OSK

MOVING FORWARD, PROGRESSING TOGETHER.

ANNUAL REPORT 2015

CORPORATE VISION & MISSION

Our vision is to be a long-term business builder that delivers superior value to all our internal and external stakeholders. Our stakeholders include our shareholders, our business units, our business partners, our employees and the community around us.

SHAREHOLDERS

We seek to create long-term value for our shareholders through delivering strong and sustainable returns.

BUSINESS UNITS

We help our businesses deliver unique and high quality products and services to our customers through the expertise of our business leaders, our willingness to invest in talent, our efficient infrastructure and our effective operational processes.

BUSINESS PARTNERS

We create and nurture mutually rewarding long-term partnerships with our suppliers, consultants, business associates and customers.

EMPLOYEES

We aim to be an employer of choice through maintaining a good work culture and adopting a genuine interest in the long-term career development of our staff.

COMMUNITY

We aim to enrich the lives of the communities in which we operate.

CORPORATE **VALUES**

We aim to achieve our vision by embracing these values in our daily work:

EXCELLENCE

We make decisions and formulate strategies based on objective facts. We try our best to have a thorough understanding of our businesses and the markets in which we operate so that we make decisions that are well thought-through.

We adopt high standards in all that we do so that the products and services that our businesses deliver are of a consistently high quality.

HUMILITY & RESPECT

In all our internal and external dealings, we seek to create an environment of mutual respect through demonstrating humility, appreciation and cooperation.

FORWARD THINKING

We adopt a long-term view of our businesses and the markets in which we operate, and we are conscious of the long-term effects of the decisions we make.

INTEGRITY

We are dedicated to building strong relationships that are mutually beneficial to us and all our stakeholders.

Even in the most challenging situations, we behave in a professional and ethical manner.

PEOPLE-DRIVEN

Our people are the ones who power the organisation. As such, we try our best to recruit, groom and retain people who have good character, who are committed to the organisation and are highly skilled in their areas of expertise.

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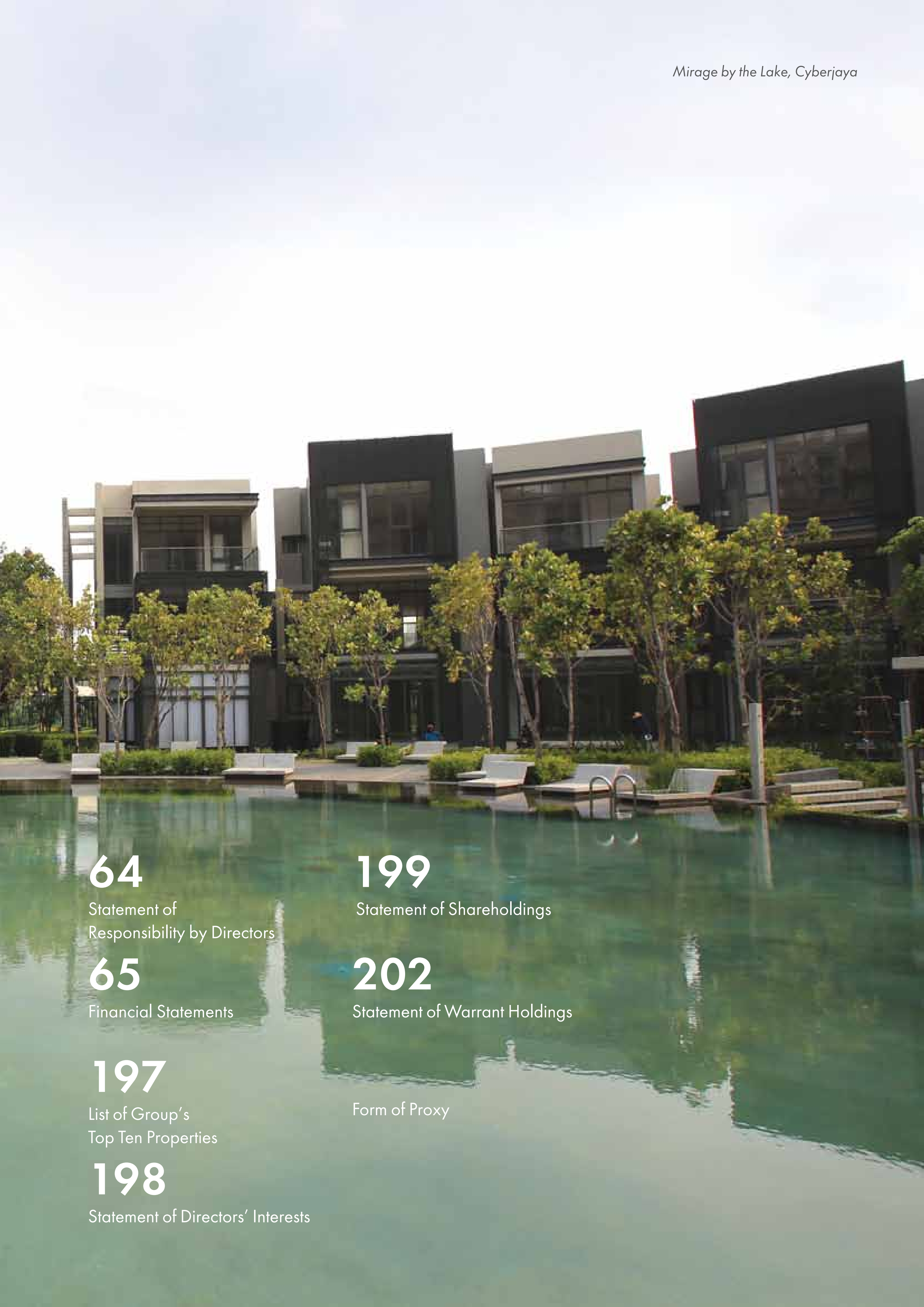

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **26th** Annual General Meeting of the Company will be held at Grand Hibiscus, Level 3, Swiss-Garden Hotel & Residences Kuala Lumpur, 117, Jalan Pudu, 55100 Kuala Lumpur, on Tuesday, 19 April 2016 at 2:30 p.m. to transact the following business:

AGENDA

1. To receive the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2015 and the Reports of Directors and Auditors thereon. **[Please refer to Explanatory Note (i)]**

2. To sanction the declaration of a single-tier final dividend of 2.5 sen per share in respect of the financial year ended 31 December 2015. **Ordinary Resolution 1**

3. To approve the payment of Directors' fees of RM165,000.00 for the financial year ended 31 December 2015. **Ordinary Resolution 2**

4. To re-elect Mr. Foo San Kan who retires by rotation in accordance with Article 102(1) of the Company's Articles of Association and being eligible, offers himself for re-election. **Ordinary Resolution 3**

5. To re-appoint the following Directors who retire by rotation in accordance with Article 109 of the Company's Articles of Association and being eligible, offers themselves for re-election:

   (a) Dato' Saiful Bahri bin Zainuddin **Ordinary Resolution 4**

   (b) Mr. Ong Ju Yan **Ordinary Resolution 5**

   (c) Mr. Ong Ju Xing **Ordinary Resolution 6**

6. To re-appoint the following Directors who retire pursuant to Section 129(6) of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting of the Company:

   (a) Dato' Nik Mohamed Din bin Datuk Nik Yusoff **Ordinary Resolution 7**

   (b) Tan Sri Ong Leong Huat @ Wong Joo Hwa **Ordinary Resolution 8**

   (c) Dato' Abdul Majit bin Ahmad Khan **Ordinary Resolution 9**

7. To appoint Messrs. BDO as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. **Ordinary Resolution 10**

   Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed hereto and marked **'Annexure A'** had been received by the Company for the nomination of Messrs. BDO for appointment as Auditors of the Company in place of the retiring Auditors, Messrs. PricewaterhouseCoopers and of the intention to propose the following ordinary resolution:

   "That Messrs. BDO, having consent to act, be and are hereby appointed as the Auditors of the Company in place of the retiring Auditors, Messrs. PricewaterhouseCoopers, to hold office until the conclusion of the next Annual General Meeting at a remuneration to be agreed between the Directors and the Auditors."

AS SPECIAL BUSINESS

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

8. **AUTHORITY TO ISSUE SHARES** **Ordinary Resolution 11**

   "THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and the approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company from time to time 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 issued pursuant to this Resolution does not exceed 10% of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

9. **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")** **Ordinary Resolution 12**

   "THAT, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature as set out in Part A of the Circular to Shareholders dated 23 March 2016, provided that such transactions are undertaken in the ordinary course of business, on arm's length basis, on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders;

   THAT such approval shall continue to be in force until the earlier of:

   (a) the conclusion of the next Annual General Meeting of the Company at which time it will lapse unless the authority is renewed by a resolution passed at the next Annual General Meeting;

   (b) the expiration of the period within which the next Annual General Meeting is to be held pursuant to Section 143(1) of the Companies Act, 1965 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

   (c) such approval is revoked or varied by resolution passed by shareholders in a general meeting before the next Annual General Meeting;

   AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate."

NOTICE OF ANNUAL GENERAL MEETING

10. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")** **Ordinary Resolution 13**

"THAT, subject always to the Companies Act, 1965, the provisions of the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised to purchase such amount of ordinary shares of RM1.00 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit and expedient in the interest of the Company, provided that:

(i) the aggregate number of shares purchased does not exceed 10% of the total issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;

(ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits and share premium account of the Company based on the latest audited financial statements and/or the latest management accounts of the Company (where applicable) available at the time of the purchase(s); and

(iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends;

THAT the authority conferred by this Resolution shall commence immediately and shall continue to be in force until the conclusion of the next Annual General Meeting of the Company following the passing of this Ordinary Resolution, unless earlier revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting;

AND THAT authority be and is hereby given to the Directors of the Company to act and take all such steps and do all things as are necessary or expedient to implement, finalise and give full effect to the aforesaid purchase."

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

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

Notice is hereby given that the single-tier final dividend of 2.5 sen per ordinary share for the financial year ended 31 December 2015, if approved by the shareholders at the Twenty-Sixth Annual General Meeting, will be payable on 11 May 2016 to shareholders whose names appear in the Register of Members and Record of Depositors on 21 April 2016 .

A Depositor shall qualify for entitlement to the dividend only in respect of:

(a) Shares deposited into the Depositor's securities account before 12:30 p.m. on 19 April 2016 (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 21 April 2016 in respect of ordinary transfers; and

(c) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

By Order of the Board
CHUA SIEW CHUAN (MAICSA 0777689)
CHIN MUN YEE (MAICSA 7019243)
Company Secretaries

Kuala Lumpur
23 March 2016

NOTES:

1. In respect of deposited securities, only members whose names appear in the Register of Members and Record of Depositors on 12 April 2016 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.

2. A member entitled to attend and vote at this meeting is entitled to appoint a proxy/proxies to attend and vote instead of him. A proxy may but need not be a member of the Company. Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.

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

4. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or in some other manner approved by its Board of Directors.

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. The instrument appointing a proxy must be deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

7. Dr. Ngo Get Ping has expressed his intention to retire at the conclusion of the Twenty-Sixth Annual General Meeting in line with the recommendation of the Malaysian Code on Corporate Governance 2012 where the tenure of an Independent Director of the Company shall not exceed a cumulative term of nine (9) years. Hence, he will retain office until the close of the Twenty-Sixth Annual General Meeting.

8. Explanatory Notes on Ordinary and Special Business

   (i) Item 1 of the Agenda

   This Agenda item is meant for discussion only, as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

   (ii) Ordinary Resolution 11 – Authority to Issue Shares

   This is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate"). The previous mandate was not utilised and accordingly no proceeds were raised.

   The proposed resolution, if passed, will provide flexibility to the Directors to undertake fund raising activities, including but not limited to placement of shares for the funding of the Company's future investments projects, working capital and/or acquisitions, by the issuance of shares in the Company to such persons at any time, as the Directors may deem fit, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of next Annual General Meeting of the Company.

   (iii) Ordinary Resolution 12 – Proposed Shareholders' Mandate

   The proposed resolution, if passed, will empower the Company and its subsidiaries ("OSKH Group") to enter into recurrent related party transactions of a revenue or trading nature which are necessary for OSKH Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on terms which are not more favourable to the related parties than those generally available to the public and are not, in the Company's opinion, detrimental to the minority shareholders of the Company.

   Please refer to the Circular to Shareholders dated 23 March 2016 for further information.

NOTICE OF
ANNUAL GENERAL MEETING

(iv) Ordinary Resolution 13 – Proposed Renewal of Share Buy-Back Authority

The proposed resolution, if passed, will allow the Company to purchase its own shares up to 10% of the total issued and paid-up capital of the Company by utilising the funds allocated which shall not exceed the retained profit and/or share premium of the Company.

Based on the Audited Financial Statements for the financial year ended 31 December 2015, the Company's retained profits amounted to RM1,125.0 million and there was no share premium account.

Please refer to the Share Buy-Back Statement dated 23 March 2016 for further information.

'ANNEXURE A'

Tan Sri Ong Leong Huat @ Wong Joo Hwa
21, Persiaran Basong,
Damansara Heights,
50490 Kuala Lumpur

Date: 16 March 2016

The Board of Directors
OSK HOLDINGS BERHAD
7th Floor, Plaza OSK,
50450 Jalan Ampang,
Kuala Lumpur

Dear Sirs,

NOTICE OF NOMINATION OF AUDITORS

I, the undersigned, being a registered shareholder of OSK Holdings Berhad ("the Company"), hereby nominate Messrs. BDO, for appointment as the new Auditors of the Company in place of the retiring Auditors, Messrs. PricewaterhouseCoopers at the forthcoming Annual General Meeting of the Company, pursuant to Section 172(11) of the Companies Act, 1965.

Therefore, I propose that the following resolution be considered at the forthcoming Annual General Meeting of the Company:

"That Messrs. BDO, having consent to act, be and are hereby appointed as the Auditors of the Company in place of the retiring Auditors, Messrs. PricewaterhouseCoopers, to hold office until the conclusion of the next Annual General Meeting at a remuneration to be agreed between the Directors and the Auditors."

Yours faithfully,

TAN SRI ONG LEONG HUAT @
WONG JOO HWA

FIVE-YEAR
GROUP FINANCIAL SUMMARY

(RM'000)	2015	2014	2013	2012	2011
FINANCIAL RESULTS					
Revenue	**760,735**	59,928	61,269	906,094 [3]	1,051,384
Profit Before Tax	**604,722**	215,615	213,185	987,654 [3]	95,015
Profit Attributable To Owners Of The Company	**561,528**	204,255	195,635	944,925 [3]	52,751
KEY FINANCIAL POSITION					
Total Assets	**7,691,053**	3,116,882	2,924,322	2,626,348	9,707,503
Total Liabilities	**3,383,359**	408,891	328,714	181,231	7,945,929
Net Assets Attributable To Owners Of The Company (Shareholders' Funds)	**4,094,032**	2,707,991	2,595,608	2,445,117	1,460,386
Total Number Of Outstanding Ordinary Shares In Issue ('000)	**1,384,793**	950,961	968,421	968,423	939,992
SHARE INFORMATION					
Basic Earnings Per Share (sen)	**49.81**	21.29	20.20	98.74 [3]	5.62
Gross Dividends Per Share Declared / Proposed (sen)	**20.00** [1]	7.50 [2]	7.50	10.00	Note [4]
Net Assets Per Share Attributable To Owners Of The Company (RM)	**2.96**	2.85	2.68	2.52	1.55
Closing Price At End Of The Year (RM)	**1.63**	2.03	1.65	1.44	1.78

Notes:

[1] 20.0 sen consists of a single-tier special dividend of 15.0 sen, a single-tier interim dividend of 2.5 sen and a proposed single-tier final dividend of 2.5 sen per share. The proposed dividend is subject to Shareholders' approval at the forthcoming Annual General Meeting.

[2] 7.5 sen consists of a single-tier interim dividend of 2.5 sen and a single-tier final dividend of 5.0 sen per share.

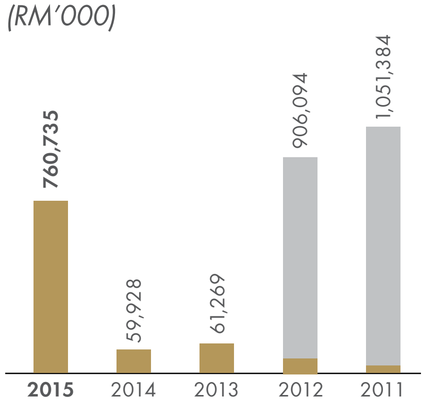
[3] These figures included both Continuing and Discontinued Operations as per MFRS 5: Non-Current Assets Held for Sale and Discontinued Operations where the profit before tax and profit attributable to Owners of the Company consists of a gain on disposal of investment bank subsidiaries of RM857.69 million.

[4] Dividend of 4.5 sen less 25% income tax and one (1) treasury share for every forty (40) ordinary shares held.

FIVE-YEAR
GROUP FINANCIAL SUMMARY

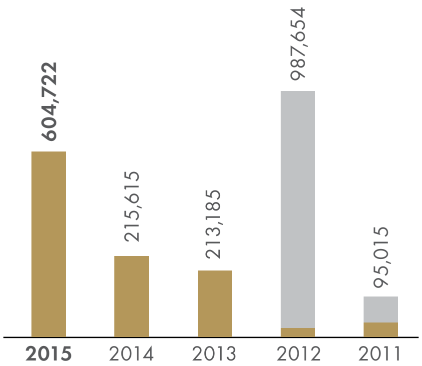
Discontinued Operations
Continuing Operations

REVENUE
(RM'000)



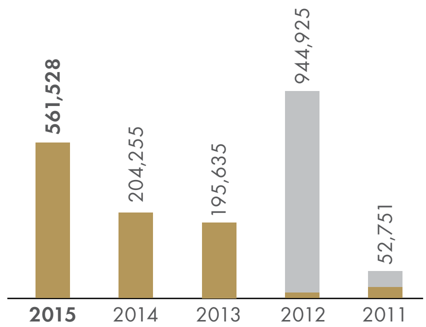
	2015	2014	2013	2012	2011
Discontinued	-	-	-	865,240	1,022,430
Continuing	**760,735**	59,928	61,269	40,854	28,954
	760,735	59,928	61,269	906,094	1,051,384

PROFIT BEFORE TAX
(RM'000)



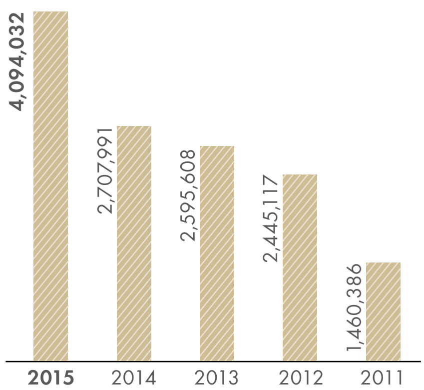
	2015	2014	2013	2012	2011
Discontinued	-	-	-	972,621	68,659
Continuing	**604,722**	215,615	213,185	15,033	26,356
	604,722	215,615	213,185	987,654	95,015

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY
(RM'000)

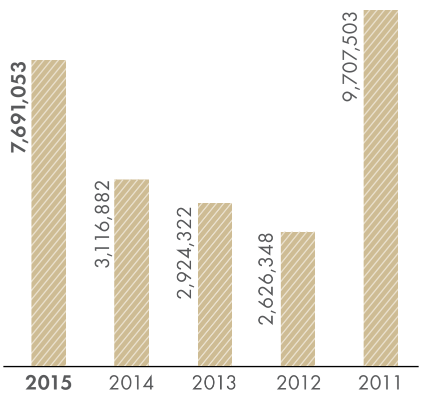


	2015	2014	2013	2012	2011
Discontinued	-	-	-	930,392	31,449
Continuing	**561,528**	204,255	195,635	14,533	21,302
	561,528	204,255	195,635	944,925	52,751

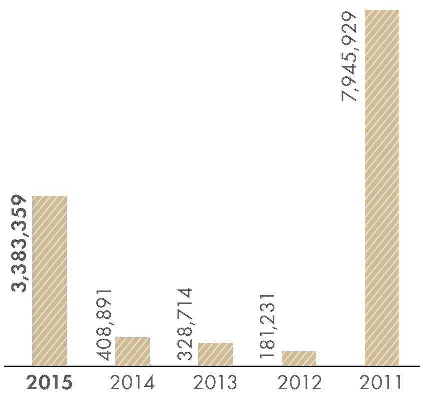
NET ASSETS ATTRIBUTABLE TO OWNERS OF THE COMPANY (SHAREHOLDERS' FUNDS)
(RM'000)



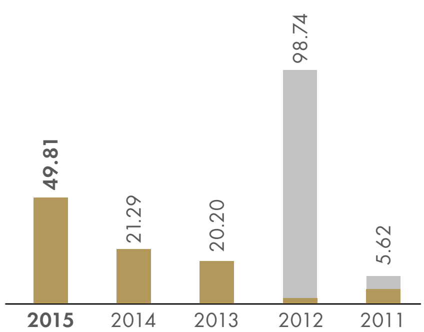
TOTAL ASSETS
(RM'000)



TOTAL LIABILITIES
(RM'000)

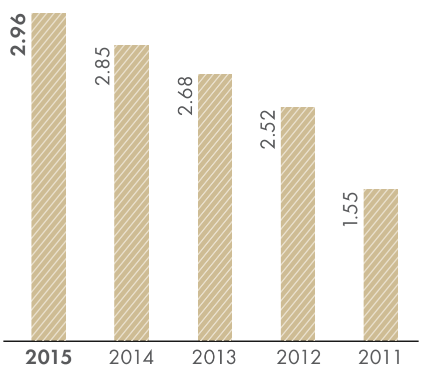


BASIC EARNINGS PER SHARE
(SEN)

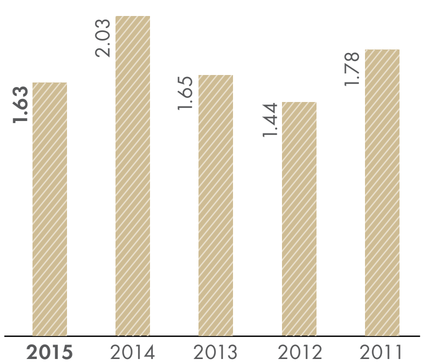


	2015	2014	2013	2012	2011
Discontinued	-	-	-	97.22	3.35
Continuing	**49.81**	21.29	20.20	1.52	2.27
	49.81	21.29	20.20	98.74	5.62

NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY
(RM)



CLOSING PRICE AT END OF THE YEAR
(RM)



CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' NIK MOHAMED DIN BIN DATUK NIK YUSOFF
Non-Independent Non-Executive Chairman

TAN SRI ONG LEONG HUAT @ WONG JOO HWA
Chief Executive Officer / Group Managing Director

ONG JU YAN
Deputy Group Managing Director

ONG JU XING
Executive Director

DATO' SAIFUL BAHRI BIN ZAINUDDIN
Executive Director

FOO SAN KAN
Senior Independent Non-Executive Director

DATO' ABDUL MAJIT BIN AHMAD KHAN
Independent Non-Executive Director

DR. NGO GET PING
Independent Non-Executive Director

CORPORATE INFORMATION

AUDIT COMMITTEE
Foo San Kan *(Chairman)*
Dato' Abdul Majit bin Ahmad Khan
Dr. Ngo Get Ping

RISK MANAGEMENT COMMITTEE
Dr. Ngo Get Ping *(Chairman)*
Foo San Kan
Dato' Abdul Majit bin Ahmad Khan

NOMINATION AND REMUNERATION COMMITTEE
Foo San Kan *(Chairman)*
Dato' Abdul Majit bin Ahmad Khan
Dr. Ngo Get Ping

COMPANY SECRETARIES
Chua Siew Chuan *(MAICSA 0777689)*
Chin Mun Yee *(MAICSA 7019243)*

AUDITORS
PricewaterhouseCoopers *(AF: 1146)*
Chartered Accountants
Level 10, 1 Sentral
Jalan Rakyat
Kuala Lumpur Sentral
50706 Kuala Lumpur

PRINCIPAL BANKERS
Bangkok Bank Berhad
CIMB Bank Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
RHB Bank Berhad
Standard Chartered Bank Malaysia Berhad
United Overseas Bank (Malaysia) Berhad

SOLICITORS
Cheang & Ariff
Shen, Eow & Partners

REGISTRAR
Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel. No.: (603) 2084 9000
Fax No.: (603) 2094 9940

REGISTERED OFFICE
7th Floor, Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel. No.: (603) 2166 6225
Fax No.: (603) 2026 6331

STOCK EXCHANGE LISTING
Main Market, Bursa Malaysia Securities Berhad

STOCK NAME AND STOCK CODE
OSK *(5053)*

CORPORATE STRUCTURE

AS AT 29 FEBRUARY 2016

OSK

OSK Holdings Berhad

SUBSIDIARY COMPANIES

100.0% OSK Capital Sdn. Bhd.

100.0% OSK Realty Sdn. Bhd.

100.0% KE-ZAN Holdings Berhad

100.0% OSK REIT Management Sdn. Bhd.

100.0% OSK Ventures Sdn. Bhd.

OSK Foundation (CLBG)

***100.0%** OSK Property Holdings Berhad

- **100.0%** OSK Properties Sdn. Bhd.
- **100.0%** OSK Properties (Seremban) Sdn. Bhd.
- **100.0%** OSK Properties Management Sdn. Bhd.
- **100.0%** Aspect Potential Sdn. Bhd.
- **100.0%** Aspect Synergy Sdn. Bhd.
- **100.0%** Atria Damansara Sdn. Bhd.
- **100.0%** Jelang Vista Sdn. Bhd.
- **100.0%** Perspektif Vista Sdn. Bhd.
- **100.0%** Pine Avenue Sdn. Bhd.
- **100.0%** Perspektif Pertama Sdn. Bhd.
- **100.0%** Wawasan Rajawali Sdn. Bhd.
- **100.0%** Warisan Rajawali Sdn. Bhd.
- **100.0%** Potensi Rajawali Sdn. Bhd.
- **100%** OSKP Facilities Management Sdn. Bhd.
- **100.0%** Dikir Dagang Sdn. Bhd.
- **100.0%** Dikir Venture Sdn. Bhd.
- **100.0%** Ribuan Ekuiti Sdn. Bhd.
- **100.0%** Atria Shopping Gallery Sdn. Bhd.
- **100.0%** Atria Parking Management Sdn. Bhd.
- **51.0%** Country Wheels Sdn. Bhd.
- **51.0%** Semponia Sdn. Bhd.
- **55.0%** Rimulia Sdn. Bhd.

89.4% PJ Development Holdings Berhad

- **100.0%** Aco Built System Sdn. Bhd.
- **100.0%** Acotec Sdn. Bhd.
  - **100.0%** Acotec-Concrete Products Sdn. Bhd.
  - **100.0%** PJD Concrete Land (JB) Sdn. Bhd.
  - **100.0%** PJD Concrete Land (South) Sdn. Bhd.
- **100.0%** Ancient Capital Sdn. Bhd.
- **100.0%** Bindev Sdn. Bhd.
- **100.0%** Bunga Development Sdn. Bhd.
  - **100.0%** Kulai Management Services Sdn. Bhd.
- **100.0%** DLHA Management Services Sdn. Bhd.
  - **50.0%** Scotia Acres Sdn. Bhd. (JV)
    - **100.0%** Canggih Pesaka Sdn. Bhd. (JV)
- **100.0%** Eframe Sdn. Bhd.
- **100.0%** Eframe Solutions Sdn. Bhd.

CORPORATE STRUCTURE

AS AT 29 FEBRUARY 2016

ASSOCIATE COMPANY

10.1% RHB Capital Berhad

- **100.0%** Harbour Place Management Services Sdn. Bhd.
- **100.0%** HTR Management Services Sdn. Bhd.
- **100.0%** Kota Mulia Sdn. Bhd.
  - **100.0%** PJD Highland Resort Sdn. Bhd.
  - **100.0%** PTC Management Services Sdn. Bhd.
- **100.0%** Swiss-Garden Hotel Management Sdn. Bhd.
- **100.0%** Swiss-Garden International Sdn. Bhd.
  - **100.0%** Swiss-Garden International Limited - British Virgin Islands
  - **100.0%** Swiss-Garden International Limited - England & Wales
  - **100.0%** Swiss-Garden International Hotels & Resorts (Australia) Pty. Ltd.
- **100.0%** Superville Sdn. Bhd.
- **100.0%** Olympic Properties Sdn. Bhd.

- **100.0%** OCC Cables Berhad
  - **100.0%** Olympic Cable Company Sdn. Bhd.
    - **100.0%** Olympic Cable (Singapore) Pte. Ltd.
    - **100.0%** OVI Cables (Vietnam) Co., Ltd.
  - **100.0%** PJ Exim Sdn. Bhd.
- **100.0%** Pengerang Jaya Pte. Ltd.
  - **100.0%** Pengerang Jaya Investment Pte. Ltd.
  - **100.0%** P.J. (A) Pty. Limited
    - **75.0%** Yarra Park City Pty. Limited
    - **27.4%** Equity & Property Investment Corporation Pty. Limited (ASC)
      - **25.0%** Yarra Park City Pty. Limited
- **100.0%** PJD Central Sdn. Bhd.
- **100.0%** PJD Construction Sdn. Bhd.
  - **100.0%** PJDC International Sdn. Bhd.
    - **78.5%** PJDCI Co., Ltd.
      - **51.0%** PJDC Co., Ltd.
    - **48.5%** PJDC Co., Ltd.

- **100.0%** Putri Kulai Sdn. Bhd.
- **100.0%** Swiss-Garden Rewards Sdn. Bhd.
  - **100.0%** Swiss-Garden Rewards (Singapore) Pte. Ltd.
- **100.0%** PKM Management Services Sdn. Bhd.
- **100.0%** PJD Hartamas Sdn. Bhd.
  - **30.0%** Agile PJD Development Sdn. Bhd. (ASC)
- **100.0%** PJD Hotels Sdn. Bhd.
  - **100.0%** Damai Laut Golf Resort Sdn. Bhd.
  - **100.0%** MM Hotels Sdn. Bhd.
  - **100.0%** Swiss-Garden Management Services Sdn. Bhd.
- **100.0%** PJD Land Sdn. Bhd.
- **100.0%** PJD Landmarks Sdn. Bhd.
- **100.0%** PJD Management Services Sdn. Bhd.

