

5. INVESTMENT PROPERTIES (cont'd)

Investment properties of the Group and of the Company at Level 3 fair value with carrying amount of RM50,450,000 (2014: RM50,612,000) and RM10,898,000 (2014: RM11,060,000) respectively were determined by directors' assessment based on the current market value of similar properties in the vicinity.

In the previous financial year, certain freehold land and building of the Group and of the Company with a total carrying amount of RM11,060,000 have been charged to a financial institution to secure term loans facilities granted to the Group as disclosed in Note 19. During the financial year, the term loans had been fully settled and the security had been discharged.

Direct operating expenses arising from the above investment properties not generating rental income during the current financial year are as follows:

	Group	
	2015	2014
	RM'000	RM'000
Repair and maintenance	830	708
Quit rent and assessment	58	105
	<u>888</u>	<u>813</u>

6. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2015	2014
	RM'000	RM'000
Freehold land, at cost		
At 1 July 2014/2013 and 30 June	80,574	80,574
Development expenditure		
At 1 July 2014/2013 and 30 June	4,061	4,061
Less: Accumulated impairment losses		
At 1 July 2014/2013 and 30 June	<u>(17,690)</u>	<u>(17,690)</u>
	<u>66,945</u>	<u>66,945</u>

In the previous financial year, certain freehold land of the Group with a total carrying amount of RM12,162,000 are pledged to a financial institution to secure term loans facilities granted to the Group as disclosed in Note 19. During the financial year, the term loans had been fully settled and the security had been discharged.

7. OPERATING FINANCIAL ASSETS

The Group entered into certain concession agreements with UiTM and the Government of Malaysia (“the Government”) as represented by the Ministry of Higher Education Malaysia under a private finance initiative for the right and authority to undertake the planning, design, development, construction, landscaping, equipping, installations, completion, testing and commissioning of the facilities and infrastructure of UiTM campuses and to carry out the maintenance works in relation to the maintenance of the facilities and infrastructure.

Each concession agreement is for a period of 23 years comprising 3 years of construction works and 20 years of maintenance works (“Maintenance Period”). The maintenance works will commence upon the issuance of Certificate of Acceptance by UiTM and expiring on the last date of the Maintenance Period. Upon expiry of the Maintenance Period, the Group is required to handover the facilities and infrastructure at no cost to UiTM in a well-maintained and operational condition.

UiTM will pay the Group throughout the Maintenance Period concession charges which comprise availability charges for the availability of the facilities and infrastructure and maintenance charges for the provision of maintenance works in accordance with the provisions of the concession agreements. The Group and UiTM may make request in writing for the review of the maintenance charges at the interval of every five years after the maintenance commencement date, subject to the Government’s approval.

The amount, being the financial assets arising from the above concession agreements represents the fair value of the consideration receivable for the construction services delivered during the stage of construction. They carry interest at rates ranging from 6.67% to 7.70% (2014: 7.00% to 7.70%) per annum and repayable in the form of availability charges upon fulfilment of the terms and conditions in the concession agreements.

All rights, interest and title limited to the availability charges, any amount payable by the Government of Malaysia, and reimbursement of costs by UiTM are assigned to a financial institution to secure a term loan facility granted to the Group as disclosed in Note 19(b).

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2015 RM’000	2014 RM’000
Unquoted shares, at cost	332,034	332,034
Less: Impairment losses		
At 1 July 2014/2013	(136,921)	(136,910)
Impaired during the financial year	(6)	(11)
At 30 June	(136,927)	(136,921)
	195,107	195,113

8. INVESTMENTS IN SUBSIDIARIES (cont'd)

The details of the subsidiaries, all of which have principal place of business and are incorporated in Malaysia, are as follows:

Name of the Company	Interest in equity held by				Principal activities
	Company		Subsidiaries		
	2015	2014	2015	2014	
	%	%	%	%	
Subsidiaries					
Menang Development (M) Sdn. Bhd.	100.00	100.00	-	-	Property development
Menang Leasing and Credit (M) Sdn. Bhd.	100.00	100.00	-	-	Leasing and hire purchase
Menang Management Services (M) Sdn. Bhd.	100.00	100.00	-	-	Management services
Menang Properties (M) Sdn. Bhd.	100.00	100.00	-	-	Property investment
Menang Aquatics Sdn. Bhd.	100.00	100.00	-	-	Investment holding and undertaking of landscaping projects
Menang Construction (M) Sdn. Bhd.	100.00	100.00	-	-	Property construction
Equitiplus Sdn. Bhd.	100.00	100.00	-	-	Investment holding
Hitung Panjang Sdn. Bhd. *	100.00	100.00	-	-	Investment holding
Temeris Holdings Sdn. Bhd.	100.00	100.00	-	-	Investment holding
Menang Industries (M) Sdn. Bhd.	100.00	100.00	-	-	Investment holding
Menang Plantations (M) Sdn. Bhd.	100.00	100.00	-	-	Dormant
Seremban 3 Paradise Valley Golf Resort Sdn. Bhd. *	100.00	100.00	-	-	Operating recreational activities
Subsidiary of Hitung Panjang Sdn. Bhd.					
Maztri Padu Sdn. Bhd. *	50.00	50.00	50.00	50.00	Management services and property development
Subsidiary of Menang Leasing and Credit (M) Sdn. Bhd.					
Menang Finservices (M) Sdn. Bhd.	-	-	100.00	100.00	Licensed money-lender
Subsidiary of Menang Land (M) Sdn. Bhd.					
Menang Saujana Sdn. Bhd.	49.50	49.50	50.50	50.50	Property development
Subsidiary of Menang Aquatics Sdn. Bhd.					
Menang Greens Sdn. Bhd.	-	-	100.00	100.00	Landscaping and turf farming
Subsidiaries of Equitiplus Sdn. Bhd.					
Harapan Aquarium (M) Sdn. Bhd.	-	-	100.00	100.00	Investment holding
Menang Equities (M) Sdn. Bhd.	-	-	100.00	100.00	Investment holding
Subsidiary of Temeris Holdings Sdn. Bhd.					
Temeris Resorts Development Sdn. Bhd.	-	-	100.00	100.00	Property development
Subsidiaries of Menang Development (M) Sdn. Bhd.					
Menang Land (M) Sdn. Bhd.	0.02	0.02	99.98	99.98	Investment holding
Twin Version Sdn. Bhd. *	-	-	100.00	100.00	Investment holding
Charisma Cheer Sdn. Bhd. *	-	-	100.00	100.00	Investment holding
Inovatif Mewah Sdn. Bhd. ^	-	-	71.00	71.00	Concession arrangements
Rumpun Positif Sdn. Bhd.	-	-	51.00	51.00	Concession arrangements
Protokol Elegan Sdn. Bhd.	-	-	51.00	51.00	Concession arrangements

8. INVESTMENTS IN SUBSIDIARIES (cont'd)

The details of the subsidiaries, all of which have principal place of business and are incorporated in Malaysia, are as follows: (cont'd)

* Audited by another firm of chartered accountants other than Baker Tilly Monteiro Heng.

