



Menang Corporation (M) Berhad
Company No : 5383-K

Annual Report
2015



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Group Executive Chairman

YBhg Dato' Abdul Mokhtar Ahmad

**Group Managing Director/
Group Chief Executive Officer**

YBhg Dato' Shun Leong Kwong

Non-Independent, Non-Executive Group Deputy Chairman

YBhg Datin Mariam Eusoff

Non-Independent, Non-Executive Director

Dr. Christopher Shun Kong Leng, CFP®, RFP™

Independent Non-Executive Directors

Mr Chiam Tau Meng

Mr Too Kok Leng

SECRETARY

Mr Ng Ah Wah

(MIA No. 10366)

REGISTERED OFFICE

8th Storey, South Block
Wisma Selangor Dredging
142-A Jalan Ampang
50450 Kuala Lumpur
Tel: (603) 2161 3366
Fax: (603) 2161 3393

REGISTRAR

Tricor Investor Services Sdn Bhd

Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel: (603) 2783 9299
Fax: (603) 2783 9222

AUDITORS

Baker Tilly Monteiro Heng

Chartered Accountants
Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

PRINCIPAL BANKERS

Malaysia Building Society Berhad
Bank Pembangunan Malaysia Berhad
Public Bank Berhad
United Overseas Bank (Malaysia) Bhd

SOLICITORS

Cheah Teh & Su

L-3-1, No. 2
Jalan Solaris
Solaris Mont' Kiara
50480 Kuala Lumpur

Rahman Too & Co

5, Jalan Wolff
70000 Seremban
Negeri Sembilan Darul Khusus

STOCK EXCHANGE LISTING

Main Market of the

Bursa Malaysia Securities Berhad



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty First (51st) Annual General Meeting (“AGM”) of the Company will be held at the Cornerstone, Level 2, North Block, Wisma Selangor Dredging, 142D Jalan Ampang, 50450 Kuala Lumpur on Friday, 27th November 2015 at 10.00 a.m. for the transaction of the following businesses:

Ordinary Business

1. To receive and adopt the Directors’ Report, Audited Financial Statements and the Auditors’ Report for the financial year ended 30 June 2015. **(Ordinary Resolution 1)**
2. To approve the payment of Directors’ fees of RM30,000.00 for the financial year ended 30 June 2015. **(Ordinary Resolution 2)**
3. To re-elect the following Directors who retire by rotation in accordance with Article 112 of the Articles of Association of the Company and being eligible, offer themselves for re-election:
 - (a) Mr. Chiam Tau Meng **(Ordinary Resolution 3)**
 - (b) Mr. Too Kok Leng **(Ordinary Resolution 4)**
4. To re-appoint the following Directors who retire pursuant to Section 129(6) of the Companies Act, 1965 and to hold office until the next Annual General Meeting:
 - (a) Dato’ Abdul Mokhtar Ahmad **(Ordinary Resolution 5)**
 - (b) Dato’ Shun Leong Kwong **(Ordinary Resolution 6)**
5. To re-appoint Messrs Baker Tilly Monteiro Heng as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration. **(Ordinary Resolution 7)**

Special Business

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

6. Retention of Independent Non-Executive Director

“THAT subject to the passing of Ordinary Resolution 4, approval be and is hereby given to Mr Too Kok Leng who has served as an Independent Non-Executive Director of the Company for a consecutive term of more than nine (9) years, to continue act as Independent Non-Executive Director of the Company.” **(Ordinary Resolution 8)**
7. Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

“THAT pursuant to Section 132D of the Companies Act, 1965 and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next AGM 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 does not exceed 10% of the issued share capital of the Company for the time being, AND THAT the Directors be and are also empowered to obtain the approval for the listing and quotation of the additional shares so issued on the Bursa Malaysia Securities Berhad.” **(Ordinary Resolution 9)**



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

8. Proposed Renewal of General Mandate for Substantial Property Transactions Involving Directors pursuant to Section 132E of the Companies Act, 1965

“THAT pursuant to Section 132E of the Companies Act, 1965, authority be and is hereby given to the Company or its related corporations to enter into arrangements or transactions with the Directors of the Company or any person connected with such Directors (within the meaning of Section 122A, Companies Act, 1965) whereby the Company or its related corporations may acquire from or dispose to such Directors or connected persons non-cash assets including but not limited to services, land, development properties, capital equipment and machineries and/or any other assets or products of the Company or its related corporations provided that such acquisitions or disposals are on commercial terms and in the ordinary course of business, such authority will continue to be in force until conclusion of the next Annual General Meeting.”

(Ordinary Resolution 10)

9. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965 and the Articles of Association of the Company.

NOTICE IS ALSO HEREBY GIVEN THAT a Depositor shall be eligible to attend this meeting only in respect of:

- (a) Shares deposited into the Depositor's Securities Account before 12.30 p.m. on 20 November 2015 (in respect of shares which are exempted from mandatory deposit);
- (b) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 20 November 2015 (in respect of ordinary transfers);
- (c) Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

Ng Ah Wah (MIA No. 10366)
Company Secretary

Kuala Lumpur
3 November 2015

NOTES:

- 1. A member of the Company entitled to attend and vote at the abovementioned meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
- 2. The Proxy form must be signed by the appointer or his/her attorney duly authorised in writing or in the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of a duly authorised officer or attorney.
- 3. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. Any alteration to the instrument appointing a proxy must be initialed. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 8th Storey, South Block, Wisma Selangor Dredging, 142-A Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time fixed for the meeting or any adjournment thereof.
6. Explanatory Notes on Special Business:
 - (i) Ordinary Resolution 8 – Retention of Independent Non-Executive Director

The proposed Ordinary Resolution 8, if passed, will retain Mr Too Kok Leng as Independent Director of the Company to fulfil the paragraph 3.04 of the Main Market Listing Requirements. In line with Recommendation 3.3 of the Malaysian Code on Corporate Governance 2012, the Nomination Committee has assessed the independence of Mr Too Kok Leng, who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine years, and upon its recommendation, the Board of Directors has recommended him to continue to act as an Independent Non-Executive Director of the Company based on the following justifications:-

- a. Mr Too Kok Leng has fulfilled the criteria under the definition of Independent Non-Executive Director as stated in the Listing Requirements of Bursa Malaysia Securities Berhad, and hence, he would be able to provide an element of objectivity, independent judgement and balance of the Board;
- b. He performed his duty diligently and in the best interest of the Company through active participation in deliberations with independent judgement free from being influenced by the operational management.;
- c. He, having been with the Company for more than nine years, is familiar with the Company's business operations and has devoted sufficient time and attention to his professional obligations for an informed and balanced decision making process;
- d. His networking, working experience and familiarization with the business operations will provide a check and balance to the Executive Directors and management team of the Company;
- e. He has confirmed and declared that he is an independent director as defined under Paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
- f. The Board is of the opinion that he is an important independent director of the Board in view of his many years on the Board with incumbent knowledge of the Company and the Group's activities and corporate history and has provided invaluable contributions to the Board in his roles as independent director during his tenure.



NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

(ii) Ordinary Resolution 9 – Authority to Allot and Issue Shares

The proposed Ordinary Resolution 9, if passed, will empower the Directors to issue shares in the capital of the Company up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the best 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.

The general mandate sought for issue of shares is a renewal to the general mandate sought in the preceding year. As at the date of Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the 50th AGM held on 12 November 2014 and hence no proceeds were raised therefrom.

The renewal of the general mandate is to provide flexibility to the Company to issue new shares for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions and to avoid any delays and further cost involved in convening such general meeting to approve such issue of shares.

(iii) Ordinary Resolution 10—Proposed Renewal of General Mandate for Substantial Property Transactions involving Directors pursuant to Section 132E of the Companies Act, 1965

Section 132E of the Companies Act, 1965 prohibits a company or its subsidiaries from entering into any arrangement or transaction with its directors or persons connected with such directors in respect of the acquisition from or disposal to such directors or connected persons any non-cash assets of the “requisite value” without prior approval of the Company in general meeting. According to the Act, a non-cash asset is considered to be of the “requisite value” if, at the time of the arrangement or transaction for the acquisition or disposal of the asset, its value is greater than Ringgit Malaysia Two Hundred and Fifty Thousand (RM250,000.00) or ten per centum (10%) of the net assets of the Company, subject to minimum of Ringgit Malaysia Ten Thousand (RM10,000.00).

The proposed Ordinary Resolution 10, if passed, will authorise the Company or its related corporations to acquire from or dispose to such Directors or connected persons non-cash assets including but not limited to services, land, development properties, capital equipment and machineries and/or any other assets or products of the Company or its related corporations which may fall within the definition of “requisite value”, provided that such acquisitions or disposals are on commercial terms and in the ordinary course of business.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27 (2) of the Listing Requirements of Bursa Malaysia Securities Berhad

1. The Directors who are standing for re-election pursuant to the Article 112 of the Articles of Association at the Fifty First Annual General Meeting of the Company are as follows:
 - (a) Mr Chiam Tau Meng; and
 - (b) Mr. Too Kok Leng

2. The Director who is standing for re-appointment pursuant to Section 129 (6) of the Companies Act, 1965 at the Fifty First Annual General Meeting of the Company are as follows:
 - (a) Dato’ Abdul Mokhtar Ahmad; and
 - (b) Dato’ Shun Leong Kwong.

The details of the Directors standing for re-election and re-appointment at the forthcoming Fifty First Annual General Meeting are set out in the Directors’ Profile on pages 7 to 9 of the Annual Report.



DIRECTORS' PROFILE

DATO' ABDUL MOKHTAR AHMAD

Group Executive Chairman

Dato' Abdul Mokhtar Ahmad, a Malaysian and a Bumiputra entrepreneur, aged 76, was appointed to the Board of Menang since 23 May 1989.

Dato' Ahmad Mokhtar has been the Group Executive Chairman of Menang Corporation (M) Berhad for the last 19 years. As a pioneer Bumiputra contractor with such illustrious track record and iconic developments under his belt, he has been an industry veteran and the driving force behind the Group's property construction projects to date. Responding to the changing landscape of property development in Malaysia, he has been a strong advocate of the Government's current push for Private Public Partnership (PPP) as the engine of growth. In this regard he has been actively involved in identifying and ultimately securing 3 PPP projects for the Group. This has culminated in three Private Finance Initiatives (PFI) projects for the Group (with a combined Total Construction Cost of RM650 million) of which 2 are now under construction and one has been completed in January 2014. It is hoped that these 3 PFI projects will set a benchmark for future PPP opportunities and serve to add values to the Group's future revenues and profitability.

DATO' SHUN LEONG KWONG

Group Managing Director/Group Chief Executive Officer

Dato' Shun Leong Kwong, a Malaysian, aged 77, was appointed to the Board of Menang on 29 June 1989 after an outstanding career in senior positions in the banking industry (both international and local).

He holds a B.A. Econs. (Hons) from the University of Malaya.

Dato' Shun is and has been the Group Managing Director/Group Chief Executive Officer of Menang Group of Companies (Non-Independent Director) since 1989. With his vast experience and varied exposure, Dato' Shun has managed to navigate the Group through the various recessions without suffering major setbacks. The improving position of the Group has now allowed Dato' Shun to focus his attention and time on the Group's various landed assets to unlock value. He is the father of Non-Executive Director, Dr. Christopher Shun Kong Leng, CFP®, RFP™.

DATIN MARIAM EUSOFF

Non-Independent, Non-Executive Group Deputy Chairman

Datin Mariam Eusoff, a Malaysian, aged 70, started her career as a lecturer at the Institut Teknologi Mara in 1969 before she joined Citibank NA, Malaysia in 1973 where she was Manager in the Public Sector Lending Division. In 1977, she was recruited by Bank Bumiputra Malaysia Berhad to head the International Banking Department covering foreign currency lending, overseas branch operations as well as correspondent banking. She was appointed on 1 July 1989 as Managing Director of Maztri Padu Sdn Bhd, the privatised developer for Kelana Jaya Urban Centre. She holds a B.A. (Hons) from the University of Malaya and a Master degree in Mass Communications from the University of Washington, U.S.A.

Datin Mariam was appointed to the Board of Menang on 25 February 1991 and was subsequently appointed as Group Executive Director of Menang on 1 January 1992 (Non-Independent Director) and later became the Non-Executive Group Deputy Chairman on 1 July 2005. She was the alternate chairperson of the Group Management Committee in the absence of the Group Executive Chairman. As Non-Executive Group Deputy Chairman, she supervises legal, corporate and public communications of the Group. One of her principal responsibilities is in strategic planning and implementation of new property projects besides providing general administration of Group operations.

She is also a member of the Audit Committee of the Company.



DIRECTORS' PROFILE (CONT'D)

MR CHIAM TAU MENG

Independent Non-Executive Director

Mr Chiam Tau Meng, a Malaysian, aged 62, graduated with a Bachelor of Commerce Degree majoring in Accountancy from University of Otago, Dunedin, New Zealand in 1976. He is an Associate Chartered Accountant of the Chartered Accountants Australia and New Zealand. He is also a Chartered Accountant of the Malaysian Institute of Accountants.

