,942
Freehold land, at cost				
At beginning of the financial year	**34,850,107**	34,850,107	**-**	-
Disposal	**(5,261,999)**	-	**-**	-
At end of the financial year	**29,588,108**	34,850,107	**-**	-
Long term development costs, at cost				
At beginning of the financial year	**25,560,605**	31,505,367	**-**	-
Additions	**-**	107,321	**-**	-
Disposal	**(514,627)**	-	**-**	-
Transfer to property development costs (Note 14)	**-**	(6,052,083)	**-**	-
At end of the financial year	**25,045,978**	25,560,605	**-**	-
Total land and development costs	**226,315,940**	232,667,372	**38,631,942**	38,631,942

The long term leasehold land with a carrying amount of RM153,525,244 (2013: RM153,525,244) is held under a master title jointly with other land owners which include certain director related companies.

The long term leasehold land with a carrying amount of RM8,964,082 (2013: RM8,964,082) which the Group has beneficial interest is still held under the name of the previous proprietor, which is also a director related company.

The master land title to the freehold land which the Group has beneficial interest is still held under the name of the previous proprietor.

14. PROPERTY DEVELOPMENT COSTS

	Group	
	2014 RM	2013 RM
Freehold land, at cost		
At beginning / end of the financial year	**3,961,858**	3,961,858
Long term leasehold land, at cost		
At beginning of the financial year	**16,600,728**	9,652,073
Transfer from land held for property development (Note 13)	**-**	6,948,655
At end of the financial year	**16,600,728**	16,600,728
Total land costs	**20,562,586**	20,562,586

14. PROPERTY DEVELOPMENT COSTS (CONT'D)

	Group 2014 RM	Group 2013 RM
Development costs		
At beginning of the financial year	**69,450,262**	59,984,339
Additions	**2,083,081**	3,413,840
Transfer from land held for property development (Note 13)	**-**	6,052,083
At end of the financial year	**71,533,343**	69,450,262
Total property and development costs	**92,095,929**	90,012,848
Less: Cost recognised as an expense in profit or loss		
At beginning of the financial year	**78,452,567**	73,598,270
Current year	**585,280**	4,854,297
At end of the financial year	**(79,037,847)**	(78,452,567)
	13,058,082	11,560,281

The leasehold land carried at the group cost is based on independent valuation on open market value basis carried out in 1999. The long term leasehold lands have unexpired lease period of more than 50 years.

The master land title to the freehold land which the Group has beneficial interest is still held under the name of previous proprietor.

15. INVENTORIES

	Group 2014 RM	Group 2013 RM
Unsold completed properties		
At cost	-	1,536,120
At net realisable value	-	251,898
	-	1,788,018

The master land title to the inventories with carrying amount of RM Nil (2013: RM481,898) which the Group has beneficial interest is still held under the name of the previous proprietor.

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16. TRADE RECEIVABLES

	Group	
	2014	**2013**
	RM	**RM**
Trade receivables (Note a)	**19,583,252**	9,717,106
Less: Accumulated impairment losses	**(105,016)**	(105,016)
	19,478,236	9,612,090
Amount due by contract customers (Note b)	**83,310**	143,203
At 31 December	**19,561,546**	9,755,293

(a) Trade receivables are non-interest bearing and are generally on 14 to 90 days (2013: 14 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

There was no movement in the allowance account.

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

	Group	
	2014	**2013**
	RM	**RM**
Neither past due nor impaired	**19,445,108**	9,515,978
Past due not impaired:		
Less than 30 days	**16,688**	16,622
31 to 60 days	**16,709**	16,372
61 to 90 days	**16,806**	16,447
More than 90 days	**66,235**	189,874
	116,438	239,315
	19,561,546	9,755,293
Impaired	**105,016**	105,016
	19,666,562	9,860,309

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

As at 31 December 2014, trade receivables of RM116,438 (2013: RM239,315) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM105,016 (2013: RM105,016) respectively, related to customers that are in financial difficulties, have defaulted on payments and / or have disputed on the billings. These balances are expected to be recovered through the debts recovery process.

16. TRADE RECEIVABLES (CONT'D)

(b) Amount due by contract customers

	Group 2014 RM	Group 2013 RM
Contract cost incurred to date	**3,020,336**	4,630,233
Attributable profits	**83,310**	143,203
	3,103,646	4,773,436
Less: Progress billings	**(3,020,336)**	(4,630,233)
	83,310	143,203
Represented by:		
Amount due from contract customers	**83,310**	143,203
Retention sums on contracts (included in trade receivables)	**2,482,036**	1,845,167

17. OTHER RECEIVABLES

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Other receivables	**619,288**	8,199,890	**3,500**	1,504
Less: Accumulated impairment losses (Note a)	**(202,789)**	(8,005,889)	**-**	-
	416,499	194,001	**3,500**	1,504
Deposits	**470,597**	464,921	**74,559**	74,838
Prepayments	**786,490**	3,261,475	**2,718**	743
Amount due from subsidiaries (Note b)	**-**	-	**83,785,968**	79,019,681
	1,673,586	3,920,397	**83,866,745**	79,096,766

(a) Movements in the allowance for impairment losses of other receivables are as follows:

	Group 2014 RM	Group 2013 RM
At 1 January	**8,005,889**	8,005,889
Impairment losses reversed	**(7,803,100)**	-
At 31 December	**202,789**	8,005,889

(b) Amounts due from subsidiaries

	Company 2014 RM	Company 2013 RM
Balance outstanding	**91,516,719**	86,750,432
Less: Accumulated impairment loss	**(7,730,751)**	(7,730,751)
	83,785,968	79,019,681

Amount due from subsidiary companies with non-interest bearing are unsecured and repayable on demand.