^ Including 20% held by Menang Industries (M) Sdn. Bhd.

(a) The subsidiaries of the Group that have non-controlling interests ("NCI") are as follows:

	Inovatif Mewah Sdn. Bhd. RM'000	Rumpun Positif Sdn. Bhd. RM'000	Protokol Elegan Sdn. Bhd. RM'000	Total RM'000
2015				
NCI percentage of ownership interest and voting interest	29%	49%	49%	
Carrying amount of NCI	<u>23,989</u>	<u>31,913</u>	<u>10,650</u>	<u>66,552</u>
(Loss)/Profit allocated to NCI	<u>(3,485)</u>	<u>11,446</u>	<u>3,482</u>	<u>11,443</u>
2014				
NCI percentage of ownership interest and voting interest	29%	49%	49%	
Carrying amount of NCI	<u>27,474</u>	<u>20,467</u>	<u>7,168</u>	<u>55,109</u>
Profit allocated to NCI	<u>7,364</u>	<u>9,995</u>	<u>2,175</u>	<u>19,534</u>

(b) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows:

	Inovatif Mewah Sdn. Bhd. RM'000	Rumpun Positif Sdn. Bhd. RM'000	Protokol Elegan Sdn. Bhd. RM'000	Total RM'000
2015				
Assets and liabilities				
Non-current assets	381,194	329,246	72,059	782,499
Current assets	87,974	9,365	6,031	103,370
Non-current liabilities	(333,507)	(225,403)	(51,063)	(609,973)
Current liabilities	<u>(52,941)</u>	<u>(53,285)</u>	<u>(10,508)</u>	<u>(116,734)</u>
Net assets	<u>82,720</u>	<u>59,923</u>	<u>16,519</u>	<u>159,162</u>
Results				
Revenue	47,856	145,678	46,878	240,412
(Loss)/Profit for the financial year	(12,017)	23,360	7,106	18,449
Total comprehensive (loss)/income	<u>(12,017)</u>	<u>23,360</u>	<u>7,106</u>	<u>18,449</u>

8. INVESTMENTS IN SUBSIDIARIES (cont'd)

- (b) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows: (cont'd)

	Inovatif Mewah Sdn. Bhd. RM'000	Rumpun Positif Sdn. Bhd. RM'000	Protokol Elegan Sdn. Bhd. RM'000	Total RM'000
2015 (cont'd)				
Cash flows from/(used in)				
operating activities	22,507	(97,622)	(25,273)	(100,388)
Cash flows (used in)/from investing activities	(23,435)	57	-	(23,378)
Cash flows from financing activities	12,259	97,565	25,273	135,097
	<u>11,331</u>	<u>-</u>	<u>-</u>	<u>11,331</u>
Dividend paid to NCI	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2014				
Assets and liabilities				
Non-current assets	391,379	183,569	31,061	606,009
Current assets	72,273	14,532	1,268	88,073
Non-current liabilities	(290,008)	(148,090)	(20,903)	(459,001)
Current liabilities	(78,907)	(13,448)	(2,012)	(94,367)
Net assets	<u>94,737</u>	<u>36,563</u>	<u>9,414</u>	<u>140,714</u>
Results				
Revenue	105,632	111,786	25,182	242,600
Profit for the financial year	25,392	20,397	4,439	50,228
Total comprehensive income	<u>25,392</u>	<u>20,397</u>	<u>4,439</u>	<u>50,228</u>
Cash flows used in operating activities	(43,959)	(82,211)	(23,244)	(149,414)
Cash flows from investing activities	-	-	-	-
Cash flows from financing activities	51,713	81,102	19,482	152,297
	<u>7,754</u>	<u>(1,109)</u>	<u>(3,762)</u>	<u>2,883</u>
Dividend paid to NCI	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

9. INVESTMENT IN AN ASSOCIATE

	Group	
	2015	2014
	RM'000	RM'000
Unquoted shares, at cost [#]	<u>-</u>	<u>-</u>

This represent investment in an associate with a carrying amount of RM30 (2014: RM30). It had been fully impaired in the previous financial years.

The details of the associate which is incorporated in Malaysia are as follows:

Name of Associate	Ownership interest/ voting interest		Nature of relationship
	2015	2014	
	%	%	
Pacific Bright Sdn. Bhd.*	30	30	To act as manager for a consortium

* Audited by another firm of chartered accountants other than Baker Tilly Monteiro Heng.

- (a) The Group has not recognised its share of losses of the associate where it had been fully impaired in the previous financial years. The Group's share of accumulated losses in the associate is restricted to the Group's cost of investment in the associate. Accordingly, the Group has excluded its current year's share of losses of the associates amounting to RM2,000 (2014: RM2,000) from its financial statements.

As at 30 June 2015, the cumulative unrecognised share of losses of the associate is RM4,000 (2014: RM2,000).

- (b) The summarised financial information of the associate, not adjusted for the proportion of the ownership interest held by the Group, is as follows:

	Group	
	2015	2014
	RM'000	RM'000
Assets and Liabilities		
Non-current assets	-	-
Current assets	3,100	2,250
Non-current liabilities	-	-
Current liabilities	(3,114)	(2,258)
Net liabilities	<u>(14)</u>	<u>(8)</u>
Results:		
Revenue	-	-
Loss for the financial year	(6)	(6)
Total comprehensive loss	<u>(6)</u>	<u>(6)</u>
Cash flows from/(used in) operating activities/Net increase/ (decrease) in cash and cash equivalents	<u>937</u>	<u>(101)</u>

10. OTHER INVESTMENTS

	Group	
	2015	2014
	RM'000	RM'000
Available-for-sale financial assets		
- Shares quoted in Malaysia	<u>9</u>	<u>8</u>

Information on the fair value hierarchy of the investments is disclosed in Note 31.