He started his career in 1976 as Finance Manager of Tolley Industries Ltd (New Zealand) and in 1979, he joined Malaysian Containers (1974) Berhad as Finance Manager cum Company Secretary. In 1984, he joined Menang Corporation (M) Berhad as General Manager of Corporate Services.

In 1989, he joined Bee Hin Holdings Sdn Bhd as General Manager-Corporate Finance in charge of the reconstruction scheme under Section 176 of the Companies Act, 1965 of Kuala Lumpur Industries Berhad.

In 1992, he joined the management consultancy practice of an international accounting organisation and in 1994, he set up his own consulting practice namely CTM Consulting.

He was appointed as an Independent Non-Executive Director of Menang on 21 October 2005. He is the Chairman of the Audit Committee and the Nominating Committee and a Member of the Remuneration Committee of Menang. He also sits on the Board of the following companies listed on the Bursa Malaysia Securities Berhad :-

Success Transformer Corporation Berhad
(Independent & Non-Executive)

Hovid Berhad
(Independent & Non-Executive)

Seremban Engineering Berhad
(Independent & Non-Executive)

MR TOO KOK LENG

Independent Non-Executive Director

Mr Too Kok Leng, a Malaysian, aged 56, holds a B.A (Hons) in Law and was admitted to the Malaysian Bar in 1983. He started his own practice in 1988 and was practising under the name and style of Rahman, Too & Co. in Seremban and Kuala Lumpur. He specialised in the corporate and banking fields rendering legal advice to several banks and public listed companies. He has since ventured into his own private business in property and other related activities.

Mr Too was appointed as an Independent Non-Executive Director of Menang on 1 August 1995. He is also the Chairman of the Remuneration Committee and member of the Audit Committee and Nominating Committee of the Company.

He also sits on the Board of TH Heavy Engineering Berhad listed on the Bursa Malaysia Securities Berhad as an Independent Non-Executive Director.



DIRECTORS' PROFILE (CONT'D)

**DR. CHRISTOPHER SHUN KONG LENG,
CFP®, RFP™***Non-Independent Non-Executive Director*

Dr. Christopher Kong-Leng SHUN, a Malaysian, aged 50, graduated from Boston University with a Bachelor of Science in Business Administration with Summa Cum Laude and Bachelor of Arts in Economics with Magna Cum Laude in May 1987. He pursued a Merchant Banking career with Hill Samuel Bank, London from 1987 to 1989. In 1991, he obtained his Master of Science in Management from the MIT Sloan School of Management, U.S.A. He subsequently joined Bankers Trust London as a Merger and Acquisition Associate. He completed his Doctor of Business Administration (D.B.A) from Henley Management College, Brunel University, United Kingdom in 2004. He was appointed Adjunct Professor at University Technology Malaysia (UTM) in March 2013. He has been teaching Undergraduate 4th year Honours students at the Royal Melbourne Institute of Technology (RMIT) since July 2015.

Dr. Christopher Shun was previously Senior Vice President, Economic Intelligence Division, Iskandar Regional Development Authority (IRDA) from 2012-2013. He was formerly the Risk Management Advisor to Perbadanan Putrajaya (PPJ) from 2008-2011.

Dr. Christopher Shun was appointed in 2007 onto the National Property Research Economic Council (NAPREC) think tank under the oversight of the Ministry of Finance (MOF) advising the Government of Malaysia (GOM) on all matters pertaining to Real Estate policies and Macroeconomic impacts on the Malaysian economy.

Dr. Christopher Shun was appointed to the Board of Menang on 25 February 1991 and was made Executive Director on 1 April 1991 (Non-Independent Director). Subsequently, he was appointed as Group Executive Director on 1 January 1992 and he was promoted to Deputy Group Managing Director on 1 July 2005. On 31 December 2007, Dr. Christopher Shun was re-designated as Non-Executive Director. He is also a member of the Remuneration Committee of the Company.

Dr. Christopher Shun is the son of Dato' Shun Leong Kwong.

Notes:

1. Family relationship with Director and/or major shareholder

Save as hereinabove disclosed, none of the Directors has any family relationship with the other directors and/or major shareholders of Menang Corporation (M) Berhad.

2. Conflict of Interest

None of the Directors has any conflict of interest in the Company except for those transactions disclosed in Note 29 to the financial statements.

3. Conviction for Offence

None of the Directors has been convicted of any offence within the past ten (10) years.

4. Other Directorship of Public Companies

None of the Directors hold any directorship in any other public listed company, save as disclosed above.

5. Securities Holdings in the Company

Details of the Directors' securities holdings in the Company, and its subsidiaries are set out on pages 107 to 112 of the Annual Report.



CHAIRMAN'S STATEMENT

On behalf of the Board, I have pleasure in presenting the Annual Report of Menang Corporation and the Audited Financial Statements of the Company and the Group for the financial year ended 30 June 2015.

RESULTS

We had a very good year for period ending 30 June 2015. The PFI (Private Financial Initiative) division helped push the revenue to RM276.6 million (2014 :RM272.8 million) while the property division substantially accounted for the profit after tax of RM55.11 million (2014 : RM29.71 million) giving earnings per ordinary share of 20.63 sen (2014 : 11.12 sen). We do not expect to achieve similar results in the coming year.

UNCERTAIN TIMES

We expect very challenging times ahead. The prospects for the property market look uncertain and portend difficult times facing the industry. Major developers are holding back launches. Bankers are cautious with their lending. Property sales have slowed down. The economic slowdown in China, most of Asean countries, the fall in international oil prices, the rapid and alarming deterioration of our Malaysia Ringgit put us all in uncharted waters. We need to navigate cautiously to avoid major damage.

A VOTE OF THANKS & GRATITUDE

We are fortunate to enjoy the continued support of our bankers, our lawyers, our staff and the regulatory agencies over the past year. We owe them all a vote of thanks and gratitude.

Dato' Abdul Mokhtar Ahmad
Executive Chairman

8 October 2015
Kuala Lumpur



AUDIT COMMITTEE REPORT

- CHAIRMAN** : **Mr Chiam Tau Meng**
(Independent Non-Executive Director)
- MEMBERS** : **Mr Too Kok Leng**
(Independent Non-Executive Director)
- YBhg Datin Mariam Eusoff**
(Non-Independent, Non-Executive Group Deputy Chairman)

TERMS OF REFERENCE

Constitution

The Audit Committee of the Company comprising all non-executive directors, a majority of who are independent, has been established since 22 March 1994.

Objective

The primary objectives of the Audit Committee are:

1. to assist in the fiduciary duties of the Board in matters pertaining to business ethics, policies, financial management, internal controls, accounting policies and financial reporting of the Company and its subsidiaries;
2. to maintain and enhance a line of communication and independence between the Group and the external auditors;
3. to ensure a system of internal controls which will mitigate the likelihood of fraud or error.
4. to ensure a risk management policy in place to safeguard the shareholders value.

The appointment of a properly constituted Audit Committee is an important step to assist the Board of Directors in raising the standard of Corporate Governance and observance of good Corporate Governance practices.

Composition

1. The Audit Committee shall be appointed by the directors from amongst themselves and this fulfils the following requirements:
 - (a) the Audit Committee shall comprise of no fewer than three (3) members;
 - (b) all the Audit Committee must be non-executive directors, with a majority of them being independent directors;
 - (c) the Chairman of the Audit Committee shall be an independent director; and
 - (d) at least one (1) member of the Audit Committee:
 - (i) must be a member of the Malaysian Institute of Accountants ("MIA");
or
 - (ii) if he is not a member of the MIA, he must have at least three (3) years' working experience and:
 - (aa) he must have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967; or
 - (bb) he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.
 - (iii) fulfils such other requirements as prescribed or approved by the Exchange.



AUDIT COMMITTEE REPORT (CONT'D)

2. No alternate director shall be appointed as a member of the Audit Committee.
3. In the event of any vacancy in the Audit Committee resulting in the non-compliance of subparagraph 15.09(1) of the Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements, the Company must fill the vacancy within three (3) months.
4. The Board of Directors of the Company must review the term of office and performance of the Audit Committee and each of its members at least once every three (3) years to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.

Secretary to the Audit Committee

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

Meetings

1. The Audit Committee shall meet at least four (4) times a year or more frequently as circumstances require with due notice of issues to be discussed and shall record its conclusions in discharging its duties and responsibilities.
2. The majority of members present must be independent directors to form a quorum.
3. The Group Accountant or the Finance Director and representative of external auditors shall normally attend the meeting.
4. The Committee may ask members of management or others to attend the meetings and provide pertinent information as necessary.
5. The Company must ensure that other directors and employees attend any particular Audit Committee meeting only at the audit committee's invitation, specific to the relevant meeting.
6. The Committee shall meet with the external auditors without the executive Board at least twice a year.
7. The Committee's actions shall be reported to the Board of Directors with such recommendations, as the Committee deemed appropriate.

Procedure of Audit Committee

The Audit Committee may regulate its own procedure, in particular:

- (a) the calling of meetings;
- (b) the notice to be given of such meetings;
- (c) the voting and proceedings of such meetings;
- (d) the keeping of minutes; and
- (e) the custody, production and inspection of such minutes.



AUDIT COMMITTEE REPORT (CONT'D)

Authority

The Audit Committee was appointed under Chapter 15, Part C, paragraph 15.09 of the Bursa Securities Listing Requirements. The Committee is given the authority to investigate any matter of the Company and its subsidiaries within its terms of reference, the resources which are required to perform its duties, the authority to have full and unrestricted access to any information of the Company and the authority to have direct communication channels with the external auditors and person(s) carrying out the internal audit function. The Committee shall obtain independent/ external professional advice and to be able to convene meetings with the external auditors, internal auditors or both excluding the attendance of other directors and employees of the Company, whenever deemed necessary.

Functions and Duties

The functions of the Audit Committee are as follows:

1. To consider the appointment of the external auditors, the audit fee and any questions of resignation or dismissal and on whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment;
2. To discuss with the external auditors before the audit commences, the nature and scope of the audit and ensure co-ordination where more than one audit firm is involved;
3. To review:
 - (a) with the external auditors, their audit plan;
 - (b) with the external auditors, the overall scope of the external audit and discuss the results of their examination and their evaluation of the internal control system;
 - (c) with the external auditors, the audit report;
 - (d) the assistance given by the employees of the Company to the external auditors;
 - (e) the quarterly results and year end financial statements of the Company, prior to the approval by the board of directors, focusing particularly on :
 - (i) any changes in or implementation of major accounting policies and practices;
 - (ii) significant adjustments arising from the audit and unusual events;
 - (iii) the going concern assumption;
 - (iv) compliance with accounting standards, other statutory and legal requirements;
 - (f) any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of control that raises questions of management integrity;
 - (g) the external and internal auditor's management letter and management's response; and
 - (h) any letter of resignation from the external auditors of the Company.



AUDIT COMMITTEE REPORT (CONT'D)

4. To recommend the nomination of a person or persons as external auditors;
5. To discuss problems and reservations arising from the interim and final audits and any other matters the auditors may wish to discuss;
6. To do the following where an internal audit function exists:
 - (a) to review the adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry on its work;
 - (b) to review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - (c) to review any appraisal or assessments of the performance of members of the internal audit function;
 - (d) to approve any appointments or terminations of senior staff members of the internal audit function;
 - (e) to inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his/her reasons for resignation;
7. To consider the major findings of internal investigations and management's response;
8. To report promptly such matter to the Bursa Securities where the audit committee is of the view that a matter reported by it to the Board of Directors of the Company has not been satisfactorily resolved resulting in a breach of the Listing Requirements; and
9. To consider other topics as defined by the Board.

NUMBER OF MEETINGS AND DETAILS OF ATTENDANCE

Five (5) Audit Committee meetings were held on 20 August 2014, 2 October 2014, 12 November 2014, 26 February 2015 and 20 May 2015 during the financial year ended 30 June 2015. The attendance record of each member during the financial year is as follows:

Audit Committee Members	Date of Meetings Held/Attended					Total Meetings Attended
	20.08. 2014	2.10. 2014	12.11. 2014	26.02. 2015	20.05. 2015	
Mr Chiam Tau Meng	√	√	√	√	√	5/5
Mr Too Kok Leng	√	√	√	√	√	5/5
Y Bhg Datin Mariam Eusoff	√	√	√	√	√	5/5

During the year, the external auditors have attended three (3) meetings, i.e. on 20 August 2014, 2 October 2014 and 20 May 2015.