- **100.0%** PJD Pravest Sdn. Bhd.
- **100.0%** PJD Properties Management Sdn. Bhd.
- **100.0%** PJD Realty Sdn. Bhd.
- **100.0%** PJD Regency Sdn. Bhd.
- **100.0%** PJD Sejahtera Sdn. Bhd.
- **100.0%** Swiss-Garden International Vacation Club Berhad
- **100.0%** Vibrant Practice Sdn. Bhd.
- **100.0%** Swiss Inn JB Sdn. Bhd.
- **100.0%** PJD Eastern Land Sdn. Bhd.
- **100.0%** PJ Equity Sdn. Bhd.

*	An equity interest in OSK Property Holdings Berhad of less than 0.01% is held by minority shareholders
(JV)	Joint Venture
(ASC)	Associate Company
(CLBG)	Public Company Limited by Guarantee

GROUP BUSINESS ACTIVITIES

OSK

CONSTRUCTION

PROPERTY

INDUSTRIES

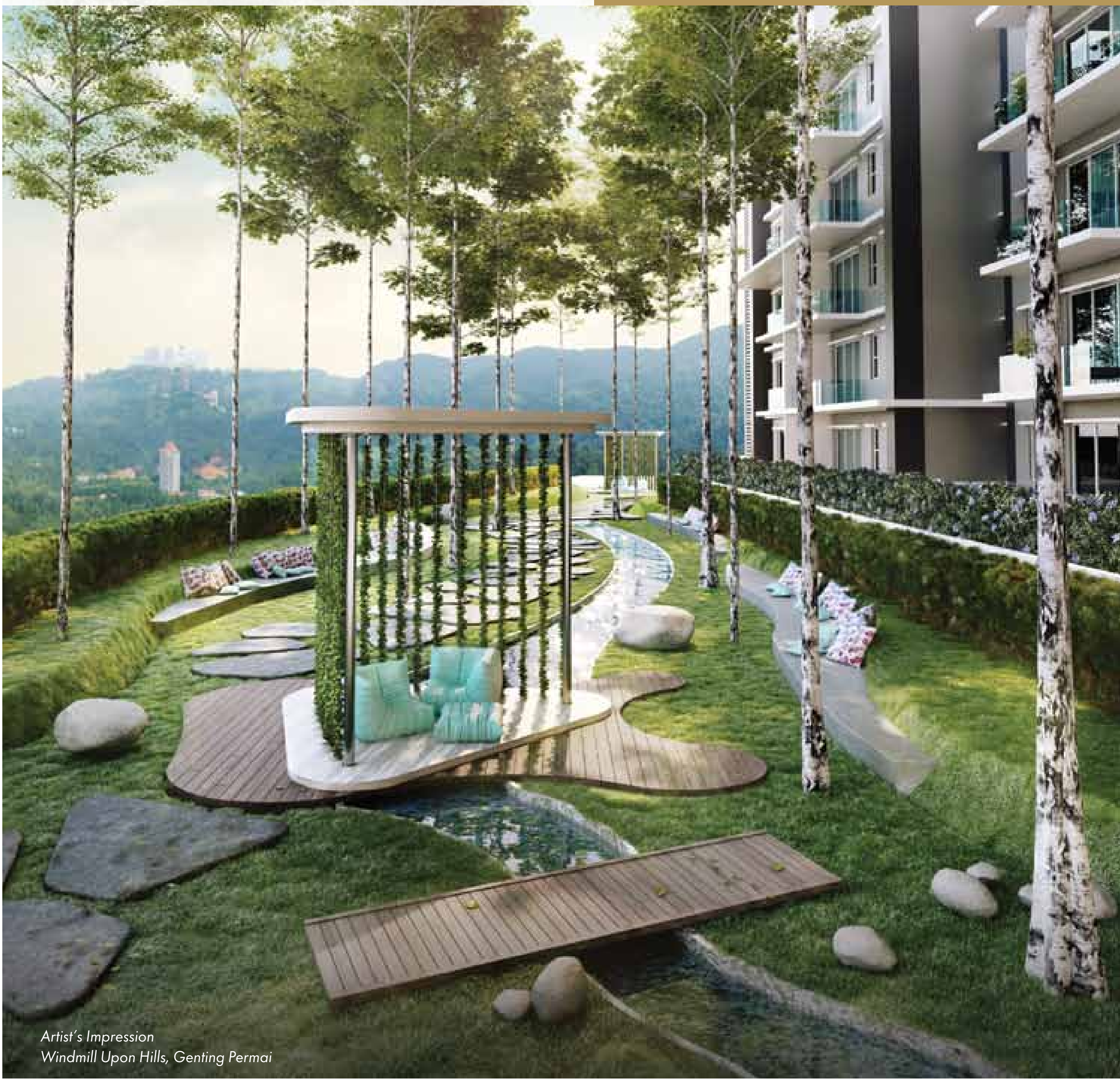
- CABLES
- INDUSTRIALISED BUILDING SYSTEM (IBS)

FINANCIAL SERVICES

HOSPITALITY

- HOTELS
- VACATION CLUB

DIRECTORS' PROFILE



Artist's Impression
Windmill Upon Hills, Genting Permai

DIRECTORS' PROFILE

DATO' NIK MOHAMED DIN BIN DATUK NIK YUSOFF

Non-Independent Non-Executive Chairman

Dato' Nik Mohamed Din bin Datuk Nik Yusoff, aged 73, a Malaysian, is the Non-Independent Non-Executive Chairman of the Company. He was appointed to the Board of the Company on 12 January 1998 and re-designated as the Non-Independent Non-Executive Chairman on 28 December 2009.

Dato' Nik Mohamed Din is a lawyer by profession. He read law at Lincoln's Inn, London and was admitted to the English Bar in 1968. He then served as a Magistrate for the Malaysian Judicial Services in 1969. Thereafter, he joined private legal practice at Mah, Kok and Din as a lawyer for thirteen (13) years. In 1984, he left legal practice to join the stockbroking business and assumed the position of the Executive Chairman as well as a shareholder of O.S.K. & Partners Sendirian Berhad.

In 1985, Dato' Nik Mohamed Din was elected Chairman and in 1988 appointed by the Minister of Finance as the first Executive Chairman of the Kuala Lumpur Stock Exchange ("KLSE") (now known as Bursa Malaysia Securities Berhad) and he held this position for twelve (12) years. Upon expiry of his third (3rd) term of appointment as Executive Chairman of the KLSE, Dato' Nik Mohamed Din returned to the OSK group as the Executive Chairman of the Company and was thereafter re-designated to his current position on 28 December 2009.

Dato' Nik Mohamed Din is the Non-Executive Chairman of OSK Property Holdings Berhad, OSK Ventures International Berhad, and Jerasia Capital Berhad. He is also a Director of Federation of Public Listed Companies Bhd and KE-ZAN Holdings Berhad and a Trustee of Datin Seri Ting Sui Ngit Foundation.

Dato' Nik Mohamed Din does not have any family relationship with the other Directors and/or major shareholders of the Company. He has no conflict of interest other than disclosed under Additional Disclosures (Recurrent Related Party Transactions and Material Contracts) which appears on pages 62 to 63 of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Dato' Nik Mohamed Din attended five (5) out of the seven (7) Board Meetings of the Company held during the financial year ended 31 December 2015.

TAN SRI ONG LEONG HUAT @ WONG JOO HWA

Chief Executive Officer / Group Managing Director

Tan Sri Ong Leong Huat @ Wong Joo Hwa, aged 71, a Malaysian, is the Chief Executive Officer / Group Managing Director of the Company. He was first appointed to the Board of the Company on 21 November 1990. He was formerly the Group Managing Director/Chief Executive Officer of the Company and was re-designated to a Non-Independent Non-Executive Director on 4 May 2007. Tan Sri Ong was then re-designated to his current position on 9 November 2012.

He holds a Capital Markets and Services Representative's licence issued by the Securities Commission of Malaysia under the Capital Markets and Services Act, 2007 for dealing in securities. Tan Sri Ong was a Director of MESDAQ from July 1999 to March 2002, a member of the Capital Market Advisory Council appointed by the Securities Commission in 2004 to advise on issues relating to the implementation of the Capital Market Master Plan. He was previously a member of the Securities Market Consultative Panel of Bursa Malaysia Berhad.

For over seventeen (17) years since 1969, he was attached to a leading financial institution where he last held the position of Senior General Manager. He was the Managing Director/ Chief Executive Officer of OSK Securities Berhad (which was later known as OSK Investment Bank Berhad) from July 1985 to January 2007 and was thereafter appointed as the Group Managing Director/Chief Executive Officer of OSK Investment Bank Berhad. He was then re-designated as a Non-Independent Non-Executive Director of OSK Investment Bank Berhad (which was later known as OSKIB Sdn. Bhd.) on 18 January 2011, a position he held until 30 April 2013.

Tan Sri Ong is also the Non-Independent Non-Executive Chairman of PJ Development Holdings Berhad and RHB Investment Bank Berhad, Managing Director/Chief Executive Officer of OSK Property Holdings Berhad, a Non-Independent Non-Executive Director of OSK Ventures International Berhad and RHB Bank Berhad, a Trustee of OSK Foundation and a Director of KE-ZAN Holdings Berhad.

Tan Sri Ong is the father of Mr. Ong Ju Yan, the Deputy Group Managing Director of the Company and Mr. Ong Ju Xing, the Executive Director of the Company. Tan Sri Ong is also the spouse of Puan Sri Khor Chai Moi, a major shareholder of the Company. He has no conflict of interest other than disclosed under Additional Disclosures (Recurrent Related Party Transactions and Material Contracts) which appears on pages 62 to 63 of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Tan Sri Ong attended all the seven (7) Board Meetings of the Company held during the financial year ended 31 December 2015.

DIRECTORS' **PROFILE**

ONG JU YAN

Deputy Group Managing Director

Mr. Ong Ju Yan, aged 36, a Malaysian, was appointed to the Board of the Company on 9 October 2015 as the Deputy Group Managing Director.

Mr. Ong graduated with a Bachelor of Arts in Economics from Yale University in 2001 and served as Yale's Country Director for Malaysia from 2005 to 2010.

Mr. Ong has over 14 years of experience in financial services, having worked in Citibank Malaysia and Morgan Stanley in New York, Hong Kong and Singapore. In 2004, he joined OSK Investment Bank Berhad ("OSKIB") in Malaysia where he last held the position of Chief Operating Officer and Head of Investment Banking. He was a key senior management team member who helped to build up OSKIB's regional business through acquisitions and aggressive organic growth throughout ASEAN and in Hong Kong. Following the disposal of OSKIB by OSK Holdings Berhad to RHB Capital Berhad in November 2012, Mr. Ong joined RHB Investment Bank Berhad as Executive Director and Head of Group Corporate and Investment Banking Services, where he managed the investment banking origination and wholesale equities businesses until 30 April 2015.

Mr. Ong is also an Executive Director of PJ Development Holdings Berhad and OSK Property Holdings Berhad and a Director of OCC Cables Berhad and Swiss-Garden International Vacation Club Berhad.

Mr. Ong is the son of Tan Sri Ong Leong Huat @ Wong Joo Hwa, the Chief Executive Officer / Group Managing Director and a major shareholder of the Company and Puan Sri Khor Chai Moi, a major shareholder of the Company. He is also the brother of Mr. Ong Ju Xing, an Executive Director of the Company. He has no conflict of interest other than disclosed under Additional Disclosures (Recurrent Related Party Transactions and Material Contracts) which appears on pages 62 to 63 of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Mr. Ong attended one (1) Board Meeting of the Company held during the financial year ended 31 December 2015 since his appointment on 9 October 2015.

ONG JU XING

Executive Director

Mr. Ong Ju Xing, aged 31, a Malaysian, was appointed to the Board of the Company on 9 October 2015 as an Executive Director.

Mr. Ong holds a Bachelor of Science in Business Management from University of London, United Kingdom and a Master of Philosophy in Land Economy from University of Cambridge, United Kingdom.

Mr. Ong has worked with multinational corporations across a variety of industries namely corporate restructuring with Ernst & Young, consumer banking with HSBC, investment banking with Credit Suisse and management consulting with Accenture. His experience in the various fields expands to management consulting in the process and systems re-engineering of financial institutions, real estate investment banking, private fund raising, REITS IPO, financial valuation, modelling and analysis, personal financial services, banking product development and management as well as corporate restructuring advisory services.

Mr. Ong is also an Executive Director of PJ Development Holdings Berhad and OSK Property Holdings Berhad and a Director of KE-ZAN Holdings Berhad.

Mr. Ong is the son of Tan Sri Ong Leong Huat @ Wong Joo Hwa, the Chief Executive Officer / Group Managing Director and a major shareholder of the Company and Puan Sri Khor Chai Moi, a major shareholder of the Company. He is also the brother of Mr. Ong Ju Yan, the Deputy Group Managing Director of the Company. He has no conflict of interest other than disclosed under Additional Disclosures (Recurrent Related Party Transactions and Material Contracts) which appears on pages 62 to 63 of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Mr. Ong attended one (1) Board Meeting of the Company held during the financial year ended 31 December 2015 since his appointment on 9 October 2015.

DIRECTORS' PROFILE

DATO' SAIFUL BAHRI BIN ZAINUDDIN

Executive Director

Dato' Saiful Bahri bin Zainuddin, aged 54, a Malaysian, was appointed to the Board of the Company on 9 October 2015 as an Executive Director.

He graduated with a Bachelor of Science degree in Economics & Finance from Western Michigan University, United States of America in 1985, and has attended the Global Leadership Development Programme at Stanford University, United States of America.

Currently, Dato' Saiful's other directorships are an Independent Non-Executive Director of Bursa Malaysia Berhad, an appointment by the Minister of Finance, a Board Member of Bursa Malaysia Securities Berhad and Bursa Malaysia Securities Clearing Sdn. Bhd. from April 2015 and a Board Member of the Securities Industry Dispute Resolution Centre ("SIDREC"). In addition, he is the Financial Adviser to the State Government of Negeri Sembilan. He is also a member of the Securities Commission's Securities Law Consultative Committee and sits on the Board of Trustees for the Bumiputera Dealer Representatives Education Fund and the Bumiputera Training Fund. He is also an Advisory Council Member of the Secondary Market at Securities Commission. In May 2015, he was appointed as a Board Member of Crescent Wealth Advisory Australia.

His previously held positions include Executive Director of Affin Hwang Investment Bank, Executive Director of Affin Holdings, Managing Director of Affin Securities, Executive Director and Executive Director Dealing of Rashid Hussain Securities, and CEO/Executive Director Dealing of Fima Securities Sdn Bhd. He was also attached to the Corporate Planning Division of Heavy Industries Corp. of Malaysia (HICOM).

Dato' Saiful Bahri does not have any family relationship with the other Directors and/or major shareholders of the Company. He has no conflict of interest other than disclosed under Additional Disclosures (Recurrent Related Party Transactions and Material Contracts) which appears on pages 62 to 63 of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Dato' Saiful Bahri attended one (1) Board Meeting of the Company held during the financial year ended 31 December 2015 since his appointment on 9 October 2015.

FOO SAN KAN

Senior Independent Non-Executive Director

Mr. Foo San Kan, aged 67, a Malaysian, was appointed to the Board of the Company on 2 January 2009. He is the Chairman of the Audit Committee and Nomination and Remuneration Committee and a member of the Risk Management Committee of the Company.

Mr. Foo is a Chartered Accountant of the Malaysian Institute of Accountants. He is also a member of the Malaysian Institute of Certified Public Accountants, a Fellow of the Institute of Chartered Accountants in England and Wales as well as the Chartered Tax Institute of Malaysia.

Mr. Foo was the Country Managing Partner of Ernst & Young Malaysia from 1997 to 2002 before he retired as a practicing accountant. He has thirty four (34) years of experience in the accounting profession, the first four (4) years in the United Kingdom and the other thirty (30) years were spent in various positions in Ernst & Young offices in East and West Malaysia.

Since retiring from Ernst & Young Malaysia, Mr. Foo has been active in corporate sector as an independent non-executive director of public companies, mostly as the Chairman of the Audit Committee. One of the noted appointments was as an independent non-executive director of OSK Investment Bank Berhad between 29 January 2007 and 30 April 2013 and was its Chairman of the Board from 29 January 2012 to 30 April 2013 prior to the merger with RHB Investment Bank Berhad.

Mr. Foo is also a Director of OSK Property Holdings Berhad, Allianz Malaysia Berhad, Allianz Life Insurance Malaysia Berhad, Allianz General Insurance Company (Malaysia) Berhad, RHB Trustees Berhad, Malaysian Trustees Berhad and PJ Development Holdings Berhad.

Mr. Foo does not have any family relationship with the other Directors and/or major shareholders of the Company. He has no conflict of interest other than disclosed under Additional Disclosures (Recurrent Related Party Transactions and Material Contracts) which appears on pages 62 to 63 of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Mr. Foo attended six (6) out of the seven (7) Board Meetings of the Company held during the financial year ended 31 December 2015.

DATO' ABDUL MAJIT BIN AHMAD KHAN

Independent Non-Executive Director

Dato' Abdul Majit bin Ahmad Khan, aged 70, a Malaysian, was appointed to the Board of the Company on 2 January 2009. He is a member of the Audit Committee, Risk Management Committee and Nomination and Remuneration Committee of the Company.

Dato' Abdul Majit holds a Bachelor of Economics (Honours) from Universiti Malaya. He served with the government for thirty four (34) years and held various positions in the Prime Minister's Department and the Ministry of Foreign Affairs of Malaysia. His positions provided him with wide exposures in various countries that he served at, such as Laos, Vietnam, USA, Nigeria, Ghana, Cote de Ivoire, Sierra Leone and Cameroon, the Democratic People's Republic of Korea and the People's Republic of China.

In his capacity as the Under Secretary of West Asia and the OIC, he participated in several Ministerial and prime Ministerial visits to West Asian Countries and OIC Meetings. He was the Director General of the Association of Southeast Asian Nations ("ASEAN") Division of the Ministry of Foreign Affairs, from 1996 until 1998. As Director General of ASEAN Division, he actively participated in the organisation of the 30th ASEAN Ministerial Meeting held in Kuala Lumpur as well as the ASEAN Heads of Summit and the 10+3 Summit Meetings in Malaysia.

In 1998, Dato' Abdul Majit was appointed as the Ambassador of Malaysia to the People's Republic of China until his retirement on 2 January 2005.

Currently, he is a Director of Hong Leong Asset Management Berhad, Hong Leong Islamic Bank Berhad, Zecon Berhad, ML Global Berhad and Dutaland Berhad.

Dato' Abdul Majit does not have any family relationship with the other Directors and/or major shareholders of the Company. He has no conflict of interest other than disclosed under Additional Disclosures (Recurrent Related Party Transactions and Material Contracts) which appears on pages 62 to 63 of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Dato' Abdul Majit attended all the seven (7) Board Meetings of the Company held during the financial year ended 31 December 2015.

DR. NGO GET PING

Independent Non-Executive Director

Dr. Ngo Get Ping, aged 57, a Malaysian, was appointed to the Board of the Company on 16 January 2007 as an Independent Non-Executive Director. He is the Chairman of the Risk Management Committee and a member of the Audit Committee and Nomination and Remuneration Committee of the Company.

Dr. Ngo graduated from University of Oxford (UK) with a DPhil in Metallurgy in 1984. Prior to his retirement in 2006, he was the Head of Sales and Deputy Country Head with CLSA Singapore Pte Ltd for a period of ten (10) years.

Dr. Ngo is also an Independent Non-Executive Director of OSK Property Holdings Berhad and OSK Ventures International Berhad.

Dr. Ngo does not have any family relationship with the other Directors and/or major shareholders of the Company. He has no conflict of interest other than disclosed under Additional Disclosures (Recurrent Related Party Transactions and Material Contracts) which appears on pages 62 to 63 of this Annual Report. He has no conviction for any offences within the past ten (10) years.

Dr. Ngo attended all the seven (7) Board Meetings of the Company held during the financial year ended 31 December 2015.

CHAIRMAN'S STATEMENT

REVENUE

RM760.7 MILLION

PROFIT BEFORE TAX

RM604.7 MILLION

PROFIT AFTER TAX

RM569.8 MILLION

PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

RM561.5 MILLION

DEAR VALUED SHAREHOLDERS,

2015 was an eventful year. Amidst a challenging economic environment, OSK Holdings Berhad ("the Group" or "OSK Group") generated revenue of RM760.7 million, Profit Before Tax ("PBT") of RM604.7 million, Profit After Tax ("PAT") of RM569.8 million and Profit Attrubutable to Owners of the Company of RM561.5 million.

The highlight of 2015 for the Group was our internal reorganisation. We completed the merger exercise with OSK Property Holdings Berhad ("OSKP") and PJ Development Holdings Berhad ("PJD") and restructured our organisation to create a more dynamic and well-organised institution.

CHAIRMAN'S STATEMENT


Atria Shopping Gallery, Damansara Jaya

Following the merger exercise, OSK Holdings now owns 89.4% of PJD and 99.9% of OSKP, which has since been delisted from Bursa Malaysia. The Group is now organised along five key business divisions, namely Property (Development and Investment), Financial Services, Construction, Industries and Hospitality. We have a significantly stronger balance sheet, with total assets of over RM7 billion and shareholders' funds of over RM4 billion as at 31 December 2015.

The Group has also appointed a Chief Executive Officer ("CEO") to head each of the above-mentioned key business divisions. While each business unit has their own operations function, we have identified a few key support functions that will be run at the Group level on a Shared Services basis. In doing so, we hope to create a better check and balance between the business and control functions to improve corporate governance. Creating a Shared Services platform also enables us to leverage on the merged Group to extract synergies through economies of scale. The functions that are now run on a Shared Services basis are Group Human Resources, Group Risk Management, Group Internal Audit, Group Finance and Group Information Technology.

Following the merger, our management team has worked with each of our business to craft a clear roadmap for us to execute in the coming years. This has also been done for each of our Group support functions. Throughout this exercise, we have paid equal attention to the gaps in our businesses as well as our support functions in order to ensure that our business infrastructure, financial resources and talent pool are optimised for us to generate long-term sustainable growth in a balanced and well-planned manner.


Artist's Impression
Windmill Upon Hills, Genting Permai

CHAIRMAN'S
STATEMENT

OVERALL PERFORMANCE

The Group's overall financial performance was significantly better in 2015 as we started consolidating earnings from the businesses of OSKP and PJD since 23 July 2015, and also from a one-off negative goodwill of RM363.2 million upon obtaining control of both companies.

Below is a snapshot of our earnings for the year 2015.

		Financial Services					
RM'million	Property (Development and Investment)	Capital Financing	Investment Holdings	Construction	Industries	Hospitality	Total
Revenue	539.8	38.6	2.1	12.6	113.8	53.8	760.7
PBT	91.5	14.7	474.4	6.6	9.9	7.6	604.7
PAT	68.0	10.7	471.9	5.2	7.2	6.8	569.8

PROPERTY (DEVELOPMENT AND INVESTMENT)

As you can see from the table above, our key earnings contributor for 2015 was the property division. This division contributed 71% of our revenue and 12% of our PAT for the year.

On an aggregate basis for the year, the combined property business generated property sales of RM1,136.3 million. As at 31 December 2015, we have unbilled sales of RM1,385.5 million which will help to sustain revenue for the property division in the coming three years on a progressive basis.

We are delighted to share with our shareholders that PJD and OSKP won 13 awards in the property sector in 2015. Most notably, OSKP was named by Forbes as one of Asia's Best under a Billion and by Focus Malaysia for the Best Revenue Growth and the Overall Winner under its Best Under Billion Awards 2015.

However, as we had anticipated a slowdown in the property market, we had held back several property launches and refrained from growing our land bank in the past 12 months. This prudent measure will have an impact on our sales volume in 2016 due to the time required for us to acquire new land bank and subsequently plan and launch new projects. Also, following our cautious stance on the property market, we have managed to avoid holding too much unsold stock, which could tie-down our capital in a difficult property market. This conservative strategy has put us in a good position to take advantage of any further weakness in the property market as we would be able to replenish our land bank at better valuations.

In February 2016, we announced the rebranding of our property division as we combine our two businesses from PJD and OSKP into a single, unified brand. Moving forward, we will be operating our property business under the brand name of OSK Property.

In this coming year, our property division is gearing up for the launch of several new projects across Peninsular Malaysia with a total GDV of over RM1 billion. Projects in the pipeline include TimurBay Seafront Residence in Kuantan, Pahang; Luminari in Harbour Place, Butterworth; a bungalow development in Sungai Petani, Kedah and the second phase of Windmill Upon Hills in Genting Permai, Pahang.

We are in the active planning stage for our project in PJ Section 13. The prime land will be an integrated development comprising serviced residences, a hotel and a retail development.

"... we entered into a Sale and Purchase Agreement to acquire 767.73 acres of land in Seremban for a total price of RM145 million. We plan to develop a new township on the land..."

CHAIRMAN'S STATEMENT


Artist's Impression
Project in Melbourne, Australia


Artist's Impression
TimurBay Seafront Residence, Kuantan

In south of the Klang Valley, You City, Cheras will see the launch of phase three soon following the strong take-up rates of phases one and two. The new phase will consist of serviced apartments sitting on top of a retail complex under the Atria brand.

Strategically sited next to the Taman Suntex MRT station, You City will be connected via a walkway to the station upon completion of the retail mall within the development. This advantage will ensure potential upside capital appreciation for the development in the long run.

We have in January 2016 announced that we entered into a Sale and Purchase Agreement to acquire 767.73 acres of land in Seremban for a total price of RM145 million. We plan to develop a new township on the land, in line with what we see to be a shift in the property buyers' preference from high-rise to landed properties in the current market environment.

Our property division has further grown our investments portfolio with the opening of Atria Shopping Gallery ("Atria") in Damansara Jaya in May 2015. Atria has a total net lettable area of 470,000 square feet and is 87% tenanted as at 31 January 2016. The refurbishment of our 50% joint-venture property Faber Towers was completed in Q4 2015 and we have seen an improvement in the take-up rate for the office and retail lots there. With the addition of Atria and the rejuvenation of Faber Towers, we now have a total of over 1.3 million square feet of net lettable area across our commercial and retail assets in Malaysia.

In the coming year, we plan to start the construction of Atria Sungai Petani, which is planned to be a regional mall in the heart of our township development in Sungai Petani.

In Australia, we have received approval from the State Government of Victoria for the integrated property project on Kavanagh Street. Based on the current plan, this project consists of four residential towers, an office block, a hotel and a retail podium, with a total floor space of 411,000 square meters. The project has an estimated GDV of around AUD3 billion and is expected to be completed over eight years. This project, if executed well, will help to put OSK Group in a strong position to further expand into the Australian property market.

The property division will continue to search for suitable opportunities to replenish our land bank. With the low gearing along with a low level of unsold stock, we are in a good position to take advantage of good opportunities that come our way.

FINANCIAL SERVICES

The contribution from OSK Group's financial services division comes from the equity accounting of our 10.13% stake in RHB Capital Berhad ("RHB") and our capital financing business under OSK Capital Sdn. Bhd. ("OSK Capital").

As you are aware, we became a 9.82% shareholder of RHB on 9 November 2012 as a result of the merger between OSK

CHAIRMAN'S **STATEMENT**

Investment Bank Berhad and RHB Investment Bank Berhad. In 2015, amidst a challenging environment for the banking industry and as a result of one-off costs arising from an employee Career Transition Scheme, RHB recorded a lower PAT of RM1.5 billion. As a result of this, our equity accounting portion of RHB's profits for 2015 dropped to RM125.6 million, after amortisation for fair value surplus arising from purchase price allocation.

During the course of 2015, RHB carried out a rights issue exercise to raise RM2.3 billion of equity capital. We subscribed for our entitlement of the rights and also applied for excess shares, of which we were allocated 1,853,200 in excess rights shares. This resulted in our stake in RHB increasing from 9.97% before the rights issue to the current shareholding of 10.13%.

RHB remains a long-term investment for the Group, and our CEO/Group Managing Director, Tan Sri Ong Leong Huat sits on the boards of RHB Bank Berhad and RHB Investment Bank Berhad as our corporate representative. Tan Sri Ong is also the Chairman of RHB Investment Bank Berhad.

The capital financing business under OSK Capital had a satisfactory performance in 2015. As at 31 December 2015, we had a portfolio size of RM398.1 million, which generated revenue of RM38.6 million and PAT of RM10.7 million.

With the structural changes in the banking sector, we think that there is a segment of the corporate and personal loans market that we can still tap on, and our team is carefully positioning our services in order to cater to these market segments.

Artist's Impression
EMIRA Residences, Shah Alam

CONSTRUCTION

PJD Construction Sdn. Bhd., our construction division had a good year as we completed a number of projects and wrote back some impairment from previous projects.

In 2015, we completed one external and six internal projects with a contract sum of RM429.9 million. As at 31 December 2015, our construction order book stood at RM259 million. We are currently bidding for a number of internal and external projects and target to secure over RM700 million worth of contracts in 2016.

As we are primarily a property sector contractor, we currently have a small construction order book and we expect a decline in financial performance this year due to the laggard effect of recognising work done on secured contracts, but with our ongoing efforts to improve our team and with our planned investments to strengthen the construction business, we are confident that we can grow our construction business in the coming years.

INDUSTRIES

Our industries division comprises our cable manufacturing business under Olympic Cable Company Sdn. Bhd. ("OCC") and our industrialised building system ("IBS") manufacturing business under Acotec Sdn. Bhd. ("Acotec").

During the course of 2015, OCC's business declined amidst a challenging market. We have begun to diversify out from conventional power cables and expect to commence the manufacturing of oil and gas cables in the middle of 2016. While the cable market remains challenging, we are still able to compete effectively by differentiating ourselves through producing products that have a consistently high quality.