11. INVENTORIES

	Group	
	2015	2014
	RM'000	RM'000
At cost		
Land and completed properties	<u>103,229</u>	<u>109,401</u>

During the financial year, inventories of the Group recognised as cost of sales amounted to RM12,378,000 (2014: RM19,174,000).

Included in land and completed properties is a freehold land in Seremban with carrying amount of RM2,831,000 (2014: RM2,831,000) held by a subsidiary whereby an agreement had been entered into with a third party developer to develop the land.

In the previous financial year, certain land and completed properties with a total carrying amount of RM40,757,000 have been charged to financial institutions to secure term loan facilities granted to the Group as disclosed in Note 19. During the financial year, the term loans had been fully settled and the security had been discharged.

12. RECEIVABLES

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade receivables					
Third parties	(a)	8,193	14,806	-	-
Non-trade receivables					
Amounts owing from subsidiaries	(b)	-	-	73,100	70,254
Amount owing from an associate	(b)	717	783	-	-
Other receivables		525	529	6	5
Deposits		210	207	17	17
Prepayments		133	157	34	27
		1,585	1,676	73,157	70,303
Less: Impairment losses					
- amounts owing from subsidiaries		-	-	(49,380)	(49,329)
- amount owing by an associate		(717)	-	-	-
		(717)	-	(49,380)	(49,329)
		<u>9,061</u>	<u>16,482</u>	<u>23,777</u>	<u>20,974</u>

- (a) The normal trade credit terms granted by the Group ranging from 30 to 60 (2014: 30 to 60) days from date of invoice.
- (b) The amounts owing from subsidiaries and an associate represent advances and payments made on behalf, which are unsecured, interest-free and repayable upon demand in cash and cash equivalents.
- (c) Ageing analysis of trade receivables

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

	Group	
	2015 RM'000	2014 RM'000
Neither past due nor impaired	6,254	5,397
1 to 30 days past due but not impaired	1,439	8,455
31 to 60 days past due but not impaired	315	231
61 to 90 days past due but not impaired	3	557
91 to 120 days past due but not impaired	3	6
More than 121 days past due but not impaired	179	160
	<u>1,939</u>	<u>9,409</u>
	<u>8,193</u>	<u>14,806</u>

12. RECEIVABLES (cont'd)**(c) Ageing analysis of trade receivables (cont'd)**Receivables that are neither past due nor impaired

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

None of the trade receivables of the Group that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

At the end of the reporting period, trade receivables of the Group arising from management service of shoplots and amount owing by UiTM amounted to RM1,939,000 (2014: RM9,409,000). These receivables are creditworthy debtors and the directors are of the opinion that the balances due can be fully recovered in the near future.

(d) The reconciliation of movement in the impairment loss is as follows:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
At 1 July 2014/1 July 2013	-	-	49,329	49,219
Charge for the financial year	717	-	51	110
At 30 June	<u>717</u>	<u>-</u>	<u>49,380</u>	<u>49,329</u>

13. TAX ASSETS

This amount is in respect of tax paid in advance to the tax authorities.

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Cash at bank	18,487	11,160	462	611
Cash in hand	10	10	-	-
Fixed deposits with a licensed bank	6,440	9,034	-	-
Cash and cash equivalents as reported in statements of financial position	<u>24,937</u>	<u>20,204</u>	<u>462</u>	<u>611</u>
Less: Deposits pledged	(786)	(876)	-	-
Cash and cash equivalents as reported in statements of cash flows	<u>24,151</u>	<u>19,328</u>	<u>462</u>	<u>611</u>

14. CASH AND CASH EQUIVALENTS (cont'd)

Fixed deposits with licensed banks are placement made for a period of three month or less, depending on the immediate cash requirements of the Group and bear interest at rates ranging from 3.15% to 3.30% (2014: 3.00% to 3.25%) per annum.

Included in fixed deposits with a licensed bank is an amount of RM786,000 (2014: RM876,000) pledged to a licensed bank as a security favouring a third party for providing and installing all the necessary materials in the substation building leased by a subsidiary of the Company. This amount is not freely available for general use.

15. SHARE CAPITAL

	Group/Company			
	Number of shares		Amount	
	2015 Unit'000	2014 Unit'000	2015 RM'000	2014 RM'000
Ordinary shares of RM0.50 each				
Authorised:				
At 1 July 2014/1 July 2013/30 June	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Issued and fully paid:				
At 1 July 2014/1 July 2013/30 June	<u>267,107</u>	<u>267,107</u>	<u>133,553</u>	<u>133,553</u>

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

16. RESERVES

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Retained profits/ (Accumulated losses)		42,282	(12,829)	(2,481)	(3,074)
Non-distributable					
Capital reduction reserve	(a)	84,044	84,044	84,044	84,044
Available-for-sale reserve	(b)	7	6	-	-
		<u>84,051</u>	<u>84,050</u>	<u>84,044</u>	<u>84,044</u>
		<u>126,333</u>	<u>71,221</u>	<u>81,563</u>	<u>80,970</u>

(a) The capital reduction reserve arose from the capital reduction exercise done on 28 January 2011, pursuant to the requirements of Section 64 of the Companies Act, 1965 in Malaysia.

(b) The available-for-sale reserve represents fair value changes, net of tax arising from financial assets classified as available-for-sale.

17. DEFERRED TAX LIABILITIES

- (a) The movement of deferred tax liabilities during the financial year are as follows:

	Group	
	2015	2014
	RM'000	RM'000
At 1 July 2014/1 July 2013	41,697	29,143
Recognised in profit or loss (Note 25)	5,367	12,554
At 30 June	<u>47,064</u>	<u>41,697</u>

Presented after appropriate offsetting as follows:-

	Group	
	2015	2014
	RM'000	RM'000
Deferred tax assets	(81,729)	(10,756)
Deferred tax liabilities	128,793	52,453
	<u>47,064</u>	<u>41,697</u>

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

	Group	
	2015	2014
	RM'000	RM'000
Deferred tax assets		
Difference between the carrying amount of property, plant and equipment and their tax base	-	(7)
Industrial building allowances	(56,610)	-
Unutilised tax losses	(9,908)	(10,708)
Unabsorbed capital allowances	(15,211)	(41)
	<u>(81,729)</u>	<u>(10,756)</u>
Deferred tax liabilities		
Operating financial asset	128,625	51,984
Difference between the carrying amount of property, plant and equipment and their tax base	1	-
Inventories	167	469
	<u>128,793</u>	<u>52,453</u>