AUDIT COMMITTEE REPORT (CONT'D)

ACTIVITIES

During the financial year under review, a summary of the activities undertaken by the Audit Committee in discharging their duties and responsibilities were as follows:

- (i) Reviewed the external auditors' scope of work and their audit plan for the year;
- (ii) Reviewed with the external auditors the results of their audit, the audit report, the management letter, including management's response and internal control recommendations in respect of control weaknesses noted in the course of their audit;
- (iii) Reviewed the audited financial statements before recommending it for Board's approval;
- (iv) Reviewed and recommended the audit fees payable to the external auditors for the Board's approval;
- (v) Reviewed the Company's compliance with the Listing Requirements of the Bursa Securities, applicable approved accounting standards issued by the Malaysian Accounting Standards Board ("MASB") and other relevant legal and regulatory requirements;
- (vi) Reviewed the quarterly unaudited financial results, announcements and audited financial statements of the Company prior to submission for the Board's consideration and approval to ensure that the audited financial statements are drawn up in accordance with the provisions of the Companies Act, 1965 and the applicable approved accounting standards approved by the MASB;
- (vii) Reviewed the internal audit function and risk management needs, programme and plan for the financial year under review and annual assessment of the internal audit function and risk management performance;
- (viii) Reviewed the audit reports presented by internal audit function and risk management on findings and recommendations with regard to system and controls weaknesses noted in the course of their audit and management's responses thereto and ensuring material findings are adequately addressed by management;
- (ix) Reviewed the Company's status of compliance with the provisions set out under the Malaysian Code on Corporate Governance 2012 for the purpose of preparing the Corporate Governance Statement pursuant to the requirement of paragraph 15.25 of the Bursa Malaysia Securities Berhad Revamped Listing Requirements before recommending them to the Board action plans and the prescribed corporate governance principles and recommendations under the Code; and
- (x) Reviewed the Audit Committee Report, Corporate Governance Statement and Statement on Risk Management and Internal Control and its recommendation to the Board for inclusion in the Annual Report; and
- (xi) Reviewed related party transactions if any that may arise within the Group.

INTERNAL AUDIT FUNCTION

The Company had outsourced the internal audit function to CGRM Infocomm Sdn Bhd ("CGRM"). The principal role of CGRM is to undertake independent regular and systematic reviews of the system of internal controls so as to provide reasonable assurance that such systems continued to operate satisfactorily and effectively. It is the responsibility of CGRM to provide the Audit Committee with independent and objective reports on the extent of compliance of the various operating units within the Group's established policies and procedures as well as relevant statutory requirements.

The total costs incurred for internal audit function of the Group in respect of the financial year from 01 July 2014 to 30 June 2015 amounted to RM29,814.73.

Further details of the activities of Internal Audit Function are set out in the Statement on Risk Management and Internal Control on pages 21 to 22 of the Annual Report.



STATEMENT ON CORPORATE GOVERNANCE

INTRODUCTION

The Board of Directors (“the Board”) of Menang Corporation (M) Berhad (“Menang” or “the Company”) fully subscribes to the principles and recommendations embodied in the Malaysian Code on Corporate Governance 2012 (“the Code”) and appreciates the importance of adopting high standards of corporate governance within the Group. Hence, the Board strives to adopt the substance behind corporate governance prescriptions and not merely the form. The Board is thus fully committed to maintain a high standard of corporate governance by ensuring full application of all the principles and recommendations as set out in the Code.

The Board is pleased to report that various affirmation steps and the outlines of how the Group has applied the principles laid down in the Code. Except of matters specifically identified, the Board has complied with the best practices set out in the Code throughout the financial year ended 30 June 2015.

A. DIRECTORS

A1. The Board

Board Responsibilities / Principle Duties

The Board takes full responsibility for the overall performance of the Company and the Group by setting the vision and objectives, establishing goals for management and monitoring its achievement, directing the policies, strategic action plans and ultimately the enhancement of long term shareholders value.

The Board has established a Board Charter to ensure that all Board members are aware of their fiduciary duties and responsibilities, legislations and regulations affecting their conduct, the need for safeguarding the interests of the shareholders, customers and other stakeholders and that good standards of corporate governance are applied on behalf of the Group.

Among others, the Board focuses mainly on the following major specific areas:

- The strategic action plans for the Group
- Evaluation of Company’s business performance
- Identifying and management of principal risks
- Succession planning for senior management
- Developing and implementing an investor relations programme and shareholder communications policy
- Reviewing adequacy and integrity of Company’s internal control systems and management information systems

Composition of the Board

The Board is made up of six (6) members, comprising the Group Executive Chairman, the Group Managing Director/Group Chief Executive Officer, Non-Independent Non-Executive Group Deputy Chairman, Non-Independent Non-Executive Director and two (2) Independent Non-Executive Directors.

The Board is still seeking a qualified candidate for an independent non-executive chairman.

Board Committee

The Board of Directors delegates certain responsibilities to the Board Committees in order to enhance business and operational efficiency. Currently, the Company has three (3) committees namely Audit, Nomination and Remuneration Committees to assist the Board in the execution of its duties. These three (3) committees consist of members from the Board. All the committees have their own written terms of reference and operating procedures. They report directly to the Board, the outcome of the Committee meetings as well as their recommendations.



STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

Meeting

The Board meets at least four (4) times a year at quarterly intervals with additional meetings for particular matter convened as and when necessary. Five (5) Board meetings were held during the financial year to deliberate upon and considered a variety of matters including Group's financial results, issues of strategy, performance and resources, strategic decisions, business plan and direction of the Group.

The attendance record of each Director is as follows:

	No. of Meetings Attended/Held
<i>Executive Directors</i>	
Dato' Abdul Mokhtar Ahmad	3/5
Dato' Shun Leong Kwong	5/5
<i>Non-Executive Directors:</i>	
Datin Mariam Eusoff	5/5
Dr. Christopher Shun Kong Leng, CFP®, RFP™	5/5
Mr Chiam Tau Meng	5/5
Mr Too Kok Leng	5/5

A2. Board Balance

The current Board composition of two (2) Executive Directors, two(2) Non-Independent Non-Executive Directors and two (2) Independent Non-Executive Directors complies with Para 15.02 of the Bursa Malaysia Securities Berhad Listing Requirements which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are independent directors.

The Directors, with their different backgrounds and specializations, equipped with a wide range of knowledge and experience and with the support of the management team is responsible for implementing the policies and decisions of the Board, overseeing the operations and managing the Group's business and resources.

There is a balance in the Board membership with the presence of the Independent Non-Executive Directors who are credible individuals with vast and varied experience. Both the Independent Non-Executive Directors are independent of management and free of any relationship, which could interfere with the exercise of independent judgment or the ability to act in the best interest of the Company.

The Independent Non-Executive Directors are actively involved in various Board committees. They bring to bear objective and independent assessment and opinion to the decision making of the Board and provide a capable check and balance to the executive directors. Together with the executive directors who have intimate knowledge of the business, they provide an effective blend of entrepreneurship, business and professional expertise in general management and areas of the industries the Group is involved in.

The role of the Group Executive Chairman and the Group Managing Director/Group Chief Executive Officer are separate and each has a clearly accepted division of responsibilities to ensure that there is a balance of power and authority. The Board has identified Mr. Chiam Tau Meng as the Senior Independent Non-Executive Director of the Board to whom concerns may be conveyed. The specific areas of responsibilities of each director is shown in the Directors' profile on pages 7 to 9 of the Annual Report.

Representatives of a significant shareholder are also members of the Board.

The Board is satisfied that the current composition fairly reflects the investment of minority shareholders in the Company through the representation of the two (2) Independent Non-Executive Directors.



STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

A3. Supply of Information

All the Board members have full and timely access to all information within the Group. Board papers are distributed prior to the Board Meeting to enable the Directors to obtain relevant information and have sufficient time to deliberate on the issues to be raised at the meeting so as to discharge their duties diligently.

The Board papers which include the agenda and reports covering amongst others, areas of strategic, financial, operational, regulatory compliance matters that require the Board's approval.

Detailed periodic briefings on industry outlook, company performance and previews are also conducted for the Directors to ensure that the Board is well informed on the latest market and industry trends and development.

The Board or the individual director has full access to the advice and services of the Company Secretary who ensure effective functioning of the Board and compliance of applicable rules and regulations. In the event that the Company Secretary fails to fulfill his/her duties effectively, the terms of appointment permits his/her removal and appointment of a successor by the Board as a whole.

The Board of Directors, whether as a full board or in their individual capacities, is entitled to obtain independent professional advice or opinion where necessary and in appropriate circumstances, in furtherance of their duties at the Group's expense.

A4. Appointment to the Board

The Nomination Committee of the Company comprises the following Directors:-

- | | |
|--------------------|---|
| Mr. Chiam Tau Meng | - Independent Non-Executive Director (Chairman) |
| Mr. Too Kok Leng | - Independent Non-Executive Director |

The Nomination Committee of the Company comprises of Independent Non-Executive Directors with the responsibility of recommending a suitable candidate with the necessary skills, experience and competences to be filled in the Board and Board Committees. Any new nomination received is put to the full Board for assessment and endorsement on an ongoing basis. The Company Secretary will ensure that all appointments are properly made and that all necessary information is obtained, as well as legal and regulatory obligations are met.

The Nomination Committee had a process to assess the performance and contribution of each Director and effectiveness of the Board as a whole and at the same time had reviewed the required mix of skills and experience of the Board. The Committee also keeps under review the Board structure, size and composition as well as considering the Board's succession planning.

All new directors are required to attend the Mandatory Accreditation Programme prescribed by the Bursa Malaysia Securities Berhad. The Board is mindful of the code of best practice in this regard and will review the necessity for formal training from time to time.

All the Directors have successfully completed the Mandatory Accreditation Programme prescribed by the Bursa Malaysia Securities Berhad ("Bursa Securities"). The Directors will continue to undergo relevant courses and seminars accredited by Bursa Securities under the Continuing Education Programme for directors of public listed companies to keep abreast with industry, regulatory and compliance issues, trends and best practices.

Trainings and seminars attended by all the directors in 2014/2015 comprised the following: –

- Goods and Services Tax (GST) Impact for Property Development Industry and Investment Holding Company Seminar



STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

A5. Re-election

In accordance with the Company's Articles of Association, all the Directors who are appointed by the Board are subject to retirement and are eligible for re-election by the shareholders at the next Annual General Meeting ("AGM") held following their appointments. There was no new appointment made during the financial year.

The articles also provide that at least one-third (1/3) of the Directors shall retire from the office at each AGM and shall be eligible to offer themselves for re-election provided always that all Directors including the Managing Director shall retire from office and stand for re-election at least once every three(3) years.

The Board wishes to highlight that although Mr Too Kok Leng has served as an Independent Non-Executive Director for more than nine years, the Board, as recommended by the Nomination Committee, is fully satisfied that he demonstrates complete independence in character and judgement both in his designated role and as Board member and is of the opinion that he continues to bring independent view of the Company's affairs to the Board notwithstanding his length of of service. The Board believes that his in-depth knowledge of the Group's business and his extensive and expertise continue to provide invaluable contribution to the Board. As such, the Board recommends him to be retained as in Independent Non-Executive Director and would be seeking shareholders' approval for the same at the forthcoming annual general meeting.

B. DIRECTORS' REMUNERATION

The Remuneration Committee of the Company comprises the following Directors:

- | | |
|---|---|
| Mr Too Kok Leng | – Independent Non-Executive Director (Chairman) |
| Mr Chiam Tau Meng | – Independent Non-Executive Director |
| Dr. Christopher Shun Kong Leng,
CFP®, RFP™ | – Non Independent Non-Executive Director |

The Remuneration Committee is responsible for recommending the remuneration packages of the Executive Directors in accordance with the Company's policy and with reference to external benchmark reports to the full Board for consideration and approval. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by them. The Board as a whole determines the remuneration of the Non-Executive Directors with the individual director affected abstaining from discussion and determination of his/her own remuneration package.

The remuneration package is necessary to attract, retain and motivate Directors of the quality required to manage the business of the Company and to align the interest of the Directors with those of the shareholders.

The details of the remuneration for Directors received / receivable from the Company during the financial year from 1st July 2014 to 30th June 2015 are as follows:

- (a) aggregate remuneration of Directors categorised into appropriate components:

	Fees RM'000	Salaries RM'000	Bonus & Incentives RM'000	Benefits -in-Kind RM'000	Others RM'000	Total RM'000
Executive Directors	10.000	24.000	–	–	–	34.000
Non-Executive Directors	20.000	252.000	–	2.511	–	274.511



STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

- (b) The number of Directors whose total remuneration falls within the following bands:

Range of remuneration (RM)	Number of Directors	
	Executive	Non-Executive
Not more than 50,000	2	–
50,001 to 100,000	–	4

C. SHAREHOLDERS

The Company recognizes the importance of accountability to its shareholders through an effective and constructive communication policy that enables both the Board and management to communicate effectively with its shareholders, stakeholders and the public generally about performance, corporate governance and other matters affecting shareholders' interest. The Company reaches out to its shareholders through its distribution of the annual reports and other explanatory circulars. Each year, the Company strives to produce a comprehensive annual report, which is not only informative with facts and figures but also reader-friendly. Timely announcement are made to the public with regards to the Company's corporate proposal, financial results and other required announcements.

All shareholders are encouraged to attend the Company's Annual General Meeting and to participate in the proceedings. Shareholders' suggestions received during the Annual General Meetings are reviewed and considered for implementation wherever possible. The shareholders are given every opportunity to enquire, raise questions and seek clarification on the business and performance of the Group. These would give investors a better appreciation of the Company's objectives, its potential problems, the quality of its management, enhance better understanding of corporate strategies while also making the Company aware of the expectations and concerns of the shareholders. This process helps to create a more stable shareholders base.