CHAIRMAN'S
STATEMENT

D'Majestic Place by Swiss-Garden, Kuala Lumpur

As for Acotec, we continue to supply a significant portion of our IBS wall panels to the Singapore market, where IBS walls is already recognised as the industry benchmark for the construction of both external and internal building walls. In Malaysia, the gradually increasing adoption of IBS wall panels has helped our business as well. As we anticipate further growth in the IBS wall panels market in both countries, we have increased Acotec's manufacturing capacity to over 2.3 million m^2 per annum.

HOSPITALITY

Through our hospitality arm under PJD, the Group runs the leading vacation club business in Malaysia under the SGI Vacation Club ("SGIVC") brand as well as the Swiss-Garden Hotel chain.

As at 31 December 2015, SGIVC maintained its position as the number one vacation club operator in terms of size and number of memberships. Our membership has been growing steadily over the past five years, as we continued to grow market share amidst a retreat in the market by several other established players.

In 2016, we expect to open our new vacation club property in Jalan Parameswara, Malacca which has 46 rooms. We also expect to launch a new vacation club programme with inventory from this property along with other properties in Kuala Lumpur and Damai Laut, Lumut. The launching of the new programme should further build our membership base and give us economies of scale in our operations.

SGIVC has recently been awarded the Best Brands in Leisure – Vacation Club award by Brand Laureate in recognition of its strong brand presence in the vacation club industry.

Through PJD, the OSK Group now owns the Swiss-Garden chain of hotels. As at 31 December 2015, we have nine hotels in Malaysia and one motel in Sydney, with an inventory of 3,100 rooms and 21 food and beverage outlets.

In 2015, the hotel division underperformed due to a general decline in room occupancy as a result of headwinds faced by the tourism industry in Malaysia. During this time, we decided to focus inwards to improve our operations, our processes and systems. While our ongoing efforts have not yet resulted in improved financial performance, we believe that the strategies we are executing today will have a significant impact on the customer experience and consequently the financial performance of the hotel division in the long term.

Another significant development in our hotel division is the decision we have made to actively seek out more third party hotel management contracts. We are currently managing four third-party properties, with three serviced apartments developed by PJD Group and one hotel in Malacca on behalf of the Kerjaya Group. Fortunately, with our current critical mass and existing hotel management company structure that has been put in place by the past management, the team is in a good position to immediately start managing more third party properties.

CONCLUSION

Overall, 2015 has been an eventful year for the OSK Group. We have successfully concluded our merger exercise and are now a much larger and more diversified business group. Even though 2016 is expected to be a challenging year, we are nonetheless optimistic that the Group is well positioned to continue growing our business for the long term. Besides focusing on generating revenue and profits, we are also focused on improving our internal systems and processes. We will continue to recruit, train and retain good talent, and we will endeavour to manage our financial resources in the most efficient manner.

ACKNOWLEDGEMENT

I would like to take this opportunity to thank our shareholders for your strong support, and also extend our gratitude to our management and employees who have worked hard to build the Group. I would also like to record our appreciation to all the regulators, authorities and the government for the support they have extended to the OSK Group, and we hope to contribute more to all our stakeholders and to society for the long term.

DATO' NIK MOHAMED DIN BIN DATUK NIK YUSOFF

You Residences @ You City, Cheras

CORPORATE SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY

At OSK Holdings Berhad ("OSKH" or "the Company"), we believe that our role as a responsible corporate citizen goes beyond just delivering sustainable value for our shareholders. It also means managing and operating our business responsibly and ethically to the benefit of all our stakeholders.

During the course of 2015, our corporate social responsibility ("CSR") initiatives were carefully planned focusing on three key impact areas including Community, Workplace and Environment. This section details the CSR activities undertaken in 2015 within the community we serve.

COMMUNITY

We remain committed to reaching out to the underprivileged and make a positive impact in the community. Apart from monetary donations, we also contributed in-kind to charitable organisations.

Festive Celebrations

In conjunction with the major festivals, OSKH organised celebrations with the less fortunate.

Volunteers and children celebrating Christmas together.


Children of Rumah Sayangan showing off their new fashion created by OSK volunteers.


Performance by children of Rumah Kasih Nurul Hasanah.


OSK runners and supporters at the Bursa Bull Charge 2015.

During the holy month of Ramadhan, OSKH hosted residents of Rumah Kasih Nurul Hasanah, comprising 30 orphans and 20 single mothers and senior citizens at a Majlis Berbuka Puasa at Swiss-Garden Hotel in July 2015. The event ended with the distribution of Duit Raya and goodie bags to each of the residents. OSKH volunteers were also present to mingle with the children throughout the event.

During the Christmas season, 12 volunteers from OSK Group spread Christmas joy and cheer to 21 underprivileged children of Rumah Sayangan with a Christmas party complete with presents and even Back to School kits on 19 December 2015.

Volunteers together with the children decorated up the home with Christmas ornaments and had fun playing a variety of games and activities together. The children's faces lit up with glee when they received their specially chosen Christmas gift as well as Back to School kits from the volunteers. The fun-filled Christmas celebration ended with a cash donation of RM2,000 from OSK Group to the home to fund its operating expenses.

CORPORATE SOCIAL RESPONSIBILITY


OSK - PJD Blood Donation Drive.

Tan Sri Ong Leong Huat (fourth right) presenting the mock cheque to the winning team of the Talent Show Competition at the 2015 Annual Dinner.

Blood Donation

The OSK Group annual blood donation drive was held in conjunction with World Blood Donor Day on 17 June 2015 at Plaza OSK. Organised by OSK Group in collaboration with the National Blood Bank, the blood donation drive was a success with overwhelming response and support from employees of OSK Group, Dindings Consolidated Sdn. Bhd. as well as the tenants of Plaza OSK.

WORKPLACE

Training and Career Development

The organisation places strong emphasis on talent development and we continue to invest in our people to enable them to achieve their highest potential within the workplace.

Learning opportunities abound here at OSKH. Our employees have the opportunity to attend training to hone their technical, organisational and leadership skills. Each training session was selected carefully to meet the employees' requirements and job scope to ensure our people are groomed at every level of the organisation. In addition to that, we provide substantive on-the-job training to employees to groom them for further advancement.

Diversity and Inclusion

OSKH is committed to a diverse and inclusive culture which is essential to the future growth of the company. Embracing an inclusive culture and a diversity of ideas help us strengthen our business operations and enhance the organisational environment. Therefore, we are always guided by the Gender Diversity Policy in our process of recruiting talent for the company.

During the reporting period, OSKH's workforce has a composition of 57% male employees and 43% female employees. We have a relatively young workforce with 48% of employees aged below 39, 43% aged from 40 to 59 and 9% aged above 60. OSKH is an equal opportunity employer with diverse ethnicity with Bumiputera employees accounting for 42% of the total staff size, followed by Chinese employees at 48%, and Indian employees at 10%.

Employee Engagement

To develop team spirit and promote interaction among employees, various employee engagement activities were organised including annual dinner and festive celebrations.

Employee Well-Being

As part of the Company's effort to increase awareness of health and well-being among the employees, an OSK Health Day was organised on 3 November 2015 to educate the employees on bone health related issues.

Among the activities held included complimentary basic health screening for blood pressure, body mass index, glucose level by KPJ Damansara and a bone health check conducted by Anlene. All participants were given a report upon completion of the health tests and were provided with a free consultation on bone health in preventing osteoporosis as well as free sampling of Anlene products.

ENVIRONMENT

Sustainability consideration forms an integral part in our business operations and embracing green architectural and engineering initiatives in our developments is aimed towards minimising our business impact on the environment.

CORPORATE
SOCIAL RESPONSIBILITY

Green Developments

Recognising the responsibility of a developer in minimising impact of developments on the environment, the property division of OSK Group has undertaken four green developments. They include two developments by PJ Development Holdings Berhad ("PJD"), namely You One at Cheras and Woodsbury at Butterworth and another two developments by OSK Property Holdings Berhad ("OSKP"), Pan'gaea and Mirage by the Lake, both located at Cyberjaya.

The developments by PJD are being GBI Certified (Provisional) with key green initiatives incorporated in the buildings including usage of low wattage lighting systems to achieve energy efficiency, installing rainwater harvesting tanks to reduce water consumption for landscape purposes and usage of environmentally friendly products and materials.

OSKP's projects are built with a green concept in mind where communities will be able to live in harmony with nature. Lush landscaping and water body are some key features of OSKP's projects to shield homes from noise, heat and pollution and to absorb carbon dioxide. The preserving of the natural surrounding environment with its built environment also demonstrates our commitment in environmental sustainability.

Green Mall

Apart from the green residential developments, the flagship mall of OSK Group, the Atria Shopping Gallery ("Atria") in Damansara Jaya was constructed in strict accordance to the high standards set by the Building and Construction Authority ("BCA") Greenmark, Singapore, and has met the criteria for certification for non-residential buildings. Launched in May 2015, Atria features a series of energy savings measures, such as installation of sensors at escalators to reduce electricity consumption when not in use, rainwater harvesting systems, improved ventilation and sun shade, among others.

Atria Shopping Gallery – our certified green mall.

New recycling bins on Level 2 of Plaza OSK to promote good habit of recycling.

Going Green at Work

We constantly seek to promote the awareness and inculcate the culture of sustainability within the workplace. The awareness to reduce electricity consumption and paper has become part of our daily practice in OSKH. Lights within offices are voluntarily switched off throughout lunch time and printers are set at default double sided printing.

Recycling bins have also been placed at the canteen on Level 2 of Plaza OSK to encourage employees, as well as tenants in the building to recycle their waste and dispose their rubbish responsibly for the betterment of the environment.

OTHER PHILANTROPIC ACTIVITIES

For the second year running, OSKH participated in the Bursa Bull Charge 2015 and contributed RM26,000 to the fund raising event on 20 August 2015. On top of sending two team of eight runners, OSK Group had support from seven OSKers who formed the cheerleading team and encouraged our runners along the running routes. Funds raised went to seven charities whose special form of entrepreneurship brings about a positive impact and empower others to be more productive members of society.

In 2015, we made donations amounting to RM9,000 to several welfare bodies or organisations to organise community events. Beneficiaries included Pertubuhan Kebajikan Metal Selangor, Frost & Sullivan and Kuala Lumpur Foundation to Criminalise War.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of OSK Holdings Berhad ("the Company") recognises and subscribes to the importance of the principles and recommendations set out in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012"). The Board remains committed in ensuring the highest standards of corporate governance in the Company and would strive to continuously improve on its governance process and structures towards enhancing long-term shareholder value.

The Board views corporate governance as synonymous with four (4) key concepts; namely transparency, integrity, accountability, and corporate performance.

The Board is pleased to provide the following statement, which outlines the main corporate governance practices that were in place throughout the financial year.

A. THE BOARD OF DIRECTORS ("BOARD")

a) Duties and Responsibilities of the Board

The Board is responsible for the stewardship of the business and affairs of the Company on behalf of the shareholders with a view of enhancing their long-term value. The Board is responsible for establishing corporate goals and providing the strategic direction for the Company. The Board also plays a critical role in ensuring that sound and prudent policies and practices are in place and performs an oversight role in the management of the Company's businesses.

The Board has formulated a Sustainability Policy which sets out the business strategy that drives long-term corporate growth and profitability, by including environmental and social considerations in the business model. The Sustainability Policy can be viewed on the Company's website at *www.oskgroup.com.*

In manifestation of its commitment to MCCG 2012, the Board has established a Board Charter to ensure that all Board members are aware of their fiduciary duties and responsibilities, various legislations and regulations affecting their conduct, the need for safeguarding the interests of the shareholders, customers and other stakeholders and that highest standards of corporate governance are applied in all their dealings in respect and on behalf of the Company. The Board Charter is available on the Company's website.

The major responsibilities of the Board as outlined in the Board's Terms of Reference and Board Charter include amongst others, the following:

- review and approve the strategies, business plans and policies;
- establish key performance indicators;
- oversee the conduct of the Company's business to evaluate whether the business is being properly managed and sustained;
- ensure competent management and succession planning;
- ensure establishment of risk management infrastructure and policies;
- review the adequacy and integrity of the Company's internal control systems;
- establish procedures governing self-serving practices and conflicts of interest;
- establish Board Committees, whenever deemed necessary;
- ensure the Company's activities are conducive towards promoting the economic well-being of the community; and
- approve transactions or activities which are beyond the individual discretionary powers of Management, Management Committees or Board Committees delegated by the Board.

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)

a) Duties and Responsibilities of the Board (Cont'd)

Details of the Board Committees are set out on pages 46 to 52 of this Annual Report.

The Board reserves certain powers for itself and delegates certain matters, such as the day-to-day management of the Company to the Chief Executive Officer / Group Managing Director ("CEO/GMD"), Deputy Group Managing Director ("Deputy GMD") as well as Executive Directors of the Company. Such delegations are subject to strict approving authority limits. These are matters pertaining to:

- recurring revenue expenditures (within the ordinary course of business);
- other non-recurring expenditures;
- capital expenditures;
- investments and disposal of securities/properties;
- inter-company loans and advances;
- corporate guarantees/other commitments;
- bank loans; and
- investments in subsidiary or associated companies.

The Group Executive Committee was established by the Board and it is empowered to exercise the powers and duties of the Board between Board meetings and while the Board is not in session, and to implement the policy decisions of the Board.

After the completion of acquisition of PJ Development Holdings Berhad and OSK Property Holdings Berhad, the management committees were established by the Group Executive Committee as mediums between the Group Executive Committee and management to ensure that business strategies, daily business and operational functions of the business divisions of the enlarged Group are carried out efficiently and effectively and that the requirements of good corporate governance practices are observed at all times.

b) Composition of the Board

The Board comprises one (1) Non-Independent Non-Executive Chairman, one (1) CEO/GMD, one (1) Deputy GMD, two (2) Executive Directors and three (3) Independent Non-Executive Directors. The Independent Non-Executive Directors make up one-third of the membership of the Board. The Board views the number of its Independent Directors as adequate to provide the necessary check and balance to the Board's decision-making process. The Independent Non-Executive Directors have fulfilled their role as Independent Directors through objective participation in Board deliberations and the exercise of independent judgement.

On 9 October 2015, Mr. Ong Ju Yan was appointed onto the Board of the Company as the Deputy GMD. On even date, Mr. Ong Ju Xing and Dato' Saiful Bahri bin Zainuddin were also appointed onto the Board of the Company as Executive Directors.

The Board deems the Board composition to be appropriate in terms of its membership and size. There is a good mix of skills and core competencies in the current Board membership. The Board is well represented by individuals with diverse professional backgrounds and experience in the areas of finance, accounting, economics and law, as well as capital markets services.

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)

b) Composition of the Board (Cont'd)

In ensuring that all the Directors possess integrity and good character, the Company has adopted the Code of Ethics for its Directors, which is available on the Company's website.

The MCCG 2012 recommends that the positions of Chairman and Chief Executive Officer ("CEO") should be held by different individuals, which are presently held by Dato' Nik Mohamed Din bin Datuk Nik Yusoff being the Non-Independent Non-Executive Chairman and Tan Sri Ong Leong Huat @ Wong Joo Hwa being the CEO/GMD respectively. Also, the Chairman is a non-executive member of the Board.

The Board has established the roles and responsibilities of the Chairman, which is distinct and separate from the roles and responsibilities of the CEO/GMD. The segregation between the duties and responsibilities of the Chairman and the CEO/GMD ensures an appropriate balance of roles, responsibilities and accountability at Board level.

The Board is supportive of gender diversity in the boardroom as recommended by the MCCG 2012 and has developed a Gender Diversity Policy to promote the representation of women in the composition of the Board. Presently, there is no female Director on the Board of the Company. Nevertheless, the Board is endeavouring to have female board members in the near future.

The profiles of the Directors are set out in the Directors' Profiles on pages 17 to 21 of this Annual Report.

The Board noted that MCCG 2012 recommends that the tenure of an independent director should not exceed a cumulative term of nine (9) years. Dr. Ngo Get Ping, who is the Independent Director of the Company, has served on the Board for more than nine (9) years. He has expressed his intention to retire at the conclusion of the Twenty-Sixth ("26th") Annual General Meeting ("AGM"). Hence, he will retain office until the close of the 26th AGM.

The Board, upon the recommendation of the Nomination and Remuneration Committee, will appoint an independent director to comply with the listing requirements to have one-third of the Board is independent directors.

c) Supply of Information

The quality of information supplied to the Board is imperative as it leads to good decision-making. In order to monitor the Company's performance against its strategic objectives, the Board is supplied with both financial and non-financial information, which includes:

- strategy and budget for the year;
- quarterly performance reports of the Group;
- investments, acquisitions and disposal of major/material assets;
- major operational and financial issues;
- internal restructuring exercise;
- risks related to its investments and businesses; and
- manpower and human resource matters.

The Chairman of the Audit Committee will report to the Directors at Board meetings on any salient audit findings deliberated at the Audit Committee meetings which require the Board's notice or direction.

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)

c) Supply of Information (Cont'd)

The Chairman of the Risk Management Committee will report to the Directors at Board meetings on salient issues and views raised at the Risk Management Committee meetings which require the Board's discussion on actions that may be required to be taken by the Management.

To ensure that the Board receives information in a timely manner, the notices of meetings are sent to the Directors at least seven (7) days in advance and the meeting papers are delivered at least three (3) days before the meeting. This provides the Board with sufficient time to go through the meeting papers and to raise important issues during the meeting. All proceedings of meetings are properly minuted and filed in the statutory records of the Company by the Company Secretaries.

The Board has unrestricted access to the Company's information and receives regular information updates from the Management. Corporate announcements released to Bursa Malaysia Securities Berhad ("Bursa Securities") are sent to all the Directors on the same day of release.

Board members have complete and unhindered access to the senior management and Company Secretaries at all times. Senior management officers are invited to attend Board meetings to report to the Board on matters relating to their areas of responsibility, and also to brief and provide details to the Directors on recommendations or reports submitted to the Board. The Board may consult with other employees of the Group and seek additional information, where necessary. Likewise, the Directors also have access to independent professional advice whenever such services are needed to assist them in carrying out their duties at the Company's expense.

The Board may conduct or direct any investigation to fulfill its responsibilities and may retain, at the Company's expense (where appropriate), any legal, accounting or other services that it considers necessary to perform its duties.

d) Company Secretaries

The Company Secretaries are responsible for ensuring that the Board procedures are followed, the applicable rules and regulations for the conduct of the affairs of the Board are complied with. The Company Secretaries also advise the Board on issues relating to the Company's constitution, corporate governance, and compliance with laws, rules and regulatory requirements.

The Company Secretaries attend and ensure that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained in the statutory registers of the Company.

The Code of Ethics for Company Secretaries has been in place and the Board ensures that the Company Secretaries appointed have the relevant experiences and skills.

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)

e) Board Meetings

During the financial year under review, seven (7) Board meetings were held. Details of the Directors' attendance are as follows:

Directors	Attendance
Dato' Nik Mohamed Din bin Datuk Nik Yusoff *	5/7
Tan Sri Ong Leong Huat @ Wong Joo Hwa	7/7
Ong Ju Yan (Appointed on 9 October 2015)	1/1
Ong Ju Xing (Appointed on 9 October 2015)	1/1
Dato' Saiful Bahri bin Zainuddin (Appointed on 9 October 2015)	1/1
Foo San Kan	6/7
Dato' Abdul Majit bin Ahmad Khan	7/7
Dr. Ngo Get Ping	7/7

* Dato' Nik Mohamed Din bin Datuk Nik Yusoff was absent for two (2) out of the seven (7) Board meetings held during the financial year under review as he had been on medical leave.

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

The Board meetings for each of the financial year are scheduled before the end of the preceding financial year. This is to allow the Directors to organise and plan their activities ahead of time, to ensure that they are able to attend all board meetings that have been scheduled for the forthcoming year.

All the Directors have participated fully in the discussions during the Board meetings. There is no Board dominance by any individual and all Directors are free to express their views and opinions during the Board meetings. In arriving at Board decisions, the will of the majority prevails at all times.

The Directors also observe the requirement that they do not participate in the deliberations on matters of which they have a material personal interest, and abstain from voting on such matters.

The Directors are aware that they must notify the other Board members of their interest in contracts that is in conflict, or appears to be in conflict with the interest of the Company by disclosing the nature and extent of their interest during such Board meetings.

The Board's decisions are recorded accurately in the meeting minutes and the draft minutes of meetings are made available to all Board members before the confirmation of minutes at the next meeting.

f) Appointment and Assessment of Directors

The Nominating Committee (now known as Nomination and Remuneration Committee with effect from 29 May 2015) established by the Board, is responsible for screening, evaluating and recommending to the Board the suitable candidates for appointment as Directors as well as filling the vacant seats of the Board Committees. In pursuit of the Gender Diversity Policy, the Nomination and Remuneration Committee is mindful of its responsibilities to conduct all Board appointment processes in a manner that promotes diversity while taking into account suitability for the role, Board balance and composition, the required mix of skills, experience and other qualities which would be relevant to enhance the composition of the Board. The Gender Diversity Policy of the Company also includes, but is not limited to, the Group's commitment to diversity in terms of age, ethnicity and cultural background.

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)

f) Appointment and Assessment of Directors (Cont'd)

In respect of the appointment of Directors, the Company practises a clear and transparent nomination process which involves the following five (5) stages:

Stage 1: Identification of candidates

Stage 2: Evaluation of suitability of candidates

Stage 3: Meeting up with candidates

Stage 4: Final deliberation by the Nomination and Remuneration Committee

Stage 5: Recommendation to the Board

The Company also adopted 'Fit and Proper' standards for Directors in ensuring that the Directors are of high calibre, sound judgement, high integrity and credibility on a continuing basis.

The Directors observe the recommendation of the MCCG 2012 that they are required to notify the Chairman before accepting any new directorships and to indicate the time expected to be spent on the new appointment.

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

The annual assessment criteria of the Board, Board Committees and individual Directors have been updated and aligned with the recommendations of the MCCG 2012 as well as recommended by the Corporate Governance Guide 2nd Edition issued by Bursa Malaysia Berhad.

The former Nominating Committee has conducted the annual review on the following areas :

- the Board's effectiveness as a whole;
- the performance of the Board Committees;
- the peer performance assessment of each individual Director;
- the overall composition of the Board in terms of the appropriate size, mix of skills, experience and core competencies and the balance between Executive Directors, Non-Executive Directors and Independent Directors;
- the independency of the Independent Directors;
- the diversity of Board and workforce composition in terms of gender, ethnicity, age and nationality; and
- the training programmes attended by the Directors during the financial year.

Following the annual review, the former Nominating Committee agreed that the Board as a whole, the Board Committees and each individual Director had performed well and effectively and the overall composition of the Board in terms of size, mix of skills, experience, core competencies and the balance between Executive Directors, Non-Executive Directors and Independent Directors, was appropriate. Each board member was provided with his individual peer average score together with the average score of overall performance assessment of all Directors for personal information and further development. The Independent Directors had also fulfilled their independent role in corporate accountability through their objective participation in the Board deliberations during the Board meetings. In addition, the former Nominating Committee obtained an annual declaration of independence from the Independent Directors confirming their independent status pursuant to the Listing Requirements.

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)

g) Remuneration of Directors

The Remuneration Committee (now known as Nomination and Remuneration Committee with effect from 29 May 2015) is also responsible for developing a formal and transparent policy and framework on the remuneration of the Directors (including that of the Executive Directors) for recommendation and approval by the Board. In determining the level and make-up of the Director's remuneration, the Nomination and Remuneration Committee is guided by the Remuneration Policy to consider amongst others, the following:

- a remuneration framework that supports the Group's objectives, culture and strategies;
- the Group's performance for the year;
- the individual's performance against established criteria and performance related elements, responsibility and accountability;
- for Non-Executive Directors, the remuneration is in line with the level of contribution and taking into account factors such as efforts and time spent and the responsibilities entrusted upon them;
- the level of expertise, knowledge and experience; and
- the Group's policy with regard to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind and termination/retirement benefits.

The Nomination and Remuneration Committee carries out an annual review of the Directors' remuneration whereupon recommendations are submitted to the Board for approval. Such annual review shall ensure that the remuneration package of the Directors remains sufficiently attractive to attract and retain Directors.

The Executive Directors do not participate in decisions with regard to their own remuneration. The remuneration package for Directors is determined by the Board as a whole following the relevant recommendations made by the Nomination and Remuneration Committee, with the Directors concerned abstaining from deliberations and voting on his own remuneration.

The Non-Executive Directors (where relevant) are paid an annual fee of RM50,000 each, with additional fee paid to the Chairman of the Audit Committee and Risk Management Committee.

The proposed Directors' fees for the financial year 2015 will be tabled at the forthcoming 26th AGM for the approval of the shareholders.

Details of the Directors' remuneration for the financial year ended 31 December 2015 are as follows:

2015	Executive RM'000	Non-Executive RM'000	Total RM'000
Amount received/receivable from the Company:			
Fee – current year	-	165	165
Defined contribution plan	264	-	264
Other emoluments	1,923	98	2,021
	2,187	98	2,285
Estimated money value of benefits-in-kind	16	8	24
Total	2,203	271	2,474

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)

g) Remuneration of Directors (Cont'd)

2015	Executive RM'000	Non-Executive RM'000	Total RM'000
Amount received/receivable from the Group:			
Fee – current year	20	192	212
Defined contribution plan	560	-	560
Other emoluments	4,049	448	4,497
	4,609	448	5,057
Estimated money value of benefits-in-kind	54	23	77
Total	4,683	663	5,346

The number of Directors of the Company whose total remuneration (excluding benefits-in-kind), for the year or the period from the date of appointment to end of the year, fell within the following bands is analysed below:

2015	Executive	Non-Executive	Total
Group			
RM50,001 up to RM100,000	-	3	3
RM200,001 up to RM250,000	1	-	1
RM400,001 up to RM450,000	1	1	2
RM500,001 up to RM550,000	1	-	1
RM3,450,001 up to RM3,500,000	1	-	1
	4	4	8

The Nomination and Remuneration Committee which comprises exclusively Non-Executive Directors with a minimum of three (3) members, all of whom are Independent Directors, is chaired by the Senior Independent Non-Executive Director of the Company, which is in line with the recommendation of the MCCG 2012. The details are set out on pages 46 to 50 of this Annual Report.

h) Re-appointment and Re-election of Directors

Pursuant to Section 129 of the Companies Act, 1965, Directors who are over the age of seventy (70) years shall retire at every AGM and may offer themselves for re-appointment to hold office until the next AGM.

The Articles of Association of the Company ("Articles") provide that all Directors who have been appointed by the Board are subject to re-election by shareholders at the First AGM. The Articles also provide that one-third (1/3) (or nearest to one-third (1/3), if the number is not three (3) or a multiple of three (3)) of the Directors to retire by rotation at every AGM. All the Directors are subject to retirement at an interval of at least once in every three (3) years.

The performance of the Directors who are subject to re-appointment and re-election at the AGM will be assessed by the Nomination and Remuneration Committee whereupon their recommendations will be submitted to the Board for consideration and thereafter for recommendation to the shareholders for approval at the forthcoming AGM.

The Directors who are standing for re-appointment and re-election at the forthcoming 26th AGM of the Company to be held on 19 April 2016 are as stated in the Notice of the 26th AGM.

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)

i) Continuing Education of Directors

All the Directors of the Company have completed the Mandatory Accreditation Programme (MAP) prescribed by Bursa Securities for directors of public listed companies.

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

All the Directors have attended trainings during the financial year ended 31 December 2015. The training programmes, seminars and forums attended by each Director are as follows:

Name	Training Programmes	Date
Dato' Nik Mohamed Din Bin Datuk Nik Yusoff	Cooking the Books - The Malaysian Recipe on Financial Fraud	10 December 2015
Tan Sri Ong Leong Huat @ Wong Joo Hwa	Predicting Financial Crime - Detection, Prevention & Remediation	1 April 2015
	Invitation Launch of FIDE Forum's Directors' Remuneration Report 2015	7 December 2015
Ong Ju Yan	Deloitte Complimentary Tax Budget Talk 2016	13 November 2015
Ong Ju Xing	2015 Credit Suisse Asean Conference	8-9 January 2015
	Are you ready for the Introduction of New Legislations affecting Property Industry	29 January 2015
	UOB Global Markets' Corporate Seminar 2015	9 September 2015
Dato' Saiful Bahri Bin Zainuddin	Anti-Money Laundering and Anti-Terrorism Financing Act 2001 - A Client Centric (Know Your Customer) Focus	7 February 2015
	The Analysis, Use and Abuse of Financial Statements - Analysing Corporate Performance	8 February 2015
	Remuneration Reward Practices Seminar : Time to Raise the Bar	8 April 2015
Foo San Kan	Board Leading Change - Organisational Transformation Strategy as Key to Sustainable Growth in Challenging Time	18 August 2015
	Overseas Tax Benefit by KPMG	1 October 2015
	Corporate Reporting Updates & MFRS 9 Financial Investment by PwC	1 October 2015
	Nominating Committee Programme 2 : Effective Board Evaluations	5 October 2015
	Digital Transformation and Its Impact on Financial Services - Roles of Board in Maximising Potentials and Managing Risks	4 November 2015
	Launch of the Directors Remuneration Report 2015	7 December 2015
Dato' Abdul Majit bin Ahmad Khan	Strengthening The Board's Role in Setting a Right High Performance Culture	2 March 2015
	Audit Oversight Board Conversation with Audit Committees	7 May 2015
	Sustainability Symposium	8 October 2015

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)

i) Continuing Education of Directors (Cont'd)

Name	Training Programmes	Date
Dr. Ngo Get Ping	Strengthening The Board's Role in Setting a Right High Performance Culture	2 March 2015
	Effective Board Leadership (EBL) Programme EBL Module 4: Financial Literacy & Governance	26 May 2015
	SID Director's Conference 2015 - Boards and Innovation	16 September 2015
	Remuneration Committee Chairmen Conversation	1 December 2015

The Directors will continue to participate in other training programmes to keep abreast with latest developments in the capital markets, relevant changes in laws and regulations and corporate governance matters, from time to time.

j) Effective Communication with Shareholders of the Company and the Public

The Board recognises the importance of timely and high quality disclosure as a key component to upholding the principles and best practices of corporate governance for the Group. As such, maintaining an effective communication policy between members of the public and the Company is important. The Company has adopted a Corporate Disclosure Policy and Procedures, which is applicable to the Board and all employees of the Group, in handling and disclosing material information to the shareholders and the investing public. The Board has established a Corporate Disclosure Committee to oversee the implementation of and adherence to the Corporate Disclosure Policy and Procedures.