17. DEFERRED TAX LIABILITIES (cont'd)

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

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Difference between the carrying amounts of property, plant and equipment and their tax base	41	97	-	-
Unutilised tax losses	106,863	125,429	23,040	24,052
Unabsorbed capital allowances	1,578	1,573	-	-
	<u>108,482</u>	<u>127,099</u>	<u>23,040</u>	<u>24,052</u>

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

18. PAYABLES

	Note	Group		Company	
		2015	2014	2015	2014
		RM'000	RM'000	RM'000	RM'000
Non-current					
Other payables	(a)	<u>1,897</u>	<u>3,604</u>	-	-
Current					
Trade payables					
Trade payables	(c)	22,136	5,275	-	-
Retention sums	(b)	39,417	29,967	-	-
		61,553	35,242	-	-
Other payables and accruals					
Amounts owing to subsidiaries	(d)	-	-	14,635	12,820
Amounts owing to corporate shareholders	(e)	8	590	-	-
Amounts owing to directors	(f)	4,976	4,176	377	287
Amount owing on a joint operation project	(g)	3,542	3,546	-	-
Other payables	(b), (h), (i), (j)	31,910	40,812	8	8
Accruals	(k)	10,908	7,547	114	126
Deposits		21	7,128	-	-
		<u>51,365</u>	<u>63,799</u>	<u>15,134</u>	<u>13,241</u>
		<u>112,918</u>	<u>99,041</u>	<u>15,134</u>	<u>13,241</u>

18. PAYABLES (cont'd)

- (a) Included in other payables is an amount owing to a third party arising from debt settlement for compensation of loss of profit of totalling of RM3,604,000 (2014: RM5,139,000); of which the current and non-current amounts are RM1,707,000 (2014: RM1,535,000) and RM1,897,000 (2014: RM3,604,000) respectively.

The carrying amount of RM3,604,000 (2014: RM5,139,000) represents the present value of the settlement sum of RM4,000,000 (2014: RM6,000,000) discounted at the weighted average interest rate of 10.62% (2014: 10.62%) per annum.

- (b) This is in respect of retention sums payable to the contractors of the Group pursuant to the letter of award entered into with the contractors.

The retention sums repayable in 18 months from date of completion in relation to each concession agreement are measured at amortised cost at imputed interest rates ranging from 7.50% to 8.20% (2014: Nil) per annum.

- (c) The normal trade credit terms granted to the Group ranging from 30 to 40 (2014: 30 to 40) days.

- (d) Amounts owing to subsidiaries represent advances and payments made on behalf which are unsecured, interest-free and repayable upon demand in cash and cash equivalents.

- (e) Amounts owing to corporate shareholders represent advances and payments made on behalf which are unsecured, interest-free and repayable upon demand in cash and cash equivalents. In the previous financial year, it bore interest at a fixed rate of 12.00% per annum.

- (f) Amounts owing to directors represent advances and payments made on behalf which are unsecured, interest-free, and repayable upon demand in cash and cash equivalents.

In the previous financial year, included in the amounts owing to directors was an amount of RM10,000 which bore interest at a fixed rate of 12.00% per annum.

- (g) Amount owing on a joint operation project represents the share of results for the joint operation project, which is unsecured, interest-free and repayable upon completion of the joint operation project.

- (h) Included in current other payables is an amount of RM28,568,000 (2014: RM28,568,000) owing to a third party arising from the settlement of the Islamic Facility by Bank Islam in the previous financial years. The amount was paid by the third party on behalf of the Group pursuant to the Consortium Agreement signed between the Company and third parties on 26 March 2010. This amount is repayable via the proceeds to be received from proposed disposal of designated landed property to third parties.

- (i) Included in current other payables of the Group as at the end of the reporting period is an advance from a third party amounting to RM1,000,000 (2014: Nil) for working capital purposes. It is unsecured, bears an interest at a rate of 8% per annum and repayable on 23 June 2016.

18. PAYABLES (cont'd)

(j) Included in current other payables of the Group in the previous financial year was an advance from a third party amounting to RM10,000,000 for working capital purposes. It was unsecured, bore an interest at a rate of 5% per annum and was repaid on 7 October 2014.

(k) Included in accruals are the following:

	Group	
	2015	2014
	RM'000	RM'000
Conversion premium to convert Seremban 3 land from agriculture land to residential land and commercial land	<u>5,527</u>	<u>5,527</u>

The conversion premium will be payable when the vacant land is due for development.

19. BORROWINGS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Secured				
Term loan I	-	19,037	-	-
Term loan II	-	56,288	-	-
Term loan III	328,512	-	-	-
Term loan IV	-	196,767	-	-
Term loan V	-	100,259	-	-
Term loan VI	235,648	138,082	-	-
Term loan VII	47,662	19,496	-	-
Finance lease payable (Note 20)	36	52	-	-
	<u>611,858</u>	<u>529,981</u>	<u>-</u>	<u>-</u>

19. **BORROWINGS** (cont'd)

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Repayable as follows:				
Current liabilities:				
Not later than one (1) year				
- Term loan I	-	19,037	-	-
- Term loan II	-	56,288	-	-
- Term loan III	22,051	-	-	-
- Term loan IV	-	26,862	-	-
- Term loan V	-	9,969	-	-
- Term loan VI	26,695	-	-	-
- Finance lease payable (Note 20)	16	16	-	-
	48,762	112,172	-	-
Non-current liabilities:				
Later than one (1) year				
- Term loan III	306,461	-	-	-
- Term loan IV	-	169,905	-	-
- Term loan V	-	90,290	-	-
- Term loan VI	208,953	138,082	-	-
- Term loan VII	47,662	19,496	-	-
- Finance lease payable (Note 20)	20	36	-	-
	563,096	417,809	-	-
	611,858	529,981	-	-

19. BORROWINGS (cont'd)

Terms and debt repayment schedule

- (a) In the previous financial year, Term loans I and II of the Group bore interest at rates ranging from 10.50% to 11.00% per annum.