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18. CASH AND BANK BALANCES/ CASH AND CASH EQUIVALENTS

		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
Fixed deposits with licensed banks	a	**1,184,872**	1,153,778	**50,000**	50,000
Cash and bank balances		**1,128,974**	253,988	**59,503**	57,778
Cash held under housing development accounts	b	**907,668**	3,091,530	**-**	-
Short term funds		**4,857**	602,720	**434**	599,156
Cash and bank balances/Cash and cash equivalents		**3,226,371**	5,102,016	**109,937**	706,934

Note a
These fixed deposits are pledged as security for bank guarantee facilities granted to the Group and to the Company and hence, are not freely available for use.

The fixed deposits of the Group and of the Company bear effective interest at rates ranging from 2.75% to 3.20% (2013: 2.75% to 3.25%) and 2.75% (2013: 2.75%) per annum respectively.

Note b
The cash held under housing development accounts maintained pursuant to Section 7A of the Housing Development (Control and Licensing) (Amendment) Act 1966 are not freely available for the Group's use.

19. SHARE CAPITAL

	Group and Company	
	2014 RM	2013 RM
Authorised:		
Ordinary shares at RM 1.00 each	**500,000,000**	500,000,000
Issued and fully paid:		
Ordinary shares at RM 1.00 each	**346,102,679**	346,102,679

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets. In respect of the Company's treasury shares that are held by the Group, all rights are suspended until those shares are reissued.

Notes To The Financial Statements
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20. RESERVES

		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
Accumulated losses		**(35,167,194)**	(29,150,938)	**(53,196,736)**	(52,173,903)
Non-distributable					
Revaluation reserve	a	**1,570,447**	1,621,861	**-**	-
Share premium	b	**43,953,998**	43,953,998	**43,953,998**	43,953,998
Other reserve		**3,526,514**	3,526,514	**4,519,264**	4,519,264
		49,050,959	49,102,373	**48,473,262**	48,473,262
		13,883,765	19,951,435	**(4,723,474)**	(3,700,641)

Note a
The revaluation reserve relates to the revaluation of land held for property development prior to the adoption of FRS201: Property Development Activities.

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

21. TREASURY SHARES

The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

Group and Company

	2014		2013	
	Number of ordinary shares of RM1.00 each	Amount RM	Number of ordinary shares of RM1.00 each	Amount RM
At beginning/end of the year	**271,700**	**(68,236)**	271,700	(68,236)

There were no resale, cancellation or distribution of treasury shares during the financial year.

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22. FINANCE LEASE LIABILITIES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Gross instalment payments	**27,525**	51,153	**27,525**	51,153
Less: Future finance charges	**(1,038)**	(3,471)	**(1,038)**	(3,471)
Present value of finance lease liabilities	**26,487**	47,682	**26,487**	47,682
Payable within 1 year				
Gross instalment payments	**23,628**	23,628	**23,628**	23,628
Less: Future finance charges	**(1,009)**	(2,433)	**(1,009)**	(2,433)
Present value of finance lease liabilities	**22,619**	21,195	**22,619**	21,195
Payable after 1 year but not later than 5 years				
Gross instalment payments	**3,898**	27,525	**3,898**	27,525
Less: Future finance charges	**(30)**	(1,038)	**(30)**	(1,038)
Present value of finance lease liabilities	**3,868**	26,487	**3,868**	26,487
Total present value of finance lease liabilities	**26,487**	47,682	**26,487**	47,682

The maturity profile of the finance lease liabilities is as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Present value of finance lease liabilities				
Payable within 1 year	**22,619**	21,195	**22,619**	21,195
Payable after 1 year but not later than 2 years	**3,868**	26,487	**3,868**	26,487
	26,487	47,682	**26,487**	47,682

The finance lease liabilities of the Group and of the Company bear effective interest at rates ranging from 4.87% to 6.76% (2013: 4.87% to 6.76%) and 4.87% to 6.76% (2013: 4.87% to 6.76%) per annum respectively.

23. BORROWINGS

	Group	
	2014 RM	2013 RM
Secured:		
Term loan		
Current	**1,312,154**	1,187,407
Non-current	**-**	1,314,006
Total borrowings	**1,312,154**	2,501,413

23. BORROWINGS (CONT'D)

The maturity profile of the term loan is as follow:-

	Group 2014 RM	Group 2013 RM
Current Liabilities		
Repayable within 1 year	**1,312,154**	1,187,407
Non-Current Liabilities		
Repayable after 1 year but not later than 2 years	**-**	1,314,006
	1,312,154	2,501,413

The term loan of the Group is secured and supported as follows:
(i) third party lien-holder's caveat over the investment property of a subsidiary; and
(ii) deed of assignment over the monthly rental proceeds from th2e investment property of the subsidiary.

The term loan bears effective interest at a rate of 8.3% (2013: 8.3%) per annum.