D. ACCOUNTABILITY AND AUDIT

D1. Financial Reporting

The Board aims to present a balanced, clear and meaningful assessment of the Group's financial positions and prospects in all their reports to the shareholders, investors and regulatory authorities. This assessment is primarily provided in the Annual Report through the Chairman's Statement and the Statement by Directors to enhance shareholders' understanding of the business operations of the Group.

The quarterly results announcements on these results also reflect the Board's commitment to give regular updated assessments on the Group's performances.

D2. Internal Control

The information on the Group's internal control is presented in the Statement on Risk Management and Internal Control on pages 21 to 22 of the Annual Report.

D3. Relationship with the Auditors

The Board through its Audit Committee maintains a formal and transparent arrangement with the Company's external auditors. A summary of activities of the Audit Committee during the financial year are included in the Audit Committee Report as detailed on pages 11 to 15 of the Annual Report.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

This Statement on Risk Management and Internal control is made pursuant to paragraph 15.26(b) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The Board of Directors (“the Board”) is pleased to provide this statement which has been prepared in accordance with the “Statement on Risk Management & Internal Control: Guidelines for Directors of Public Listed Companies”. It outlines the key elements of the risk management and internal control systems within the Group for the current financial year.

Board of Director’s Responsibility

The Board acknowledges its responsibility for the Group’s systems of risk management and internal control and the need to review its adequacy and integrity regularly. However, such a system is designed to manage rather than eliminate the risk of failure to achieve the Group’s objectives and the system by its nature can only provide reasonable but not absolute assurance against material misstatement, fraud or loss.

Risk Management Framework

During the current financial year, the Board and Management maintained the existing risk management framework that was adopted previously. The risk management framework comprised a risk management committee and process to systematically identify, assess and report the significant risk areas of the Group. This process also provides the Group’s risk tolerance parameters for assessing risks.

It formed part of the Management and Board agenda so that there is periodic review of the identified risks surrounding the Group and the quality of the corresponding action plans on a continuous basis.

Internal Audit

The Group has outsourced its internal audit function to CGRM Infocomm Sdn Bhd (“CGRM”). CGRM is an independent professional firm supports the Audit Committee, and by extension, the Board, by providing an independent assurance on the effectiveness of the Group’s systems of internal control.

During the financial year under review, CGRM assessed the adequacy and effectiveness of the Group’s key business areas in terms of governance, risk assessment and system of internal control. CGRM reports to the Audit Committee who in turn reports to the Board on its activities, significant audit results or findings and the necessary recommendations or actions needed to be taken by the management to rectify highlighted issues.

In the planning and throughout the course of their audit work, CGRM made reference to the guidelines of The International Professional Practices Framework; International Standards for the Professional Practice of Internal Auditing and Code of Ethics as well as the Group’s policies.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Key Elements of Internal Control

In order to achieve a sound control environment, the key elements in the framework of the Group's internal control systems are identified as follows:-

1. The Group has a defined organisation structure with clear lines of reporting responsibility which are aligned to the Group business and operational requirements.
2. Senior Management, comprising the Executive Chairman, Group MD cum Group CEO and Operations Director, assumed an active management and decision making role in the day-to-day operations of the Group.
3. The Group's financial results were compared against the Board approved budget and reviewed during the quarterly Audit Committee and Board meetings.
4. The Group maintained documented internal policies, objectives and operational procedures as part of the internal controls of the Group.
5. The Group maintained an effective reporting system to ensure timely generation and aggregation of financial and operations information as required for Senior Management review.
6. The Group maintained an open communication channel between the Board, Senior Management, Accountants and the auditors (both internal and external) to ensure timely conveyance of information for internal control disclosures and financial reporting.
7. Adequate insurance coverage of major assets to ensure that assets of the Group are sufficiently covered against mishap that may result in losses to the Group.

Conclusion

Several internal control improvements and risk areas were identified by internal auditors during the financial year ended 30 June 2015. These were reviewed by the Audit Committee and Board and closely monitored by Management to ensure the integrity of internal controls and minimisation of risks. The Management will continue to take adequate measures to strengthen the control environment in which the Group operates.

The Board is committed to an effective internal control system and is of the view that there is a continuous process in evaluating and managing significant risks faced by the Group and the underlying controls to mitigate these risks. The Board will take cognizance of the continuous process for identifying, evaluating and managing the significant risks face by the Company.

In addition to the above, the Board had received letters of assurance dated 3 September 2015 from the Group Managing Director and Senior Group Accountant with regards to the adequacy and effectiveness of the Group risk management and system of internal control in place for the financial year.

Based on the foregoing, the Board is of the opinion that the system of internal control and risk management processes are adequate to provide reasonable assurance in safeguarding shareholders' investments, the Group's assets and other stakeholders' interest. There was no major internal control weaknesses identified that may result in any material loss or uncertainties for the financial year 30 June 2015 that would require disclosure in this annual report.

Review by External Auditors

Pursuant to paragraph 15.23 of the Main Market Listing Requirements of Bursa Securities, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in this annual report for the year ended 30 June 2015.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 8 October 2015



ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

There were no proceeds raised from any proposal during the financial year.

2. SHARE BUY-BACKS

There were no Share Buy-Backs during the financial year.

3. OPTIONS OR CONVERTIBLE SECURITIES

There were 450 Warrants exercised during the financial year.

4. DEPOSITORY RECEIPT PROGRAMME

There were no depository receipt programmes sponsored by the Company during the financial year.

5. SANCTIONS AND/OR PENALTIES

There were no sanctions or material penalties imposed by any of the regulatory bodies on the Company and its subsidiaries, directors or management.

6. NON-AUDIT FEES

During the financial year, the total non-audit fees payable to the external auditors for services rendered were RM8,000.

7. VARIATION IN RESULTS

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

8. PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial year.

9. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries which involved directors' and major shareholders' interest either still subsisting at the end of the financial year ended 30 June 2015 or entered into since the end of the previous financial period.

10. REVALUATION POLICY ON LANDED PROPERTIES

The Company revalues its landed properties every five (5) years and shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

11. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

There were no recurrent related party transactions of a revenue nature during the financial year.

12. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Group did not undertake any corporate social responsibility activities during the financial year ended 30 June 2015.



STATEMENT OF DIRECTORS' RESPONSIBILITIES

In Respect Of The Audited Financial Statements

The Directors are required to ensure that financial statements for each financial year or period are properly drawn up in accordance with the provisions of the Companies Act, 1965 and approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs and results of the Group and the Company for the financial year then ended.

In preparing the financial statements, the Directors have:

- adopted suitable accounting policies and then apply them consistently;
- made judgments and estimates that are prudent and reasonable in the circumstances; and
- ensured all applicable accounting standards have been followed.

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

The Directors have a general responsibility for taking such reasonable steps as are reasonably open to them: -

- (a) to safeguard the assets of the Group and the Company; and
- (b) to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 8 October 2015.



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DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	66,554	593
Profit attributable to:		
Owners of the parent	55,111	593
Non-controlling interests	11,443	–
	66,554	593

DIVIDEND

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

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

BAD AND DOUBTFUL DEBTS

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

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



DIRECTORS' REPORT (CONT'D)

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group and 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 in respect of the Group and of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

In the opinion of the directors:

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



DIRECTORS' REPORT (CONT'D)

ISSUE OF SHARES OR DEBENTURES

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

DIRECTORS

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

Y. Bhg. Dato' Abdul Mokhtar Ahmad
Y. Bhg. Dato' Shun Leong Kwong
Y. Bhg. Datin Mariam Eusoff
Dr. Christopher Shun Kong Leng, CFP®, RFP™
Chiam Tau Meng
Too Kok Leng

DIRECTORS' INTERESTS

The directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and of its related corporations during the financial year ended 30 June 2015 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia are as follows:

	Number of Ordinary Shares of RM0.50 Each			
	As at 1.7.2014	Addition	Sold	As at 30.6.2015
The Company				
- Menang Corporation (M) Berhad				
Direct interests				
Y. Bhg. Dato' Abdul Mokhtar Ahmad	9,000,000	-	(1,080,000)	7,920,000
Y. Bhg. Dato' Shun Leong Kwong	9,400	-	-	9,400
Y. Bhg. Datin Mariam Eusoff	23,004,200	3,725,800	-	26,730,000
Dr. Christopher Shun Kong Leng CFP®, RFP™	26,740,000	-	-	26,740,000
Indirect interests				
Y. Bhg. Dato' Abdul Mokhtar Ahmad*	30,145,130	-	-	30,145,130
Y. Bhg. Dato' Shun Leong Kwong*	30,145,130	-	-	30,145,130
Y. Bhg. Datin Mariam Eusoff*	30,145,130	-	-	30,145,130
	Number of Warrants 2015/2020			
	Alloted on 10.7.2014	Addition	Exercised/ Sold	As at 30.6.2015
The Company				
- Menang Corporation (M) Berhad				
Direct interests				
Y. Bhg. Dato' Abdul Mokhtar Ahmad	4,500,000	-	-	4,500,000
Y. Bhg. Dato' Shun Leong Kwong	4,700	-	-	4,700
Y. Bhg. Datin Mariam Eusoff	11,502,100	-	-	11,502,100
Dr. Christopher Shun Kong Leng, CFP®, RFP™	13,370,000	10,000	-	13,380,000
Indirect interests				
Y. Bhg. Dato' Abdul Mokhtar Ahmad*	15,072,565	-	-	15,072,565
Y. Bhg. Dato' Shun Leong Kwong*	15,072,565	-	-	15,072,565
Y. Bhg. Datin Mariam Eusoff*	15,072,565	-	-	15,072,565

* held through Maymerge (M) Sdn. Bhd. and Titian Hartanah (M) Sdn. Bhd. by virtue of Section 6A(4)(c) of the Companies Act, 1965



DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS (CONT'D)

By virtue of their interests in the ordinary shares of the Company and pursuant to Section 6A of the Companies Act, 1965 in Malaysia, Y. Bhg. Dato' Abdul Mokhtar Ahmad, Y. Bhg. Dato' Shun Leong Kwong, Y. Bhg. Datin Mariam Eusoff and Dr. Christopher Shun Kong Leng, CFP[®], RFP[™] are also deemed to be interested in the ordinary shares of all the subsidiaries during the financial year to the extent the Company has an interest.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of the emoluments received or due and receivable by the directors as disclosed in Note 24 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 33 to the financial statements.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution dated 8 October 2015.

Y. BHG. DATO' ABDUL MOKHTAR AHMAD

Y. BHG. DATO' SHUN LEONG KWONG



STATEMENT BY DIRECTORS

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

We, the undersigned, being two of the directors of the Company, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 33 to 103 are 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 30 June 2015 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 104 has been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements, as issued by the Malaysian Institute of Accountants and presented based on the format as prescribed by Bursa Securities.

Signed on behalf of the Board in accordance with a resolution dated 8 October 2015.

Y. BHG. DATO' ABDUL MOKHTAR AHMAD

Y. BHG. DATO' SHUN LEONG KWONG

STATUTORY DECLARATION

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

I, **Ng Kim Fong**, being the officer primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 33 to 103 and the supplementary information set out on page 104 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at
Kuala Lumpur in the Federal Territory
on 8 October 2015

NG KIM FONG

Before me

HAJI ABDUL AZIZNI BIN ABU BAKAR (NO. W502)
Commissioner for Oaths
Level 16, Menara Tokio Marine Life
189 Jalan Tun Razak
50400 Kuala Lumpur



INDEPENDENT AUDITORS' REPORT

To The Members Of Menang Corporation (M) Berhad

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Menang Corporation (M) Berhad, which comprise the statements of financial position as at 30 June 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 33 to 103.

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 about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2015 and of their financial performance and cash flows for the financial year then ended in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- (a) In our opinion, the accounting and other records and the registers required by the 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 have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 8 to the financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.



INDEPENDENT AUDITORS' REPORT (CONT'D)

To The Members Of Menang Corporation (M) Berhad

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out on page 104 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 Disclosure Pursuant to Bursa Securities 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 Securities.