Term loans I and II of the Group had been fully settled by a lump-sum settlement of RM44,000,000 during the financial year and the following securities pledged were discharged during the financial year:

- (i) investment properties of the Group and of the Company with a total carrying amount of RM11,060,000 in the previous financial year as disclosed in Note 5; and
 - (ii) land held for property development of the Group with a total carrying amount of RM12,162,000 in the previous financial year as disclosed in Note 6;
 - (iii) inventories of the Group with a total carrying amount of RM40,757,000 in the previous financial year as disclosed in Note 11; and
 - (iv) corporate guarantee from the Company.
- (b) Term loan III is secured by:
- (i) all agreements in relation to the UiTM project;
 - (ii) debenture creating a first fixed and floating charge over all present and future assets;
 - (iii) assignment of all rights, interest and title limited to the Availability Charges, any amount payable by the Government of Malaysia, reimbursement of costs by UiTM and charge over the Maintenance Reserve Fund;
 - (iv) charge over designated accounts i.e. revenue collection account and finance service reserve account;
 - (v) Pledge of fixed deposit placed on finance service reserve account; and
 - (vi) corporate guarantee from immediate holding company and a related company.

Term loan III is repayable commencing on September 2014. The term loans bear interest at rates ranging from 5.50% to 6.60% per annum.

- (c) Term loans IV, V, VI and VII are secured over the following:
- (i) all agreements in relation to the concession agreements;
 - (ii) debenture creating a first fixed and floating charge over all present and future assets of a subsidiary;
 - (iii) assignment over designated accounts; and
 - (iv) corporate guarantee from two subsidiaries and corporate shareholders.

19. BORROWINGS (cont'd)

Terms and debt repayment schedule (cont'd)

- (c) During the financial year, Term loan IV and V initially from Bank Pembangunan Malaysia Berhad and Malaysia Building Society Berhad ("MBSB") respectively had been refinanced and replaced by Term loan III from MBSB amounting to RM342.6 million. In the previous financial year, the term loan IV and V bore interest at interest rates ranging from 6.30% to 7.35% per annum.

Term loans VI and VII are repayable commencing on November 2015 and March 2017 respectively. The term loans bear interest at rates ranging from 6.30% to 7.70% (2014: 6.30% to 7.70%) per annum.

A significant covenant for the Term loan VII is that the maximum Total Indebtedness to Equity ratio of 84.3:15.7 must not be exceeded at all times.

20. FINANCE LEASE PAYABLE

	Group	
	2015 RM'000	2014 RM'000
Future minimum lease payments	41	58
Less: Future finance charges	(5)	(6)
Total present value of minimum lease payments	<u>36</u>	<u>52</u>
Payable within one year		
Future minimum lease payments	18	18
Less: Future finance charges	(2)	(2)
Present value of minimum lease payments	16	16
Payable more than 1 year but not more than 5 years		
Future minimum lease payments	23	40
Less: Future finance charges	(3)	(4)
Present value of minimum lease payments	<u>20</u>	<u>36</u>
Total present value of minimum lease payments	<u>36</u>	<u>52</u>

The finance lease payable of the Group bears an interest at a rate of 2.55% (2014: 2.55%) per annum.

21. REVENUE

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Sale of properties	36,117	30,030	-	-
Management fees	94	169	2,280	2,280
Construction revenue	163,792	187,485	-	-
Interest income on operating financial assets	58,611	46,300	-	-
Maintenance income	18,008	8,816	-	-
	<u>276,622</u>	<u>272,800</u>	<u>2,280</u>	<u>2,280</u>

22. COST OF SALES

	Group	
	2015	2014
	RM'000	RM'000
Properties sold	12,378	19,174
Construction contracts	165,342	148,328
Maintenance costs	10,179	4,645
	<u>187,899</u>	<u>172,147</u>

23. FINANCE COSTS

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
- term loans	36,959	31,791	-	47
- finance lease payable	2	2	-	-
- others	467	794	-	-
	<u>37,428</u>	<u>32,587</u>	<u>-</u>	<u>47</u>

24. PROFIT BEFORE TAX

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

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Auditors' remuneration:				
- auditors of the Company				
- statutory audit	128	125	28	28
- over provision in prior financial year	-	(2)	-	-
- other services	8	5	8	5
- component auditors of the Group				
- statutory audit	10	10	-	-
- under provision in prior financial year	1	-	-	-
Bad debts recovered	(6)	(6)	-	-
Bad debts written off	454	-	-	-
Deposit forfeited	-	(75)	-	-
Depreciation of investment properties	162	162	162	162
Depreciation of property, plant and equipment	133	193	1	2
Directors' remuneration:				
- fees	30	30	30	30
- emoluments other than fees [Note (b)]	926	926	276	276
Employee benefits expense [Note (a)]	2,357	2,449	662	643
Gain on disposal of property, plant and equipment	-	(734)	-	-
Gain on retention sum measured at amortised cost	(3,669)	-	-	-
Impairment loss on:				
- amount owing by an associate	717	-	-	-
- amount owing by subsidiaries	-	-	51	110
- investments in subsidiaries	-	-	6	11
Interest expense on:				
- term loans	36,959	31,791	-	47
- finance lease payable	2	2	-	-
- others	467	794	-	-
Interest income from:				
- fixed deposits	(255)	(96)	-	-
- others	(8)	(45)	-	-
Management fees	-	-	(2,280)	(2,280)
Rental of premises	363	349	-	-
Rental income on premises	(29)	(112)	-	-
Waiver of term loan	(31,326)	-	-	-
Waiver of late payment interest	-	(604)	-	-

24. PROFIT BEFORE TAX (cont'd)**(a) Employee Benefits Expense**

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Salaries and wages	1,857	1,899	583	564
Defined contribution plan	246	252	67	67
Social security contribution	20	19	4	4
Other employee benefits	234	279	8	8
	<u>2,357</u>	<u>2,449</u>	<u>662</u>	<u>643</u>

(b) Included in directors' emoluments other than fees of the Group and of the Company are the executive directors' emoluments amounting to RM674,000 (2014: RM674,000) and RM24,000 (2014: RM24,000) respectively.

(c) The estimated monetary value of benefit-in-kind received by the executive directors otherwise than in cash from the Group amounted to RM96,000 (2014: RM82,000).