24. DEFERRED TAXATION

	Group 2014 RM	Group 2013 RM
Deferred tax liabilities		
At beginning of the year	**34,314,994**	34,545,320
Recognised in profit or loss (Note 7)	**(339,185)**	(230,326)
At end of the year	**33,975,809**	34,314,994

The deferred tax liabilities/(assets) are in respect of temporary differences as follows:-

	Group 2014 RM	Group 2013 RM
Fair value adjustment on investment properties	**10,717,256**	10,717,256
Revaluation surplus on revaluation of development properties in the subsidiaries to group cost	**23,258,675**	23,597,860
Difference between the carrying amount of property, plant and equipment and its tax base	**-**	13,750
Unabsorbed capital allowances	**(122)**	(13,872)
	33,975,809	34,314,994

Unrecognised deferred tax assets
Deferred tax assets in respect of the following items are not recognised due to the uncertainty of its recoverability:

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Unutilised tax losses	**19,519,000**	14,531,000	**12,006,600**	11,137,400
Unabsorbed capital allowances	**393,000**	344,700	**535,000**	271,000
	19,912,000	14,875,700	**12,541,600**	11,408,400

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25. TRADE PAYABLES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Trade				
Trade payables	**9,806,365**	9,174,175	**-**	-

Credit terms of trade payables of the Group and Company ranged from 30 to 60 days (2013: 30 to 60 days) depending on the terms of the contracts.

26. OTHER PAYABLES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Non-trade				
Other payables	**5,888,683**	1,174,233	**4,803,681**	274,936
Amount due to subsidiaries	**-**	-	**246,478,897**	245,774,327
Accruals	**1,249,696**	1,072,764	**101,010**	27,270
Deposits received	**919,568**	887,941	**42,422**	42,422
	8,057,947	3,134,938	**251,426,010**	246,118,955

(a) Other payables

Included in other payables of the Group and the Company is an amount of RM4,400,000 (2013: RM Nil) owing to a shareholder. These amounts are non-trade in nature, unsecured, interest free, repayable on demand and expected to be settled in cash.

(b) Accruals

Included in accruals of the Group is penalty on late payment of tax payable to the tax authority of RM 87,415 (2013: RM297,234).

(c) Amount due to subsidiaries

These are loans from associates which are unsecured, interest free and repayable on demand.

(d) Deposits received

Included in deposits refundable of the Group is a deposit received from a director's related company amounting to RM41,400 (2013: RM75,240).

Notes To The Financial Statements
– 31 December 2014

27. PROVISIONS

	Liquidated Ascertained Damages RM	Infrastructure and Development Costs RM	Total RM
Group			
At 1 January 2014	3,006,921	2,366,913	5,373,834
Provision made during the financial year	-	-	-
Provision used during the financial year	(3,006,921)	(21,999)	(3,028,920)
At 31 December 2014	-	2,344,914	2,344,914
At 1 January 2013	733,241	2,469,963	3,203,204
Provision made during the financial year	2,273,680	-	2,273,680
Provision used during the financial year	-	(103,050)	(103,050)
At 31 December 2013	3,006,921	2,366,913	5,373,834
At 31 December 2014			
Current	-	2,344,914	2,344,914
At 31 December 2013			
Current	3,006,921	2,366,913	5,373,834

(a) Liquidated Ascertained Damages

The provision for liquidated ascertained damages is made based on management's best estimate on the expected liquidated damages claims in accordance with the terms of the applicable sale and purchase agreement. The Company has contractual obligation to incur the said expenses.

(b) Infrastructure and Development Costs

The provision for infrastructure and development costs is made based on the management's best estimate in respect of development properties sold of which the Group has either constructive or contractual obligation to incur the said expenses. These expenses are expected to be incurred within the normal operating cycles of the relevant development.

28. SEGMENT INFORMATION

Segment information is presented in respect of the Group's operating segments.

Segment revenue, expenses, assets and liabilities are those amounts from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment.

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established under negotiated terms.

Notes To The Financial Statements
– 31 December 2014

28. SEGMENT INFORMATION (CONT'D)

Operating Segments

The Group comprises the following two major operating segments:

(i) Property development - property development, contract works and investment property business
(ii) Other operations - investment holding, provision of management and secretarial services and others

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss before taxation.

	Property Development RM	Other Operations RM	Adjustments and eliminations RM	Consolidated RM
2014				
Revenue				
External revenue	7,894,769	9,576,572	-	17,471,341
Inter-segment revenue (Note 28(a))	-	3,550,451	(3,550,451)	-
Total revenue	7,894,769	13,127,023	(3,550,451)	17,471,341
Results				
Segment loss before taxation	(6,097,873)	(138,925)	-	(6,236,798)
Interest income	71,970	8,012	-	79,982
Interest expense	-	(171,493)	-	(171,493)
Depreciation	-	(154,045)	-	(154,045)
Assets				
Segment assets	306,426,350	120,690,029	-	427,116,379
Additions to non-current assets other than financial assets and deferred tax assets (Note 28(b))	(360,969)	120,824	-	(240,145)
Segment liabilities (Note 28(c))	11,075,687	9,133,539	46,988,945	67,198,171
2013				
Revenue				
External revenue	16,335,816	2,390,000	-	18,725,816
Inter-segment revenue (Note 28(a))	-	3,639,459	(3,639,459)	-
Total revenue	16,335,816	6,029,459	(3,639,459)	18,725,816

28. SEGMENT INFORMATION(CONT'D)

Operating Segments (Cont'd)

	Property Development RM	Other Operations RM	Adjustments and eliminations RM	Consolidated RM
2013 (Cont'd)				
Results				
Segment loss before taxation	(5,540,483)	(1,944,428)	-	(7,484,911)
Interest income	363,970	-	-	363,970
Interest expense	(11,328)	(277,302)	-	(288,630)
Depreciation	-	(114,596)	-	(114,596)
Assets				
Segment assets	312,913,404	120,166,718	-	433,080,122
Additions to non-current assets other than financial assets and deferred tax assets (Note 28(b))	107,321	763,908	-	871,229
Segment liabilities (Note 28(c))	13,241,762	4,441,185	49,411,297	67,094,244