OTHER MATTERS

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

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Lock Peng Kuan
No. 2819/10/16(J)
Chartered Accountant

Kuala Lumpur
8 October 2015



STATEMENTS OF FINANCIAL POSITION

As At 30 June 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	360	383	6	6
Investment properties	5	50,450	50,612	10,898	11,060
Land held for property development	6	66,945	66,945	-	-
Operating financial assets	7	782,500	605,994	-	-
Investments in subsidiaries	8	-	-	195,107	195,113
Investment in an associate	9	-	-	-	-
Other investments	10	9	8	-	-
		900,264	723,942	206,011	206,179
Current assets					
Inventories	11	103,229	109,401	-	-
Operating financial assets	7	62,717	64,175	-	-
Receivables	12	9,061	16,482	23,777	20,974
Tax assets	13	12	2	-	-
Cash and cash equivalents	14	24,937	20,204	462	611
		199,956	210,264	24,239	21,585
TOTAL ASSETS		1,100,220	934,206	230,250	227,764



STATEMENTS OF FINANCIAL POSITION (CONT'D)

As At 30 June 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	15	133,553	133,553	133,553	133,553
Reserves	16	126,333	71,221	81,563	80,970
		259,886	204,774	215,116	214,523
Non-controlling interests		66,552	55,109	-	-
TOTAL EQUITY		326,438	259,883	215,116	214,523
LIABILITIES					
Non-current liabilities					
Deferred tax liabilities	17	47,064	41,697	-	-
Payables	18	1,897	3,604	-	-
Borrowings	19	563,096	417,809	-	-
		612,057	463,110	-	-
Current liabilities					
Payables	18	112,918	99,041	15,134	13,241
Tax payables		45	-	-	-
Borrowings	19	48,762	112,172	-	-
		161,725	211,213	15,134	13,241
TOTAL LIABILITIES		773,782	674,323	15,134	13,241
TOTAL EQUITY AND LIABILITIES		1,100,220	934,206	230,250	227,764

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



STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 30 June 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Revenue	21	276,622	272,800	2,280	2,280
Cost of sales	22	(187,899)	(172,147)	–	–
Gross profit		88,723	100,653	2,280	2,280
Other income		35,323	1,672	–	–
Administrative expenses		(12,985)	(7,427)	(1,466)	(1,522)
Other expenses		(1,593)	(517)	(221)	(285)
		(14,578)	(7,944)	(1,687)	(1,807)
Profit from operations		109,468	94,381	593	473
Finance costs	23	(37,428)	(32,587)	–	(47)
Profit before tax	24	72,040	61,794	593	426
Tax expense	25	(5,486)	(12,551)	–	–
Profit for the financial year		66,554	49,243	593	426
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Fair value adjustment of available-for-sale financial assets		1	1	–	–
Total comprehensive income for the financial year		66,555	49,244	593	426
Profit attributable to:					
Owners of the parent		55,111	29,709	593	426
Non-controlling interests		11,443	19,534	–	–
		66,554	49,243	593	426
Total comprehensive income attributable to:					
Owners of the parent		55,112	29,710	593	426
Non-controlling interests		11,443	19,534	–	–
		66,555	49,244	593	426
Earnings per ordinary share attributable to owners of the parent:					
Basic/Diluted (sen)	26	20.63	11.12		

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



STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 30 June 2015

	<-----Attributable to Owners of the Parent----->						Total equity RM'000
	<-----Non-distributable----->			Distributable			
Group	Share capital RM'000	Capital reduction reserve RM'000	Available-for-sale reserve RM'000	retained profits/ (Accumulated losses) RM'000	Sub total RM'000	Non-controlling interests RM'000	
At 1 July 2013	133,553	84,044	5	(42,538)	175,064	35,575	210,639
Comprehensive income							
Profit for the financial year	-	-	-	29,709	29,709	19,534	49,243
Other comprehensive income							
Fair value adjustment of available-for-sale financial assets	-	-	1	-	1	-	1
Total other comprehensive income for the financial year	-	-	1	-	1	-	1
Total comprehensive income for the financial year	-	-	1	29,709	29,710	19,534	49,244
At 30 June 2014	133,553	84,044	6	(12,829)	204,774	55,109	259,883
Comprehensive income							
Profit for the financial year	-	-	-	55,111	55,111	11,443	66,554
Other comprehensive income							
Fair value adjustment of available-for-sale financial assets	-	-	1	-	1	-	1
Total other comprehensive income for the financial year	-	-	1	-	1	-	1
Total comprehensive income for the financial year	-	-	1	55,111	55,112	11,443	66,555
At 30 June 2015	133,553	84,044	7	42,282	259,886	66,552	326,438



STATEMENTS OF CHANGES IN EQUITY (CONT'D)
For The Financial Year Ended 30 June 2015

	Share capital RM'000	Non- distributable capital reduction reserve RM'000	Accumulated losses RM'000	Total equity RM'000
Company				
At 1 July 2013	133,553	84,044	(3,500)	214,097
Comprehensive income				
Profit for the financial year	-	-	426	426
Total comprehensive income for the financial year	-	-	426	426
At 30 June 2014	133,553	84,044	(3,074)	214,523
Comprehensive income				
Profit for the financial year	-	-	593	593
Total comprehensive income for the financial year	-	-	593	593
At 30 June 2015	133,553	84,044	(2,481)	215,116

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



STATEMENTS OF CASH FLOWS

For The Financial Year Ended 30 June 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		72,040	61,794	593	426
Adjustments for:					
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
Interest income on operating financial asset		(58,611)	(46,300)	-	-
Gain on disposal of property, plant and equipment		-	(734)	-	-
Gain on retention sum measured at amortised cost		(3,669)	-	-	-
Impairment losses on:					
- amount owing by an associate		717	-	-	-
- amount owing by subsidiaries		-	-	51	110
- investments in subsidiaries		-	-	6	11
Interest expense		37,428	32,587	-	47
Interest income		(263)	(141)	-	-
Waiver of term loan		(31,326)	-	-	-
Waiver of late payment interest		-	(604)	-	-
Operating profit before working capital changes		17,059	46,876	813	758
Inventories		6,172	11,517	-	-
Operating financial asset		(116,437)	(175,359)	-	-
Receivables		6,256	(15,855)	(2,809)	(14)
Payables		15,954	(5,642)	1,893	2,595
Cash (used in)/generated from operations		(70,996)	(138,463)	(103)	3,339
Tax (paid)/refunded		(84)	1	-	-
Interest received		8	45	-	-
Net cash (used in)/from operating activities		(71,072)	(138,417)	(103)	3,339



STATEMENTS OF CASH FLOWS (CONT'D)
For The Financial Year Ended 30 June 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Withdrawal/(Placement) of bank deposits pledged		90	(876)	-	-
Proceeds from disposal of property, plant and equipment		-	1,015	-	-
Purchase of property, plant and equipment		(110)	(226)	(1)	(4)
Interest received		255	96	-	-
Net cash from/(used in) investing activities		235	9	(1)	(4)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment to corporate shareholders		(582)	(24)	-	-
Repayment to subsidiaries		-	-	(45)	(2,220)
Drawdown of term loans		452,400	156,484	-	-
Repayment of term loans		(305,630)	(6,100)	-	(1,003)
Interest paid		(70,512)	(2,088)	-	(47)
Payment of finance lease payable		(16)	(16)	-	-
Net cash from/(used in) financing activities		75,660	148,256	(45)	(3,270)
Net increase in cash and cash equivalents		4,823	9,848	(149)	65
Cash and cash equivalents at beginning of financial year		19,328	9,480	611	546
Cash and cash equivalents at end of financial year	14	24,151	19,328	462	611

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



NOTES TO THE FINANCIAL STATEMENTS

30 June 2015

1. CORPORATE INFORMATION

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

The registered office and principal place of business of the Company are located at 8th Storey, South Block, Wisma Selangor Dredging, 142-A, Jalan Ampang, 50450 Kuala Lumpur.

The Company is principally engaged in investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 8. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors dated 8 October 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with the 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 basis, except as otherwise disclosed in the summary of the significant accounting policies.

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

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int")****(a) Adoption of Amendments/Improvements to FRSs and New IC Int**

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

Amendments/Improvements to MFRSs

FRS 2	Share-base Payment
FRS 3	Business Combinations
FRS 8	Operating Segments
FRS 10	Consolidated Financial Statements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement
FRS 116	Property, Plant and Equipment
FRS 119	Employee Benefits
FRS 124	Related Party Disclosures
FRS 127	Separate Financial Statements
FRS 132	Financial Instruments: Presentation
FRS 136	Impairment of Assets
FRS 138	Intangibles Assets
FRS 139	Financial Instrument: Recognition and Measurement
FRS 140	Investment Property

New IC Int

IC Int 21	Levies
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The adoption of the above amendments/improvements to MFRSs and new IC Int do not have any effect on the financial statements of the Group and of the Company except for those as discussed below.

Amendment to FRS 3 Business Combinations

Amendment to FRS 3 clarifies that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to MFRS 132 Financial Instruments: Presentation. It also clarifies that contingent consideration that is classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In addition, Amendment to FRS 3 clarifies that FRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in FRS 11 Joint Arrangements) in the financial statements of the joint arrangement itself.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (cont'd)

(a) Adoption of Amendments/Improvements to FRSs and New IC Int (cont'd)

Amendments to FRS 10 Consolidated Financial Statements, FRS 12 Disclosure of Interests in Other Entities and FRS 127 Separate Financial Statements

Amendments to FRS 10 introduce an exception to the principle that all subsidiaries shall be consolidated. The amendments define an investment entity and require a parent that is an investment entity to measure its investment in particular subsidiaries at fair value through profit or loss in accordance with FRS 139 Financial Instruments: Recognition and Measurement instead of consolidating those subsidiaries in its consolidated financial statements. Consequently, new disclosure requirements related to investment entities are introduced in Amendments to FRS 12 and FRS 127.

In addition, Amendments to FRS 127 also clarify that if a parent is required, in accordance with paragraph 31 of FRS 10, to measure its investment in a subsidiary at fair value through profit or loss in accordance with FRS 139, it shall also account for its investment in that subsidiary in the same way in its separate financial statements.

Amendment to FRS 13 Fair Value Measurement

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

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

Amendment to FRS 124 Related Party Disclosures

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

Amendments to FRS 132 Financial Instruments: Presentation

Amendments to FRS 132 do not change the current offsetting model in FRS 132. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off', that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. The Amendments clarify that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the FRS 132 offsetting criteria. These Amendments only impact the presentation in the financial statements but has no impact on the financial results and position of the Group and of the Company.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (cont'd)****(a) Adoption of Amendments/Improvements to FRSs and New IC Int (cont'd)****Amendments to FRS 136 Impairment of Assets**

Amendments to FRS 136 clarify that disclosure of the recoverable amount (based on fair value less costs of disposal) of an asset or cash generating unit is required to be disclosed only when an impairment loss is recognised or reversed. In addition, there are new disclosure requirements about fair value measurement when impairment or reversal of impairment is recognised.

Amendments to FRS 139 Financial Instruments: Recognition and Measurement

Amendments to FRS 139 provide relief from discontinuing hedge accounting in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. As a result of the Amendments, continuation of hedge accounting is permitted if as a consequence of laws or regulations, the parties to hedging instrument agree to have one or more clearing counterparties replace their original counterparty and the changes to the terms arising from the novation are consistent with the terms that would have existed if the novated derivative were originally cleared with the central counterparty.

IC Int 21 Levies

IC Int 21 addresses the accounting for a liability to pay a government levy (other than income taxes and fine or other penalties that imposed for breaches of the legislation) if that liability is within the scope of FRS 137 Provisions, Contingent Liabilities and Contingent Assets. This interpretation clarifies that an entity recognises a liability for a levy when the activity that triggers the payment of the levy, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is recognised progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specific minimum threshold is reached. The adoption of IC Int 21 has no significant impact to the financial statements of the Group and of the Company.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (cont'd)

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

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

<u>New FRS</u>		Effective for financial periods beginning on or after
FRS 9	Financial Instruments	1 January 2018
<u>Amendments/Improvements to FRSs</u>		
FRS 5	Non-current Asset Held for Sales and Discontinued Operations	1 January 2016
FRS 7	Financial Instruments: Disclosures	1 January 2016
FRS 10	Consolidated Financial Statements	1 January 2016
FRS 11	Joint Arrangements	1 January 2016
FRS 12	Disclosure of Interests in Other Entities	1 January 2016
FRS 101	Presentation of Financial Statements	1 January 2016
FRS 116	Property, Plant and Equipment	1 January 2016
FRS 119	Employee Benefits	1 January 2016
FRS 127	Separate financial statements	1 January 2016
FRS 128	Investments in Associates and Joint Ventures	1 January 2016
FRS 138	Intangible Assets	1 January 2016
FRS 141	Agricultural	1 January 2016

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

FRS 9 Financial Instruments

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

Classification and measurement

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (cont'd)****(b) New FRSs and Amendments/Improvements to FRSs that are issued, but not yet effective and have not been early adopted (cont'd)****FRS 9 Financial Instruments (cont'd)**Impairment

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

Hedge accounting

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

Amendments to FRS 7 Financial Instruments: Disclosures

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

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

Amendments to FRS 11 Joint Arrangements

Amendments to FRS 11 clarify that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in FRS 3 Business Combinations, it shall apply the relevant principles on business combinations accounting in FRS 3, and other FRSs, that do not conflict with FRS 11. Some of the impact arising may be the recognition of goodwill, recognition of deferred tax assets / liabilities and recognition of acquisition-related costs as expenses. The Amendments do not apply to joint operations under common control and also clarify that previously held interests in a joint operation are not re-measured if the joint operator retains joint control.

Amendments to FRS 101 Presentation of Financial Statements

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (cont'd)

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

Amendment to FRS 116 Property, Plant and Equipment

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

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

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

Amendments to FRS 127 Separate Financial Statements

Amendments to FRS 127 allow a parent and investors to use the equity method in its separate financial statements to account for investments in subsidiaries, joint ventures and associates, in addition to the existing options.