25. TAX EXPENSE

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Current tax				
Based on profit for the financial year	70	2	-	-
Under/(Over) provision in prior financial years	49	(5)	-	-
	<u>119</u>	<u>(3)</u>	<u>-</u>	<u>-</u>
Deferred tax (Note 17)				
Origination of temporary differences	6,142	14,147	-	-
Relating to changes in tax rate	-	(1,076)	-	-
Over provision in prior financial year	(775)	(517)	-	-
	<u>5,367</u>	<u>12,554</u>	<u>-</u>	<u>-</u>
Tax expense	<u>5,486</u>	<u>12,551</u>	<u>-</u>	<u>-</u>

25. TAX EXPENSE (cont'd)

The numerical reconciliation from the tax amount at statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax	72,040	61,794	593	426
Tax at Malaysian statutory income tax rate of 25% (2014: 25%)	18,010	15,756	148	107
Effect of changes in tax rate	(456)	(639)	(10)	-
Effect of changes in tax rates on opening balance of deferred tax	-	(1,076)	-	-
Tax effect on non-deductible expenses	3,306	1,323	105	125
Tax effect on non-taxable income	(10,180)	-	-	-
Utilisation of previously unrecognised deferred tax assets	(4,468)	(2,291)	(243)	(232)
Under/(Over) provision in prior financial years				
- Current tax	49	(5)	-	-
- Deferred tax	(775)	(517)	-	-
Tax expense	5,486	12,551	-	-

Domestic income tax is calculated at the Malaysian statutory income tax rate of 25% (2014: 25%) of the estimated assessable profit for the financial year. In the Budget Speech 2014, the Government of Malaysia announced that the domestic statutory income tax rate would be reduced to 24% from the current year's rate of 25% with effect from the year of assessment 2016. The computation of deferred tax as at 30 June 2015 and 30 June 2014 has reflected these changes.

The Group has an estimated unutilised tax losses, unabsorbed capital allowances and unabsorbed industrial building allowances of RM148,147,000 (2014: RM170,046,000), RM64,958,000 (2014: RM1,744,000) and RM235,874,000 (2014: Nil) respectively, available for set off against future profits.

The Company has an estimated unutilised tax losses of RM23,040,000 (2014: RM24,052,000) available for set off against future profits.

26. EARNINGS PER ORDINARY SHARE

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2015	2014
	RM'000	RM'000
Profit for the financial year attributable to the owners of the parent (RM'000)	<u>55,111</u>	<u>29,709</u>
Weighted average number of ordinary shares in issue during the financial year ('000)	<u>267,107</u>	<u>267,107</u>
Basic earnings per ordinary share (sen)	<u>20.63</u>	<u>11.12</u>

(b) Diluted

The diluted earnings per ordinary share of the Group for the financial years 2014 and 2015 are same as the basic earnings per ordinary share of the Group as the Company has no dilutive potential ordinary shares.

27. OPERATING SEGMENTS

The Group is principally engaged in property development, concession arrangements, project management and investment holding.

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

- Property development : Development of residential and commercial properties.
- Project management and investment holding : Investment holding, letting out of properties and provision of management services.
- Concession arrangements : Construction and maintenance of facilities and infrastructure.
- Others : Operating recreational activities, landscaping and turf farming and licensed money lending.

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

The Group evaluates performance on the basis of profit or loss from operations before tax but not including non-recurring losses.

27. OPERATING SEGMENTS (cont'd)

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

Segment assets are measured based on all assets of the segment, excluding deferred tax assets and tax assets.

Segment liabilities are measured based on all liabilities of the segment, excluding deferred tax liabilities and tax liabilities.

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

27. OPERATING SEGMENTS (cont'd)

	Project management and investment holding RM'000	Property development RM'000	Concession arrangements RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
2015						
Business segments						
Revenue from external customers	94	36,117	240,411	-	-	276,622
Inter-segment revenue	2,280	-	-	-	(2,280)	-
Total revenue	2,374	36,117	240,411	-	(2,280)	276,622
Segment results	(1,696)	48,201	62,748	(48)	-	109,205
Finance cost	-	(468)	(36,960)	-	-	(37,428)
Interest income	4	85	174	-	-	263
Profit before tax						72,040
Tax expense						(5,486)
Profit for the financial year						66,554
Segment assets	16,382	208,620	875,099	107	-	1,100,208
Segment liabilities	824	49,759	676,081	9	-	726,673
Capital expenditure	2	108	-	-	-	110
Depreciation of property, plant and equipment, and investment properties	164	81	13	-	37	295
Other material items of (income)/expense included in the Group's profit or loss:						
- Bad debts written off	-	454	-	-	-	454
- Gain on retention sum measured at amortised cost	-	-	(3,669)	-	-	(3,669)
- Impairment loss on amount owing by associate	-	717	-	-	-	717
- Waiver of term loan	-	(31,326)	-	-	-	(31,326)

27. OPERATING SEGMENTS (cont'd)

	Project management and investment holding RM'000	Property development RM'000	Concession arrangements RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
2014						
Business segments						
Revenue from external customers	169	30,031	242,600	-	-	272,800
Inter-segment revenue	2,280	-	-	-	(2,280)	-
Total revenue	2,449	30,031	242,600	-	(2,280)	272,800
Segment results	(1,712)	6,237	89,821	(106)	-	94,240
Finance cost	(47)	(8,524)	(24,016)	-	-	(32,587)
Interest income	8	132	1	-	-	141
Profit before tax						61,794
Tax expense						(12,551)
Profit for the financial year						49,243
Segment assets	16,669	224,109	693,287	139	-	934,204
Segment liabilities	752	132,927	498,933	14	-	632,626
Capital expenditure	4	222	-	-	-	226
Depreciation of property, plant and equipment, joint venture assets, and investment properties	164	81	27	83	-	355
Other material items of (income)/expense included in the Group's profit or loss:						
- Gain on disposal of property, plant and equipment	-	(734)	-	-	-	(734)
- Waiver of late payment interest	-	-	(604)	-	-	(604)

27. OPERATING SEGMENTS (cont'd)

- (a) Reconciliation of reportable segment assets and liabilities to the Group's corresponding amounts are as follows:

	Group	
	2015	2014
	RM'000	RM'000
Assets		
Segment assets	1,100,208	934,204
Tax assets	12	2
Total assets	<u>1,100,220</u>	<u>934,206</u>
Liabilities		
Segment liabilities	726,673	632,626
Deferred tax liabilities	47,064	41,697
Tax payables	45	-
Total liabilities	<u>773,782</u>	<u>674,323</u>

- (b) Information about major customers

Revenue from transactions with a major customer who individually accounted for 10% or more of the Group's revenue is as follows:

	2015	2014	
	RM'000	RM'000	Segment
Customer A	<u>240,411</u>	<u>242,600</u>	Concession arrangements

28. CONTINGENT LIABILITIES

	Company	
	2015	2014
	RM'000	RM'000
Unsecured:		
Corporate guarantee given to licensed banks for facilities granted to a subsidiary	<u>-</u>	<u>75,325</u>

The directors are of the view that the chances of the financial institutions calling upon the corporate guarantees are remote.