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

(b) Addition to non-current assets other than financial assets and deferred tax assets consists of:-

	2014 RM	2013 RM
Property, plant and equipment	**120,824**	763,908
Investment properties	**-**	-
Land held for property development	**(360,969)**	107,321
	(240,145)	871,229

(c) The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:-

	2014 RM	2013 RM
Deferred taxation	**33,975,809**	34,314,994
Tax payable	**11,674,495**	12,547,208
Borrowings	**1,312,154**	2,501,413
Finance lease liabilities	**26,487**	47,682
	46,988,945	49,411,297

Geographical Information

External customer and non-current assets of the Group are all located in Malaysia.

Information about major customer

Revenue from one (2013: one) major customer contributing revenue more than 10% of the Group's revenue is amounting to RM5,699,965 (2013: RM2,303,436)

Notes To The Financial Statements
– 31 December 2014

29. RELATED PARTY DISCLOSURES

(a) Identifying of related parties

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group and certain members of senior management and chief executive officers of major subsidiary companies of the Group.

The Group has related party relationships with its subsidiary companies and key management personnel.

(b) Significant related party transactions:-

Related party transactions have been entered into in the normal course of business under normal trade terms. In addition to the related party balances disclosed in Notes 17 and 26, to the financial statements, the significant related party transactions of the Group and the Company are as follows:

	Group		Company	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
(i) Transactions with subsidiary companies				
- Management fees income	**-**	-	**(3,550,451)**	(3,639,459)
(ii) Transactions with companies in which Directors of the Company have substantial financial interest				
Office rental	**165,600**	255,539	**-**	-

(c) Key management personnel's compensation

Key management personnel includes personnel having authority and responsibility for planning, directing and controlling the activities of the entities, directly or indirectly, including any Director of the Group and of the Company.

Key management personnel compensation is disclosed in Note 6.

Notes To The Financial Statements
– 31 December 2014

30. FINANCIAL INSTRUMENTS

Classification of financial instruments

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

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

Group

	Loans and receivables RM	Held to maturity RM	Total RM
Financial assets			
2014			
Trade receivables	19,561,546	-	19,561,546
Other receivables	1,673,586	-	1,673,586
Deposits, bank and cash balances	-	3,226,371	3,226,371
	21,235,132	3,226,371	24,461,503
2013			
Trade receivables	9,755,293	-	9,755,293
Other receivables	3,920,397	-	3,920,397
Deposits, bank and cash balances	-	5,102,016	5,102,016
	13,675,690	5,102,016	18,777,706

Company

	Loans and receivables RM	Held to maturity RM	Total RM
Financial assets			
2014			
Other receivables	83,866,745	-	83,866,745
Deposits, bank and cash balances	-	109,937	109,937
	83,866,745	109,937	83,976,682
2013			
Other receivables	79,096,766	-	79,096,766
Deposits, bank and cash balances	-	706,934	706,934
	79,096,766	706,934	79,803,700

Notes To The Financial Statements
– 31 December 2014

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

i. Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

Exposure to credit risk
The Group's and the Company's exposure to credit risk arise mainly from its receivables and the maximum risk associated with the recognised financial assets is the carrying amounts as presented in the statements of financial position.

The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit assessments, approvals, credit limits and monitoring procedures.

Information regarding credit enhancements, if any, for trade and other receivables is disclosed in Note 16.

Credit risk concentration profile
The Group and the Company determine concentrations of credit risk by monitoring profiles of its receivables on an ongoing basis. The Group and the Company do not have any significant exposure to any individual customer.

At the reporting date, approximately 99.90% (2013: 99.93%)of the Company's receivables were amounts owing by subsidiaries.

ii. Liquidity Risk

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

The Group and the Company actively manage their operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintains sufficient levels of cash to meet its working capital requirements. In addition, the Group and the Company strive to maintain available banking facilities of a reasonable level to their overall debt position.

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

ii. Liquidity Risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities

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

	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	1 to 2 years RM
2014				
Group				
Financial liabilities:				
Trade payables	9,806,365	9,806,365	9,806,365	-
Other payables	5,888,683	5,888,683	5,888,683	-
Deposits received	919,568	919,568	919,568	-
Accruals	1,249,696	1,249,696	1,249,696	-
Borrowings	1,312,154	1,371,814	1,371,814	-
Finance lease liabilities	26,487	27,526	23,628	3,898
	19,202,953	19,263,652	19,259,754	3,898
2014				
Company				
Financial liabilities:				
Other payables	4,803,681	4,803,681	4,803,681	-
Deposits received	42,422	42,422	42,422	-
Accruals	101,010	101,010	101,010	-
Amount due to subsidiaries	246,478,897	246,478,897	246,478,897	-
Finance lease liabilities	26,487	27,526	23,628	3,898
	251,452,497	251,453,536	251,449,638	3,898
2013				
Group				
Financial liabilities:				
Trade payables	9,174,175	9,174,175	9,174,175	-
Other payables	1,174,233	1,174,233	1,174,233	-
Deposits received	887,941	887,941	887,941	-
Accruals	1,072,764	1,072,764	1,072,764	-
Borrowings	2,501,413	2,725,430	1,350,528	1,374,902
Finance lease liabilities	47,682	51,153	23,628	27,525
	14,858,208	15,085,696	13,683,269	1,402,427