The Board observes the recommendation of the MCCG 2012 with regard to strengthening the relationship between the Company and its shareholders. The AGM has been the main forum for shareholders to engage with the Board and senior management of the Company. Shareholders are provided with ample time during the Questions & Answers session in the AGMs. The Chairman informs shareholders of their right to demand a poll vote at the commencement of all general meetings of the Company.

In addition to the above, the following are some of the channels used by the Company to disseminate information on a timely basis to the shareholders and the investing public:

a) Annual Report communicates comprehensive information on the financial results and activities undertaken by the Group;

b) Quarterly announcements and corporate disclosures to Bursa Securities are available on the website *www.bursamalaysia.com*;

c) Press releases provide up-to-date information on the Group's key corporate initiatives and new product and service launches, if any; and

d) The Company's website *www.oskgroup.com* provides corporate information of the Group.

A dedicated section for Corporate Governance has been set up on the Company's website, wherein a copy of the Board Charter, Sustainability Policy and summary of the Whistleblowing policy and procedure of the Company are available.

Where possible and applicable, the Group provides additional disclosure of information on a voluntary basis. The Board believes that on-going communication with shareholders is vital to shareholders and investors to make informed investment decisions.

A. THE BOARD OF DIRECTORS ("BOARD") (CONT'D)

k) Investors Relations

The Board recognises that effective and timely communication is essential in maintaining good relations with the investors. Other than the Company's website *www.oskgroup.com* which provides comprehensive, accurate and timely corporate information to the general investing public, there is an assigned person in the Group who is in charge of addressing inquiries from the shareholders, investors and the general public.

Mr. Woon Chong Boon, aged 47, is the Chief Operating Officer/Head of Corporate Strategy & Planning of the Company. He is the person in charge of addressing inquiries from shareholders, investors and the public. He holds a Bachelor of Business Administration and a Master of Business Administration from Western Michigan University. Mr. Woon joined the Group as General Manager, Corporate and Strategic Planning in 2002. Later in January 2007, he was re-designated as Director/Head of Group Corporate and Legal Affairs until 27 January 2011 when he was appointed as Chief Operating Officer/Head of Corporate Strategy and Finance. He joined RHB Capital Berhad's Group following the completion of disposal of investment banking and related businesses by the Company to RHB Capital Berhad in November 2012. He rejoined the Group and assumed his current position in July 2014. Prior to joining the Group in 2002, he was attached to Arthur Andersen & Co., Malaysia for about ten (10) years and his last position was Senior Manager.

Mr. Foo San Kan has been identified by the Board as the Senior Independent Non-Executive Director of the Company to whom concerns of the shareholders and other stakeholders may be conveyed. The profile of Mr. Foo is set out on page 20 of this Annual Report.

The Board is committed to embark on various initiatives in the coming years to further improve on its investors relations and dialogues with the shareholders, institutional investors and key stakeholders.

The Board has adopted a Whistleblowing Policy which sets out the principle and grievance procedures for employees or members of the public to raise genuine concerns of possible improprieties perpetrated within the Group. The details of lodgement channels and Frequently Asked Questions in relation to whistleblowing are available on the Company's website. The Company through the whistleblowing coordinator shall notify the whistleblower on the outcome of investigation according to the established whistleblowing procedures.

The Board will continue to ensure that the Company's activities are conducive towards promoting the economic well-being of its community and are in line with the Government's economic objectives.

B. ACCOUNTABILITY AND AUDIT

a) Financial Reporting

The Board is responsible for presenting a balanced, clear and meaningful assessment of the Group's financial positions and prospects to the shareholders, investors and regulatory authorities. The quarterly results and annual financial statements are reviewed by the Audit Committee and recommended to the Board for approval before public release via Bursa Securities' website. The Audit Committee also reviews the appropriateness of the Company's and Group's accounting policies and the changes to these policies as well as ensures the financial statements comply with the applicable accounting standards and other regulatory requirements.

Details of the financial statements of the Company are set out on pages 65 to 196 of this Annual Report.

B. ACCOUNTABILITY AND AUDIT (CONT'D)

b) Related Party Transactions

All related party transactions are presented to the Audit Committee on a quarterly basis.

Details of these transactions are set out under the Additional Disclosures on pages 62 to 63 and the Note 38 - Significant Related Party Disclosures to the Financial Statements of this Annual Report.

c) Risk Management and Internal Control

The Board acknowledges its responsibilities in setting up and maintaining a sound risk management framework and effective internal control system. In achieving this, the Board ensures that principal risks in the Group are identified, measured and managed with appropriate internal control system, and that the effectiveness, adequacy and integrity of the internal control system is reviewed on an ongoing basis.

The Board recognises that some risks cannot be eliminated completely. Nevertheless, with the implementation of an effective system of risk management and internal control, it provides a reasonable but not absolute assurance against material misstatements of financial and management information and records, and/or against any material financial losses or fraud.

The Statement on Risk Management and Internal Control, which provides an overview of the state of risk management and internal control within the Group, is included in this Annual Report.

d) Relationship with Auditors

The Board has established formal and transparent relationships with both the internal and external auditors through the Audit Committee. The Audit Committee meets with the internal and external auditors respectively to discuss the audit plan, audit findings and the Group's financial statements. The internal auditors meet with the Audit Committee of the Company at least once a year without the presence of the Management. The external auditors also meet with the Audit Committee of the Company at least twice a year without the presence of the Management. In addition, the external auditors are invited to attend the AGM and are available to answer shareholders' questions relating to the audited financial statements.

The Audit Committee is responsible to review the adequacy of the audit scope, functions and resources of the internal and external auditors to carry out their duties according to the annual audit plan.

Details of audit/non-audit fees paid/payable to the internal and external auditors are set out below:

2015	Group RM'000	Company RM'000
Audit fees paid to external auditors	785	281
Non-audit fees paid to external auditors		
- Review of Statement on Risk Management and Internal Control	16	11
- Reporting accountants' report on proforma financial statements and prospectus	63	60
- Poll count for Extraordinary General Meeting	20	20
- Review of Purchase Price Allocation	140	140
- Other services	9	-
Fees paid to internal auditors	85	18

B. ACCOUNTABILITY AND AUDIT (CONT'D)

d) Relationship with Auditors (Cont'd)

The Audit Committee undertakes an annual assessment on the performance of external auditors, including the suitability and independence of external auditors, in accordance with the Policy and Guidelines on the Performance Evaluation of External Auditors. In this assessment, the Audit Committee shall consider several factors, including the independence of the External Auditors, quality of audit review procedures and adequacy of the firm's expertise and resources. Having satisfied itself with their performance and fulfillment of criteria as set out in the aforesaid Policy and Guidelines, the Audit Committee will recommend their re-appointment to the Board, upon which the shareholders' approval will be sought at the AGM.

The external auditors, Messrs. PricewaterhouseCoopers and other auditors of the subsidiaries (where applicable), who performs statutory audit function for the Group, are independent. The internal auditors, BDO Governance Advisory Sdn. Bhd., who performs the internal audit function for the Company and its subsidiaries (where applicable) and reports directly to the Audit Committee, is also independent.

C. BOARD COMMITTEES

To assist the Board in carrying out its responsibilities, it has established the following Committees and has adopted charters setting out the matters relevant to the composition, responsibilities and administration of these Committees:

- Audit Committee;
- Nomination and Remuneration Committee; and
- Risk Management Committee.

On 29 May 2015, the Nominating Committee and Remuneration Committee had merged into a single Board Committee known as the Nomination and Remuneration Committee.

Following each Committee meeting, the Board will receive a copy of the minutes of meetings from the relevant Committees.

The composition of each Committee, its Terms of Reference, the activities carried out during the year and the number of meetings attended during the financial year 2015 are set out below.

a) Audit Committee

The Audit Committee comprising exclusively Non-Executive Directors with three (3) members, all of whom are Independent Directors, is chaired by an Independent Director. The Audit Committee is established by the Board to provide independent oversight on the Company's internal and external audit functions, financial reporting, internal control systems and to ensure checks and balances within the Company.

The details of the activities carried out by the Audit Committee during the financial year are set out in the Audit Committee Report included in this Annual Report.

b) Nomination and Remuneration Committee

The Nominating Committee had been merged with Remuneration Committee, effective 29 May 2015, into a single Board Committee namely the Nomination and Remuneration Committee.

C. BOARD COMMITTEES (CONT'D)

b) Nomination and Remuneration Committee (Cont'd)

Composition

The former Remuneration Committee consists of the following members:

Chairman – Dato' Abdul Majit bin Ahmad Khan
Independent Non-Executive Director

Members – Tan Sri Ong Leong Huat @ Wong Joo Hwa
CEO/GMD

– Foo San Kan
Senior Independent Non-Executive Director

The former Remuneration Committee which comprised a majority of Non-Executive Directors with at least three (3) members, was chaired by an Independent Directors.

The former Nominating Committee and the present Nomination and Remuneration Committee consists of the following members:

Chairman – Foo San Kan
Senior Independent Non-Executive Director

Members – Dato' Abdul Majit bin Ahmad Khan
Independent Non-Executive Director

– Dr. Ngo Get Ping
Independent Non-Executive Director

The former Nominating Committee and the present Nomination and Remuneration Committee which comprising exclusively Non-Executive Directors, all of whom are Independent Directors, is chaired by the Senior Independent Non-Executive Director of the Company.

Authority

The Committee is granted the authority by the Board to attract, nominate, retain and evaluate Directors and/or key senior management staff of such calibre to provide necessary skills and experience as required which commensurate with their responsibilities for effective management and operations of the Group.

Functions and Duties

(i) Establish Minimum Requirements for the Board and/or Key Senior Management Staff;

- To establish minimum requirements for the Board and/or key senior management staff i.e. required mix of skills, experience, qualification and other core competencies;
- The requirements and criteria shall be approved by the full Board.

C. BOARD COMMITTEES (CONT'D)

b) Nomination and Remuneration Committee (Cont'd)

(ii) Establish Assessment Mechanism and Succession Planning

- To establish a mechanism for the formal assessment on the effectiveness of the Board as a whole and the contribution of each Director to the effectiveness of the Board, the contribution of the Board's various committees and/or the performance of key senior management staff;
- Annual assessment shall be conducted based on an objective performance criterion and the performance criteria shall be approved by the full Board;
- To establish an appropriate framework or policy on succession planning for Executive Directors and/or key senior management staff; and
- The succession planning framework or policy shall be approved by the full Board.

(iii) Recommendation and Assessment

- To recommend and assess the nominees for directorship, Board Committee members as well as nominees for key senior management staff;
- The actual decision as to who shall be appointed shall be the responsibility of the full Board;
- To recommend to the Board any removal of a Director from the Board in the event that the Director is ineffective, errant and negligent in discharging his responsibilities; and
- To recommend to the Board any removal of key senior management staff in the event that they are ineffective, errant and negligent in discharging their responsibilities.

(iv) Overseeing the Board and/or Key Senior Management Staff

- To oversee the overall composition of the Board, in terms of the appropriate size and skills, experiences and other qualities including core competencies which Non-Executive Directors should bring to the Board, the independency of each Independent Director, the balance between Executive Directors, Non-Executive Directors and Independent Directors as well as the proportion of female to male Board members through annual review;
- To ascertain "independency" of Independent Directors pursuant to the criteria as set out in the Listing Requirements of Bursa Securities;
- To oversee the appointment and performance evaluation of the Directors and/or key senior management staff;
- To oversee the implementation of the succession planning of the Executive Directors and/or key senior management staff; and
- To ensure that all Directors receive an appropriate and relevant continuous training programs in order to keep abreast with the latest development in the industry.

(v) Remuneration Framework

- To recommend a framework of remuneration for Directors and/or key senior management staff for the full Board's approval;
- The remuneration framework shall support the Company's culture, objectives and strategy and shall reflect the experience, level of responsibility and commitment undertaken by the Directors and/or key senior management staff;

C. BOARD COMMITTEES (CONT'D)

b) Nomination and Remuneration Committee (Cont'd)

(v) Remuneration Framework (Cont'd)

- There shall be a balance in determining the remuneration package, which shall be sufficient to attract and retain Directors of calibre, and yet not excessive to the extent the Company's funds are used to subsidise the excessive remuneration packages; and
- The framework shall cover all aspects of remuneration including Director's fees, salaries, allowances, bonuses, options, benefits-in-kind and termination/retirement benefits.

(vi) Remuneration Packages

- To review and recommend remuneration packages for the Directors;
- The remuneration package shall be structured such that it is competitive and consistent with the Company's culture, objectives and strategy;
- The remuneration of each Board member may differ based on his level of expertise, knowledge and experience;
- The remuneration of Executive Directors shall be structured so as to link rewards to corporate and individual performance. As for Non-Executive Directors, the level of remuneration shall be linked to their experience and level of responsibilities undertaken and contribution to the effective functioning of the Board;
- Executive Director(s) should not participate in decisions of their own remuneration; and
- The remuneration packages of Non-Executive Directors shall be determined by the full Board. The Director concerned shall abstain from discussion of his own remuneration.

Frequency of Meeting

The Committee is to meet at least once a year or as and when required.

The number of meetings held during the financial year and the attendance of the members are as follows:

Members of Former Remuneration Committee	Attendance
Dato' Abdul Majit bin Ahmad Khan	2/2
Tan Sri Ong Leong Huat @ Wong Joo Hwa	1/2
Foo San Kan	1/2

Members of Former Nominating Committee	Attendance
Foo San Kan	2/3
Dato' Abdul Majit bin Ahmad Khan	3/3
Dr. Ngo Get Ping	3/3

Members of Present Nomination and Remuneration Committee	Attendance
Foo San Kan	2/2
Dato' Abdul Majit bin Ahmad Khan	2/2
Dr. Ngo Get Ping	2/2

C. BOARD COMMITTEES (CONT'D)

b) Nomination and Remuneration Committee (Cont'd)

Key activities undertaken during the year were as follows:

By the former Nominating Committee

- assessed the effectiveness of the Board as a whole and the contribution of the various Board Committees;
- reviewed and assessed the performance of the Chairman, Executive Director and Non-Executive Directors;
- assessed the overall composition of the Board in terms of its appropriate size, mix of skills, experience, core competencies and the balance between Executive Director, Non-Executive Directors and Independent Directors;
- reviewed the diversity of Board and workforce composition in terms of gender, ethnicity, age and nationality;
- reviewed the independency of the Independent Directors;
- reviewed the training programmes attended by Directors during the financial year;
- reviewed and recommended to the Board, the setting up and composition of Corporate Disclosure Committee;
- recommended to the Board, the re-election and re-appointment of the Directors who will be retiring at the AGM of the Company;
- reviewed and recommended to the Board, the proposed appointment of Deputy GMD onto the Board; and
- reviewed and recommended to the Board, the merger of Nominating Committee and Remuneration Committee into a single Board Committee known as Nomination and Remuneration Committee.

By the former Remuneration Committee

- reviewed and recommended to the Board, the proposed Directors' fees for the financial year ended 2014;
- reviewed and recommended to the Board, the Directors' remuneration for the ensuing year;
- reviewed and recommended to the Nominating Committee, the performance of the Remuneration Committee for the year 2014 (self-assessment); and
- reviewed and recommended to the Board, the remuneration package for the proposed Deputy GMD recommended by the Nominating Committee.

By the present Nomination and Remuneration Committee

- reviewed and recommended to the Board, the proposed appointment of Executive Directors onto the Board as well as their remuneration packages;
- reviewed and recommended to the Board, the proposed organisation and committee structure of the enlarged Group, following the completion of acquisition of PJ Development Holdings Berhad and OSK Property Holdings Berhad; and
- reviewed and recommended to the Board, the proposed composition of Group Executive Committee and Group Corporate Disclosure Committee.

C. BOARD COMMITTEES (CONT'D)

c) Risk Management Committee

The Risk Management Committee consists of the following members:

Composition

Chairman – Dr. Ngo Get Ping
Independent Non-Executive Director

Members – Foo San Kan
Senior Independent Non-Executive Director

– Dato' Abdul Majit bin Ahmad Khan
Independent Non-Executive Director

The Risk Management Committee which comprises entirely Non-Executive Directors, with three (3) members, all of whom are Independent Directors, is chaired by an Independent Director.

Authority

The Committee is granted the authority by the Board to oversee the senior management activities of the Company and companies in the Group (where applicable) in managing credit, market, liquidity, operational, legal and other risks, and to ensure that risk management processes are in place and functioning effectively.

Functions and Duties

(i) To review and recommend risk management strategies, policies and risk tolerance levels for Board's approval;

(ii) To review and assess adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risks and the extent to which these are operating effectively;

(iii) To ensure infrastructure, resources and systems are in place for risk management i.e. ensure that the staff responsible for implementing risk management system perform those duties independently of the risk originating activities of the Company and companies in the Group (where applicable);

(iv) To review periodic risk management and business exposures reports from the respective business units of the Company and companies in the Group (where applicable) on risk exposures, risk portfolio compositions and risk management activities;

(v) To review and recommend new policies or changes to policies and to consider their risk implications;

(vi) To ensure that the respective risk management committees of the companies in the Group (where applicable) mirror the role and responsibility functions, duties and authority described herein; and

(vii) To note and adopt the respective Board minutes (or any other forms of documents that highlight the risk exposures and activities) of companies in the Group with respect to risk management activities carried out at that level.

C. BOARD COMMITTEES (CONT'D)

c) Risk Management Committee (Cont'd)

Frequency of Meeting

The Committee shall preferably meet on a quarterly basis, but in any event, no less than four (4) times a year, or whenever deemed necessary.

There were five (5) meetings held during the financial year. The attendance of the members of Risk Management Committee are as follows :

Members	Attendance
Dr. Ngo Get Ping	5/5
Foo San Kan	4/5
Dato' Abdul Majit bin Ahmad Khan	5/5

Key activities undertaken by the Risk Management Committee during the year were as follows:

- reviewed and recommended to the Board, the Statement on Risk Management and Internal Control for inclusion in Annual Report;
- reviewed and recommended to the former Nominating Committee, the performance of the Risk Management Committee for the year 2014 (self-assessment);
- assessed the Group's risk management infrastructure including policies, processes, structure and system;
- reviewed the risk profile and risk ranking to ensure the adequacy and effectiveness of risk management system;
- discussed the identified risks along with the action plans to mitigate the risks;
- reviewed the status of the implementation of the risk action plans to manage and mitigate the identified risks; and
- deliberated the effectiveness of the risk awareness and training session conducted throughout the Group.

This Statement on Corporate Governance was approved by the Board of Directors of the Company on 1 March 2016.

AUDIT COMMITTEE REPORT

The Board of Directors ("Board") is pleased to present the Audit Committee Report for the financial year ended 31 December 2015.

MEMBERSHIP

The Audit Committee ("Committee") consists of the following members:

Chairman	– Foo San Kan *Senior Independent Non-Executive Director*
Members	– Dato' Abdul Majit bin Ahmad Khan *Independent Non-Executive Director*
	– Dr. Ngo Get Ping *Independent Non-Executive Director*

ATTENDANCE OF MEETINGS

During the financial year ended 31 December 2015, the Committee held a total of five (5) meetings. The details of attendance of the Committee members are as follows:

Members	Attendance
Foo San Kan	4/5
Dato' Abdul Majit bin Ahmad Khan	5/5
Dr. Ngo Get Ping	5/5

COMPOSITION AND TERMS OF REFERENCE

Composition

The Committee shall be appointed by the Board from amongst the Directors of the Company and comprise only Non-Executive Directors with at least three (3) members, of which the majority shall be Independent Directors. At least one (1) member of the Committee:

- must be a member of the Malaysian Institute of Accountants ("MIA"); or
- if he is not a member of the MIA, he must have at least three (3) years of working experience in related field and
    - he must have passed the examinations specified in Part I of the 1st Schedule to the Accountants Act, 1967; or
    - he must be a member of one of the associations of accountants specified in Part II of the 1st Schedule to the Accountants Act, 1967; or
    - fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad ("Bursa Securities").

COMPOSITION AND TERMS OF REFERENCE (CONT'D)

Composition (Cont'd)

The Committee shall be chaired by an Independent Director. No alternate director is to be appointed as a member of the Committee. The term of office and performance of the Committee and each of its members shall be reviewed by the Board at least once every three (3) years. In the event of any vacancy in the Committee resulting in the non-compliance of the Main Market Listing Requirements of Bursa Securities ("Listing Requirements"), the vacancy must be filled within three (3) months.

Frequency of Meetings

The Committee shall preferably meet on a quarterly basis, but in any event, no less than four (4) times a year, or whenever deemed necessary.

The Committee shall meet with the external auditors at least twice a year without the presence of the Management.

The Financial Controller / Head of Finance, representatives of the internal auditors and the external auditors are invited to attend the Committee meetings held during the financial year ended 31 December 2015.

The Company Secretary shall be the Secretary to the Committee.

Quorum

The quorum of the Committee meetings shall be at least two (2) members or 50% of the total members, whichever is higher. The majority of members present must be Independent Directors.

Authority

The Committee shall within its terms of reference:

1. have the resources and be provided with relevant information on a timely basis which are required to perform its duties;
2. have full and unrestricted access to any information as required to perform its duties;
3. have the authority to investigate any activity within its terms of reference;
4. have the authority to form management / sub-committee(s) if deemed necessary and fit;
5. have the authority to delegate any of its responsibilities to any person or committee(s) that is deemed fit;
6. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;
7. be able to obtain independent professional or other advice; and
8. be able to convene meetings with external auditors, the internal auditors or both, excluding the attendance of other Directors and employees of the Company, and with other external parties, whenever deemed necessary.

COMPOSITION AND TERMS OF REFERENCE (CONT'D)

Summary of Main Duties and Responsibilities

1. To oversee the Internal Audit function and ensure compliance with relevant regulatory requirements;

2. To review the internal audit programme, internal audit findings and whether or not appropriate actions are taken by Management on the recommendations of the internal audit function;

3. To review the effectiveness of internal controls and risk management processes;

4. To review the appointment of external auditors, the audit fee and any question of resignation or dismissal and to make recommendations to the Board;

5. To review with the external auditors, their evaluation of the system of internal controls and their audit report;

6. To review the audit findings raised by the external auditors and ensure that issues are being managed and rectified appropriately and in a timely manner;

7. To ensure fair and transparent reporting and prompt publication of the financial accounts;

8. To review the quarterly results and year end financial statements, prior to approval by the Board, focusing particularly on:-

    - changes in or implementation of major accounting policy changes;
    - significant adjustments arising from the audit;
    - the going concern assumption;
    - significant and unusual events; and
    - compliance with accounting standards and other legal requirements.

9. To review any related party transactions and conflict of interest situation that may arise within the Company or its subsidiaries or group including any transaction, procedure or course of conduct that raises questions of management integrity;

10. To consider major findings of internal investigation and the Management's response in relation to the investigation; and

11. To promptly report to Bursa Securities where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements.

SUMMARY OF ACTIVITIES

During the year under review, the following were the activities of the Committee:

Internal Audit

1. Reviewed the adequacy of the scope and functions of the appointed professional firm that carried out the internal audit function;

2. Reviewed and discussed the internal audit reports and ensure that corrective actions had been taken to rectify the weaknesses highlighted in the audit reports; and

3. Met with the internal auditors without the presence of the Management and no private issues were highlighted.

SUMMARY OF ACTIVITIES (CONT'D)

Financial Reporting

Reviewed the quarterly and year end financial statements and ensured that the financial reporting and disclosure requirements of relevant authorities had been complied with, focusing particularly on:-

- any change in or implementation of accounting policies and practices;
- significant adjustments arising from the audit, if any;
- the going concern assumption;
- significant and unusual events; and
- compliance with accounting standards and other legal requirements.

External Audit

1. Reviewed the annual audited financial statements of the Group prior to submission to the Board for approval;

2. Reviewed and discussed the observations, recommendations and the Management's comments in respect of the issues raised by the external auditors on their evaluation of the system of internal control;

3. Assessed the performance of the external auditors, including their suitability and independence, in accordance with the Policy and Guidelines on the Performance Evaluation of External Auditors and made recommendation to the Board for re-appointment; and

4. Met with the external auditors twice without the presence of the Management and no private issues were highlighted.

Internal Control

Reviewed the Statement on Risk Management and Internal Control pursuant to Paragraph 15.26(b) of the Listing Requirements and made recommendation to the Board for approval.

Related Party Transactions

Reviewed the related party transactions and conflict of interest situation that may arise within the Company and its subsidiary companies including any transaction, procedure or course of conduct that raises questions of management integrity.

INTERNAL AUDIT FUNCTION

The Committee is assisted by the internal audit function in discharging its duties and responsibilities. The internal audit function is established to add value and improve the Group's operations by providing independent, objective assurance and consulting activities through its audit of the Group's key operations and also to ensure consistency in the control environment and the application of policies and procedures.

The internal audit function is undertaken based on the audit plan that is reviewed and approved by the Committee. The audit plan covers review of the adequacy of operational controls, compliance with established policies and procedures, recommendation for value-added practices and identification of areas for improvement.

INTERNAL AUDIT FUNCTION (CONT'D)

A risk based audit approach is used to ensure that the higher risk activities in each auditable area are audited at least annually. These are designed to evaluate and enhance risk management, control and governance processes to assist Management to achieve its corporate targets and goals. The audit also helps to ensure that appropriate controls are in place and effectively applied in order to manage risk exposures.

The internal audit reports prepared from the audits are deliberated by the Committee and recommendations are duly acted upon by the Management. Follow-up reviews are conducted by the internal auditors to ensure that all matters arising from each audit are adequately addressed by the auditees/Management.

The internal audit function was outsourced to BDO Governance Advisory Sdn. Bhd. The total fees incurred for the internal audit function in respect of financial year ended 2015 was RM85,100.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance requires the Board of Directors of public listed companies to establish a sound risk management framework and internal control system to safeguard shareholders' investments and the Group's assets. This statement on risk management and internal control of OSK Holdings Berhad and its subsidiary companies ("the Group") is made by the Board of Directors ("the Board") of OSK Holdings Berhad in compliance with Chapter 15, Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by the Taskforce on Internal Control with the support and endorsement of Bursa Securities.

BOARD'S ROLE

The Board recognises the importance of a sound risk management framework and internal control system for good corporate governance and acknowledges its primary responsibility to ensure that principal risks in the Group are identified, measured and managed with appropriate internal control measures, and to ensure that the effectiveness, adequacy and integrity of the internal control system are reviewed on an ongoing basis.

The Board also acknowledges that the Group's risk management and internal control system is designed to highlight as well as to manage the risk threatening the achievement of business objectives, and that some risks may not be eliminated. As such, the system of risk management and internal control can only provide reasonable but not absolute mitigation against material misstatement, loss or fraud.

The Group has in place an on-going mechanism to identify, evaluate, monitor and manage the key risks which are hindering the achievement of its business objectives and strategies throughout the period under review. The Board is assisted by the Management to implement the Board's policies and procedures on risk management and internal control. These include identifying the risks and assessing the potential impacts of the risks, and instilling the necessary internal control measures to reduce the risks. The mechanism is reviewed by the Board on a regular basis.

MANAGEMENT'S ROLE

Management is responsible for implementing the procedures for identifying, evaluating, monitoring and reporting of risks and internal control, taking appropriate and timely preventive and corrective actions as needed, and for providing assurance to the board that the procedures have been carried out. In this regard, the Chief Executive Officer/Group Managing Director and Financial Controller/Head of Finance have given their assurance that the Group's risk management and internal control system are operating adequately and effectively, in all material aspects, based on the risk management and internal control framework of the Group.

INTERNAL AUDIT'S ROLE

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve a company's operations. The Group has appointed an external professional firm to conduct the internal audit function. The internal auditors review and check the adequacy and integrity of the internal control system, assess compliance with policies and procedures and recommend best practices in the Group's business operations. They also review and identify any potential areas for improvement in the effectiveness and efficiency of the processes.

The internal auditors will report directly to the Audit Committee of the Group. The Audit Committee reviews the actions taken to rectify the findings and evaluate the effectiveness and adequacy of the Group's internal control system.

TYPES OF RISKS

The principal activities of the Group are (i) investment holdings, (ii) capital financing, (iii) property development and investments, provision of property management services, (iv) construction, (v) manufacturing of cables, wires and building materials; as well as (vi) management of hotels, resorts and timeshare businesses.

The risk exposure faced by the Group during the financial year can be broadly categorised into business risk, credit risk, market risk and operational risk.

KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

i) Risk Management Framework

The Group's risk management framework comprises processes and policies which aim to address the risks faced by the Group. Our framework is consistent with the ISO 31000 Risk Management Principles and Guidelines, which is designed to establish the context for an embedded Enterprise Risk Management ("ERM") into key activities and business processes of the Group. The fundamental approach of the framework is to ensure that critical risks are proactively identified, communicated and managed across the Group.

In this context, the ERM framework that the Group adopts consists of five elements, as depicted below:

Framework Element	Description
Risk Governance	Establish an approach to developing, supporting and embedding the risk strategy and accountabilities
Risk Assessment	Identify, assess, and categorise risks across the Group
Risk Quantification and Aggregation	Measure, analyse and consolidate risks
Risk Monitoring and Reporting	Report, monitor and conduct activities to provide insight risk management strengths and weakness
Risk and Control Optimisation	Use risk and control information to improve performance

The Board has established a proper risk management framework that ensures an ongoing process for identifying, evaluating, managing and reporting the significant risks that may affect the achievement of the Group's business objectives. This process has been in place throughout the year under review and up to the date of approval of this report. This process is carried out via the following risk management governance structure:

- **Board of Directors**

  The Board is fully responsible for the risk management of the Group and to determine the Group's risk appetite and level of risk tolerance and actively identify, assess and monitor key business risks to safeguard shareholders' investments and the Group's assets.