29. RELATED PARTY DISCLOSURES

(a) Identity of related parties

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

The Group and the Company have a related party relationship with its direct and indirect subsidiaries, associate, joint venture, corporate shareholders and directors.

The relationship between the Company and the related parties, other than those disclosed elsewhere in the financial statements are as follows:

- (i) Corporate shareholder of the Company, Titian Hartanah (M) Sdn. Bhd.; and
- (ii) Holding company of the corporate shareholder of the Company, Maymerge (M) Sdn. Bhd.

(b) Related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company have the following transactions with related parties during the financial year:

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Interest payable to Maymerge (M) Sdn. Bhd.	-	6	-	-
Subsidiaries				
Management fees receivable from:				
- Menang Development (M) Sdn. Bhd.	-	-	480	480
- Inovatif Mewah Sdn. Bhd.	-	-	1,800	1,800
	<u>-</u>	<u>-</u>	<u>1,800</u>	<u>1,800</u>

Significant outstanding balances with related parties at the end of the reporting period are disclosed in Notes 12 and 18.

29. RELATED PARTIES DISCLOSURES (cont'd)**(c) Compensation of key management personnel**

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

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

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Executive directors' remuneration:				
- fees	10	10	10	10
- emoluments other than fees	674	674	24	24
	<u>684</u>	<u>684</u>	<u>34</u>	<u>34</u>

30. FINANCIAL INSTRUMENTS**(a) Categories of financial instruments**

Group	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Financial assets				
Loans and receivables				
Operating financial assets	845,217	670,169	-	-
Receivables, net of prepayments	8,928	16,325	23,743	20,947
Cash and cash equivalents	24,937	20,204	462	611
Available for sale				
Other investments	9	8	-	-
	<u>879,091</u>	<u>706,706</u>	<u>24,205</u>	<u>21,558</u>
Other financial liabilities				
Borrowings	611,858	529,981	-	-
Payables	114,815	102,645	15,134	13,241
	<u>726,673</u>	<u>632,626</u>	<u>15,134</u>	<u>13,241</u>

30. FINANCIAL INSTRUMENTS (cont'd)**(b) Capital management**

The primary objective of the Group's capital management is to ensure that entities of the Group would be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance. The overall strategy of the Group remains unchanged since financial year ended 30 June 2014.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To remain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 30 June 2015 and 30 June 2014.

The Group is not subject to any externally imposed capital requirements except as disclosed in Note 19.

The Group monitors capital using a gearing ratio which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, payables, less cash and bank balances. Capital represents equity attributable to the owners of the parent.

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Borrowings	611,858	529,981	-	-
Payables	114,815	102,645	-	-
	726,673	632,626	-	-
Less: Cash and bank balances	(24,937)	(20,204)	(462)	(611)
Net debts	701,736	612,422	(462)	(611)
Total capital	259,886	204,774	215,116	214,523
Net debts	701,736	612,422	(462)	(611)
Total capital plus net debts	961,622	817,196	214,654	213,912
Gearing ratio	73%	75%	0%	0%

Included in the borrowings of the Group is an amount of RM611,822,000 (2014: RM529,929,000) relates to the project for concession agreements, UiTM throughout the Maintenance Period will pay the Group concession charges which comprise availability charges for the availability of the facilities and infrastructure and maintenance charges for the provision of maintenance works in accordance with the provisions of the concession agreements, as disclosed in Note 7 to the financial statements.

(c) Fair values of financial instruments

The carrying amounts of financial instruments of the Group and of the Company as at the end of reporting period approximate their fair values.

30. FINANCIAL INSTRUMENTS (cont'd)

(d) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

i. Cash and cash equivalents, receivables and payables

The carrying amounts of cash and cash equivalents, receivables and payables are reasonable approximation of fair value due to the short-term nature of these financial instruments. The fair value of payables at amortised cost are estimated by discounting future cash flows using the Group's borrowing rates.

ii. Finance lease

The fair values of these borrowings are estimated based on the future contractual cash flows discounted at current market interest rates available for similar financial instruments and of the same remaining maturities.

iii. Other investments

The fair value of other investments in Malaysia is determined by reference to the exchange quoted market bid prices at the close of the business at the end of the reporting period.

iv. Operating financial assets

The fair values of these financial instruments are estimated by discounting the expected future cash flows using effective interest rate method at the end of the reporting period. At the end of the reporting period, these amounts are carried at amortised costs and the carrying amounts are approximate their fair values.

31. FAIR VALUE HIERARCHY

(a) Policy on transfer between levels

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

(b) The following table provides an analysis of the fair values of financial instruments, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

31. FAIR VALUE HIERARCHY (cont'd)

(b) The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. (cont'd)

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

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For other borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

(iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31. FAIR VALUE HIERARCHY (cont' d)

The Group held the following financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position:

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
2015										
Group										
Financial assets										
Loan and receivables										
- Operating financial assets	-	-	-	-	-	-	845,217	845,217	845,217	845,217
Available-for-sale financial assets										
- Quoted shares in Malaysia	-	9	-	9	-	-	-	-	9	9
	-	9	-	9	-	-	845,217	845,217	845,226	845,226
Financial liabilities										
Borrowings	-	-	-	-	-	611,822	-	611,822	611,822	611,822
Finance lease payables	-	-	-	-	-	36	-	36	36	36
	-	-	-	-	-	611,858	-	611,858	611,858	611,858

31. FAIR VALUE HIERARCHY (cont'd)

The Group held the following financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position: (cont'd)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
2014										
Group										
Financial assets										
Loan and receivables										
- Operating financial assets	-	-	-	-	-	-	670,719	670,719	670,719	670,719
Available-for-sale financial assets										
- Quoted shares in Malaysia	-	8	-	8	-	-	-	-	8	8
	-	8	-	8	-	-	670,719	670,719	670,727	670,727
Financial liabilities										
Borrowings										
Finance lease payables	-	-	-	-	-	529,929	-	529,929	529,929	529,929
	-	-	-	-	-	52	-	52	52	52
	-	-	-	-	-	529,981	-	529,981	529,981	529,981

During the financial years ended 30 June 2015 and 30 June 2014, there was no transfer between Levels 1, 2 and 3 of fair value measurement hierarchy.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders while minimising potential adverse effects on the performance of the Group. Financial risk management is carried out through risk reviews, internal control systems and adherence to the Group's financial risk management policies. The Group is exposed mainly to liquidity risk, credit risk, interest rate risk and market price risk. Information on the management of the related exposures is detailed below.