Notes To The Financial Statements
– 31 December 2014

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

ii. Liquidity Risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	1 to 2 years RM
2013				
Company				
Financial liabilities:				
Other payables	274,936	274,936	274,936	-
Deposits received	42,422	42,422	42,422	-
Accruals	27,270	27,270	27,270	-
Amount due to subsidiaries	245,774,327	245,774,327	245,774,327	-
Finance lease liabilities	47,682	51,153	23,628	27,525
	246,166,637	246,170,108	246,142,583	27,525

iii. Interest Rate Risk

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

The Group's exposure to interest rate risk arises primarily from interest bearing financial assets and financial liabilities which include deposits placed with licensed banks, finance lease payables and term loan. The deposits are short term in nature and are placed to satisfy conditions for bank facilities granted to the Group and to the Company and for better yield returns than cash at banks. The deposits at fixed rate expose the Group and the Company to fair value interest rate risk.

Term loan at floating rate exposes the Group to cash flow interest rate risk whilst finance lease liabilities at fixed rate, expose the Group and the Company to fair value interest rate risk.

Sensitivity analysis for interest rate risk
If the interest rate had been 50 basis points higher/lower and all other variables were held constant, the Group's results net of taxation for the financial year ended 31 December 2014 and 2013 would decrease/increase by RM11,850 (2013: RM12,507) as a result of exposure to floating rate borrowings.

32. FAIR VALUE MEASUREMENT

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

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

32. FAIR VALUE MEASUREMENT (CONT'D)

The carrying amounts of financial assets and liabilities recognised in the statements of financial position approximate their fair values except for the following:

	2014		2013	
	Carrying Amount RM	Fair Values RM	Carrying Amount RM	Fair Values RM
Group				
Financial Liability				
Hire purchase payables	**3,868**	**3,898**	26,487	26,647
Company				
Financial Liability				
Hire purchase payables	**3,868**	**3,898**	26,487	26,647

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets.
Level 2 : Valuation inputs (other than Level 1 input) that are based on observable market data for the asset or liability, whether directly or indirectly.
Level 3 : Valuation that are not based on observable market data for the asset or liability.

As at the reporting date, the Group and the Company held the following financial instruments carried at fair values in the statements of financial position:

	Total RM	Quoted prices in active markets (Level 1) RM	Significant observable inputs (Level 2) RM	Significant unobservable inputs (Level 3) RM
Group				
As at 31 December 2014				
Investment properties	155,527,174	-	155,527,174	-
As at 31 December 2013				
Investment properties	155,527,174	-	155,527,174	-
Company				
As at 31 December 2014				
Investment properties	4,026,020	-	4,026,020	-
As at 31 December 2013				
Investment properties	4,026,020	-	4,026,020	-

Notes To The Financial Statements
– 31 December 2014

33. CAPITAL MANAGEMENT

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

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

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

	2014 RM	As restated 2013 RM	As previously disclosed 2013 RM
Total loans and borrowings (Note 22 and Note 23)	**1,338,641**	2,549,095	2,549,095
Less: Deposits, bank and cash balances (Note 18)	**3,226,371**	5,102,016	-
Net debt	**(1,887,730)**	(2,552,921)	2,549,095
Total equity	**359,918,208**	365,985,878	365,985,878
Gearing ratio	**(0.005)**	(0.007)	0.007

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

34. OPERATING LEASE COMMITMENTS

The Group and the Company had entered into commercial property leases on their investment properties. These non-cancellable leases have remaining lease terms of between one and three years. Certain leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

As at the reporting date, the Group and the Company were committed to receive the following payments in respect of operating leases:-

	Group	
	2014 RM	2013 RM
Receivable within 1 year	**875,000**	1,500,000
Receivable after 1 year but not more than 2 years	**-**	875,000
Receivable after 2 years but not more than 3 years	**-**	-
	875,000	2,375,000

35. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 08 April 2015.

Notes To The Financial Statements
– 31 December 2014

36. SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFIT OR LOSS

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

The accumulated losses of the Group and of the Company as at 31 December 2014 and 31 December 2013 is analysed as follows:-

	Group		Company	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Total accumulated losses of the Company and its subsidiaries:-				
- realised	**282,763,773**	288,952,458	**(53,196,736)**	(52,173,903)
- unrealised	**32,299,616**	31,476,303	**-**	-
	315,063,389	320,428,761	**(53,196,736)**	(52,173,903)
Less: Consolidation adjustments	**(350,230,583)**	(349,579,699)	**-**	-
Total accumulated losses	**(35,167,194)**	(29,150,938)	**(53,196,736)**	(52,173,903)