Amendments to FRS 10 Consolidated Financial Statements, FRS 12 Disclosures of Interests in Other Entities and FRS 128 Investments in Associates and Joint Ventures

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.2 New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (cont'd)****(c) MASB Approved Accounting Standards, MFRSs**

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1 January 2012, the MASB had on 19 November 2011 issued a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1 January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Int 15 Agreements for the Construction of Real Estate ("Transitioning Entities"). The Transitioning Entities are given an option to defer the adoption of MFRSs Framework and shall apply the MFRSs framework for annual periods beginning on or after 1 January 2018. Transitioning Entities also include those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, the Group and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs framework. As such, the Group and the Company will prepare their first MFRSs financial statements using the MFRSs framework for financial year ended 30 June 2019. The main effects arising from the transition to the MFRSs Framework are discussed below.

The effect is based on the Group's and the Company's best estimates at the reporting date. The financial effects may change or additional effects may be identified, prior to the completion of the Group's and the Company's first MFRSs based financial statements.

Application of MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards ("MFRS 1")

MFRS 1 requires comparative information to be restated as if the requirements of MFRSs have always been applied, except when MFRS 1 allows certain elective exemptions from such full retrospective application or prohibits retrospective application of some aspects of MFRSs.

The Group and the Company are currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. As at the date of authorisation of issue of the financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adoption of MFRS 1 cannot be determined and estimated reliably until the process is completed.

Amendments to MFRS 141 Agriculture

MFRS 141 requires a biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell, except where the fair value cannot be measured reliably. MFRS 141 also requires agricultural produce harvested from an entity's biological assets shall be measured at its fair value less costs to sell at the point of harvest. Gains or losses arising on initial recognition of a biological asset and the agricultural produce at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in the profit or loss for the period in which it arises.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New FRSs, Amendments/Improvements to FRSs and New IC Interpretations ("IC Int") (cont'd)

(c) MASB Approved Accounting Standards, MFRSs (cont'd)

Amendments to MFRS 141 Agriculture (cont'd)

The Group is currently assessing the impact of the adoption of this standard.

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

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

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

The Group is currently assessing the impact of the adoption of this standard.

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

- Identify the contracts with a customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The Group is currently assessing the impact of the adoption of this standard.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.3 Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries which are disclosed in Note 8 made up to the end of the financial year. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting date.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Specifically, the Group controls an investee if and only if the Group has:-

- (a) Power over the investee;
- (b) Exposure, or rights, to variable returns from its involvement with the investee; and
- (c) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:-

- (a) The contractual arrangement with the other vote holders of the investee;
- (b) Rights arising from other contractual agreements; and
- (c) The voting rights of the Group and potential voting rights.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The assets, liabilities and contingent liabilities assumed from a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated financial statements. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less impairment losses, unless the investments are classified as held for sale (or included in a disposal group that is classified as held for sale). Acquisition related costs are recognised as expenses in the period in which the costs are incurred. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in profit or loss.

All intra-group balances, transactions and resulting unrealised profits and losses (unless cost cannot be recovered) are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

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

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Basis of consolidation (cont'd)

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

The Group has applied the revised FRS 127 prospectively on 1 January 2011 in accordance with the transitional provisions. Accordingly, transactions with non-controlling interests prior to the respective effective date have not been restated to comply with the Standard.

2.4 Transactions with non-controlling interests

Non-controlling interests represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributable to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2.5 Functional and presentation currency

Items included in the individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand, unless otherwise stated.

2.6 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset of, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, property, plant and equipment except for freehold land are stated at cost less accumulated depreciation and any accumulated impairment losses.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.6 Property, plant and equipment (cont'd)**

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Buildings	2%
Plant and machinery	10% - 25%
Motor vehicles	20%
Furniture, fittings and equipment	10% - 25%
Site office and signboards	20%
Renovation	10% - 20%

Freehold land has unlimited useful life and is not depreciated.

At the end of each reporting period, the carrying amount of each item of property, plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

The residual values, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

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

2.7 Investment properties

Investment properties comprise freehold land and building which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties also include properties that are being constructed or developed for future use as investment properties. Investment properties are initially measured at cost, which includes transactions costs. After the initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

For building, depreciation is charged to the profit or loss on a straight line basis over the estimated useful lives of 50 years. Freehold land is not depreciated.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.8 Property development activities

(a) Land held for property development

Land held for property development is stated at cost less accumulated impairment losses, if any. Such land is classified as non-current asset when no significant development work has been carried out or where development activities are not expected to be completed within the normal operating cycle.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

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.

(b) Property development costs

Property development costs comprise all cost that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities. They comprise the cost of land under development, construction costs and other related development costs common to the whole project including professional fees, stamp duties, commissions, conversion fees and other relevant levies as well as borrowing costs.

When the financial outcome of a development activity can be reliably estimated, property development revenue and costs are recognised in profit or loss by 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 profit or loss over billings to purchases. Progress billings within payables represent the excess of billings to purchasers over revenue recognised in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.9 Associates**

An associate is an entity in which the Group exercises influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights, and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over these policies.

Investments in associate are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. The Group's investment in associates includes goodwill identified on acquisition.

In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

2.10 Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is contractually agreed sharing of control of and arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

- (a) its assets, including its share of any assets held jointly;
- (b) its liabilities, including its share of any liabilities incurred jointly;
- (c) its revenue from the sale of its share of the output arising from the joint operation;
- (d) its share of the revenue from the sale of the output by the joint operation; and
- (e) its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the FRSs applicable to the particular assets, liabilities, revenues and expenses.

When the Group transacts with a joint operation (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's financial statements only to the extent of other parties' interests in the joint operation.

When the Group transacts with a joint operation (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.11 Operating financial assets

The Group constructs or upgrades infrastructure (construction or upgrade services) and operates and maintains that infrastructure (operation services) for a specific period of time under a single contract or arrangement. Under these concession arrangements, the grantor controls significant residual interest in the infrastructure at the end of the concession period.

The Group accounts for its service concession arrangements under the financial asset model as the Group has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services. The consideration received and receivable is allocated by reference to the relative fair values of the various services delivered, when the amounts are separately identified. The allocation is performed by reference to the fair values of the services provided even if the contract stipulate individual prices for certain services. This is because, the amounts specified in the contracts may not necessarily be representative of the fair values of the services provided or the price that would be charged if the services were sold on a standalone basis. The Group estimates the relative fair values of the services by reference to the costs of providing each service plus a reasonable profit margin.

In the financial asset model, the amount due from the grantor meets the definition of a receivable which is measured at fair value. It is subsequently measured at amortised cost. The amount initially recognised plus the cumulative interest on that amount is calculated using the effective interest method.

Any asset carried under concession arrangements is derecognised when the contractual rights to the financial asset expire.

2.12 Construction contracts

When the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

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

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

Contract costs comprise costs related directly to the specific contract and those that are attributable to the contract activity in general and can be allocated to the contract and such other costs that are specifically chargeable to the customer under the terms of the contract.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.13 Impairment of non-financial assets**

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

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

2.14 Inventories**(a) Land and completed properties**

Land and completed properties held for sale are stated at the lower of cost and net realisable value.

The cost of land and completed properties held for sale comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs.

(b) Other inventories

Cost of other inventories is stated at the lower of cost and net realisable value. Cost is determined on weighted average cost basis.

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.

2.15 Financial assets

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

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

The Group and the Company determine the classification of their financial assets at initial recognition, and has categorised the financial assets as loans and receivables and available-for-sale financial assets.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.15 Financial assets (cont'd)

(a) Loans and receivables

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

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

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

(b) Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in financial assets at fair value through profit or loss, held-to-maturity investments and loans and receivables.

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

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

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired or is transferred to another party without retaining control or substantially all risks and rewards of the assets. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.16 Impairment of financial assets**

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

(a) Receivables and other financial assets carried at amortised cost

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

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

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

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

(b) Available-for-sale financial assets

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

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, deposits, and other short-term highly liquid investments with original maturities of three months or less, which are readily convertible to cash and are subject to an insignificant risk of changes in value. These also include deposits pledged that form an integral part of the Group's cash management.

2.18 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.19 Financial liabilities

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

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

The Group's and the Company's other financial liabilities include trade payables, other payables including deposits and accruals, and borrowings.

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

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 and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.20 Borrowing costs**

Borrowing costs are capitalised as part of a qualifying assets if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the assets for its intended use or sales are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowings 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.

2.21 Leases**(a) Finance Lease – the Group as Lessee**

Assets acquired by way of finance leases where the Group assumes substantially all the benefits and risks of ownership are classified as property, plant and equipment.

Finance lease are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The corresponding finance lease obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance lease is depreciated in accordance with the depreciation policy for property, plant and equipment.

(b) Operating Lease – the Group as Lessee

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

(c) Operating Lease – the Group as Lessor

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.22 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Property development

Property development revenue is recognised in respect of all development units that have been sold. Revenue recognition commences when the sale of the development unit is effected, upon the commencement of development and construction activities and when the financial outcome can be reliably estimated. The attributable portion of property development cost is recognised as an expense in the period in which the related revenue is recognised. The amount of such revenue and expenses recognised is determined by reference to the stage of completion of development activity at the end of the reporting period. The stage of completion is measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development cost.

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

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

(b) Construction contracts

Revenue from construction contracts is accounted by the stage of completion method as described in Note 2.12.

Construction revenue in respect of service under the concession arrangements are recognised in accordance with FRS 111 Construction Contracts.

(c) Maintenance income

Maintenance income is recognised as and when services are rendered.

(d) Sale of properties

Revenue from sale of properties is recognised upon signing of the sale and purchase agreement, and completion of the agreement.

(e) Interest income

Interest income is recognised as it accrues, using the effective interest method. The notional interest income resulting from the accretion of discount on operating financial assets using the effective interest rate method is recognised in the profit or loss.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.22 Revenue recognition (cont'd)****(f) Recreational facilities**

Revenue from recreational facilities consists of the following:

(i) Registration fees

Revenue from registration fees are recognised upon registration and cash receipts.

(ii) Food and beverages and tournament fees

Revenue from food and beverages and tournament fees are recognised upon the sale of goods and services rendered.

(g) Dividend income

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

(h) Management fee

Management fee is recognised on an accrual basis.

(i) Rental income

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

2.23 Tax expense

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

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

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.23 Tax expense (cont'd)

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

2.24 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period when employees have rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

The Company and its subsidiaries incorporated in Malaysia make contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contributions already paid and as an expense in the period in which the employees render their services.

2.25 Earnings per share

(a) Basic

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.26 Segment reporting**

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 27, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.27 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

2.28 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

The Group does not recognise contingent assets and liabilities, but discloses its existence in the financial statements, unless the possibility of an outflow of resources embodying economic benefit is remote.

2.29 Fair value measurement

The Group adopted FRS 13 Fair Value Measurement which prescribed that fair value of an asset or a liability, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**(a) Critical judgements in applying the Group's accounting policies**

In the process of applying the Group's accounting policies, the directors have made the following judgement, apart from those involving estimations, which have a significant effect on the amounts recognised in the financial statements:

(i) Classification between investment properties and property, plant and equipment

The Group and the Company have 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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

(a) Critical judgements in applying the Group's accounting policies (cont'd)

(i) Classification between investment properties and property, plant and equipment (cont'd)

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 so significant that a property does not qualify as investment property.

(ii) Classification of operating financial assets

As discussed in Note 7, the Group entered into certain concession agreements with Universiti Teknologi Mara ("UiTM") and the Government of Malaysia 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.

Under these arrangements, UiTM will pay the Group throughout the concession period the 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. These amounts receivable are accounted for using the financial asset model.

(b) Key sources of estimation uncertainty

(i) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within 4 to 50 years. These are common life expectancies applied generally. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets and therefore, future depreciation charges could be revised.

(ii) Impairment of investments in subsidiaries and impairment of amounts owing by subsidiaries

The directors review the investments in subsidiaries for impairment when there is an indication of impairment and assess the impairment of amounts owing by subsidiaries when the receivables are long outstanding. The recoverable amounts of the investments in subsidiaries and amounts owing by subsidiaries are assessed by reference to the fair value of the underlying assets as at the end of the reporting period, which comprised mainly investment properties, land held for property development, property development costs and inventories.

The fair value of these underlying assets are determined using fair value less cost of disposal as estimated based on information on the current market values of similar properties in the vicinity of these properties. Changes in the economic outlook of the properties market may significantly affect the fair value of these assets.

(iii) Impairment of receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset 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 debtor and default or significant delay in payments.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)**(b) Key sources of estimation uncertainty (cont'd)****(iv) Impairment of other assets**

The Group assesses impairment of property, plant and equipment, investment properties, land held for property development, property development costs and inventories when events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. In assessing such impairment, the recoverable amount of the assets is estimated using the latest available fair value after taking into account the cost of disposal or expected value in use of the relevant assets.

(v) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future taxable profits. These depends on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position and the amount of unrecognised tax losses and unrecognised temporary differences.

(vi) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Group for similar financial instruments. It is assumed that the effective interest rates approximate the current market interest rates available to the Group based on its size and its business risk.

(vii) Construction contracts

The Group recognises revenue from construction activities and the related expenses in profit or loss by using the percentage of completion method. The percentage of completion is determined by the proportion that contract costs incurred for work performed-to-date compares to the estimated total contract costs.