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

- **Risk Management Committee**

  The Risk Management Committee has been established to review the adequacy and effectiveness of the risk management function within the Group. The Risk Management Committee's main role is to review, on behalf of the Board, the system of risk management necessary to manage the key risks inherent in the business and to present its findings to the Board.

STATEMENT ON
RISK MANAGEMENT AND INTERNAL CONTROL

KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

i) Risk Management Framework (Cont'd)

- **Risk Management Committee (Cont'd)**

  In addition, the Risk Management Committee plays a significant role in contributing to the establishment of a more conducive risk management environment. The Risk Management Committee meets regularly to oversee the development of general risk policies and procedures to monitor and evaluate the numerous risks that may arise from the various business activities in the Group.

- **Audit Committee**

  The Audit Committee's main role is to review, on behalf of the Board, the system of internal control necessary to manage the key risks inherent in the business and to present its findings to the Board. The Committee also reviews and deliberates on any matters relating to internal control highlighted by the External Auditors in the course of their statutory audit of the financial statements of the Group.

  The framework is designed to identify, quantify and control various risks encountered in the Group's business operations. Through this framework, the Group will be able to mitigate but not completely eliminate all risks, in particular systemic risks.

  The framework basically:

  - provide clear functional responsibilities and accountabilities within the Group for the management of risks;
  - helps to identify the risk appetite and risk tolerance through having a set of measurable parameters related to the critical risks that may impact the strategy, performance and reputation of the Group;
  - ensure the risk policies and limits are consistent with the risk appetite and risk tolerance of the Group; and
  - helps to report, monitor and ensures that appropriate skills and resources are applied in managing the risks.

ii) Internal Control System

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

- Establishment of a conducive control environment in respect of the overall attitude, awareness and actions of Directors and Management regarding the internal control system and its importance to the Group;
- Recruitment of experienced, skilled and professional staff with the necessary calibre to fulfill the respective responsibilities and ensuring that adequate controls are in place;
- Clear group structure, reporting lines of responsibilities and appropriate levels of delegation;
- Clearly defined delegation of specific responsibilities to committees of the Board and to Management, which is delegated as and when the Board deems fit to do so. These committees or Management have the authority to examine all matters within their scope and report back to the Board with their recommendations;
- Documented policies, procedures and limits of Approving Authorities ("AA") for key aspects of the businesses. This provides a sound framework of authority and accountability within the Group and facilitates proper corporate decision-making at the appropriate level in the Group's hierarchy. Such AA list is subject to periodic review and approved by the management or Board, where applicable;
- Establishment of specific structure limit for managing market, credit and operational risks such as single security, single client, single product, proprietary position, individual trader, business unit and stop loss limit etc. Procedures for authorising limit excesses are established and serious breaches are reported to the supervisory board. These limits are also being reviewed and revised regularly;

KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

ii) Internal Control System (Cont'd)

- Establishment of effective segregation of duties via independent checks, review and reconciliation activities to prevent human errors, fraud and abuses;
- Daily backup and system support to provide assurance for business continuity has been established in key business activities. There are also offline procedures to implement in case of system failure;
- Regular and comprehensive management reports to the Board from various lines of operations and business units, on key business performance, operating statistics and regular matters. This enables effective monitoring of significant variances and deviation from standard operating procedures and budget;
- An external professional firm appointed to conduct the internal audit function of the Group independently reviews the risk identification procedures and control processes implemented by Management, and reports to the Audit Committee on a regular basis. Where required, assurance is provided over the operation and validity of the system of internal control in relation to the level of risk involved using risk based auditing methodology;
- The Audit Committee regularly convenes meetings to deliberate on the findings and recommendations for improvement by external professional firms. The Audit Committee reviews the actions taken to rectify the findings in a timely manner, and to evaluate the effectiveness and adequacy of the Group's internal control system.

THE BOARD'S STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

As the Group operates in a dynamic business environment, a sound risk management framework and internal control system must be in placed in order to be able to support its business objectives. Therefore, the Board remains committed towards maintaining sound risk management framework and internal control system and believes that a balanced achievement of its business objectives and operational efficiency can be attained.

The Board has undertaken a review on risk management and internal control system and believes that the risk management and internal control system of the Group are in place for the year under review and up to the date of issuance of the financial statements is effective and adequate to safeguard the shareholders' investment, the interests of regulators and employees. The Board has also received assurance from the Chief Executive Officer/Group Managing Director and Financial Controller/Head of Finance that the Group's risk management and internal control system is, in all material aspects, effective and adequate throughout the year under review.

The Group will continue to identify and monitor all the major risks, improve and enhance the existing risk management and internal control system.

This statement has not dealt with the risk management and internal control of the associated company, RHB Capital Berhad ("RHBC") as RHBC is supervised by Bank Negara Malaysia, which has stringent compliance requirements.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by 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. Their limited assurance review was performed in accordance with Recommended Practice Guide ("RPG") 5 (Revised) issued by the Malaysian Institute of Accountants. RPG 5 (Revised) does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control system of the Group. Based on the procedures performed, nothing had come to their attention that caused them to believe that the Statement on Risk Management and Internal Control set out above was not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issues, nor was factually inaccurate.

ADDITIONAL DISCLOSURES

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

In accordance with prescribed thresholds under paragraph 10.09(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), details of the OSK Holdings Berhad ("OSK" or "the Company") Group's recurrent related party transactions made during the financial year ended 31 December 2015 pursuant to the shareholders' mandate obtained are as follows:

Name of Company/ Group Involved	Nature of Transaction	Name of Related Party	Relationship with OSK – Interested Directors, Major Shareholders and Persons Connected	Actual Value (RM'000)
OSK Realty Sdn Bhd ("OSKR")	Office rental	PJ Development Holdings Berhad ("PJD") and its subsidiary companies (collectively referred to as "PJD Group")	TSO, WCS, PSK, OJX, FSK, OSKE, DCSB (See Note 1)	1,396#

Notes:-

All the tenure of the office spaces are for a rental period of not more than three (3) years. The rental is paid on a monthly basis.

The following disclosure is pursuant to the Circular to Shareholders dated 24 March 2015:

(1) OSKR is a wholly-owned subsidiary company of OSK. Tan Sri Ong Leong Huat @ Wong Joo Hwa ("Tan Sri Ong") is a Major Shareholder and the Chief Executive Officer / Group Managing Director of OSK and a Director of OSKR. He is also a Major Shareholder and the Non-Independent Non-Executive Chairman of PJD. Tan Sri Ong is the brother of Mr. Wong Chong Shee (WCS).

WCS is the Managing Director and a shareholder of PJD. WCS is also a shareholder of OSK.

Puan Sri Khor Chai Moi ("Puan Sri Khor") , spouse of Tan Sri Ong, is an Executive Director and a Major Shareholder of PJD. She is also a shareholder of OSK.

Mr. Ong Ju Xing ("OJX") is an Executive Director and a shareholder of PJD. He is also a Director of OSKR and a shareholder of OSK. OJX is the son of Tan Sri Ong and Puan Sri Khor and the nephew of WCS.

Mr. Foo San Kan ("FSK") is a Director of OSK and PJD.

OSK Equity Holdings Sdn Bhd ("OSKE") is a Major Shareholder of OSK. Tan Sri Ong and Puan Sri Khor are both directors of OSKE and Tan Sri Ong is a substantial shareholder of OSKE.

Dindings Consolidated Sdn Bhd ("DCSB") is a Major Shareholder of PJD. Tan Sri Ong and Puan Sri Khor are both directors and substantial shareholders of DCSB. OJX is a shareholder of DCSB.

The principal activities of PJD are investment holding, property investment and provision of management services to subsidiary companies. The principal activities of PJD's subsidiary companies are property development, property management and construction, manufacturing and trading of cables and building materials as well as hotels and leisure businesses.

VARIATION OF RESULTS

There were no significant variations between the audited results for the financial year ended 31 December 2015 and the unaudited results previously announced.

PROFIT GUARANTEE

There was no profit guarantee for the financial year.

ADDITIONAL
DISCLOSURES

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

Save as disclosed below, there were no material contracts entered into by the Company or its subsidiary companies involving Directors' and major shareholders' interest in the financial year ended 31 December 2015:

Date	7 July 2015
Parties involved	The Company and its shareholders
Nature of Contract	Deed Poll in respect of the issuance of up to 237,740,204 warrants in the Company ("Warrant(s) C") to the existing shareholders of the Company on the basis of one (1) free Warrant C for every four (4) existing ordinary shares of RM1.00 each in the Company ("OSK Share(s)") held on an entitlement date to be determined later. On 6 July 2015, the Company announced that the entitlement date was fixed on 21 July 2015.
Consideration	Date of Allotment on 23 July 2015 One (1) free Warrants C for every four (4) existing OSK Shares held on 21 July 2015. Date of Exercise At any time between the date of issue on 23 July 2015 and the expiry date of 22 July 2020, each Warrant C carries the entitlement to subscribe for one (1) new OSK Share at the exercise price of RM1.80, subject to adjustments in accordance with the provisions of the Deed Poll ("Exercise Price")
Mode of Satisfaction of the Consideration	Date of Allotment on 23 July 2015 Not applicable Date of Exercise Exercise Price to be paid in cash
Nature of relationship between the Director/ major shareholders and the contracting party	The Directors and major shareholders of the Company who entitled to receive the free Warrant C are as follows: i. Dato' Nik Mohamed Din bin Datuk Nik Yusoff, being the Non-Independent Non-Executive Chairman of the Company; ii. Tan Sri Ong Leong Huat @ Wong Joo Hwa, being the Chief Executive Officer/ Group Managing Director and a major shareholder of the Company; iii. Mr. Ong Ju Yan, being the Deputy Group Managing Director of the Company; iv. Mr. Ong Ju Xing, being an Executive Director of the Company; v. Puan Sri Khor Chai Moi, being a major shareholder of the Company; vi. OSK Equity Holdings Sdn. Bhd., being a major shareholder of the Company; and vii. Land Management Sdn. Bhd., being a major shareholder of the Company.

DEPOSITORY RECEIPT (DR) PROGRAMME

The Company did not sponsor any DR programme for the financial year ended 31 December 2015.

IMPOSITION OF SANCTIONS/PENALTIES

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by relevant regulatory bodies for the financial year ended 31 December 2015.

SHARE BUY-BACKS

During the financial year, there were share buy-backs by the Company, the details of which are set out in the Note 27 to the financial statements in this Annual Report.

OPTIONS OR CONVERTIBLE SECURITIES

On 23 July 2015, the Company issued 237,732,751 Warrants C 2015/2020 pursuant to the Bonus Issue of Warrants which were listed on the Main Market of Bursa Malaysia Securities Berhad with effect from 9.00 a.m. on 4 August 2015.

As at 31 December 2015, the total number of Warrants C 2015/2020 which remained unexercised was 237,732,751.

STATEMENT OF RESPONSIBILITY BY DIRECTORS

IN RESPECT OF THE PREPARATION OF THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Directors are responsible for ensuring that the annual audited financial statements of the Group and the Company are drawn up in accordance with the requirements of the applicable approved Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards issued by the International Accounting Standards Board, the provisions of the Companies Act, 1965 and the Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for ensuring that the annual audited financial statements of the Group and the Company are prepared with reasonable accuracy from the accounting records of the Group and the Company so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2015, and of the results of their operations and cash flows for the year ended on that date.

In preparing the annual audited financial statements, the Directors have applied the appropriate and relevant accounting policies on a consistent basis; made judgements and estimates that are reasonable and prudent; and prepared the annual audited financial statements on a going concern basis.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

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D'Majestic Place by Swiss-Garden, Kuala Lumpur

DIRECTORS' REPORT

31 DECEMBER 2015

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the subsidiary companies, associated companies and a joint venture are described in Notes 6 and 7 to the financial statements.

There have been no significant changes in the nature of the principal activities during the year, other than the acquisitions of OSK Property Holdings Berhad ("OSKP") and PJ Development Holdings Berhad ("PJD") as disclosed in Note 6 to the financial statements.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit attributable to:		
Owners of the Company	561,528	32,838
Non-controlling interests	8,274	-
	569,802	32,838

RESERVES AND PROVISIONS

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

DIVIDENDS

Dividends declared and paid by the Company since the end of the previous year are as follows:

	RM'000
(a) A single-tier final dividend of 5.0 sen per share in respect of the preceding year ended 31 December 2014 was paid on 8 May 2015	47,551
(b) A single-tier special dividend of 15.0 sen per share for the current year ended 31 December 2015 was paid on 4 August 2015	142,644
(c) A single-tier interim dividend of 2.5 sen per share for the current year ended 31 December 2015 was paid on 12 November 2015	34,620
	224,815

The Board of Directors recommends a single-tier final dividend of 2.5 sen per share (2014: 5.0 sen per share) amounting to approximately RM34.6 million, based on number of outstanding shares in issue at the end of the year, for the year ended 31 December 2015. The proposed dividend is subject to Shareholders' approval at the forthcoming Annual General Meeting. The entitlement date for the final dividend shall be determined by the Board of Directors. The financial statements for the current year do not reflect these proposed dividends. Such dividends, if approved by the Shareholders, will be accounted for in equity in the year ending 31 December 2016.

DIRECTORS' REPORT
31 DECEMBER 2015

DIRECTORS

The names of the Directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Nik Mohamed Din bin Datuk Nik Yusoff	
Tan Sri Ong Leong Huat @ Wong Joo Hwa	
Foo San Kan	
Dato' Abdul Majit bin Ahmad Khan	
Dr. Ngo Get Ping	
Ong Ju Yan	- appointed on 9 October 2015
Ong Ju Xing	- appointed on 9 October 2015
Dato' Saiful Bahri bin Zainuddin	- appointed on 9 October 2015

DIRECTORS' BENEFITS

Neither at the end of the year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Notes 34, 38(a) and 38(b) to the financial statements or the fixed salary of a full time employee of a subsidiary company of the Company) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 38(d) to the financial statements.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the Directors in office at the end of the year who have interests in the shares and warrants of the Company and its related corporations during the year were as follows:

The Company

	Number of ordinary shares of RM1.00 each			
	As at 1.1.2015/ Date of Appointment[1]	Acquired	Disposed	As at 31.12.2015
Direct interest				
Dato' Nik Mohamed Din bin Datuk Nik Yusoff	16,797,802	-	-	16,797,802
Tan Sri Ong Leong Huat @ Wong Joo Hwa	8,200,000	82,257,319	-	90,457,319
Ong Ju Yan	4,991,700[1]	1,500,000	-	6,491,700
Ong Ju Xing	8,722,930[1]	-	-	8,722,930
Indirect interest				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	382,495,189[2]	336,613,850	-	705,394,409[3][4]
Ong Ju Yan	1,645,134[1][5]	-	-	1,645,134[5]
Ong Ju Xing	10,660,608[1][6]	-	-	10,660,608[6]

DIRECTORS'
REPORT
31 DECEMBER 2015

DIRECTORS' INTERESTS (CONT'D)

The Company (Cont'd)

	Number of Warrants C 2015/2020			
	As at 1.1.2015/ Date of Appointment[1]	Acquired	Disposed	As at 31.12.2015
Direct interest				
Dato' Nik Mohamed Din bin Datuk Nik Yusoff	-	4,199,450	-	4,199,450
Tan Sri Ong Leong Huat @ Wong Joo Hwa	-	2,050,000	-	2,050,000
Ong Ju Yan	805,557[1]	-	-	805,557
Ong Ju Xing	141,207[1]	-	-	141,207
Indirect interest				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	-	95,623,794	-	94,677,030[2][4]
Ong Ju Yan	177,533[1][5]	-	-	177,533[5]

Each Warrant C 2015/2020 entitles the registered holder to subscribe for 1 new ordinary share in the Company at an exercise price of RM1.80 per share, at any time between the date of issue on 23 July 2015 and the expiry date of 22 July 2020.

Related corporations

(a) Ultimate holding company

OSK Equity Holdings Sdn. Bhd.

	Number of ordinary shares of RM1.00 each			
	As at 1.1.2015	Acquired	Disposed	As at 31.12.2015
Direct interest				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	99,999	-	-	99,999

(b) Subsidiary companies

PJ Development Holdings Berhad

	Number of ordinary shares of RM1.00 each			
	As at 23.7.2015	Acquired	Disposed	As at 31.12.2015
Indirect interest				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	143,356,849[7]	371,083,406	(46,501,010)	467,939,245[7]

DIRECTORS' INTERESTS (CONT'D)

Related corporations (Cont'd)

(b) Subsidiary companies (Cont'd)

PJ Development Holdings Berhad (Cont'd)

	Number of Warrant C 2010/2020			
	As at 23.7.2015	Acquired	Exercised	As at 31.12.2015
Indirect interest				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	46,501,010[8]	95,626,315	(46,501,010)	95,626,315[7]

OSK Property Holdings Berhad

	Number of ordinary shares of RM1.00 each			
	As at 23.7.2015	Acquired	Disposed	As at 31.12.2015
Direct interest				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	-	14,726,268	(14,726,268)	-
Indirect interest				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	177,642,601[7]	214,170,858	(64,046,314)	327,767,145[7]

	Number of Warrant C 2012/2017			
	As at 23.7.2015	Acquired	Exercised	As at 31.12.2015
Direct interest				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	14,726,268	-	(14,726,268)	-
Indirect interest				
Tan Sri Ong Leong Huat @ Wong Joo Hwa	64,046,314[9]	17,671,039	(64,046,314)	17,671,039[7]

[1] Pursuant to Section 135 of the Companies Act, 1965 ("the Act") upon his appointment as a Director with effect from 9 October 2015.

[2] Deemed interested pursuant to Section 6A of the Act by virtue of his substantial shareholdings in Land Management Sdn. Bhd. and OSK Equity Holdings Sdn. Bhd. and disclosure made pursuant to Section 134(12)(c) of the Act in relation to interests held by his spouse and children.

[3] Deemed interested pursuant to Section 6A of the Act by virtue of his substantial shareholdings in Dindings Consolidated Sdn. Bhd., Land Management Sdn. Bhd. and OSK Equity Holdings Sdn. Bhd. and disclosure made pursuant to Section 134(12)(c) of the Act in relation to interests held by his spouse and children.

[4] Disclosures made pursuant to Section 134(12)(c) of the Act to exclude his sons, Ong Ju Yan and Ong Ju Xing's shareholdings and warrantholdings, upon their respective appointments and declarations as Directors of the Company.

[5] Disclosure made pursuant to Section 134(12)(c) of the Act in relation to interests held by his spouse.

DIRECTORS' INTERESTS (CONT'D)

[6] Deemed interested pursuant to Section 6A of the Act by virtue of his substantial shareholdings in Ladang Setia Sdn. Bhd. and disclosure made pursuant to Section 134(12)(c) of the Act in relation to interests held by his spouse.

[7] Deemed interested pursuant to Section 6A of the Act by virtue of his substantial shareholdings in OSK Holdings Berhad.

[8] Deemed interested pursuant to Section 6A of the Act by virtue of his substantial shareholdings in Dindings Consolidated Sdn. Bhd. and Land Management Sdn. Bhd. and disclosure made pursuant to Section 134(12)(c) of the Act in relation to interests held by his children.

[9] Deemed interested pursuant to Section 6A of the Act by virtue of his substantial shareholdings in Land Management Sdn. Bhd. and disclosure made pursuant to Section 134(12)(c) of the Act in relation to interests held by his children.

Tan Sri Ong Leong Huat @ Wong Joo Hwa, by virtue of his interest in the Company, is also deemed to have an interest in the shares of all the Company's subsidiary companies to the extent the Company has an interest.

Other than as disclosed above, the other Directors in office at the end of the year did not hold any shares or warrants in the Company or its related corporations.

ISSUE OF SHARES AND DEBENTURES

The new shares and warrants issued during the year are disclosed in Note 26 to the financial statements.

The Company established a medium term notes ("MTN") programme and issued MTN of RM750.0 million as disclosed in Note 21 to the financial statements.

TREASURY SHARES

The treasury shares are disclosed in Note 27 to the financial statements.

ULTIMATE HOLDING COMPANY

OSK Equity Holdings Sdn. Bhd. is regarded by the Directors as being the Company's ultimate holding company.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

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

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

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

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D)

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

(ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

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

(d) 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.

(e) 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 year which secures the liabilities of any other person; or

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

(f) In the opinion of the Directors:

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

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

(iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the year in which this report is made.

SIGNIFICANT AND SUBSEQUENT EVENTS

Significant and subsequent events are disclosed in Note 42 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 10 March 2016.

Tan Sri Ong Leong Huat @ Wong Joo Hwa

Dato' Nik Mohamed Din bin Datuk Nik Yusoff

Kuala Lumpur, Malaysia
10 March 2016

STATEMENT BY DIRECTORS

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

We, Tan Sri Ong Leong Huat @ Wong Joo Hwa and Dato' Nik Mohamed Din bin Datuk Nik Yusoff, being two of the Directors of OSK Holdings Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 75 to 195 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of the results and the cash flows of the Group and of the Company for the year ended on that date.

The supplementary information set out in Note 47 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 10 March 2016.

Tan Sri Ong Leong Huat @ Wong Joo Hwa

Dato' Nik Mohamed Din bin Datuk Nik Yusoff

Kuala Lumpur, Malaysia
10 March 2016

STATUTORY DECLARATION

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

I, Lee Choon Meng, being the officer primarily responsible for the financial management of OSK Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 75 to 196 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the above named Lee Choon Meng
at Kuala Lumpur in the Federal Territory
on 10 March 2016

Lee Choon Meng

Before me,

Commissioner for Oaths
Kuala Lumpur, Malaysia
10 March 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF OSK HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of OSK Holdings Berhad on pages 75 to 195 which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on Notes 1 to 46.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 to the financial statements.

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF OSK HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 47 on page 196 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

PricewaterhouseCoopers
(No. AF: 1146)
Chartered Accountants

Ng Yee Ling
No. 3032/01/17(J)
Chartered Accountant

Kuala Lumpur, Malaysia
10 March 2016

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
ASSETS:					
Non-current					
Property, plant and equipment	4	785,130	9,398	17	1
Investment properties	5	570,342	371,921	-	-
Investments in subsidiary companies	6	-	-	1,684,059	390,989
Investments in associated companies and a joint venture	7	2,791,783	2,245,521	2,225,185	1,952,218
Biological assets	8	17,298	-	-	-
Intangible assets	9	2,084	953	159	159
Inventories	10(a)	1,097,344	-	-	-
Deferred tax assets	11(a)	84,487	1,100	-	-
Available-for-sale securities	12	882	165	-	-
Capital financing	13	16,750	36,657	-	-
Trade receivables	14(a)	36,645	-	-	-
Other assets	15(a)	4,455	-	-	-
		5,407,200	2,665,715	3,909,420	2,343,367
Current					
Inventories	10(b)	512,458	-	-	-
Securities at fair value through profit or loss	16	16,309	82,618	13,299	31,568
Capital financing	13	365,368	358,339	-	-
Trade receivables and contract assets	14(b)	779,048	496	-	-
Other assets	15(b)	109,119	3,597	66,737	325
Amounts due from subsidiary companies	17(a)	-	-	1,797	16,650
Tax recoverable		26,139	3,403	902	3,009
Derivative assets	18	30,718	-	61,659	-
Cash and short term funds	19	439,594	2,714	3,370	79
		2,278,753	451,167	147,764	51,631
Non-current assets held for sale	20	5,100	-	-	-
		2,283,853	451,167	147,764	51,631
TOTAL ASSETS		7,691,053	3,116,882	4,057,184	2,394,998

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
LIABILITIES:					
Non-current					
Medium term notes	21	746,837	-	746,837	-
Borrowings	22(a)	846,974	-	241,934	-
Deferred income	23(a)	168,233	-	-	-
Trade payables	24(a)	48,415	-	-	-
Other liabilities	25(a)	2,121	-	-	-
Deferred tax liabilities	11(b)	136,772	11,862	-	2,438
		1,949,352	11,862	988,771	2,438
Current					
Borrowings	22(b)	604,433	378,214	11,574	-
Deferred income	23(b)	6,196	2,654	-	-
Trade payables and contract liabilities	24(b)	514,554	818	-	-
Tax payable		20,475	267	-	-
Other liabilities	25(b)	288,349	15,076	4,648	2,357
Amounts due to subsidiary companies	17(b)	-	-	218,040	134,387
		1,434,007	397,029	234,262	136,744
TOTAL LIABILITIES		3,383,359	408,891	1,223,033	139,182
NET ASSETS		4,307,694	2,707,991	2,834,151	2,255,816
EQUITY:					
Share capital	26	1,402,891	969,058	1,402,891	969,058
Treasury shares, at cost	27	(30,234)	(30,232)	(30,234)	(30,232)
		1,372,657	938,826	1,372,657	938,826
Reserves	28	2,721,375	1,769,165	1,461,494	1,316,990
Equity attributable to Owners of the Company		4,094,032	2,707,991	2,834,151	2,255,816
Non-controlling interests		213,662	-	-	-
TOTAL EQUITY		4,307,694	2,707,991	2,834,151	2,255,816

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

STATEMENTS OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Revenue	29	760,735	59,928	72,106	29,735
Cost of sales	30	(510,149)	(16,827)	(371)	(387)
Gross profit		250,586	43,101	71,735	29,348
Other income	31	411,881	16,426	17,724	4,069
Administrative expenses	32	(129,798)	(15,487)	(12,864)	(1,382)
Other expenses	33	(22,777)	(2,705)	(23,207)	559
		509,892	41,335	53,388	32,594
Finance costs		(26,865)	(2,498)	(20,764)	(7,379)
		483,027	38,837	32,624	25,215
Share of results of associated companies and a joint venture		121,695	176,778	-	-
Profit before tax		604,722	215,615	32,624	25,215
Income tax (expense)/income	35	(34,920)	(11,360)	214	(2,136)
Profit after tax		569,802	204,255	32,838	23,079
Profit attributable to:					
Owners of the Company		561,528	204,255	32,838	23,079
Non-controlling interests		8,274	-	-	-
		569,802	204,255	32,838	23,079
Earnings per share attributable to Owners of the Company (sen):					
Basic	36	49.81	21.29		
Diluted	36	49.81	21.29		

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
Profit after tax		569,802	204,255	32,838	23,079
Other comprehensive income for the year, net of tax					
Items that may be reclassified subsequently to profit or loss:					
Fair value gain on cash flow hedge	18	922	-	-	-
Unrealised gain on foreign currency translation		41,043	-	-	-
Share of other comprehensive income /reserves of an associated company					
- Foreign exchange reserves		55,245	25,697	-	-
- Other reserves		(6,391)	(1,080)	-	-
		90,819	24,617	-	-
Total comprehensive income		660,621	228,872	32,838	23,079
Total Comprehensive Income attributable to :					
Owners of the Company		625,834	228,872	32,838	23,079
Non-controlling interests		34,787	-	-	-
		660,621	228,872	32,838	23,079

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

Group	Note	Share capital (Note 26) RM'000	Treasury shares (Note 27) RM'000	Share premium (Note 28) RM'000	Revaluation reserve (Note 28) RM'000	Foreign exchange reserves (Note 28) RM'000	Hedging reserve (Note 28) RM'000	Other reserves (Note 28) RM'000	Retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
		Attributable to Owners of the Company										
As at 1 January 2015		969,058	(30,232)	-	76,321	26,260	-	(4,064)	1,670,648	2,707,991	-	2,707,991
Profit for the year		-	-	-	-	-	-	-	561,528	561,528	8,274	569,802
Other comprehensive income		-	-	-	-	69,873	824	(6,391)	-	64,306	26,513	90,819
Total Comprehensive Income		-	-	-	-	69,873	824	(6,391)	561,528	625,834	34,787	660,621
Dividends paid to Owners of the Company	37(a)	-	-	-	-	-	-	-	(224,815)	(224,815)	-	(224,815)
Dividends paid to non-controlling interests		-	-	-	-	-	-	-	(2,786)	(2,786)	(135)	(2,921)
Share buybacks by the Company	27	-	(2)	-	-	-	-	-	-	(2)	-	(2)
Acquisitions of subsidiary companies:												
- Shares issued	6(a)	292,328	-	251,402	-	-	-	-	-	543,730	-	543,730
- Non-controlling interests arising from business combination		-	-	-	-	-	-	-	-	-	1,001,805	1,001,805
- Indirect non-controlling interests under subsidiary companies		-	-	-	-	-	-	-	-	-	66,982	66,982
Acquisitions of additional interests in subsidiary companies from non-controlling interests:												
- Shares issued		141,505	-	85,315	-	-	-	-	-	226,820	-	226,820
- Accretion of equity interests	6(b)	-	-	-	-	-	-	-	-	-	(889,777)	(889,777)
- Gain on acquisitions	6(b)	-	-	-	-	-	-	-	292,542	292,542	-	292,542
Shares issuance expenses		-	-	(236)	-	-	-	-	-	(236)	-	(236)
Effects of acquisitions of warrants in subsidiary companies		-	-	-	-	-	-	-	(75,047)	(75,047)	-	(75,047)
Dilution of interests in a subsidiary company of an associated company		-	-	-	-	-	-	-	1	1	-	1
Total transactions with Owners and changes in ownership interests		433,833	(2)	336,481	-	-	-	-	(10,105)	760,207	178,875	939,082
As at 31 December 2015		1,402,891	(30,234)	336,481	76,321	96,133	824	(10,455)	2,222,071	4,094,032	213,662	4,307,694