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

List Of Group Properties

As at 31 December 2014

	Location	Description	Year of Expiry	Area (Hectares)	Age of Building	Existing Use	Net Book Value (RM'000)
1	H.S. (M) Title No. 2375, 2376 & 2377 Lot P.T. 546, 547 & 548 Mukim Tanjong Dua Belas District of Kuala Langat Selangor Darul Ehsan	Leasehold land & building	2076	4.5	18	Factory premise	4,026
2	H.S. (D) Title No. 39909 Lot P.T. 19694, Mukim Batu District of Gombak Selangor Darul Ehsan	Leasehold land	2064	9.1	-	Under development	33,850
3	Title No. PN 32177, 34701, 34702, 34703, 34704, 34705 & 34706 Mukim Pekan Senawang, District of Seremban Negeri Sembilan Darul Khusus	Leasehold land	2088	2.8	-	Under development	4,796
4	Part of Master Title No. Country Lease 045091174 Mukim Menggatal District of Tuaran, Kota Kinabalu Sabah	Leasehold land	2093	607.0	-	Development land	231,008
5	Parcel 28, being approved subdivision parcel of Master Title No. Country Lease 045091174, Mukim Menggatal District of Tuaran, Kota Kinabalu Sabah	Leasehold land	2093	25.1	-	Development land	38,632
6	Part of Parent Lot No. 7125 Seksyen 2, Geran 247699 Mukim Bandar Ulu Kelang, District of Gombak Selangor Darul Ehsan	Freehold land	-	5.2	-	Under development	31,481

List Of Group Properties
As at 31 December 2014

	Location	Description	Year of Expiry	Area (Hectares)	Age of Building	Existing Use	Net Book Value (RM'000)
7	Part of Parent Lot No. 7125 Seksyen 2, Geran 247699 Mukim Bandar Ulu Kelang, District of Gombak Selangor Darul Ehsan	Freehold land & building	-	1.1	15	Clubhouse	13,460
8	Lot P.T. 697, 698, 699, 700 & 701 Mukim Ulu Yam, District of Ulu Selangor Selangor Darul Ehsan	Leasehold land	2083	47.0	-	Development land	15,648
9	Lot No. 4, Section 36 Town of Petaling Jaya Selangor Darul Ehsan	Leasehold land and building	2060	0.8	16	Four storey office/ showroom building and annexed factory	22,000
							394,901

SHAREHOLDINGS STATISTICS

As at 5 May 2015

ANALYSIS OF SHAREHOLDINGS

Authorised Share Capital	:	RM500,000,000
Issued and Paid-up Share Capital	:	RM346,102,679
Class of securities	:	Ordinary Shares of RM1.00 each
Voting Rights	:	Every member present in person or by proxy has one (1) vote on a show of hands and on a poll, every member present in person or by proxy has one (1) vote for each share he holds.

Holdings	No. of Holders	Total Holdings *	% *
Less than 100	46	1,350	0.01
100 to 1,000	856	821,387	0.24
1,001 to 10,000	2,182	10,920,912	3.15
10,001 to 100,000	877	30,229,823	8.73
100,001 to less than 5% of issued shares	126	109,645,212	31.68
5% and above of issued shares	3	194,483,995	56.19
Total	4,090	346,102,679	100.00

* *Excluding a total of 271,700 Petaling Tin Berhad ("PTB") shares bought back by PTB and retained as treasury shares as at 5 May 2015*

** *Negligible*

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No.	Names	No. of Shares Held	% *
1.	Emden Investment Ltd	107,146,552	30.96
2.	Cartaban Nominees (Tempatan) Sdn Bhd Exempt An for LGT Bank AG (Local)	53,600,000	15.49
3.	Chen Lip Keong	33,737,443	9.75
4.	The KL Regency Sdn Bhd	15,517,241	4.48
5.	Quantum Symbol Sdn Bhd	12,759,400	3.69
6.	Fastrack Investments Limited	10,344,828	2.99
7.	Profitline Worldwide Ltd	10,344,828	2.99
8.	Star Combination Sdn Bhd	8,885,309	2.57
9.	Importex Sdn Bhd	5,913,793	1.71
10.	Affin Hwang Nominees (Asing) Sdn Bhd Selvione Limited	5,000,000	1.44
11.	Asali Developments Sdn Bhd	4,008,621	1.16
12.	Lee Vui Lan @ Lee Sam Chit	3,200,000	0.92

Shareholdings Statistics
As at 5 May 2015

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Names	No. of Shares Held	% *
13.	CIMSEC Nominees (Asing) Sdn Bhd Exempt An For CIMB Securities (Singapore) Pte Ltd	2,943,700	0.85
14.	Cartaban Nominees (Asing) Sdn Bhd Exempt An for LGT Bank AG (Foreign)	2,738,000	0.79
15.	HSBC Nominees (Asing) Sdn Bhd HSBC-FS for Asian Emerging Countries Fund	992,700	0.29
16.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged securities account for Phoa Boon Ting	730,000	0.21
17.	Koh Lay Poo	670,500	0.19
18.	JF Apex Nominees (Asing) Sdn Bhd Exempt An For CIMB Securities (Singapore) Pte Ltd	660,000	0.19
19.	Anchor Peak Sdn Bhd	652,524	0.19
20.	Lim Ming Lang @ Lim Ming Ann	554,100	0.16
21.	RHB Capital Nominees (Tempatan) Sdn Bhd Bien Sam Yuen	500,000	0.14
22.	RHB Capital Nominees (Tempatan) Sdn Bhd Bien Chin Hwa	500,000	0.14
23.	Affin Hwang Nominees (Tempatan) Sdn Bhd DBS Vickers Secs (S) Pte Ltd for Wee Cheow Beng	500,000	0.14
24.	Lim Cheng Hai	500,000	0.14
25.	Tan Beng Koon	484,100	0.14
26.	Tan Leng Hock	472,100	0.14
27.	Sim Chong Wan @ Sim Tan Beg	436,400	0.13
28.	Affin Hwang Nominees (Asing) Sdn Bhd DBS Vickers Secs (S) Pte Ltd for Jek Kian Yee	430,000	0.12
29.	CIMSEC Nominees (Tempatan) Sdn Bhd Exempt An For CIMB Securities (Singapore) Pte Ltd	406,800	0.12
30.	Sua Foong Sin	397,900	0.12
Total		**285,026,839**	**82.35**