(i) Liquidity risk

The Group is actively managing its operating cash flow to suit the debt maturity profile so as to ensure that all commitments and funding needs are met. As part of the overall liquidity management, it is the Group's policy to ensure continuity in servicing its cash obligations in the future by way of measuring and forecasting its cash commitments and to maintain sufficient levels of cash or cash equivalents to meet its working capital requirements. In addition, the Group maintains sufficient credit facilities to meet its operational needs and to enable the Group to continue as a going concern.

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

	Carrying amount RM'000	Contractual cash flows RM'000	On demand or within one year RM'000	Two to five years RM'000	Over five years RM'000	Total RM'000
2015						
Group						
Financial liabilities:						
Borrowings	611,858	794,336	41,712	245,830	506,794	794,336
Payables	114,815	118,886	88,639	30,247	-	118,886
	<u>726,673</u>	<u>913,222</u>	<u>130,351</u>	<u>276,077</u>	<u>506,794</u>	<u>913,222</u>
Company						
Financial liabilities:						
Payables	15,134	15,134	15,134	-	-	15,134
	<u>15,134</u>	<u>15,134</u>	<u>15,134</u>	<u>-</u>	<u>-</u>	<u>15,134</u>

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(i) Liquidity risk (cont'd)

2014 Group	Carrying amount RM'000	Contractual cash flows RM'000	On demand or within one year RM'000	Two to five years RM'000	Over five years RM'000	Total RM'000
Financial liabilities:						
Borrowings	529,981	748,520	84,864	206,257	457,399	748,520
Payables	102,645	103,293	69,722	33,571	-	103,293
	<u>632,626</u>	<u>851,813</u>	<u>154,586</u>	<u>239,828</u>	<u>457,399</u>	<u>851,813</u>
Company						
Financial liabilities:						
Payables	13,241	13,241	13,241	-	-	13,241

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(ii) Credit risk

Cash deposits and trade and other receivables may give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

Credit risk refers to the risk that counterparty will default on their contractual obligations resulting in financial loss to the Group. The Group seeks to invest cash assets safely and profitably. The Group considers the risk of material loss arising in the event of non-performance by a financial counterparty to be unlikely, except when management deems recoverability of specific debtors as doubtful.

The Group's primary exposure to credit risk arises through its trade receivables. Each customer has a maximum credit limit and the Group seeks to maintain strict control over its outstanding receivables via a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management.

In respect of cash and bank balances placed with major financial institutions in Malaysia, the directors believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

The Company is also exposed to credit risk arising from financial guarantees provided in respect of banking facilities granted to a subsidiary.

At the end of financial year, the maximum exposure to credit risk for the Group and for the Company are represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancement for receivables is disclosed in Note 12.

Financial guarantees

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to a subsidiary.

The Company monitors on an ongoing basis the repayments made by the subsidiary and its financial performance.

In the previous financial reporting date, the maximum exposure to credit risk amounted to RM75,325,000 representing the outstanding credit facilities of a subsidiary guaranteed by the Company and there was no indication that the subsidiary would default on its repayments.

The financial guarantee has not been recognised as the fair value on initial recognition was immaterial since the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiary's borrowings in view of the security pledged by the subsidiary and it is unlikely that the subsidiary will default within the guarantee provided.

32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(ii) Credit risk (cont'd)

Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the segments profits of its trade receivables on an ongoing basis.

As at 30 June 2015, the Group and the Company have no significant concentration of credit risk except for the following:

- (a) an amount owing from a single customer in respect of its concession arrangement activities constituting 99.87% (2014: 99.73%) of total receivables of the Group; and
- (b) the amounts owing from subsidiaries of the Company constituting 99.76% (2014: 99.77%) of total receivables of the Company.

(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 has interest bearing financial assets, comprising the deposits that are short term in nature and are not held for speculative purposes but to earn a better yield than cash at banks.

The Group and the Company have interest bearing financial liabilities, comprising secured term loans, finance lease payables, amount owing to a third party, corporate shareholders and amounts owing to directors as disclosed in Notes 18 and 19.

Interest rates on amounts owing to directors, advances from corporate shareholders, amount owing to a third party and finance lease payables are fixed. Interest rates for other term loans and deposits vary with reference to the base lending rates of the financial institutions.

Sensitivity analysis for interest rate risk

As at the end of the financial year, if the interest rates had been 50 basis points higher or lower and all other variables held constant, the Group's profit net of tax would decrease or increase by approximately RM2,294,000 (2014: RM1,987,000), arising mainly as a result of exposure to floating rate loans and borrowings.

(iv) Market price risk

Market price risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from quoted investments held by the Group. Quoted equity instruments in Malaysia are listed on the Bursa Securities. These instruments are classified as available-for-sale financial assets.

There has been no change to the Group's exposure to market price risk or the manner in which this risk is managed and measured.

Sensitivity analysis for market price risk

The Group has considered the sensitivity of the financial instruments to market price risk and is of the view that its impact is insignificant.

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 10 July 2014, the Company issued 133,553,500 units of bonus issue warrants on the basis of one warrant for every two (2) existing ordinary share capital of RM0.50 each which will be matured on 9 July 2019. The exercise price of the bonus issue warrants is at RM1.00 per unit at cash consideration.

SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

The following analysis of realised and unrealised retained profits or losses of the Group and of the Company as at 30 June 2015 and 30 June 2014 is presented in accordance with the directive issued by 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 Securities Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Total retained profits/(accumulated losses) of the Company and its subsidiaries:				
- Realised	37,047	(41,511)	107,668	107,075
- Unrealised	(46,889)	(41,221)	(110,149)	(110,149)
Less: Consolidation adjustments	52,124	69,903	-	-
Total Group/Company retained profits/(accumulated losses) as per financial statements	<u>42,282</u>	<u>(12,829)</u>	<u>(2,481)</u>	<u>(3,074)</u>

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