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and costs. Total contract revenue also includes an estimation of variation works that are recoverable from customers. In making the judgement, the Group evaluates by relying on past experience and the work of specialists.

(viii) Interest income

Interest income resulting from the accretion of discount on operating financial assets using the effective interest rate method is described in Note 2.22.

Significant judgement is required in determining the profit margin used in estimating the relative fair values of various services provided in concession arrangements. In making the judgement, the Group evaluates by making reference to the current condition and operating environment of companies in the similar industry in Malaysia.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D)

(b) Key sources of estimation uncertainty (cont'd)

(ix) Tax expense

Significant judgement is required in determining the capital allowances and deductibility of certain expenses based on the interpretation of tax laws and legislations during the estimation of the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognised liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions, where applicable, in the period in which such determination is made.

4. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Site office and signboards RM'000	Renovation RM'000	Total RM'000
2015						
Group						
Cost						
At 1 July 2014	1,785	941	2,501	326	198	5,751
Additions	40	37	33	–	–	110
At 30 June 2015	1,825	978	2,534	326	198	5,861
Accumulated depreciation						
At 1 July 2014	1,564	823	2,457	326	198	5,368
Charge for the financial year	60	51	22	–	–	133
At 30 June 2015	1,624	874	2,479	326	198	5,501
Net carrying amount						
At 30 June 2015	201	104	55	–	–	360



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

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

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Site office and signboards RM'000	Renovation RM'000	Total RM'000
2014								
Group								
Cost								
At 1 July 2013	10	689	1,626	965	2,491	326	198	6,305
Additions	-	-	159	57	10	-	-	226
Disposals	(10)	(689)	-	(81)	-	-	-	(780)
At 30 June 2014	-	-	1,785	941	2,501	326	198	5,751
Accumulated depreciation								
At 1 July 2013	-	408	1,460	845	2,437	326	198	5,674
Charge for the financial year	-	10	104	59	20	-	-	193
Disposals	-	(418)	-	(81)	-	-	-	(499)
At 30 June 2014	-	-	1,564	823	2,457	326	198	5,368
Net carrying amount								
At 30 June 2014	-	-	221	118	44	-	-	383

	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Renovation RM'000	Total RM'000
Company				
2015				
Cost				
At 1 July 2014	70	1,037	27	1,134
Additions	-	1	-	1
At 30 June 2015	70	1,038	27	1,135
Accumulated depreciation				
At 1 July 2014	70	1,031	27	1,128
Charge for the financial year	-	1	-	1
At 30 June 2015	70	1,032	27	1,129
Net carrying amount				
At 30 June 2015	-	6	-	6



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

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

Company	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Renovation RM'000	Total RM'000
2014				
Cost				
At 1 July 2013	70	1,033	27	1,130
Additions	-	4	-	4
At 30 June 2014	70	1,037	27	1,134
Accumulated depreciation				
At 1 July 2013	70	1,029	27	1,126
Charge for the financial year	-	2	-	2
At 30 June 2014	70	1,031	27	1,128
Net carrying amount				
At 30 June 2014	-	6	-	6

Net carrying amount of property, plant and equipment of the Group held under finance lease arrangement as at the end of the financial year is as follows:

	2015 RM'000	Group 2014 RM'000
Motor vehicles	40	60

Details of the terms and conditions of the finance lease arrangement are disclosed in Note 20.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

5. INVESTMENT PROPERTIES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Freehold land, at cost				
At 1 July 2014/2013 and 30 June	59,879	59,879	4,325	4,325
Building, at cost				
At 1 July 2014/2013 and 30 June	8,114	8,114	8,114	8,114
Less: Accumulated depreciation				
At 1 July 2014/2013	(1,379)	(1,217)	(1,379)	(1,217)
Depreciation charge for the financial year	(162)	(162)	(162)	(162)
At 30 June	(1,541)	(1,379)	(1,541)	(1,379)
Development expenditure				
At 1 July 2014/2013 and 30 June	5,842	5,842	–	–
Less: Accumulated impairment loss				
At 1 July 2014/2013 and 30 June	(21,844)	(21,844)	–	–
	50,450	50,612	10,898	11,060

Policy on Transfer between Levels

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

Level 1 Fair Value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical investment properties that the entity can access at the measurement date.

Level 2 Fair Value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the investment property, either directly or indirectly.

Level 2 fair value of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size.

Transfer between Level 1 and Level 2 fair values

There is no transfer between Level 1 and Level 2 fair values during the financial year.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

5. INVESTMENT PROPERTIES (CONT'D)

Level 3 Fair Value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

The fair value of investment properties of the Group and the Company are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group 2015				
Freehold land	-	-	101,538	101,538
Buildings	-	-	8,325	8,325
	-	-	109,863	109,863
2014				
Freehold land	-	-	65,779	65,779
Buildings	-	-	8,081	8,081
	-	-	73,860	73,860
Company 2015				
Freehold land	-	-	4,438	4,438
Buildings	-	-	8,325	8,325
	-	-	12,763	12,763
2014				
Freehold land	-	-	4,290	4,290
Buildings	-	-	8,081	8,081
	-	-	12,371	12,371

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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

5. INVESTMENT PROPERTIES (CONT'D)

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

	Group	
	2015 RM'000	2014 RM'000
Repair and maintenance	830	708
Quit rent and assessment	58	105

6. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2015 RM'000	2014 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	(17,690)	(17,690)
	66,945	66,945

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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

7. OPERATING FINANCIAL ASSETS (CONT'D)

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

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)

Name of the Company	Interest in equity held by				Principal activities
	Company		Subsidiaries		
	2015	2014	2015	2014	
	%	%	%	%	
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 Akuarium (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

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(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	23,989	31,913	10,650	66,552
(Loss)/Profit allocated to NCI	(3,485)	11,446	3,482	11,443
2014				
NCI percentage of ownership interest and voting interest	29%	49%	49%	
Carrying amount of NCI	27,474	20,467	7,168	55,109
Profit allocated to NCI	7,364	9,995	2,175	19,534

(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	(52,941)	(53,285)	(10,508)	(116,734)
Net assets	82,720	59,923	16,519	159,162
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	(12,017)	23,360	7,106	18,449



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

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
	11,331	-	-	11,331
Dividend paid to NCI	-	-	-	-
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	94,737	36,563	9,414	140,714
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	25,392	20,397	4,439	50,228
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
	7,754	(1,109)	(3,762)	2,883
Dividend paid to NCI	-	-	-	-



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

9. INVESTMENT IN AN ASSOCIATE

	Group	
	2015 RM'000	2014 RM'000
Unquoted shares, at cost #	-	-

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 RM'000	2014 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	(14)	(8)
Results:		
Revenue	-	-
Loss for the financial year	(6)	(6)
Total comprehensive loss	(6)	(6)
Cash flows from/(used in) operating activities/Net increase/ (decrease) in cash and cash equivalents"	937	(101)



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

10. OTHER INVESTMENTS

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

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

11. INVENTORIES

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

12. RECEIVABLES (CONT'D)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Less: Impairment losses				
- amounts owing from subsidiaries	-	-	(49,380)	(49,329)
- amount owing by an associate	(717)	-	-	-
	(717)	-	(49,380)	(49,329)
	9,061	16,482	23,777	20,974

- (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
	1,939	9,409
	8,193	14,806

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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

12. RECEIVABLES (CONT'D)

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

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

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 RM'000	2014 RM'000	2015 RM'000	2014 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	24,937	20,204	462	611
Less: Deposits pledged	(786)	(876)	–	–
Cash and cash equivalents as reported in statements of cash flows	24,151	19,328	462	611

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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

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	2,000,000	2,000,000	1,000,000	1,000,000
Issued and fully paid:				
At 1 July 2014/1 July 2013/30 June	267,107	267,107	133,553	133,553

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	-	-
	84,051	84,050	84,044	84,044
	126,333	71,221	81,563	80,970

(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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

17. DEFERRED TAX LIABILITIES

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

	Group	
	2015 RM'000	2014 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	47,064	41,697

Presented after appropriate offsetting as follows:-

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

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

	Group	
	2015 RM'000	2014 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)
	(81,729)	(10,756)
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
	128,793	52,453



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

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 RM'000	2014 RM'000	2015 RM'000	2014 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 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Non-current					
Other payables	(a)	1,897	3,604	-	-
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>



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

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.
- (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:

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

19. BORROWINGS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 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	-	-
	611,858	529,981	-	-

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	-	-



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

19. BORROWINGS (CONT'D)

Terms and debt repayment schedule (cont'd)

- (d) 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)
	36	52
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	20	36
	36	52

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

21. REVENUE

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 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	-	-
	276,622	272,800	2,280	2,280

22. COST OF SALES

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

23. FINANCE COSTS

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

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)	-	-



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

24. PROFIT BEFORE TAX (CONT'D)

(a) Employee Benefits Expense

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 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 RM'000	2014 RM'000	2015 RM'000	2014 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>



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

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)	55,111	29,709
Weighted average number of ordinary shares in issue during the financial year ('000)	267,107	267,107
Basic earnings per ordinary share (sen)	20.63	11.12

(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.

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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

27. OPERATING SEGMENTS (CONT'D)

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

	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)



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

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, 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)



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

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	1,100,220	934,206
Liabilities		
Segment liabilities	726,673	632,626
Deferred tax liabilities	47,064	41,697
Tax payables	45	-
Total liabilities	773,782	674,323

- (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	240,411	242,600	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	-	75,325

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

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

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

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 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Executive directors' remuneration:				
- fees	10	10	10	10
- emoluments other than fees	674	674	24	24
	684	684	34	34

30. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

Group	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 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	-	-
	879,091	706,706	24,205	21,558
Other financial liabilities				
Borrowings	611,858	529,981	-	-
Payables	114,815	102,645	15,134	13,241
	726,673	632,626	15,134	13,241



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

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.

(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).



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

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 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		
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
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	-	-	-	-	-	529,929	-	529,929	529,929	529,929
Finance lease payables	-	-	-	-	-	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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

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
	726,673	913,222	130,351	276,077	506,794	913,222
Company						
Financial liabilities:						
Payables	15,134	15,134	15,134	–	–	15,134
2014						
Group						
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
	632,626	851,813	154,586	239,828	457,399	851,813
Company						
Financial liabilities:						
Payables	13,241	13,241	13,241	–	–	13,241



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

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.



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

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



NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30 June 2015

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 RM'000	2014 RM'000	2015 RM'000	2014 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	42,282	(12,829)	(2,481)	(3,074)

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.



LIST OF PROPERTIES HELD

As at 30 June 2015

Location	Tenure	Area (Approximately)	Existing Usage/ Description	Age of Buildings	Net Book Value RM'000	Year of Acquisition/ Revaluation
Geran No. 27917 Lot No. 48 Mukim of Bukit Raja Daerah Klang Selangor Darul Ehsan	Freehold Land	73.56 acres	Vacant Industrial Land for Future Development	N/A	19,519	1998
HSD 97332 PT 25008 Mukim of Klang Daerah Klang Selangor Darul Ehsan	Leasehold 99 Years Expiry date - 2103	27.86 acres	Vacant Industrial Land for Future Development	N/A	2,516	1998
HSD 97333 PT 50718 Mukim of Klang Daerah Klang Selangor Darul Ehsan	Leasehold 99 Years Expiry date - 2103	41.25 acres	Vacant Industrial Land for Future Development	N/A	3,726	1998
Geran No. 21944 Lot No. 20 Mukim of Ulu Bernam Daerah Ulu Selangor Selangor Darul Ehsan	Freehold Land	46.50 acres	Vacant Industrial Land for Future Development	N/A	4,856	1998
Lot No. 663, GM 3689 Mukim of Ulu Bernam Daerah Ulu Selangor Selangor Darul Ehsan	Freehold Land	10.38 acres	Vacant Industrial Land for Future Development	N/A	1,086	1998
Lot No. 889, GM 3690 Mukim of Ulu Bernam Daerah Ulu Selangor Selangor Darul Ehsan	Freehold Land	10.13 acres	Vacant Industrial Land for Future Development	N/A	1,058	1998
Lot 237, GM 583 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus	Freehold Land	4.20 acres	Vacant Service Apartments Land for Future Development	N/A	5,000	1998
Lot 1279, CT 6441 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus	Freehold Land	3.93 acres	Vacant Hotel Resort Land for Future Development	N/A	4,673	1998



LIST OF PROPERTIES HELD (CONT'D)

As at 30 June 2015

Location	Tenure	Area (Approximately)	Existing Usage/ Description	Age of Buildings	Net Book Value RM'000	Year of Acquisition/ Revaluation
Rasah Jaya Mukim of Rasah, Seremban Negeri Sembilan Darul Khusus	Freehold Land	3.53 acres	On Going Mixed Development Land	N/A	2,440	1998
Seremban 3 Various subdivided lots Negeri Sembilan Darul Khusus	Freehold Land	441 acres	On Going Mixed Development Land	N/A	164,688	2001
Lot 1570, Geran 3890 Mukim of Rantau, Seremban Negeri Sembilan Darul Khusus	Freehold Land	64.84 acres	Agricultural Land	N/A	5,101	2004
Lot 661, Geran No 587 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus	Freehold Land	44,100 sf	Agricultural Land	N/A	1,129	2004
Lot 996, Geran No 591 Mukim of Si Rusa Daerah Port Dickson Negeri Sembilan Darul Khusus	Freehold Land	87,121 sf	Agricultural Land	N/A	2,230	2004