* *Excluding a total of 271,700 Petaling Tin Berhad ("PTB") shares bought back by PTB and retained as treasury shares as at 5 May 2015*

Shareholdings Statistics
As at 5 May 2015

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Number of Ordinary Shares of RM1.00 Each Held					
Name	**Direct Interest**	**%***	**Deemed Interest**	**%***	**Total Interest**	**%***
Tan Sri Dr Chen Lip Keong	91,777,443 [(a)]	26.54	26,082,179 [(b)]	7.54	117,859,622	34.08
Emden Investment Limited	107,146,552	30.98	-	-	107,146,552	30.98

Notes

(a) *Held as registered holder and through HSBC Nominees (Tempatan) Sdn Bhd.*

(b) *Deemed interested by virtue of his interest in Asali Developments Sdn Bhd, Importex Sdn Bhd and The K.L. Regency Sdn Bhd and his deemed interest in Anchor Peak Sdn Bhd.*

* *Excluding a total of 271,700 Petaling Tin Berhad ("PTB") shares bought back by PTB and retained as treasury shares as at 5 May 2015.*

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S INTERESTS IN THE COMPANY AND RELATED CORPORATIONS

In Petaling Tin Berhad

	Number of Ordinary Shares of RM1.00 each Held					
Name	**Direct Interest**	**%***	**Deemed Interest**	**%***	**Total Interest**	**%***
Datuk Haji Jaafar bin Abu Bakar	5,000	**	-	-	5,000	**
Datuk Wan Kassim bin Ahmed	-	-	-	-	-	-
Dato' Nik Kamaruddin bin Ismail	-	-	-	-	-	-
Tiang Chong Seong	-	-	-	-	-	-
Lim Mun Kee	-	-	-	-	-	-
Chen Yiy Fon	-	-	-	-	-	-

* *Excluding a total of 271,700 Petaling Tin Berhad ("PTB") shares bought back by PTB and retained as treasury shares as at 5 May 2015*

Notes

Save as disclosed, none of the directors have any interests in the shares of the Company or its related corporations as at 5 May 2015.

** *Negligible*

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Eighty-Ninth Annual General Meeting of Petaling Tin Berhad will be held at Bukit Unggul Country Club Berhad, Lot P.T 2180 - 2182, Mukim Dengkil, Daerah Sepang, 43807 Dengkil, Selangor Darul Ehsan on Tuesday, 23 June 2015 at 10.30 a.m. for the following purposes:

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2014 together with the Reports of Directors and Auditors thereon. **(See Note 2)**

2. To approve the payment of Directors' fees of RM276,000/- for the financial year ended 31 December 2014. **Resolution 1**

3. To re-elect the following directors who are retiring pursuant to Article 80 of the Company's Articles of Association, and being eligible, offer themselves for re-election:

   (a) Datuk Haji Jaafar Bin Abu Bakar **Resolution 2**

   (b) Dato' Nik Kamaruddin Bin Ismail **Resolution 3**

4. To re-appoint Auditors of the Company and to authorise the Directors to fix their remuneration.

   "THAT UHY Chartered Accountants be and are hereby re-appointed Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorized to determine their remuneration." **Resolution 4**

As Special Business:

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

5. **Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965** **Resolution 5**

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

Notice of Annual General Meeting

6. Retention of Independent Directors

6.1 That Datuk Haji Jaafar Bin Abu Bakar be retained as Independent Director, in accordance with the Malaysian Code on Corporate Governance 2012 and that the Board of Directors be authorised henceforth to determine on a year to year basis the continuation in office of Datuk Haji Jaafar Bin Abu Bakar as an Independent Non-Executive Director of the Company until such authority is revoked at a general meeting. **Resolution 6**

6.2 That Datuk Wan Kassim Bin Ahmed be retained as Independent Director, in accordance with the Malaysian Code on Corporate Governance 2012 and that the Board of Directors be authorised henceforth to determine on a year to year basis the continuation in office of Datuk Haji Jaafar Bin Abu Bakar as an Independent Non-Executive Director of the Company until such authority is revoked at a general meeting. **Resolution 7**

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

7. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

LAM HOI KHONG (MIA 18848)
VOON YOON MEI (MAICSA 0802554)
Company Secretaries

Petaling Jaya
29 May 2015

Notes:

1. Appointment Of Proxy

(a) In respect of deposited securities, only members whose names appear in the Record of Depositors on 15 June 2015 shall be entitled to attend, speak and vote at the meeting.

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

(c) Where a member is an exempt authorized nominee which holds ordinary shares in the Company for multiple owners in one securities account (omnibus account) as defined under the Securities Industry Central Depositories Act, 1991, there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.

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

(e) The instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if such appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised.

(f) The instrument appointing a proxy and the power of attorney or other authority (if any) under which the instrument is signed or a notarily certified copy of that power or authority, shall be deposited at the Share Registrar of the Company at Ground Floor, No.118, Jalan Semangat, 46300 Petaling Jaya at least forty-eight (48) hours before the time for holding the meeting or adjourned meeting.