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

		Attributable to Owners of the Company						
Group	Note	Share capital (Note 26) RM'000	Treasury shares (Note 27) RM'000	Revaluation reserve (Note 28) RM'000	Foreign exchange reserves (Note 28) RM'000	Other reserves (Note 28) RM'000	Retained profits RM'000	Total equity RM'000
As at 1 January 2014		969,058	(787)	76,321	563	(2,984)	1,553,437	2,595,608
Profit for the year		-	-	-	-	-	204,255	204,255
Other comprehensive income		-	-	-	25,697	(1,080)	-	24,617
Total comprehensive income		-	-	-	25,697	(1,080)	204,255	228,872
Dividends paid to Owners of the Company	37(a)	-	-	-	-	-	(71,322)	(71,322)
Share buybacks by the Company	27	-	(29,445)	-	-	-	-	(29,445)
Acquisitions of additional interests from non-controlling interests in an associated company		-	-	-	-	-	(15,722)	(15,722)
Total transactions with Owners and changes in ownership interests		-	(29,445)	-	-	-	(87,044)	(116,489)
As at 31 December 2014		969,058	(30,232)	76,321	26,260	(4,064)	1,670,648	2,707,991

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

Company	Note	Share capital (Note 26) RM'000	Distributable treasury shares (Note 27) RM'000	Distributable share premium (Note 28) RM'000	Distributable retained profits RM'000	Total equity RM'000
As at 1 January 2015		969,058	(30,232)	-	1,316,990	2,255,816
Profit for the year/Total comprehensive income		-	-	-	32,838	32,838
Dividends paid to Owners of the Company	37(a)	-	-	-	(224,815)	(224,815)
Share buybacks by the Company	27	-	(2)	-	-	(2)
Shares issued pursuant to:						
- Acquisitions of subsidiary companies	6(a)	292,328	-	251,402	-	543,730
- Acquisitions of additional interests in subsidiary companies from non-controlling interests		141,505	-	85,315	-	226,820
Shares issuance expenses		-	-	(236)	-	(236)
Total transactions with Owners		433,833	(2)	336,481	(224,815)	545,497
As at 31 December 2015		1,402,891	(30,234)	336,481	1,125,013	2,834,151

Company	Note	Share capital (Note 26) RM'000	Distributable treasury shares (Note 27) RM'000	Distributable retained profits RM'000	Total equity RM'000
As at 1 January 2014		969,058	(787)	1,365,233	2,333,504
Profit for the year/Total comprehensive income		-	-	23,079	23,079
Dividends paid to Owners of the Company	37(a)	-	-	(71,322)	(71,322)
Share buybacks by the Company	27	-	(29,445)	-	(29,445)
Total transactions with Owners		-	(29,445)	(71,322)	(100,767)
As at 31 December 2014		969,058	(30,232)	1,316,990	2,255,816

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

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

		Group		Company	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		604,722	215,615	32,624	25,215
Adjustments for:					
(Accretion)/Amortisation of finance cost		(106)	-	157	-
Bad debts written off	33	122	1	-	-
Depreciation and amortisation		10,986	848	1	1
Dividend income		(262)	(461)	(71,521)	(26,200)
Fund distribution income	31	(1,052)	-	(267)	-
Interest income		(38,365)	(34,283)	(652)	(3,537)
Interest expense		38,970	13,648	20,764	7,379
Net gains arising from sales of securities		(10,558)	(966)	(11,266)	(1,154)
Gains on disposals of plant and equipment	31	(181)	(30)	-	-
Reversal of unrealised gain on revaluation of securities at fair value through profit or loss	33	9,753	-	9,753	-
Unrealised loss/(gain) on:					
- revaluation of securities at fair value through profit or loss	31, 33	140	(1,173)	67	(1,144)
- revaluation of derivative assets	33	-	-	13,387	-
- foreign exchange translations	31, 33	(162)	1,304	-	1,141
Gain on fair valuation of					
- investment properties	5	(3,000)	(12,000)	-	-
- biological assets	8	(425)	-	-	-
Negative goodwill arising from acquisitions of:					
- subsidiary companies	6(a)	(363,163)	-	-	-
- additional interests in an associated company	31	(12,089)	-	-	-
Plant & equipment written off	4	874	-	-	-
Allowance for/(Write back of) impairment losses (net) on:					
- capital financing	13	2,745	(1,674)	-	-
- trade receivables		191	-	-	-
Financial guarantee income	31	-	-	-	(1,637)
Share of results of associated companies and a joint venture		(121,695)	(176,778)	-	-
Operating profit/(loss) before working capital changes		117,445	4,051	(6,953)	64

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)					
Operating profit/(loss) before working capital changes/Balance brought forward		117,445	4,051	(6,953)	64
(Increase)/Decrease in operating assets:					
Capital financing		10,133	17,970	-	-
Inventories		(125,833)	-	-	-
Receivables and contract assets		(205,767)	(2,561)	(66,412)	(288)
Increase/(Decrease) in operating liabilities:					
Deferred income		(3,978)	650	-	-
Payables and contract liabilities		246,164	(10,324)	2,292	(7,197)
Cash generated from/(used in) operations		38,164	9,786	(71,073)	(7,421)
Interest received		38,297	34,281	-	-
Interest paid		(29,659)	(11,150)	-	-
Income tax paid		(67,806)	(7,396)	(2,656)	(2,175)
Refund of income tax		2,541	2,984	2,537	1,821
Net cash (used in)/generated from operating activities		(18,463)	28,505	(71,192)	(7,775)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisitions of additional share in associated companies and a joint venture		(261,775)	-	(257,625)	-
Cash inflow from acquisitions of subsidiary companies	6(a)	292,339	-	-	-
Acquisitions of additional interests in subsidiary companies from non-controlling interests		(370,415)	-	(522,519)	-
Acquisitions of warrants in subsidiary companies		(75,047)	-	(75,047)	-
Dividends received		267	461	56,179	212
Fund distribution income received	31	1,052	-	267	-
Expenditure incurred on investment properties	5	(19,025)	(970)	-	-
Shares issuance expenses		(236)	-	(236)	-
Interest received		67	2	652	3,537
Payment for trademarks	9(b)	-	(12)	-	(12)
Proceeds from disposals of plant and equipment		631	269	-	-
Proceeds from disposals of securities at fair value through profit or loss		29,857	47,296	24,679	38,227
Purchase of securities at fair value through profit or loss		-	(5,100)	-	-
Purchase of:					
- property, plant and equipment	4	(22,374)	(1,062)	(17)	-
- software licenses	9(c)	(305)	(36)	-	-
- biological assets	8	(308)	-	-	-
Repayment from					
- subsidiary companies		-	-	98,507	82,076
- associated company		1,761	-	-	-
Share buybacks by the Company	27	(2)	(29,445)	(2)	(29,445)
Net cash (used in)/generated from investing activities		(423,513)	11,403	(675,162)	94,595

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid to Owners of the Company	37(a)	(224,815)	(71,322)	(224,815)	(71,322)
Dividends paid to non-controlling interests		(2,921)	-	-	-
Drawdown of loans		329,896	-	250,000	-
Drawdown of revolving credit - net		94,327	87,995	5,000	-
Expenses incurred on borrowings and medium term notes		(5,823)	-	(5,823)	-
Interest paid		(25,684)	(2,498)	(19,754)	(7,379)
Proceeds from issuance of medium term notes	21	750,000	-	750,000	-
Repayment of loans		(78,267)	-	-	-
Net cash generated from/(used in) financing activities		836,713	14,175	754,608	(78,701)
Net increase in cash and cash equivalents		394,737	54,083	8,254	8,119
Effects of exchange rate changes		747	-	-	-
Cash and cash equivalents at beginning of year		56,098	2,015	8,211	92
Cash and cash equivalents at end of year		451,582	56,098	16,465	8,211
Cash and cash equivalents comprised:					
Cash and short term funds	19	439,594	2,714	3,370	79
Securities at fair value through profit or loss, liquid investments	16	16,105	53,384	13,095	8,132
		455,699	56,098	16,465	8,211
Bank overdrafts	22	(4,117)	-	-	-
		451,582	56,098	16,465	8,211

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2015

1. GENERAL INFORMATION

The Company is a public company limited by shares, incorporated under the Companies Act, 1965, domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The registered office of the Company is located at 7th Floor, Plaza OSK, Jalan Ampang, 50450 Kuala Lumpur.

The Company is an investment holding company. The principal activities of the subsidiary companies, associated companies and a joint venture are described in Notes 6 and 7 to the financial statements.

There has been no significant changes in the nature of the principal activities during the year, other than the acquisitions of OSK Property Holdings Berhad ("OSKP") and PJ Development Holdings Berhad ("PJD") as disclosed in Note 6.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 10 March 2016.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared on a historical cost convention, other than investment properties, biological assets, available-for-sale securities and securities at fair value through profit or loss which measured at fair valuation. The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000), unless otherwise indicated. The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia.

(a) Standards, Amendments to Published Standards and Interpretations that are Applicable and Effective for the Group and the Company

The Group has applied the following amendments for the first time for the financial year beginning on 1 January 2015:

- Annual Improvements to MFRSs 2010 – 2012 Cycle
- Annual Improvements to MFRSs 2011 – 2013 Cycle

The adoption of these amendments to published standards and interpretations did not have any material impact on the Group and the Company.

(b) Early Adoption of MFRS 15 Revenue from Contracts with Customers by the Group and the Company

The newly acquired subsidiary companies, OSKP and PJD have early adopted MFRS 15 Revenue from Contracts with Customers prior to acquisition date. Therefore, the Group also adopted the standard and there were no material impact on the financial statements of the Group.

The adoption of MFRS 15 by OSKP and PJD on recognition of revenue and costs of sales had affected its property development activities and timeshare membership scheme, whereby;

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

(b) Early Adoption of MFRS 15 Revenue from Contracts with Customers by the Group and the Company (Cont'd)

Property development activities

- It had deferred the recognition of revenue from sales of its properties where it was unable to determine the probability that it would be able to collect the consideration to which it will be entitled and if the entity does not have an enforceable right to payment for performance completed to date;
- It had identified separate performance obligations arising from its property development activities and have deferred revenue for performance obligations that are only satisfied on delivery to its customers; and
- Expenses attributable to secure contracts with customers had been capitalised and expensed by reference to the progress towards complete satisfaction of that performance obligation.

Timeshare membership scheme

- Membership fees are recognised over the membership period. Maintenance fees are recognised as revenue based on fees chargeable to members during the financial period.

(c) Standards, Amendments to Published Standards and Interpretations that are Applicable to the Group and the Company But Not Yet Effective

For financial year beginning on 1 January 2016

(i) Amendment to MFRS 11 'Joint Arrangements' (effective from 1 January 2016) requires an investor to apply the principles of MFRS 3 'Business Combination' when it acquires an interest in a joint operation that constitutes a business. The amendments are applicable to both the acquisition of the initial interest in a joint operation and the acquisition of additional interest in the same joint operation. However, a previously held interest is not remeasured when the acquisition of an additional interest in the same joint operation results in retaining joint control.

(ii) Amendments to MFRS 116 'Property, Plant and Equipment' and MFRS 138 'Intangible Assets' (effective from 1 January 2016) clarify that the use of revenue-based methods to calculate the depreciation of an item of property, plant and equipment is not appropriate. This is because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset.

The amendments to MFRS 138 also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption can be overcome only in the limited circumstances where the intangible asset is expressed as a measure of revenue or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.

For financial year beginning on 1 January 2018

MFRS 9 'Financial Instruments' (effective from 1 January 2018) will replace MFRS 139 "Financial Instruments: Recognition and Measurement".

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

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

(c) Standards, Amendments to Published Standards and Interpretations that are Applicable to the Group and the Company But Not Yet Effective (Cont'd)

For financial year beginning on 1 January 2018 (Cont'd)

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss model on impairment that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

The financial effects of adoption of MFRS 9 are still being assessed by the Group due to the complexity and significant changes in its requirements.

(d) Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements in accordance with MFRSs requires the use of certain accounting estimates and exercise of judgements. Estimates and judgements are continually evaluated and are based on past experiences, reasonable expectations of future events and other factors. Although these estimates and judgements are based on Directors' best knowledge of current events and actions, actual results may differ.

Critical accounting estimates and judgements in applying accounting policies

The following are the key judgements and assumptions made by management in the process of applying the accounting policies of the Group that have the most significant effect on the amounts recognised in the financial statements and significant risk of causing material adjustment within the next financial year:

(i) Investments in associated companies

The Group determines at each reporting date whether there is any objective evidence that the investments in the associated companies are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the investment and its carrying value. Investment is impaired following certain indications of impairment such as, amongst others, prolonged or significant shortfall between market value and carrying amount, significant changes with adverse effects on the investment and deteriorating financial performance of the investment due to changes in economic environment. Judgement is required in the identification of discounted future cash flows or estimated fair value based on quoted market price of the most recent transactions.

(ii) Property development and construction contracts

The Group recognises property development revenue and costs by reference to the progress towards complete satisfaction of that performance obligation at the reporting date. This is measured based on direct measurements of the value transferred by the Group to the customers and the Group's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining:

- the completeness and accuracy of the budgets;
- the extent of the costs incurred;

Substantial changes in cost estimates can have a significant effect on the Group's profitability in future periods. In making the above judgement, the Group relies on past experience and work of specialists.

There is no estimation required in determining the transaction prices as revenue from property development are based on contracted prices.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

(d) Significant Accounting Judgements and Estimates (Cont'd)

(iii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and deductible temporary differences to the extent that it is probable that taxable profits would be available against which the losses, capital allowances and deductible temporary differences could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies.

(iv) Impairment of capital financing and receivables

The Group and the Company review their individually significant capital financing and receivables at each reporting date to assess whether an impairment loss should be recorded in the financial statements. In particular, judgement is required in the identification of doubtful loans, and the estimation of realisation amount (including review of credit worthiness and the past collection history of each receivables) and timing of future cash flows from the doubtful loans when determining the level of impairment loss required.

(v) Impairment of investments in subsidiaries and impairment of amounts due from subsidiaries

The Company and/or its subsidiaries review the investments in subsidiaries for impairment when there is an indication of impairment and assess the impairment of receivables on the amounts due from subsidiaries when the receivables are long outstanding.

The recoverable amounts of the investments in subsidiaries and amounts due from subsidiaries are assessed by reference to the fair value less cost to sell of the underlying assets or the value-in-use of the respective subsidiaries.

The value-in-use is the net present value of the projected future cash flows derived from the business operations of the respective subsidiaries discounted at an appropriate discount rate. For such discounted cash flow method, it involves the use of estimated future results and a set of assumptions to support their income and cash flows. Judgement had also been used to determine the discount rate for the cash flows and the future growth of the businesses of the entities.

(vi) Valuation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the profit or loss. The investment properties of the Group are held to earn rental income or for capital appreciation or both. For the year ended 31 December 2015, the Group engaged independent valuation specialists to determine fair value of such investment properties. The fair value was determined using investment method and/or comparison method. By using investment method, the comparison method is used as a check. Investment method of valuation entails determining the net annual income by deducting the annual outgoings from the gross annual income and capitalising the net income by a suitable rate of return consistent with the type and quality of investment to arrive at the market value. The comparison method analyses recent transactions and asking price of similar properties in the larger locality with applicable adjustments made for differences in location, size and etc. The variables are subject to fluctuations in external market rates and economic conditions beyond management control and are subject to uncertainty and require the exercise of significant judgement.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation, Subsidiaries, Joint Arrangements and Associates

(i) Basis of consolidation

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

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

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

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

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

Gains or losses and each component of other comprehensive income that do not result in loss of control are attributed to the Owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Consolidation, Subsidiaries, Joint Arrangements and Associates (Cont'd)

(ii) Subsidiaries

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

(iii) Associates

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

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

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

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

When the Group ceases to equity account its associate because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

The cost of acquiring an additional stake in an associate is added to the carrying amount of associate and equity accounted. Goodwill arising from the purchase of additional stake is computed using fair value information at the date the additional interest is purchased. The previously held interest is not remeasured.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Consolidation, Subsidiaries, Joint Arrangements and Associates (Cont'd)

(iv) Joint venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group's interest in a joint venture is using the equity method. Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income.

Any premium paid for an investment in a joint venture above the fair value of the share of the identifiable assets, liabilities and contingent liabilities acquired of the Group is capitalised and included in the carrying amount of the investment in joint venture. Where there is an objective evidence that the investment in a joint venture has been impaired, the carrying amount of the investment is tested for impairment in accordance with MFRS 136 Impairment of Assets as a single asset, by comparing its recoverable amount with its carrying amount.

(v) Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to Owners of the parent, and is presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statements of financial position, separately from the equity attributable to Owners of the Company.

Changes in the Group's ownership interests in subsidiaries 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 interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to Owners of the Company.

(vi) Investments in subsidiaries, joint arrangements and associates

In the Company's separate financial statements, investments in subsidiaries, joint arrangement and associates are carried at cost less accumulated impairment. For disposal of investments in subsidiaries, joint arrangements and associates, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(b) Property, Plant and Equipment and Depreciation

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

Gains and losses on disposals are determined by comparing sale proceeds with carrying amount and are included in profit or loss.

The base stock of operating equipment for hotel properties included in hotel furniture, fittings and equipment is not depreciated and subsequent replacement cost is charged to profit or loss. The non-depreciation of base stock together with the charging of subsequent replacement cost to profit or loss has no material effect on the financial statements as compared to the capitalisation and depreciation of base stock.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Property, Plant and Equipment and Depreciation (Cont'd)

Freehold land and freehold golf course are not depreciated. Construction-in-progress is not depreciated until such time when the asset is available for use. Classification of leasehold land as property and equipment or prepaid land lease payments are dependent on whether the leasehold land transfer to the Group substantially all the risks and rewards incidental to ownership of the leasehold land, as described in Note 3(h)(i).

Depreciation of other property, plant and equipment is provided on a straight line basis to write off the cost of each asset to its residual value over the estimated useful life as follows:

	Years	%
Freehold buildings	50	2%
Freehold hotel properties	36 – 42	2% – 3%
Leasehold hotel properties	43	2%
Long term leasehold land	56 – 98	1% – 2%
Short term leasehold land and buildings	24 – 47	2% – 4%
Jetty and infrastructure	50	2%
Plant, machinery and electrical installation	5 – 20	5% – 20%
Motor vehicles and boats	5 – 10	10% – 20%
Office equipment	7	15%
Furniture, fittings and equipment	3 – 10	10% – 33%
Buildings, improvements and renovations	5 – 50	2% – 20%

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

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount. The accounting policy for the recognition and measurement of impairment losses is disclosed in Note 3(f).

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.

(c) Biological Assets

Biological assets, which include mature and immature oil palm plantations, are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognised in the statement of profit or loss except when the fair value cannot be measured reliably. Point-of-sale costs include all costs that would be necessary to sell the assets. Net movement in fair value less estimated point-of-sale costs of biological assets are included in the statement of profit or loss in the period they arise.

(d) Investment Properties

(i) Investment properties carried at fair value

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Investment Properties (Cont'd)

(i) Investment properties carried at fair value (Cont'd)

Investment properties are measured initially at cost, including related transaction costs. Subsequent to initial recognition, investment properties are stated at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions that market participants would use when pricing the investment property under current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments, are not recognised in the financial statements.

Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have experience in the location and category of the investment property being valued.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property under construction is measured at fair value if the fair value is considered reliably, but for which the Group expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed, whichever is earlier.

Gains or losses arising from changes in the fair values of investment properties are recognised in the profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment properties are recognised in the profit or loss in the year of retirement or disposal.

(ii) Reclassification to/from investment properties

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Investment Properties (Cont'd)

(ii) Reclassification to/from investment properties (Cont'd)

When the use of the investment property significant changes due to owner accupancy rate such that it is reclassified as property and equipment, its fair value at the date of reclassification becomes its deemed cost for subsequent accounting.

(e) Intangible Assets

Acquired licenses, club membership and trademarks are stated at cost less any accumulated amortisation and any accumulated impairment losses.

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 6 to 7 years.

(f) Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value (i.e. arm's length price or current bid price) less costs to sell and its value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in the profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(g) Statement of Cash Flows and Cash and Cash Equivalents

Statement of cash flows is prepared using indirect method. Changes in cash and cash equivalents are classified into operating, investing and financing activities.

Cash and cash equivalents comprise cash on hand and at banks inclusive of short term placements with maturities within one month and highly liquid investments which have an insignificant risk of changes in value less bank overdrafts.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Leases

(i) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

The depreciation policy for leased assets is in accordance with that for depreciable property and equipment as disclosed in Note 3(b).

(ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is disclosed in Note 3(m)(i)(5).

(i) Construction Contracts

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

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.

The Group presents as an asset, under trade receivables and contract assets, the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceed progress billing. Progress billing not yet paid by customers and retention monies are included within 'trade and other receivables'. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billing exceed costs incurred plus recognised profits (less recognised losses).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Inventories

Inventories are stated at the lower of cost and net realisable value.

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at lower of cost and net realisable value.

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.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale. If net realisable value cannot be determined reliably, these inventories will be stated at the lower of cost or fair value less costs to sell. Fair value is the amount the inventory can be sold in an arm's length transaction.

Land held for property development is reclassified as property development costs under current asset 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.

(ii) Property development costs

Property development costs comprise all costs 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. Such borrowing costs are capitalised in according with accounting policy as disclosed in Note 3(x)(ii).

Property development costs not recognised as an expense are recognised as an asset measured at the lower of cost and net realisable value. The asset is subsequently credited over to profit or loss and recognised as an expense and when or as the control of the asset is transferred to the customer.

Substantial changes in cost estimates can have a significant effect on the Group's profitability in future periods. In making the above judgement, the Group relies on past experience and work of specialists.

There is no estimation required in determining the transaction prices as revenue from property development are based on contracted prices.

(iii) Completed properties held for sale

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost consists of cost associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable for developing the properties until completion.

Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Inventories (Cont'd)

(iv) Other inventories

Other inventories are stated at the lower of cost and net realisable value. 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.

Cost is determined using the weighted average cost basis. The cost of consumables and raw materials comprise all costs of purchase plus the cost of bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes the cost of raw materials, direct labour, other direct cost and a proportion of production overheads based on normal operating capacity of the production facilities.

(k) Provisions for Liabilities

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

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

(l) Foreign Currencies

(i) Functional and presentation currency

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 also the Company's functional currency.

(ii) Transactions in foreign currencies

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items and on the translation of monetary items, are recognised in the profit or loss for the period.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in the profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income and equity. Exchange differences arising from such non-monetary items are also recognised directly in other comprehensive income and equity.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Revenue Recognition

(i) Revenue from contracts with customers

Revenue which represents income arising in the course of the Group's and the Company's ordinary activities are recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group and the Company transfer the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and the Company and its customer has approved the contract and intend to perform their respective obligations, the Group's and the Company's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group and the Company will collect the consideration to which it will be entitled to in exchange of those goods or services.

Recognition and measurement

At the inception of each contract with customer, the Group and the Company assess the contract to identify distinct performance obligations, being the units of account that determine when and how revenue from the contract with customer is recognised. A performance obligation is a promise to transfer a distinct good or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's and the Company's customary business practices. A good or service is distinct if:

- the customer can either benefit from the good or service on its own or together with other readily available resources; and
- the good or service is separately identifiable from other promises in the contract (e.g. the good or service is not integrated with, or significantly modify, or highly interrelated with, other goods or services promised in the contract).

If a good or service is not distinct, the Group and the Company combines it with other promised goods or services until the Group and the Company identifies a distinct performance obligation consisting a distinct bundle of goods or services.

Revenue is measured at the amount of consideration to which the Group and the Company expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, performance bonuses, penalties or other similar items, the Group and the Company estimates the amount of consideration that it expects to be entitled based on the expected value or the most likely outcome but the estimation is constrained up to the amount that is highly probable of no significant reversal in the future. If the contract with customer contains more than one distinct performance obligation, the amount of consideration is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Revenue Recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

Recognition and measurement (Cont'd)

The consideration allocated to each performance obligation is recognised as revenue when or as the customer obtains control of the goods or services. At the inception of each contract with customer, the Group and the Company determines whether control of the goods or services for each performance obligation is transferred over time or at a point in time. Control over the goods or services are transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company performs;
- the Group's and the Company's performance creates or enhances a customer-controlled asset; or
- the Group's and the Company's performance does not create an asset with alternative use and the Group and the Company has a right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Specific revenue recognition criteria for each of the Group's and the Company's activities are as described below.

(1) Revenue from property development and construction contract

Revenue from property development and construction contract is recognised when or as the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset transfer over time to the customers of the Group and the Company. Control of the asset is transferred over time as the Group and the Company:

- does not create an asset with an alternative use to the Group and the Company; the Group and the Company has an enforceable right to payment for performance completed to date; or
- creates and enhances an asset that the customer controls as the Group and the Company performs.

As control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on one of the following methods that best depict the Group's and the Company's performance in satisfying the performance obligation:

- the Group's and the Company's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract); or
- direct measurements of the value transferred by the Group and the Company to the customer (e.g. surveys or appraisals of performance completed to date).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Revenue Recognition (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

(2) Management services

- Hotel room rental, food and beverages revenue and golf course

  Room rental revenue is accrued on a daily basis on customer-occupied rooms. Revenue from the sales of food and beverage is recognised when the customer receives and consumes, and the Group has a present right to payment for, the food and beverage product. Hotel revenue is recorded based on the published rates, net of discounts. Green fees and buggy rental are recognised when services are rendered and the customer receives and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

- Property investment and property management services

  Revenue from property investment is recognised based on the rental received and receivable from property and fees chargeable to customers during the financial period. The provision of property management services fees is recognised when the services are rendered and the customer receives and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

- Management and operation of timeshare membership scheme

  Membership fees are recognised over the membership period.

  Maintenance fees are recognised as revenue based on fees chargeable to members during the year.

(3) Sales of goods

Revenue from sale of goods is recognised when the Group satisfies a performance obligation by transferring a promised good (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset, which coincides with the delivery of goods and service and acceptance by customers.

(4) Sales of land and completed properties held for sale

Revenue from the sales of land and completed properties held for sale are recognised when the Group satisfies a performance obligation by transferring a promised good (ie an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset upon signing of sale and purchase agreement has been completed.

(5) Rental income

Rental income from operating leases is recognised on a straight-line basis over the lease term. Other rent related and car park income are recognised in the period in which the services being rendered.

(6) Revenue from plantation

Revenue from the sales of plantation produce is recognised as and when the Group satisfies a performance obligation by transferring of products (i.e. an asset). An asset is transferred when (or as) the customer obtains control of that asset, which coincides with the delivery of goods and service and acceptance by customers.

(7) Fees and charges

Other non-refundable fees and commissions on services and facilities extended to customers that are not an integral part of the effective interest rate on the facilities granted are recognised on the inception of such transactions.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Revenue Recognition (Cont'd)

(ii) Interest income

Interest income on capital financing is accounted for on an accrual basis using the effective interest rate method by reference to the rest periods as stipulated in the loan agreements. Where an account classified as impaired, interest accrued and recognised as income prior to the date that the loan is classified as impaired is included in periodic impairment assessment. Thereafter, interest on the impaired loan is recognised based on the discounted present recoverable value (net of any impairment loss) at the effective interest rate of the impaired accounts over the remaining period expected to recover the principal.

Interest income from short-term placements and fixed deposits with licensed financial institutions are accrued on a time-apportioned basis.

(iii) Dividend income

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

(iv) Other revenue / income

- Gain or loss on disposal of investments is recognised upon the transfer of risks and rewards of ownership.
- All other revenue are recognised on an accrual basis.

(n) Employee Benefits

(i) Short term benefits

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

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred.

(o) Income Tax

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Income Tax (Cont'd)

(ii) Deferred tax (Cont'd)

Deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax is determined using tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax is provided on temporary differences arising from investments in subsidiary companies and associates, except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(p) Share Capital, Share Premium and Distributions to Owners

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Ordinary shares are recorded at the par value. Incremental costs directly attributable to the issue of new shares or options are deducted against share premium account. Distributions to Owners are recognised for equity in the period in which the dividends are approved.

(q) Treasury Shares

When the Company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental external costs, net of tax, is included in equity attributable to the Company's equity holders as treasury shares until they are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, are included in equity attributable to the Owners of the Company.

(r) Financial Assets

Financial assets are recognised in the statement of financial position when the Group and the Company have become a party to the contractual provisions of the financial instruments. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Financial Assets (Cont'd)

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial assets and available-for-sale financial assets.

All regular way purchases and sales of equity financial assets are recognised on the trade date and all regular way purchases and sale of fixed income and money market financial assets are recognised on the settlement date. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

(i) Classification and subsequent measurement of financial assets

The Group has classified and accounted for its securities portfolio as follows:

(1) Financial assets at fair value through profit or loss ("FVTPL")

Financial assets are classified as financial assets at fair value through profit or loss if they are held-for-trading or are designated as such upon initial recognition. Financial assets at fair value through profit or loss are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

(2) Held-to-maturity ("HTM") financial assets

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

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

(3) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are recognised initially at fair value plus any directly attributable transaction cost.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the loan and receivables are derecognised or impaired. Financial assets classified in this category include cash and bank balances, trade receivables and other assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Financial Assets (Cont'd)

(i) Classification and subsequent measurement of financial assets (Cont'd)

(4) Available-for-sale ("AFS") financial assets

Available-for-sale are financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories.

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 rate 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 rate 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.

Investments in equity instruments which fair value cannot be reliably measured are measured at cost less impairment loss.

A financial asset is derecognised which the contractual right to receive cash flows from the asset has expired. 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.

(ii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

(iii) Impairment of financial assets

(1) Loans and receivables

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

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- Disappearance of an active market for collateral held as security; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  (i) adverse changes in the payment status of borrowers in the portfolio; and
  (ii) national or local economic conditions that correlate with defaults on the assets in the portfolio.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Financial Assets (Cont'd)

(iii) Impairment of financial assets (Cont'd)

(1) Loans and receivables (Cont'd)

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 through the use of an 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.

The Group has adopted certain criteria in identification of impaired loans, which include classifying loans as impaired when repayments are in arrears for more than 3 months for capital financing. The Group determines the allowance appropriate for each individually significant loan on an individual basis.