SHAREHOLDERS' INFORMATION

ANALYSIS OF SHAREHOLDINGS AS AT 6 OCTOBER 2015

SHARE CAPITAL

Authorised Share Capital	:	RM1,000,000,000.00
Issued and Paid-Up Capital	:	RM133,553,725.00
Class of Shares	:	Ordinary Shares of RM0.50 each
Voting Rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDERS

Size of Shareholdings	No. of Holders	%	No. of Shares of RM0.50 each	%
Less than 100	199	1.63	2,480	0.00
100 to 1,000	7,304	59.90	3,623,153	1.36
1,001 to 10,000	3,881	31.83	12,617,287	4.72
10,001 to 100,000	664	5.45	20,975,300	7.85
100,001 to 13,355,371	143	1.17	146,275,300	54.76
13,355,372* and above	3	0.02	83,613,930	31.31
	12,194	100.00	267,107,450	100.00

* 5% of issued shares = 13,355,372

SUBSTANTIAL SHAREHOLDERS (EXCLUDING BARE TRUSTEE)

(As per Register of Substantial Shareholders)

Name	Direct No. of Shares Held	%	Indirect No. of Shares Held	%
Dato' Abdul Mokhtar Ahmad	7,920,000	2.97	30,145,130 *	11.29
Dato' Shun Leong Kwong	9,400	0.00	30,145,130 *	11.29
Datin Mariam Eusoff	26,730,000	10.00	30,145,130 *	11.29
Dr. Christopher Shun Kong Leng, CFP®, RFP™	26,740,000	10.01	-	-
Maymerge (M) Sdn Bhd	1,200	0.00	30,143,930 +	11.29
Titian Hartanah (M) Sdn Bhd	30,143,930	11.29	-	-

* Indirect interest through Maymerge (M) Sdn Bhd (257143-M) and Titian Hartanah (M) Sdn Bhd (271634-U) by virtue of Section 6A(4)(c) of the Companies Act, 1965

+ Indirect interest through Titian Hartanah (M) Sdn Bhd (271634-U) by virtue of Section 6A (4)(c) of the Companies Act, 1965



SHAREHOLDERS' INFORMATION (CONT'D)

DIRECTORS' SHAREHOLDINGS

(As per Register of Directors' Shareholdings)

Name	Direct No. of Shares Held	%	Indirect No. of Shares Held	%
Dato' Abdul Mokhtar Ahmad in				
The Company	7,920,000	2.97	30,145,130 *	11.29
Maymerge (M) Sdn Bhd	118,977,400	20.00	–	–
Titian Hartanah (M) Sdn Bhd	–	–	1,000,000	100.00
Dato' Shun Leong Kwong in				
The Company	9,400	0.00	30,145,130 *	11.29
Maymerge (M) Sdn Bhd	267,699,150	45.00	–	–
Titian Hartanah (M) Sdn Bhd	–	–	1,000,000	100.00
Datin Mariam Eusoff in				
The Company	26,730,000	10.01	30,145,130 *	11.29
Maymerge (M) Sdn Bhd	208,210,450	35.00	–	–
Titian Hartanah (M) Sdn Bhd	–	–	1,000,000	100.00
Dr. Christopher Shun Kong Leng, CFP®, RFP™ in The Company	26,740,000	10.01	–	–
Too Kok Leng	–	–	–	–
Chiam Tau Meng	–	–	–	–

* Indirect interest through Maymerge (M) Sdn Bhd (257143-M) and Titian Hartanah (M) Sdn Bhd (271634-U) by virtue of Section 6A(4)(c) of the Companies Act, 1965

THIRTY LARGEST SHAREHOLDERS AS AT 6 OCTOBER 2015

Name	No. of Shares	%
1 Titian Hartanah (M) Sdn Bhd	30,143,930	11.29
2 Christopher Shun Kong Leng	26,740,000	10.01
3 Mariam Binti Mohamed Eusoff	26,730,000	10.00
4 Tan Shoo Li	13,223,800	4.95
5 Liew Sook Pin	8,630,000	3.23
6 Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Tay Hock Soon (MY1055)	8,216,100	3.08
7 Abdul Mokhtar Bin Ahmad	7,920,000	2.97
8 Ahmad Abas Bin Abdul Mokhtar	7,734,600	2.90



SHAREHOLDERS' INFORMATION (CONT'D)

THIRTY LARGEST SHAREHOLDERS AS AT 6 OCTOBER 2015 (CONT'D)

	Name	No. of Shares	%
9	Malacca Equity Nominees (Tempatan) Sdn Bhd Exempt An For Phillip Capital Management Sdn Bhd (EPF)	6,435,500	2.41
10	Soong Ik Lin	5,990,000	2.24
11	Robyn Lim Kit Yoong	5,455,000	2.04
12	Lee Soi Chin	5,200,000	1.95
13	Tan Han Chuan	5,044,700	1.88
14	Toh May Fook	4,641,400	1.74
15	Khor Ah Eng	4,523,300	1.69
16	Tan Yok Chu	3,222,600	1.21
17	Kwong Siew Kien	3,000,000	1.12
18	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Toh May Fook (MY0785)	2,800,000	1.05
19	Tay Hock Soon	2,766,700	1.04
20	Toh Kee Lee	2,180,000	0.82
21	Chew Huat Heng	2,000,000	0.75
22	Lai Yet Chung	2,000,000	0.75
23	Teh Soon Seng	1,990,000	0.75
24	Toh Gian Ming	1,875,000	0.70
25	Gan Ai Meng	1,675,000	0.63
26	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Lim Bee Kua (M57005)	1,600,000	0.60
27	Toh Chee Keong	1,500,000	0.56
28	Lam Sau Choo	1,236,000	0.46
29	Khoo Chiow Ling	1,212,600	0.45
30	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chan Chiau Chung (Margin)	1,150,000	0.43
	Total	196,836,230	73.69



WARRANT HOLDERS' INFORMATION

ANALYSIS OF WARRANT HOLDINGS AS AT 6 OCTOBER 2015

No. of Warrants	:	133,553,050
Exercise Rights	:	Each Warrant entitles the holder to subscribe for one (1) new ordinary share of RM0.50 each in the Company
Exercise Period	:	10 July 2014 to 9 July 2019
Exercise Price	:	The Exercise Price of each Warrant is RM1.00 for one(1) new ordinary share of RM0.50 each in the Company

DISTRIBUTION OF WARRANT HOLDERS

Size of Warrant holdings	No. of Holders	%	No. of Warrants	%
Less than 100	289	2.42	5,937	0.00
100 to 1,000	9,022	75.5	3,126,565	2.34
1,001 to 10,000	2,055	17.20	6,399,283	4.79
10,001 to 100,000	468	3.92	17,367,200	13.01
100,001 to 6,677,651	113	0.94	66,700,000	49.94
6,677,652 * and above	3	0.02	39,954,065	29.92
	11,950	100.00	133,553,050	100.00

* % of Warrants = 6,677,652

DIRECTORS' INTEREST IN WARRANT

Name	Direct No. of Warrants Held	%	Indirect No. of Warrants Held	%
Dato' Abdul Mokhtar Ahmad	4,500,000	3.37	15,072,565	11.29
Dato' Shun Leong Kwong	4,700	0.00	15,072,565	11.29
Datin Mariam Eusoff	11,502,100	8.61	15,072,565	11.29
Dr. Christopher Shun Kong Leng, CFP®, RFP™	13,380,000	10.02	–	–
Too Kok Leng	–	–	–	–
Chiam Tau Meng	–	–	–	–



WARRANT HOLDERS' INFORMATION (CONT'D)

THIRTY LARGEST WARRANT HOLDERS AS AT 6 OCTOBER 2015

	Name	No. of Warrants	%
1	Titian Hartanah (M) Sdn. Bhd.	15,071,965	11.29
2	Christopher Shun Kong Leng	13,380,000	10.02
3	Mariam Binti Mohamed Eusoff	11,502,100	8.61
4	Toh May Fook	6,330,400	4.74
5	Ahmad Abas Bin Abdul Mokhtar	4,729,750	3.54
6	Abdul Mokhtar Bin Ahmad	4,500,000	3.37
7	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yeoh Kok Keat	3,269,100	2.45
8	Soong Ik Lin	3,058,500	2.29
9	Malacca Equity Nominees (Tempatan) Sdn Bhd Exempt An For Phillip Capital Management Sdn Bhd (EPF)	2,965,400	2.22
10	Maybank Securities Nominees (Tempatan) Sdn Bhd Maybank Kim Eng Securities Pte Ltd For Quek Yuen Sum	2,785,000	2.09
11	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ser Yu Beng	2,410,000	1.80
12	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Tay Hock Soon (MY1055)	1,797,600	1.35
13	Tay Hock Soon	1,701,000	1.27
14	Khor Ah Eng	1,681,800	1.26
15	Lee Kwee Foong	1,600,000	1.20
16	Liew Sook Pin	1,430,000	1.07
17	Ho Mei Ling	991,500	0.74
18	Teh Soon Seng	930,000	0.70
19	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank For Lim Bee Kua (M57005)	900,000	0.67
20	Lau Hui Ee	854,100	0.64



WARRANT HOLDERS' INFORMATION (CONT'D)

THIRTY LARGEST WARRANT HOLDERS AS AT 6 OCTOBER 2015 (CONT'D)

	Name	No. of Warrants	%
21	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yeoh Len Huat	681,600	0.51
22	Ng Poh Lyn	651,600	0.49
23	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Koh Lay Koon	621,100	0.47
24	Lim Seng Chee	580,500	0.43
25	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Teong Leong	550,000	0.41
26	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yap Chin Yu (E-PKG)	509,050	0.38
27	Affin Hwang Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yu Kian Hong (YUK0016M)	508,500	0.38
28	Low Bak Chuan	500,000	0.37
29	Ng Siew Chee	500,000	0.37
30	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Yeng Chi	500,000	0.37
	Total	87,490,565	65.51



Menang Corporation (M) Berhad (5383-K)

Incorporated in Malaysia

CDS Account No.	Number of Shares Held

PROXY FORM

I/We
(Full Name in Capital Letters)

NRIC No./ID No./Company No of
(Full Address)

being a member(s) of **MENANG CORPORATION (M) BERHAD** hereby appoint
NRIC No.
(Full Name in Capital Letters)

of
(Full Address)

or failing him the Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Fifty First Annual General Meeting of the Company to be held at the Cornerstone, Level 2, North Block, Wisma Selangor Dredging, 142D Jalan Ampang, 50450 Kuala Lumpur on Friday, 27th November 2015 at 10.00 a.m. and at any adjournment thereof.

*My/Our proxy(ies) is/are to vote as indicated below:

Resolutions	Ordinary Business	For	Against
Ordinary Resolution 1	Adoption of Audited Financial Statements and Reports		
Ordinary Resolution 2	Approval of Directors Fees		
Ordinary Resolution 3	Re-election of Mr Chiam Tau Meng as Director pursuant to Article 112		
Ordinary Resolution 4	Re-election of Mr. Too Kok Leng as Director pursuant to Article 112		
Ordinary Resolution 5	Re-appointment of Dato' Abdul Mokhtar Ahmad as Director pursuant to Section 129(6) of the Companies Act, 1965		
Ordinary Resolution 6	Re-appointment of Dato' Shun Leong Kwong as Director pursuant to Section 129(6) of the Companies Act, 1965		
Ordinary Resolution 7	Re-appointment of Messrs Baker Tilly Monteiro Heng as the Company's Auditors.		
	Special Business		
Ordinary Resolution 8	Retention of Independent Non-Executive Director – Too Kok Leng		
Ordinary Resolution 9	Authorisation to issue shares pursuant to Section 132D of the Companies Act, 1965		
Ordinary Resolution 10	Proposed renewal of General Mandate for Substantial Property Transactions involving Directors pursuant to Section 132E of the Companies Act, 1965		

Please indicate with (X) how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.

Dated this day of 2015

.....
[Signature/Common Seal of Shareholder(s)]

(* Delete if not applicable)

NOTE:

- (1) In respect of deposited securities, only members whose names appear in the record of depositors on 20 November 2015 shall be eligible to attend the meeting.
- (2) A member of the Company entitled to attend and vote at the abovementioned meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company.
- (3) The Proxy form must be signed by the appointer or his/her attorney duly authorised in writing or in the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of a duly authorised officer or attorney.
- (4) Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- (5) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (6) Any alteration to the instrument appointing a proxy must be initialed. The instrument appointing a proxy must be deposited at the Company's Registered Office at 8th Storey, South Block, Wisma Selangor Dredging, 142-A Jalan Ampang, 50450 Kuala Lumpur not less than 48 hours before the time fixed for the meeting or any adjournment thereof.



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Stamp

The Company Secretary
Menang Corporation (M) Berhad (5383-K)
Box #2, Wisma Selangor Dredging
8th Storey, South Block
142-A Jalan Ampang
50450 Kuala Lumpur

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