(g) The 2014 Annual Report is in CD-ROM format. Printed copies of the Annual Report shall be provided to the shareholders upon request. Shareholders who wish to receive a printed copy of the Annual Report and who require assistance with viewing the CD-ROM, kindly contact Goh Chin Khoon at Tel : 603-79681001 & Fax : 603-79588013 or Voon Yoon Mei at Tel : 603-79681222 & Fax : 603-79541155 or e-mail to comsec@petalingtin.com

Notice of Annual General Meeting

2. Explanatory Note on Ordinary Business

   Audited Financial Statements Of The Company For The Financial Year Ended 31 December 2014

   This agenda item is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the audited financial statements. As such, this item is not put forward for voting.

3. Explanatory Note on Special Business

   (a) Authority To Allot And Issue Shares Pursuant To Section 132D Of The Companies Act, 1965

   Ordinary Resolution 5 is proposed pursuant to Section 132D of the Companies Act, 1965 and if passed, will empower the Directors to issue shares up to 10% of the issued capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next Annual General Meeting of the Company.

   No proceeds were raised from the previous mandate.

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

   (b) Retention of Independent Directors

   i Datuk Haji Jaafar Bin Abu Bakar

   Datuk Haji Jaafar Bin Abu Bakar was appointed Independent Director on 1 August 1997. Datuk Haji Jaafar Bin Abu Bakar has served the Company for more than seventeen years (17) as at the date of the notice of the AGM and has met the independence guidelines as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board, therefore, considers Datuk Haji Jaafar Bin Abu Bakar to be independent and recommends Datuk Haji Jaafar Bin Abu Bakar to remain as an Independent Director.

   ii Datuk Wan Kassim Bin Ahmed

   Datuk Wan Kassim Bin Ahmed was appointed an Independent Director on 2 July 2001. Datuk Wan Kassim Bin Ahmed has served the Company for more than thirteen (13) years as at the date of the notice of the AGM and has met the independence guidelines as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board, therefore, considers Datuk Wan Kassim Bin Ahmed to be independent and recommends Datuk Wan Kassim Bin Ahmed to remain as an Independent Director.

Statement Accompanying Notice of Annual General Meeting

1. Name of the Directors who are standing for re-election:
   (a) Datuk Haji Jaafar Bin Abu Bakar
   (b) Dato' Nik Kamaruddin Bin Ismail

2. Details of attendance of Directors at Board Meetings are set out on page 8 of the Annual Report

3. Date, Time and Venue of the Annual General Meeting

   Tuesday, 23 June 2015 at 10.30 a.m, Bukit Unggul Country Club Berhad, Lot P.T 2180 - 2182, Mukim Dengkil, Daerah Sepang, 43807 Dengkil, Selangor Darul Ehsan.

4. Further details of Directors who are standing for re-election are disclosed under Profile of Directors/CEO on pages 6 to 7 of this Annual Report. The shareholdings of these Directors in the Company are disclosed under Analysis of Shareholdings on page 80 of this Annual Report.

Notes

PETALING TIN BERHAD (324-H)

INCORPORATED IN MALAYSIA

PROXY FORM

No. of Shares: ____________________ CDS Account No.: ____________________

I/We ____
(Full Name of Shareholder)

of ____
(Full Address of Shareholder)

being a member of Petaling Tin Berhad, hereby appoint ______________________________
(Full Name of Proxy)

of ____
(Full Address of Proxy)

or failing him/her, ____
(Full Name of Proxy)

of ____
(Full Address of Proxy)

or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Eighty-Eighth Annual General Meeting of the Company to be held at Bukit Unggul Country Club Berhad, Lot P.T 2180 - 2182, Mukim Dengkil, Daerah Sepang, 43807 Dengkil, Selangor Darul Ehsan on Tuesday, 23 June 2015 at 10:30 a.m. and at any adjournment thereof.

No.	Resolutions	For	Against
1.	Approval of the payment of Directors' fees.		
2.	Re-election of Datuk Haji Jaafar Bin Abu Bakar.		
3.	Re-election of Dato' Nik Kamaruddin Bin Ismail.		
4.	Appointment of UHY Chartered Accountants as Auditors.		
5.	Authority pursuant to Section 132D of the Companies Act, 1965.		
6.	Retention of Datuk Haji Jaafar Bin Abu Bakar as Independent Non-Executive Director.		
7.	Retention of Datuk Wan Kassim Bin Ahmed as Independent Non-Executive Director.		

(Please indicate with an "x" in the appropriate box how you wish your vote to be cast. If this Proxy Form is returned without any indication as how the proxy shall vote, the proxy will vote or abstain from voting as he thinks fit.)

Signed this ____________ day of ______________, 2015

Signature/Seal of Shareholder : ____________________ Telephone No. (during office hours) : ____________________

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 15 June 2015 shall be entitled to attend, speak and vote at the meeting.
2. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote, in his stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
3. Where a member is an exempt authorized nominee which holds ordinary shares in the Company for multiple owners in one securities account (omnibus account) as defined under the Securities Industry Central Depositories Act, 1991, there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
4. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
5. The instrument appointing a proxy must be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if such appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy and the power of attorney or other authority (if any) under which the instrument is signed or a notarily certified copy of that power or authority, shall be deposited at the Share Registrar of the Company at Ground Floor, No.118, Jalan Semangat, 46300 Petaling Jaya at least forty-eight (48) hours before the time for holding the meeting or adjourned meeting.
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Affix Stamp

The Share Registrar of Petaling Tin Berhad (324-H)

Semangat Corporate Resources Sdn Bhd
Ground Floor, No. 118, Jalan Semangat
46300 Petaling Jaya, Selangor Darul Ehsan
Malaysia