A collective impairment assessment for loans and receivables which are not individually significant, based on a certain percentage of the loans portfolio net of individual impairment assessment for impaired loans, is made by certain subsidiary companies against possible losses which is not specifically identified.

An uncollectible loan or portion of a loan classified as bad is written-off after taking into consideration the realisable value of collateral, if any, when in the judgement of management, there is no prospect of recovery.

(2) AFS 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 trading market are considerations to determine whether there is objective evidence that investment securities 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 fair 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 equity 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 debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

(s) Non-Current Assets Held for Sale

Non-current assets held for sale are presented separately in the current assets of the statement of financial position. Immediately before the initial classification of the assets as held for sale, the carrying amounts of the assets are measured in accordance with their applicable accounting policy. Non-current assets held for sale are subsequently measured at the lower of their carrying amount and fair value less cost to sell. Non-current assets held for sale are no longer amortised or depreciated.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Derivative Financial Instruments

Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

(u) 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 MFRS 139, are recognised in the statement of financial position when, and only when, the Group or the Company becomes 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.

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

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

Financial liabilities at fair value through profit or loss include derivatives entered into by the Group that do not meet the hedge accounting criteria.

(ii) Other financial liabilities

The Group's other financial liabilities include trade payables, other payables and borrowings.

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

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest rate method.

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

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.

(v) Hedge Accounting

Cash flow hedge

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Hedge Accounting (Cont'd)

Cash flow hedge (Cont'd)

If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss.

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

(w) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss incurred because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with MFRS 137 Provisions, contingent liabilities and contingent assets and the amount initially recognised less cumulative amortisation, where appropriate.

Where financial guarantees in relation to loans or payables of subsidiary companies are provided by the Company for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of investment in subsidiary companies.

(x) Borrowings and Borrowing Costs

(i) Classification

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest rate method. Borrowing costs that are directly attributable to the capital financing activities are included as part of the "direct costs" in the statement of profit or loss and other borrowing costs are presented as "finance costs".

(ii) Capitalisation of borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Qualifying assets of the Group includes inventories and investment properties that take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are recognised in the profit or loss in the financial year in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(y) Contingent Assets and Liabilities

The Group does not recognise contingent assets and liabilities, but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts. A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

(z) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources to and assessing performance of the operating segments of an entity. The Group has determined its Senior Management as its chief operating decision-maker.

4. PROPERTY, PLANT AND EQUIPMENT

Group	As at 1.1.2015 RM'000	Additions RM'000	Disposals RM'000	Write off (Note 33) RM'000	Transfer from investment properties (Note 5) RM'000	Acquisitions of subsidiary companies (Note 6(a)) RM'000	Reclassifications RM'000	Foreign exchange difference RM'000	As at 31.12.2015 RM'000
2015									
At cost									
Freehold land	1,565	69	-	-	80,343	74,380	-	687	157,044
Freehold buildings	65	-	-	-	79,217	-	-	-	79,282
Freehold golf course	-	-	-	-	-	17,879	-	-	17,879
Freehold hotel properties	-	-	-	-	-	214,275	(91)	662	214,846
Leasehold hotel properties	-	4	-	-	-	84,444	-	-	84,448
Long term leasehold land	-	1	-	-	-	51,812	-	-	51,813
Short term leasehold land and buildings	6,852	-	-	-	-	1,679	-	153	8,684
Jetty and infrastructure	-	-	-	-	-	38,179	-	-	38,179
Plant, machinery and electrical installation	209	257	(34)	(1,310)	265	113,939	69	305	113,700
Motor vehicles and boats	1,307	3,319*	(1,744)	-	-	13,169	-	32	16,083
Office equipment	3,088	866	-	(13)	-	10,396	-	6	14,343
Furniture, fittings and equipment	511	3,376	(56)	(1,653)	-	113,637	91	239	116,145
Construction-in-progress	-	15,682	-	-	-	35,097	(146)	-	50,633
Buildings, improvements and renovations	488	1,180	-	-	175	117,716	77	419	120,055
	14,085	24,754	(1,834)	(2,976)	160,000	886,602	-	2,503	1,083,134

* An amount of RM2.4 million was capitalised from prepayment.

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

Group (Cont'd)	As at 1.1.2015 RM'000	Charge for the year (Note 14, 30, 32) RM'000	Reversal for disposals RM'000	Write off (Note 33) RM'000	Transfer from investment properties RM'000	Acquisitions of subsidiary companies (Note 6(a)) RM'000	Reclassifications RM'000	Foreign exchange difference RM'000	As at 31.12.2015 RM'000
2015									
Accumulated depreciation									
Freehold land	-	42	-	-	-	217	-	-	259
Freehold buildings	20	661	-	-	-	-	-	-	681
Freehold hotel properties	-	2,136	-	-	-	34,913	-	99	37,148
Leasehold hotel properties	-	786	-	-	-	16,977	-	-	17,763
Long term leasehold land	-	157	-	-	-	2,366	-	-	2,523
Short term leasehold land and buildings	1,171	257	-	-	-	308	-	28	1,764
Jetty and infrastructure	-	86	-	-	-	29,604	-	-	29,690
Plant, machinery and electrical installation	167	4,283	(34)	(921)	-	78,156	-	209	81,860
Motor vehicles and boats	642	1,190	(1,294)	-	-	8,531	-	17	9,086
Office equipment	2,169	574	-	(11)	-	7,565	-	4	10,301
Furniture, fittings and equipment	365	2,612	(56)	(1,170)	-	84,306	-	95	86,152
Buildings, improvements and renovations	153	899	-	-	-	19,678	-	47	20,777
	4,687	13,683	(1,384)	(2,102)	-	282,621	-	499	298,004

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

Group (Cont'd)	As at 1.1.2014 RM'000	Additions RM'000	Disposals RM'000	As at 31.12.2014 RM'000
2014				
At cost				
Freehold land	1,565	-	-	1,565
Freehold buildings	65	-	-	65
Short term leasehold land and buildings	6,705	147	-	6,852
Machinery	209	-	-	209
Motor vehicles	1,307	-	-	1,307
Office equipment	2,546	556	(14)	3,088
Furniture and fittings	478	121	(88)	511
Renovations	396	238	(146)	488
	13,271	1,062	(248)	14,085

	As at 1.1.2014 RM'000	Charge for the year (Note 32(a)) RM'000	Reversal for disposals RM'000	As at 31.12.2014 RM'000
Accumulated depreciation				
Freehold buildings	19	1	-	20
Short term leasehold land and buildings	930	241	-	1,171
Machinery	130	37	-	167
Motor vehicles	475	167	-	642
Office equipment	1,983	187	(1)	2,169
Furniture and fittings	344	24	(3)	365
Renovations	110	48	(5)	153
	3,991	705	(9)	4,687

Net carrying value	2015 RM'000	2014 RM'000
Freehold land	156,785	1,565
Freehold buildings	78,601	45
Freehold golf course	17,879	-
Freehold hotel properties	177,698	-
Leasehold hotel properties	66,685	-
Long term leasehold land	49,290	-
Short term leasehold land and buildings	6,920	5,681
Jetty and infrastructure	8,489	-
Plant, machinery and electrical installation	31,840	42
Motor vehicles and boats	6,997	665
Office equipment	4,042	919
Furniture, fittings and equipment	29,993	146
Construction-in-progress	50,633	-
Buildings, improvements and renovations	99,278	335
	785,130	9,398

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

Company	As at 1.1.2015 RM'000	Additions RM'000	Depreciation charge for the year (Note 32(a)) RM'000	As at 31.12.2015 RM'000
2015				
At cost				
Office equipment	7	17	-	24
Accumulated depreciation				
Office equipment	6	-	1	7

	As at 1.1.2014 RM'000	Depreciation charge for the year (Note 32(a)) RM'000	As at 31.12.2014 RM'000
2014			
At cost			
Office equipment	7	-	7
Accumulated depreciation			
Office equipment	5	1	6

	2015 RM'000	2014 RM'000
Net carrying value		
Office equipment	17	1

Included in the Group's property, plant and equipment is interest expense of RM725,000, which was capitalised under buildings, improvements and renovations during the year at interest rates ranging from 4.99% to 5.02% per annum.

Certain property, plant and equipment of the Group with the following carrying amounts are pledged to licensed financial institutions for credit facilities as disclosed in Note 22 granted to certain subsidiary companies:

	Group 2015 RM'000	2014 RM'000
Freehold land and buildings	21,923	-
Freehold land and hotel properties	181,730	-
Other property, plant and equipment	808	-
	204,461	-

5. INVESTMENT PROPERTIES

	Note	Group 2015 RM'000	Group 2014 RM'000
Investment properties, at fair value			
At beginning of year		370,650	358,650
Transfer to property, plant and equipment	4	(160,000)	-
Expenditure incurred		17,820	-
Acquisitions of subsidiary companies	6(a)	341,496	-
Investment properties classified as non-current assets held for sale	20	(5,100)	-
Gain on fair valuation recognised in profit or loss	31	3,000	12,000
At end of year		567,866	370,650
Investment property under construction, at cost			
At beginning of year		1,271	301
Expenditure incurred		1,205	970
At end of year		2,476	1,271
		570,342	371,921

The investment properties of the Group comprise of office buildings, shop offices, supermarket premises, retails, commercial units, residential units, car parks and properties under construction.

On date of acquisitions of OSKP and PJD, an investment property, namely Plaza OSK, was reclassified as owner-occupied property and was transferred at its fair value of RM160.0 million to property, plant and equipment due to a change in its use.

The investment properties generated rental income and incurred the following direct expenses:

	Group 2015 RM'000	Group 2014 RM'000
Rental income generated	23,570	17,217
Direct expenses		
- Income generated	9,410	4,312
- No income generated	-	74

Investment properties with a carrying value of RM320.5 million are pledged to licensed financial institutions to secure banking facilities granted to the subsidiary companies as disclosed in Note 22.

5. INVESTMENT PROPERTIES (CONT'D)

Valuation process overview

The Group's investment properties that are recognised at fair value were valued by independent professionally qualified valuers who hold recognised relevant professional qualifications and have recent experience in the locations and segments of the investment properties valued. The management team reviewed and discussed the valuations, including valuation processes, performed by the independent valuers for financial reporting purposes. Below are the key review processes carried out each year:

(a) Verification of all major inputs to the independent valuation report;

(b) Assessment of property valuation movements when compared to the prior year valuation report; and

(c) Discussions with the independent valuer.

Valuation techniques adopted

Pursuant to MFRS 13 Fair Value Measurement, the Group establishes a fair value hierarchy that categorises into three levels of inputs to valuation techniques used to measure fair value as disclosed in Note 44(a).

(a) There is no investment properties categorise under Level 1.

(b) Investment properties included in Level 2 with carrying amount of RM243.0 million (2014: RM203.9 million) are valued using the market approach (sales comparison approach) which uses observable inputs (including prices and other relevant information generated by market transactions involving identical or comparable/similar properties).

(c) Investment properties included in Level 3 with carrying amount of RM327.3 million (2014: RM168.0 million) are valued using investment, residual and income capitalisation approaches based on inputs which are not observable market data. The key inputs to valuation techniques include:

Estimated rental	:	based on the rental and period of the existing lease agreement;
Discount rates	:	reflecting current market assessments of the uncertainty in the amount and timing of cash flows;
Capitalisation rates	:	based on actual location, size and quality of the properties and taking into account market data at the valuation date.

Fair value reconciliation of investment properties measured at Level 3

Group	Office buildings RM'000	Retails, supermarket premises and car park RM'000	Others RM'000	Total RM'000
2015				
At beginning of year	168,000	-	-	168,000
Acquisitions of subsidiary companies	29	314,090	5,148	319,267
Transfer to property, plant and equipment	(160,000)	-	-	(160,000)
At end of year	8,029	314,090	5,148	327,267

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5. INVESTMENT PROPERTIES (CONT'D)

Fair value reconciliation of investment properties measured at Level 3 (Cont'd)

Group	Office buildings RM'000	Retails, supermarket premises and car park RM'000	Others RM'000	Total RM'000
2014				
At beginning of year	166,000	-	-	166,000
Revalued during the year	2,000	-	-	2,000
At end of year	168,000	-	-	168,000

Description of valuation techniques used and key inputs to valuation on investment properties measured at Level 3:

Property category	Valuation technique	Significant unobservable inputs	2015	2014
Office buildings	Investment method	Estimated rental (RM)	900,381	15,496,000
		Discount rate	6.50%	6.25%
		Capitalisation rate	6.00% - 6.50%	5.75% - 6.25%
		Void allowances	5%	5%
Retails and car park	Residual method	Net development value (RM)	296,542,453	-
		Discount rate	8.00%	-
		Term (year)	0.50	-
Supermarket premises	Income Capitalisation method	Estimated rental (RM)	7,385,964	-
		Term rate	5.75% - 7.00%	-
		Reversion rate	7.25% - 8.00%	-
		Void allowances	5.00%	-
Others	Income Capitalisation method	Estimated rental (RM)	265,082	-
		Term rate	5.75%	-
		Reversion rate	7.25%	-
		Discount rate	4.87%	-

6. INVESTMENTS IN SUBSIDIARY COMPANIES

	Note	Company 2015 RM'000	Company 2014 RM'000
Quoted shares in Malaysia			
At cost			
Acquisitions of subsidiary companies	(a)	543,730	-
Acquisitions of additional equity interests	(b)	749,340	-
Reclassification to unquoted shares upon delisting		(594,805)	-
		698,265	-
Unquoted shares in Malaysia			
At cost			
At beginning of year		423,727	423,727
Reclassification from quoted shares upon delisting		594,805	-
At end of year		1,018,532	423,727
Accumulated impairment loss			
At beginning of year/At end of year		(48,529)	(48,529)
		970,003	375,198
Fair value of financial guarantee given to banks for facilities granted to subsidiary companies		15,791	15,791
		1,684,059	390,989
Market value of quoted shares		659,794	-

(a) Acquisitions of Subsidiary Companies, OSK Property Holdings Berhad ("OSKP") and PJ Development Holdings Berhad ("PJD")

On 23 July 2015, the Company issued a total of 292,328,080 new ordinary shares of RM1.00 each of which:

i) 177,642,601 new ordinary shares of RM1.00 each for the acquisition of 177,642,601 OSKP shares representing 72.36% of the issued and paid-up share capital of OSKP (excluding 3,172,800 treasury shares); and

ii) 114,685,479 new ordinary shares of RM1.00 each for the acquisition of 143,356,849 PJD shares representing 31.59% of the issued and paid-up share capital of PJD (excluding 4,778,300 treasury shares).

On 23 July 2015, the Company issued 237,732,751 Warrants C 2015/2020 pursuant to the Bonus Issue of Warrants on the basis of one (1) free Warrant C 2015/2020 for every four (4) existing OSKH Shares held on entitlement date, 21 July 2015.

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6. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(a) Acquisitions of Subsidiary Companies, OSK Property Holdings Berhad ("OSKP") and PJ Development Holdings Berhad ("PJD") (Cont'd)

Hence, the Company obtained control and both OSKP and PJD have become subsidiary companies of the Company. The Company has a 31.59% controlling interests in PJD on the basis that the Company is the single largest shareholder of PJD.

On 4 August 2015, such new shares and Warrants C 2015/2020 were listed and quoted on the Main Market of Bursa Malaysia Securities Berhad effective from 9.00 a.m. and the Company paid the special single-tier cash dividend of 15 sen per share, marking the completion of the acquisition of OSKP and PJD, Bonus Issue of Warrants as well as the Special Cash Dividend.

Upon completion of the acquisitions of OSKP and PJD, the businesses of the Group have been diversified to include property development and construction, manufacturing and trading of cables and building materials, as well as hotel and leisure.

On 17 August 2015, the Company's securities have been reclassified from Finance sector to Properties sector. The Stock Number and Stock Short Name of the Company's securities remain unchanged.

The fair value of consideration transferred and the effects on cash flows of the acquisitions of subsidiary companies, OSKP and PJD, are as follows:

	RM'000
Fair value of consideration for the acquisitions	543,730
Less: Non-cash consideration (Fair value of equity instruments issued)	(543,730)
Total consideration satisfied by cash	-
Less: Cash and cash equivalents of subsidiary companies acquired	(292,339)
Cash inflow from acquisitions of subsidiary companies	(292,339)

The fair value of the 292,328,080 ordinary shares of the Company issued as consideration paid for the acquisitions of OSKP and PJD was determined on the basis of the closing market price of the Company's ordinary shares of RM1.86 per share on the acquisition date.

6. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(a) Acquisitions of Subsidiary Companies, OSK Property Holdings Berhad ("OSKP") and PJ Development Holdings Berhad ("PJD") (Cont'd)

The recognised provisional fair values of identifiable assets and liabilities of OSKP and PJD at acquisition date are as follows:

		Note	As at date of acquisition RM'000
Non-current assets	Property, plant and equipment	4	603,981
	Investment properties	5	341,496
	Investments in associated companies and a joint venture		97,642
	Biological assets	8	16,565
	Intangible assets	9	1,055
	Available-for-sale securities		717
	Inventories: Land held for property development	10(a)	1,066,335
	Deferred tax assets	11(a)	65,008
	Trade receivables		45,196
Current assets	Inventories: Property development costs	10(b)	344,591
	Inventories: Others		54,448
	Tax recoverable		14,889
	Trade receivables		288,313
	Contract assets	14(b)	346,880
	Other receivables, deposits and prepayments		38,649
	Cash and short term funds		304,051
Non-current liabilities	Borrowings		(525,869)
	Trade payables		(49,389)
	Other payables, accruals and provisions		(8,822)
	Deferred income		(172,054)
	Deferred tax liabilities	11(b)	(121,882)
Current liabilities	Borrowings		(179,447)
	Trade payables		(242,271)
	Contract liabilities	14(b)	(161,057)
	Other payables, accruals and provisions		(162,289)
	Deferred income		(3,699)
	Tax payable		(27,357)
Provisional fair value of total net assets			1,975,680
Non-controlling interests measured at fair value			(1,068,787)
Group's share of net assets			906,893
Less: Negative goodwill on consolidation recognised in consolidated statement of profit or loss		31	(363,163)
Total fair value of consideration for the acquisitions			543,730

6. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(a) Acquisitions of Subsidiary Companies, OSK Property Holdings Berhad ("OSKP") and PJ Development Holdings Berhad ("PJD") (Cont'd)

The fair value of the non-controlling interest represents its share of the fair value of PJD and OSKP at the acquisition date, estimated using the purchase price allocation method. The negative goodwill on business combination is not taxable for tax purpose.

Acquisition related costs of RM5.30 million have been charged to administrative expenses in the statements of profit or loss for the year ended 31 December 2015.

Provisional fair values are assigned to the property, plant and equipment, investment properties, inventories including land held for property development, property development cost, investment in associated company and intangible assets. Professional consultants have been commissioned to undertake valuation of those assets.

OSKP and PJD contributed the following revenue and profit to the Group's consolidated statement of profit or loss for the current year for approximately five months results since the date of acquisitions:

Five months ended 31 December 2015	Date of acquisition to 31.12.2015 RM'000
Revenue	704,342
Profit before tax	101,382
Profit for the period	73,936

If the financial results of OSKP and PJD had been consolidated from the beginning of the year, 1 January 2015 to 31 December 2015, the consolidated results of the Group for the year ended 31 December 2015 would have been as follows:

Pro forma results of the Group	1.1.2015 to 31.12.2015 RM'000
Revenue	1,786,211
Profit before tax	767,395
Profit for the year	682,719

6. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(b) Acquisitions of Additional Equity Interests from Non-Controlling Interests of OSKP and PJD

(i) Acquisitions of additional interests in OSKP

From 18 August 2015 to 23 November 2015, OSKP alloted 82,258,961 new shares for the conversion of warrants by its warrantholders. From 25 August 2015 to 18 December 2015, the Company acquired additional 8,312,600 ordinary shares of RM1.00 each in OSKP from the open market for a total consideration of RM16,194,022 at an average cost of RM1.95 per share.

The Company received a total valid acceptance of 132,297,096 OSKP shares pursuant to OSKP Offer for a total consideration of RM229,641,650, out of which 48,845,997 OSKP shares accepted the OSKP Offer for Cash and 83,451,099 OSKP shares accepted the OSKP Offer for share exchange offer of the Company's shares at an issue price of RM1.95 per share based on an exchange ratio of one (1) Company's share for every one (1) OSKP shares surrendered. On 18 December 2015, the compulsory acquisition of the Remaining Offer Shares of OSKP was completed. Accordingly, the Company's equity interest in OSKP increased to 100% from 72.36%.

(ii) Acquisitions of additional equity interests in PJD

From 30 July 2015 to 7 September 2015, the Company acquired 57,633,300 ordinary shares of RM1.00 each in PJD from the open market for a total consideration of RM89,285,435 at an average cost of RM1.55 per share. From 21 August 2015 to 25 August 2015, PJD allotted 69,841,685 new shares for the conversion of warrants by its warrantholders. The Company received a total valid acceptance of 266,949,096 PJD shares pursuant to PJD Offer for a total consideration of RM395,664,152, out of which 194,382,172 PJD shares accepted the PJD Offer for cash and 72,566,924 PJD shares accepted the PJD Offer for share exchange offer of the Company's share at an issue price of RM1.95 per share based on an exchange ratio of four (4) Company's share for every five (5) PJD shares surrendered. Accordingly, the Company's equity interest in PJD increased to 89.36% from 31.59%.

The acquisitions of additional equity interests from non-controlling interests of OSKP and PJD have the following effects to the Group:

	RM'000
Net assets acquired from non-controlling interests	889,777
Gains on consolidation recognised in equity	(292,542)
Less: Non-cash consideration (Fair value of equity instruments issued)	(226,820)
Cash outflow on acquisitions of additional equity interest in subsidiary companies	370,415

The fair value of the 141,504,638 ordinary shares of the Company issued as consideration for the acquisitions of OSKP and PJD was determined on the basis of the closing market price of the Company's ordinary shares on the respective dates.

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6. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

(c) Subscription of New Ordinary Shares of OSK Capital Sdn Bhd ("OSKC") by Way of Bonus Issue

On 30 June 2015, the Company subscribed 30,000,000 new ordinary shares of RM1.00 each in OSKC, a wholly-owned subsidiary company of the Company, by way of bonus issue. The issued and paid-up share capital of OSKC increased from RM70,000,000 to RM100,000,000. The Company's equity interest in OSKC remained at 100%.

(d) Delisting of OSKP's Securities

On 12 November 2015, with effect from 9.00 a.m., the securities of OSKP were removed from the Official List of Bursa Securities pursuant to Paragraph 16.07 (a) of the Main Market Listing Requirements of Bursa Securities.

The subsidiary companies have the same financial year end as the Company. Details of the subsidiary companies are as follows:

Name of companies	Country of incorporation	Principal activities	Effective percentage of ownership 2015 %	2014 %
OSK Capital Sdn. Bhd.	Malaysia	Capital financing business	100.00	100.00
OSK Realty Sdn. Bhd.	Malaysia	Property investment and letting of commercial properties	100.00	100.00
KE-ZAN Holdings Berhad	Malaysia	Property investment and letting of commercial properties	100.00	100.00
OSK REIT Management Sdn. Bhd.	Malaysia	Management company for real estate investment trusts (inactive)	100.00	100.00
OSK Ventures Sdn. Bhd.	Malaysia	Provision of venture capital business (inactive)	100.00	100.00
* OSK Property Holdings Berhad	Malaysia	Investment holding	100.00	-
* PJ Development Holdings Berhad	Malaysia	Investment holding, property investment and provision of management services	89.36	-
OSK Foundation	Malaysia	Charitable foundation	-	-

* *PJD group and OSKP group are audited by firms other than PricewaterhouseCoopers Malaysia.*

6. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

The subsidiary companies have the same financial year end as the Company. Details of the subsidiary companies are as follows: (Cont'd)

Name of companies	Country of incorporation	Principal activities	Effective percentage of ownership 2015 %	2014 %
Subsidiary Company of OSK Property Holdings Berhad				
Aspect Synergy Sdn. Bhd.	Malaysia	Property development	100.00	-
Aspect Potential Sdn. Bhd.	Malaysia	Property development	100.00	-
Atria Damansara Sdn. Bhd.	Malaysia	Property investment and development	100.00	-
Atria Shopping Gallery Sdn. Bhd.	Malaysia	Mall management and operations	100.00	-
Atria Parking Management Sdn. Bhd.	Malaysia	Car park management and operations	100.00	-
Country Wheels Sdn. Bhd.	Malaysia	Property development	51.00	-
Dikir Dagang Sdn. Bhd.	Malaysia	Property development	100.00	-
Dikir Venture Sdn. Bhd.	Malaysia	Property development	100.00	-
Jelang Vista Sdn. Bhd.	Malaysia	Property development	100.00	-
OSK Properties Sdn. Bhd.	Malaysia	Property development, investment, construction and sale of oil palm fresh fruit bunches	100.00	-
OSK Properties (Seremban) Sdn. Bhd.	Malaysia	Property development	100.00	-
OSK Properties Management Sdn. Bhd.	Malaysia	Property management	100.00	-
OSKP Facilities Management Sdn. Bhd.	Malaysia	Property management	100.00	-
Perspektif Vista Sdn. Bhd.	Malaysia	Property development	100.00	-
Perspektif Pertama Sdn. Bhd.	Malaysia	Property development	100.00	-

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6. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

The subsidiary companies have the same financial year end as the Company. Details of the subsidiary companies are as follows: (Cont'd)

Name of companies	Country of incorporation	Principal activities	Effective percentage of ownership 2015 %	2014 %
Subsidiary Company of OSK Property Holdings Berhad (Cont'd)				
Pine Avenue Sdn. Bhd.	Malaysia	Property management and development	100.00	-
Ribuan Ekuiti Sdn. Bhd.	Malaysia	Property development	100.00	-
Rimulia Sdn. Bhd.	Malaysia	Property development	55.00	-
Potensi Rajawali Sdn. Bhd.	Malaysia	Property development	100.00	-
Semponia Sdn. Bhd.	Malaysia	Property development	51.00	-
Warisan Rajawali Sdn. Bhd.	Malaysia	Property development	100.00	-
Wawasan Rajawali Sdn. Bhd.	Malaysia	Property development	100.00	-
Subsidiary Company of PJ Development Holdings Berhad				
Aco Built System Sdn. Bhd.	Malaysia	Installation of concrete wall panels	89.36	-
Acotec Sdn. Bhd. and its subsidiaries	Malaysia	Manufacturing and sale of concrete wall panels and trading of building materials	89.36	-
Acotec-Concrete Products Sdn. Bhd.	Malaysia	Property investment and rental services	89.36	-
PJD Concrete Land (JB) Sdn. Bhd.	Malaysia	Property investment	89.36	-
PJD Concrete Land (South) Sdn. Bhd.	Malaysia	Property investment	89.36	-

6. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

The subsidiary companies have the same financial year end as the Company. Details of the subsidiary companies are as follows: (Cont'd)

Name of companies	Country of incorporation	Principal activities	Effective percentage of ownership 2015 %	2014 %
Subsidiary Company of PJ Development Holdings Berhad (Cont'd)				
Ancient Capital Sdn. Bhd.	Malaysia	Dormant	89.36	-
Bindev Sdn. Bhd.	Malaysia	Property development	89.36	-
Bunga Development Sdn. Bhd. and its subsidiary	Malaysia	Property development	89.36	-
Kulai Management Services Sdn. Bhd.	Malaysia	Provision of property management services	89.36	-
DLHA Management Services Sdn. Bhd.	Malaysia	Investment holding	89.36	-
Eframe Sdn. Bhd.	Malaysia	Software consultancy, product development and maintenance	89.36	-
Eframe Solutions Sdn. Bhd.	Malaysia	Software consultancy, product development and maintenance	89.36	-
Harbour Place Management Services Sdn. Bhd.	Malaysia	Provision of property management services	89.36	-
HTR Management Services Sdn. Bhd.	Malaysia	Provision of property management services	89.36	-
Kota Mulia Sdn. Bhd. and its subsidiaries	Malaysia	Property development and investment	89.36	-
PJD Highland Resort Sdn. Bhd.	Malaysia	Property development	89.36	-
PTC Management Services Sdn. Bhd.	Malaysia	Provision of property management services	89.36	-

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6. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

The subsidiary companies have the same financial year end as the Company. Details of the subsidiary companies are as follows: (Cont'd)

Name of companies	Country of incorporation	Principal activities	Effective percentage of ownership 2015 %	2014 %
Subsidiary Company of PJ Development Holdings Berhad (Cont'd)				
OCC Cables Berhad and its subsidiaries	Malaysia	Investment holding	89.36	-
Olympic Cable Company Sdn. Bhd. and its subsidiaries	Malaysia	Manufacturing and sale of cables and wires	89.36	-
Olympic Cable (Singapore) Pte. Ltd.	Singapore	Investment holding and trading of cable products	89.36	-
OVI Cables (Vietnam) Co., Ltd.	Vietnam	Manufacturing and sale of cables and wires	89.36	-
PJ Exim Sdn. Bhd.	Malaysia	Trading of cable products	89.36	-
Olympic Properties Sdn. Bhd.	Malaysia	Property investment	89.36	-
Pengerang Jaya Pte. Ltd and its subsidiaries	Singapore	Investment holding	89.36	-
Pengerang Jaya Investment Pte. Ltd.	Singapore	Investment holding	89.36	-
P.J. (A) Pty. Limited and its subsidiary	Australia	Investment holding and hotel business	89.36	-
Yarra Park City Pty. Limited	Australia	Property development and investment	73.19	-
PJ Equity Sdn. Bhd.	Malaysia	Investment holding	89.36	-
PJD Central Sdn. Bhd.	Malaysia	Property development and investment	89.36	-

6. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

The subsidiary companies have the same financial year end as the Company. Details of the subsidiary companies are as follows: (Cont'd)

Name of companies	Country of incorporation	Principal activities	Effective percentage of ownership 2015 %	Effective percentage of ownership 2014 %
Subsidiary Company of PJ Development Holdings Berhad (Cont'd)				
PJD Construction Sdn. Bhd. and its subsidiaries	Malaysia	Construction	89.36	-
PJDC International Sdn. Bhd. and its subsidiaries	Malaysia	Investment holding	89.36	-
PJDCI Co., Ltd. and its subsidiary	Thailand	Investment holding	70.15	-
PJDC Co., Ltd.	Thailand	Construction	79.08	-
PJD Eastern Land Sdn. Bhd.	Malaysia	Property development and investment	89.36	-
PJD Hartamas Sdn. Bhd.	Malaysia	Property development and investment	89.36	-
PJD Hotels Sdn. Bhd. and its subsidiaries	Malaysia	Investment holding and hotel and restaurant business	89.36	-
Damai Laut Golf Resort Sdn. Bhd.	Malaysia	Development and investment in resort property, hotel and restaurant business and operation of golf course	88.47	-
MM Hotels Sdn. Bhd.	Malaysia	Hotel and restaurant business	89.36	-
Swiss-Garden Management Services Sdn. Bhd.	Malaysia	Hotel and restaurant business	89.36	-
PJD Land Sdn. Bhd.	Malaysia	Leasing of office cum commercial building	89.36	-
PJD Landmarks Sdn. Bhd.	Malaysia	Property development	89.36	-
PJD Management Services Sdn. Bhd.	Malaysia	Provision of property management and facilities services	89.36	-

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6. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

The subsidiary companies have the same financial year end as the Company. Details of the subsidiary companies are as follows: (Cont'd)

Name of companies	Country of incorporation	Principal activities	Effective percentage of ownership 2015 %	2014 %
Subsidiary Company of PJ Development Holdings Berhad (Cont'd)				
PJD Pravest Sdn. Bhd.	Malaysia	Cultivation of oil palm	89.36	-
PJD Properties Management Sdn. Bhd.	Malaysia	Provision of project management services	89.36	-
PJD Realty Sdn. Bhd.	Malaysia	Property development	89.36	-
PJD Regency Sdn. Bhd.	Malaysia	Property development	89.36	-
PJD Sejahtera Sdn. Bhd.	Malaysia	Property development	89.36	-
PKM Management Services Sdn. Bhd.	Malaysia	Provision of property management services	89.36	-
Putri Kulai Sdn. Bhd.	Malaysia	Property investment	89.36	-
Superville Sdn. Bhd.	Malaysia	Property development	89.36	-
Swiss-Garden Hotel Management Sdn. Bhd.	Malaysia	Hotel management and consultancy services	89.36	-
Swiss-Garden International Sdn. Bhd. and its subsidiaries	Malaysia	Hotel management and consultancy services	89.36	-
Swiss-Garden International Limited	British Virgin Islands	Hotel management and consultancy services	89.36	-
Swiss-Garden International Hotels & Resorts (Australia) Pty. Ltd.	Australia	Hotel management and consultancy services	89.36	-
Swiss-Garden International Limited	England and Wales	Dormant	89.36	-
Swiss-Garden International Vacation Club Berhad	Malaysia	Operation and management of timeshare membership scheme	89.36	-

6. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

The subsidiary companies have the same financial year end as the Company. Details of the subsidiary companies are as follows: (Cont'd)

Name of companies	Country of incorporation	Principal activities	Effective percentage of ownership 2015 %	2014 %
Subsidiary Company of PJ Development Holdings Berhad (Cont'd)				
Swiss-Garden Rewards Sdn. Bhd. and its subsidiary	Malaysia	Marketing of timeshare memberships	89.36	-
Swiss-Garden Rewards (Singapore) Pte. Ltd.	Singapore	Agent providing services to hotel companies	89.36	-
Swiss-Inn JB Sdn. Bhd.	Malaysia	Hotel and restaurant business	89.36	-
Vibrant Practice Sdn. Bhd.	Malaysia	Car park management and operations	89.36	-

7. INVESTMENTS IN ASSOCIATED COMPANIES AND A JOINT VENTURE

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
(a) Investments in Associated Companies					
At cost					
Quoted shares in Malaysia		2,225,185	1,952,218	2,225,185	1,952,218
Unquoted shares in Malaysia		29,853	-	-	-
Unquoted shares in outside Malaysia		23,918	-	-	-
Exchange translation differences		7,192	-	-	-
		2,286,148	1,952,218	2,225,185	1,952,218
Share of reserves, net of dividends received		437,974	293,303	-	-
Amount owing by an associated company		58,311	-	-	-
	(i)	2,782,433	2,245,521	2,225,185	1,952,218
At market value					
Quoted shares in Malaysia		1,765,804	1,949,178	1,765,804	1,949,178

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7. INVESTMENTS IN ASSOCIATED COMPANIES AND A JOINT VENTURE (CONT'D)

		Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
(b)	**Investment in a Joint Venture**					
	Unquoted shares in Malaysia		10,918	-	-	-
	Share of reserves		(1,568)	-	-	-
		(ii)	9,350	-	-	-
			2,791,783	2,245,521	2,225,185	1,952,218

(i) Investments in Associated Companies

On 24 April 2015, RHB Capital Berhad ("RHBC") issued and allotted 16,024,645 new RHBC shares at the issue price of RM7.03 per share which was applied to the interim dividend in respect of financial year ended 31 December 2014. The Company had elected to reinvest 2,182,412 new shares in RHBC via dividend reinvestment plan and received RM5,498.92 balance in cash out of its dividend entitlement of RM15,347,855. The Company's equity interest in RHBC increased to 9.97% from 9.94%.

On 23 September 2015, RHBC announced a renounceable rights issue of 517,696,286 new ordinary shares at an issue price of RM4.82 per Rights Share, on the basis of one (1) Rights Share for every five (5) existing RHBC shares held as at 5.00 p.m. on 23 November 2015. On 27 November 2015, the Company received approvals from Bank Negara Malaysia in relation to the increase of equity interests in RHBC. The Company had subscribed 51,596,000 of its Rights Shares entitlement in RHBC. The Company's equity interest in RHBC increased to 10.07% from 9.97%. As at 22 December 2015, the Company had elected to further subscribed 1,853,200 Excess Rights Shares in RHBC. Accordingly, the Company's equity interest in RHBC increased to 10.13% from 10.07%.

Certain shares in an associated company with carrying value of RM938.3 million are pledged to a licensed bank to secure a term loan granted to the Company as disclosed in Note 22. There are no contingent liabilities relating to the Group's interests in the associated companies.

The unquoted shares in associated companies are arising from the acquisitions of subsidiary companies as disclosed in Note 6(a).

7. INVESTMENTS IN ASSOCIATED COMPANIES AND A JOINT VENTURE (CONT'D)

(i) Investments in Associated Companies (Cont'd)

Summarised financial information of the associated companies are as follows:

2015

Aggregated assets and liabilities

	RHBC RM'000	Agile PJD Development Sdn. Bhd. ("Agile") RM'000	Equity & Property Investment Corporation Pty. Limited ("EPIC") RM'000	Total RM'000
Total assets	232,249,330	255,665	455,724	232,960,719
Total liabilities	(208,091,615)	(266,848)	(154,920)	(208,513,383)
Net assets	24,157,715	(11,183)	300,804	24,447,336
Attributable to associates':				
- owners	24,133,097	(11,183)	300,804	24,422,718
- non-controlling interests	24,618	-	-	24,618
	24,157,715	(11,183)	300,804	24,447,336
Aggregated results				
Revenue	6,191,171	-	9,490	6,200,661
Profit/(loss) for the year attributable to associates':				
- owners	1,258,205	(11,500)	3,891	1,250,596
- non-controlling interests	12,606	-	-	12,606
	1,270,811	(11,500)	3,891	1,263,202
Other comprehensive income attributable to associates':				
- owners	491,754	-	-	491,754
- non-controlling interests	18,985	-	-	18,985
	510,739	-	-	510,739
Total comprehensive income	1,781,550	(11,500)	3,891	1,773,941
Net assets attributable to associates' owners				
Opening net assets	20,095,822	-	-	20,095,822
Acquisitions of subsidiary companies	-	(9,683)	282,095	272,412
Profit/(loss) for the year	1,258,205	(11,500)	3,891	1,250,596
Other comprehensive income	491,754	-	-	491,754
Other reserves changes	2,287,316	10,000	14,818	2,312,134
Closing net assets	24,133,097	(11,183)	300,804	24,422,718

7. INVESTMENTS IN ASSOCIATED COMPANIES AND A JOINT VENTURE (CONT'D)

(i) Investments in Associated Companies (Cont'd)

The above information presented based on the financial statements of the associated companies with fair value adjustments made at the time of acquisition and adjustments for differences in accounting policies between the Group and the associated companies.

Group	RHBC RM'000	Agile RM'000	EPIC RM'000	Total RM'000
2015				
Reconciliation of carrying amount				
Equity interests in associated companies	10.13%	30.00%	27.40%	
Share of net assets	2,444,457	(3,355)	82,421	2,523,523
Goodwill	245,248	-	-	245,248
Effect of indirect interests in a subsidiary company held by an associated company	-	-	(22,349)	(22,349)
Unrealised profit	-	(22,300)	-	(22,300)
Amount owing by an associated company	-	58,311	-	58,311
Carrying amounts	2,689,705	32,656	60,072	2,782,433

2014

Aggregated assets and liabilities of RHBC

	2014 RM'000
Total assets	221,243,673
Total liabilities	(201,048,062)
Net assets	20,195,611
Attributable to:	
- owners of the RHBC	20,095,822
- non-controlling interests of RHBC	99,789
	20,195,611

Aggregated results of RHBC

Revenue	6,234,879
Profit for the year attributable to:	
- owners of the RHBC	1,770,300
- non-controlling interests of RHBC	25,464
	1,795,764
Other comprehensive income/(loss) attributable to:	
- owners of the RHBC	228,152
- non-controlling interests of RHBC	(10,224)
	217,928
Total comprehensive income	2,013,692

7. INVESTMENTS IN ASSOCIATED COMPANIES AND A JOINT VENTURE (CONT'D)

(i) Investments in Associated Companies (Cont'd)

	2014 RM'000
Net assets attributable to owners of RHBC	
Opening net assets	18,308,296
Profit for the year	1,770,300
Other comprehensive income	228,152
Other reserves changes	(210,926)
Closing net assets	20,095,822

The above information presented based on the financial statements of the associated company with adjustments for differences in accounting policies between the Group and the associated company.

Group	2014 RM'000
Reconciliation of carrying amount of RHBC	
Equity interest in RHBC	9.94 %
Share of net assets	1,998,879
Goodwill	246,642
Carrying amount	2,245,521

Amount owing by an associated company is unsecured and has no fixed terms of repayment and considered to be part of the Group's investments in associated companies.

(ii) Investment in a Joint Venture

During the financial period, Scotia Acres Sdn. Bhd. ("Scotia"), a 50% owned joint venture of PJD Group, has increased its issued and paid up share capital for working capital purposes as follows:

- 29 October 2015, from RM34,340,572 to RM35,340,572 by the issuance of 1,000,000 ordinary shares of RM1.00 each.
- 30 November 2015, from RM35,340,572 to RM36,140,572 by the issuance of 800,000 ordinary shares of RM1.00 each.
- 29 December 2015, from RM36,140,572 to RM36,640,572 by the issuance of 500,000 ordinary shares of RM1.00 each.

DLHA Management Services Sdn. Bhd. ("DLHA"), a wholly-owned subsidiary company of PJD and in turn an indirect subsidiary company of the Company, has subscribed for 1,650,000 ordinary shares of RM1.00 each for cash consideration of RM1,650,000 in proportion to the existing shareholdings of DLHA in Scotia, representing 50% of the total allotment of 3,300,000 ordinary shares of RM1.00 each in share capital of Scotia.

7. INVESTMENTS IN ASSOCIATED COMPANIES AND A JOINT VENTURE (CONT'D)

(ii) Investment in a Joint Venture (Cont'd)

The summarised financial information of the joint venture are as follows:

Aggregated assets and liabilities of Scotia

	Group 2015 RM'000	2014 RM'000
Total assets	110,066	-
Total liabilities	(91,366)	-
Net assets	18,700	-
Attributable to:		
- owners of the Scotia	18,700	-
- non-controlling interests of Scotia	-	-
	18,700	-
Aggregated results of Scotia		
Revenue	2,345	-
Loss for the year/other comprehensive loss attributable to:		
- owners of the Scotia	(3,136)	-
- non-controlling interests of Scotia	-	-
	(3,136)	-
Total comprehensive loss	(3,136)	-
Net assets attributable to owners of Scotia		
Acquisitions of subsidiary companies	21,836	-
Loss for the year	(3,136)	-
Closing net asset	18,700	-

The above information presented based on the financial statements of the joint venture with adjustments for differences in accounting policies between the Group and the joint venture.

	2015 RM'000	2014 RM'000
Reconciliation of carrying amount		
Equity interest in a joint venture	50.00%	-
Share of net assets/ Carrying amount	9,350	-

7. INVESTMENTS IN ASSOCIATED COMPANIES AND A JOINT VENTURE (CONT'D)

(ii) Investment in a Joint Venture (Cont'd)

The details of the associated companies and a joint venture are as follows:

Name of companies	Country of incorporation	Principal activities	Effective percentage of ownership 2015 %	2014 %
Associated companies				
* RHB Capital Berhad ("RHBC")	Malaysia	Investment holding whilst its subsidiary companies are involved in commercial banking, Islamic banking, investment banking, stock broking, leasing, offshore banking, offshore trust services, general insurance, unit trust management, asset management and nominee and custodian services.	10.13	9.94
Indirect associated companies via PJD				
^ Agile PJD Development Sdn. Bhd. ("Agile")	Malaysia	Property development and investment	26.81	-
^ Equity & Property investment Corporation Pty. Limited ("EPIC")	Australia	Property investment and property development	24.48	-
Indirect Joint Venture via PJD				
^ Scotia Acres Sdn. Bhd. ("Scotia") and its subsidiary	Malaysia	Property development and investment	44.68	-
Canggih Persaka Sdn. Bhd.	Malaysia	Property owner	44.68	-

* The management has assessed the level of influence that the Group has on its associated company, RHBC, and determined that it has significant influence even though the share holding is below 20% because of the board representations in RHBC and its key operating subsidiaries.

^ Indirect interests held through PJD Group.

The Group has a 89.36% equity interest in a subsidiary company, PJD, which in turn holds a 30% equity interest in Agile, 27.40% equity interest in EPIC and 50% equity interest in Scotia. The Group's effective equity interest in Agile, EPIC and Scotia are 26.81%, 24.48% and 44.68% respectively.

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8. BIOLOGICAL ASSETS

		Group	
	Note	2015 RM'000	2014 RM'000
At fair value			
Acquisitions of subsidiary companies	6(a)	16,565	-
Additions		308	
Fair value gain recognised in profit or loss	31	425	-
At end of year		17,298	-

Biological assets represent oil palm plantation development expenditure.

(a) Analysis of biological assets

Details of the information about the fair value hierarchy in relation to biological assets are as follows:

		Group	
31.12.2015	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Planted area:			
- matured	-	-	8,900
- immature	-	-	8,398
Total	-	-	17,298

There were no transfers between any levels during the period.

(b) The fair value of biological assets is estimated by the Directors using discounted cash flows analysis (for the matured planted areas) and cost comparison method (for the immature planted areas) of the underlying biological assets. In addition, the valuation of the biological assets has been determined after taking into consideration the respective age profiles of the planted palms.

(c) For the mature planted areas, the expected cash flows from the whole life cycle of the plantation are determined using the market price and the estimated yield of fresh fruit bunches ("FFB"), net of maintenance and harvesting costs and any costs required to bring the plantation to maturity. The estimated yield of the plantation is dependent on the age of the oil palm trees, the location of the plantation, soil type and infrastructure. The market price of the FFB is largely dependent on the prevailing market prices of crude palm oil and palm kernel. Point-of-sale costs include all costs that would be necessary to sell the assets.

For the immature planted areas, the value of the biological assets is derived using the comparison method of valuation, by referring to other similar plantation developments in the vicinity, adjusted for differences in terms of location, terrain, size, type of seedlings, fertilising etc.

8. BIOLOGICAL ASSETS (CONT'D)

(d) The following unobservable inputs were used to measure the Group's biological assets:

Financial Instrument	Technique used	Significant unobservable inputs	Inter-relationship between key unobservable inputs
Biological assets	Discounted cash flow method and cost comparison method.	Discount rate 3.30%;	The higher the discount rate, the lower the fair value of the biological assets would be.
		Average FFB production ranges from a minimum yield of 11 metric tones per hectare to a maximum of 28 metric tones per hectare; and	The higher the palm oil yield, the higher the fair value.
		Average market price of FFB at RM493.42 per metric tonne.	The higher the average market price, the higher the fair value.

In addition, the following underlying assumptions were used to measure the Group's biological assets:

(i) No new replanting or replanting activities are assumed; and

(ii) Oil palm trees have an average life of 25 years.

9. INTANGIBLE ASSETS

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Club membership	(a)	350	-	-	-
Trademarks	(b)	159	159	159	159
Software licenses	(c)	1,575	794	-	-
		2,084	953	159	159

(a) Club Membership

	Note	Group 2015 RM'000	Group 2014 RM'000
At cost			
Acquisitions of subsidiary companies/At end of year	6(a)	350	-

(b) Trademarks

	Group and Company 2015 RM'000	Group and Company 2014 RM'000
At cost		
At beginning of year	159	147
Additions	-	12
At end of year	159	159

9. INTANGIBLE ASSETS (CONT'D)

(c) Software Licenses

	Note	Group 2015 RM'000	Group 2014 RM'000
At cost			
At beginning of year		1,030	994
Additions		305	36
Acquisitions of subsidiary companies	6(a)	1,070	-
At end of year		2,405	1,030
Accumulated amortisation			
At beginning of year		(236)	(93)
Amortisation	32(a)	(229)	(143)
Acquisitions of subsidiary companies	6(a)	(365)	-
At end of year		(830)	(236)
Net carrying value		1,575	794

10. INVENTORIES

		Note	Group 2015 RM'000	Group 2014 RM'000
(a)	**Non-current**			
	Land held for property development	(i)	1,097,344	-
(b)	**Current**			
	Property development costs	(ii)	441,607	-
	Others	(iii)	70,851	-
			512,458	-

		Note	Group 2015 RM'000	Group 2014 RM'000
(i)	**Land Held for Property Development**			
	Freehold and leasehold land			
	Acquisitions of subsidiary companies	6(a)	974,545	-
	Costs incurred		3,214	-
	Transfer to property development costs	(ii)	(17,108)	-
	Recognised in profit or loss	30	(596)	-
	Exchange difference		52,761	-
	At end of year		1,012,816	-

10. INVENTORIES (CONT'D)

	Note	Group 2015 RM'000	Group 2014 RM'000
(i) Land Held for Property Development (Cont'd)			
Development costs			
Acquisitions of subsidiary companies	6(a)	91,790	-
Costs incurred		13,641	-
Transfer to property development costs	(ii)	(19,462)	-
Recognised in profit or loss	30	(1,441)	-
At end of year		84,528	-
Carrying value		1,097,344	-

Included in land held for property development costs during the year is capitalised interest of RM1.9 million.

Included in land held for property development of the Group is freehold land with carrying value of RM507.0 million pledged to licensed banks to secure term loans and bridging loan as disclosed in Note 22.

(ii) Property Development Costs

	Note	Group 2015 RM'000	Group 2014 RM'000
Freehold and leasehold land			
Acquisitions of subsidiary companies	6(a)	471,093	-
Costs incurred		675	-
Transfer from land held for property development	(i)	17,108	-
Transfer to inventories		(7,365)	-
At end of year		481,511	-
Development costs			
Acquisitions of subsidiary companies	6(a)	2,275,666	-
Costs incurred		437,721	-
Transfer from land held for property development	(i)	19,462	-
Transfer to inventories		(130,031)	-
At end of year		2,602,818	-
Total property development costs incurred to date		3,084,329	-
Costs recognised in profit or loss:			
Acquisitions of subsidiary companies	6(a)	(2,402,168)	-
Recognised	30	(369,697)	-
Reversal of costs arising from completed projects		129,143	-
At end of year		(2,642,722)	-
Net carrying value		441,607	-

10. INVENTORIES (CONT'D)

(ii) Property Development Costs (Cont'd)

Included in property development costs during the year is capitalised interest of RM8.0 million.

Included in property development costs of the Group is freehold land with carrying value of RM291.8 million pledged as security for term loans as disclosed in Note 22.

(iii) Others

	Group 2015 RM'000	Group 2014 RM'000
At cost and net realisable value		
Completed properties held for sale	21,144	-
Raw materials	9,725	-
Consumables	2,968	-
Work-in-progress	9,776	-
Finished goods	27,238	-
	70,851	-

11. DEFERRED TAX ASSETS/(LIABILITIES)

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

		Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
(a)	**Deferred tax assets**					
	At beginning of year		1,100	1,776	-	-
	Acquisitions of subsidiary companies	6(a)	65,008	-	-	-
	Recognised in profit or loss	35	18,379	(676)	-	-
	At end of year		84,487	1,100	-	-
(b)	**Deferred tax liabilities**					
	At beginning of year		(11,862)	(11,829)	(2,438)	(2,433)
	Acquisitions of subsidiary companies	6(a)	(121,882)	-	-	-
	Recognised in profit or loss	35	(3,028)	(33)	2,438	(5)
	At end of year		(136,772)	(11,862)	-	(2,438)

11. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components and movements of deferred tax liabilities and assets of the Group during the year prior to offsetting are as follows:

(i) Deferred Tax Assets of the Group

	Note	Excess of depreciation over capital allowances RM'000	Interest capitalised in inventories RM'000	Unused tax losses and unabsorbed capital allowances RM'000	Deferred income RM'000	Provisions RM'000	Total RM'000
2015							
At beginning of year		(388)	-	-	802	686	1,100
Recognised in profit or loss	35	(4,593)	1,330	5,845	(676)	16,473	18,379
Acquisitions of subsidiary companies	6(a)	6,005	3,003	3,057	30,093	22,850	65,008
At end of year		1,024	4,333	8,902	30,219	40,009	84,487
2014							
At beginning of year		(309)	-	-	1,595	490	1,776
Recognised in profit or loss	35	(79)	-	-	(793)	196	(676)
At end of year		(388)	-	-	802	686	1,100

11. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components and movements of deferred tax liabilities and assets of the Group during the year prior to offsetting are as follows: (Cont'd)

(ii) Deferred Tax Liabilities of the Group

	Note	Excess of capital allowances over depreciation RM'000	Fair value on investment properties RM'000	Fair value gain on securities at fair value through profit or loss RM'000	Fair value on inventories RM'000	Fair value on associated companies RM'000	Provisions RM'000	Total RM'000
2015								
At beginning of year		553	(10,129)	(2,438)	-	-	152	(11,862)
Recognised in profit or loss	35	(2,495)	(150)	2,438	(2,795)	-	(26)	(3,028)
Acquisitions of subsidiary companies	6(a)	(42,458)	859	-	(73,910)	(6,373)	-	(121,882)
At end of year		(44,400)	(9,420)	-	(76,705)	(6,373)	126	(136,772)
2014								
At beginning of year		(26)	(9,530)	(2,433)	-	-	160	(11,829)
Recognised in profit or loss	35	579	(599)	(5)	-	-	(8)	(33)
At end of year		553	(10,129)	(2,438)	-	-	152	(11,862)

(iii) Deferred Tax Liabilities of the Company

The deferred tax liabilities of the Company is provided in respect of fair value gain on securities at fair value through profit or loss.

11. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

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

	Group 2015 RM'000	2014 RM'000
Deductible temporary differences	17,708	-
Taxable temporary differences	(27,467)	-
Unused tax losses	56,878	11,697
Unabsorbed capital allowances	79,129	-
	126,248	11,697

Deferred tax assets of certain subsidiary companies have not been recognised in respect of these items as it is not probable that taxable profits of the subsidiary companies would be available against which the deductible temporary differences could be utilised. The amount and the availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the local tax authority.

12. AVAILABLE-FOR-SALE SECURITIES

	Group 2015 RM'000	2014 RM'000
Unquoted shares in Malaysia	882	165

13. CAPITAL FINANCING

	Group 2015 RM'000	2014 RM'000
Non-current	16,750	36,657
Current	365,368	358,339
	382,118	394,996
Term loans	398,089	408,222
Allowances for impairment losses:		
- Collective assessment	-	(40)
- Individual assessment	(15,971)	(13,186)
	(15,971)	(13,226)
	382,118	394,996

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13. CAPITAL FINANCING (CONT'D)

	Note	Group 2015 RM'000	Group 2014 RM'000
Collective assessment			
At beginning of year		(40)	(876)
Write back of allowance	31	40	836
At end of year		-	(40)
Individual assessment			
At beginning of year		(13,186)	(14,024)
Allowance made	33	(2,785)	-
Write back of allowance	31	-	838
At end of year		(15,971)	(13,186)

The capital financing's client are charged at weighted average interest rate of 8.47% (2014: 8.63%) per annum. The normal credit term for capital financing ranged from 2 to 24 months from the date of financing.

As at the reporting date, the five largest clients, accounted for RM201.7 million or 53% (2014: RM232.8 million or 59%) of the net capital financing, representing the subsidiary company's significant concentration of credit risks.

Ageing analysis of gross capital financing as follows:

	Note	Group 2015 RM'000	Group 2014 RM'000
Neither past due nor impaired	(i)	314,774	339,300
Past due, not impaired			
1 to 30 days		58,827	6,732
31 to 60 days		547	37,508
61 to 90 days		1,166	2,462
	(ii)	60,540	46,702
Impaired		22,775	22,220
		398,089	408,222

All capital financing clients, located in Malaysia, are charged at fixed interest rates.

The capital financing subsidiary performs individual impairment assessment based on certain obligatory and judgemental triggers that may indicate potential impairment. All impaired accounts as defined in Note 3(r)(iii) are selected for individual impairment assessment on a regular basis.

(i) None of the Group's capital financing that are neither past due nor impaired have been renegotiated during the year.

(ii) The Group has capital financing amounting to RM60.5 million (2014: RM46.7 million) that are past due at the reporting date but not impaired, due to the availability of sufficient collateral or repayment subsequent to the reporting date.

13. CAPITAL FINANCING (CONT'D)

The Group would take possession of these collaterals that are held as security against capital financing when default occurs. Repossessed collateral are sold as soon as practicable. Repossessed collateral are recognised as investments. The Group does not occupy repossessed properties for its business use. For the year ended 31 December 2015 and 2014, other than force selling of shares in the normal course of the Group's business, there are no unsold repossessed collaterals as at 31 December 2015 and 2014.

14. TRADE RECEIVABLES AND CONTRACT ASSETS

		Note	Group 2015 RM'000	Group 2014 RM'000
(a)	**Non-current**			
	Trade receivables	(i)		
	Trade debtors		21,935	-
	Stakeholder amounts held by solicitors		7,915	-
	Retention sums		6,795	-
			36,645	-
(b)	**Current**			
	Trade receivables	(i)		
	Trade debtors		336,442	496
	Stakeholder amounts held by solicitors		29,612	-
	Retention sums		29,985	-
			396,039	496
	Less: Allowance for individual impairment		(1,798)	-
			394,241	496
	Contract assets in relation to:			
	- property development activities	(ii)	365,029	-
	- construction contracts	(iii)	19,778	-
			384,807	-
			779,048	496
	Total		815,693	496

(i) Trade receivables

Trade receivables are generally non-interest bearing and the normal credit period granted by the Group range from 30 to 90 days (2014: 30 days).

The retention sums are unsecured and interest free.

As at reporting date, there is no significant concentration of credit risks.

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14. TRADE RECEIVABLES AND CONTRACT ASSETS (CONT'D)

(i) Trade receivables (Cont'd)

Ageing analysis of gross trade receivables is as follows:

	Note	Group 2015 RM'000	Group 2014 RM'000
Neither past due nor impaired	(1)	280,398	496
Past due, not impaired			
1 to 90 days		108,128	-
91 to 180 days		16,458	-
More than 180 days		25,902	-
	(2)	150,488	-
Impaired	(3)	1,798	-
		432,684	496

(1) Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. These customers had maintained long working relationship with the Group and there is no indication as of the end of reporting period that the debtors will not meet their payment obligations.

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

(2) Owing to the reason that no loss event had occurred to these unsecured receivables, such as significant financial difficulties, no impairment was made in respect of these past due trade receivables.

(3) Trade receivables that are impaired at the reporting date and the movement of the allowance for individual impairment used to record the impairment are as follows:

	Note	Group 2015 RM'000	Group 2014 RM'000
Acquisitions of subsidiary companies		1,613	-
Allowance made	33	4,680	-
Write back of allowance	31	(4,489)	-
Write off		(6)	-
At end of year		1,798	-

Trade receivables that are impaired at the end of the reporting period relate to those debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

14. TRADE RECEIVABLES AND CONTRACT ASSETS (CONT'D)

(ii) Property development activities

The carrying amounts of contract assets and contract liabilities from property development activities after netting are as follows:

	Note	Group 2015 RM'000	Group 2014 RM'000
Acquisitions of subsidiary companies		236,093	-
Property development revenue recognised		509,236	-
Less: Provision of liquidated and ascertained damages		(13,930)	-
Less: Billings issued		(468,359)	-
At end of year		263,040	-
Acquisitions of subsidiary companies			
- Contract asset	6(a)	338,165	-
- Contract liability	6(a)	(102,072)	-
		236,093	-
At end of year			
- Contract asset		365,029	-
- Contract liability	24 (b)	(101,989)	-
		263,040	

The remaining contractual billings to customers from its property development activities amounted to RM1,385.5 million and will be billed progressively upon the fulfillment of contractual milestones not withstanding if control of the assets has not been transferred to the customers. The contractual billings period for property development ranges between 1 to 4 years.

(iii) Construction contracts

The carrying amounts of contract assets and contract liabilities from construction contracts after netting are as follows:

	Note	Group 2015 RM'000	Group 2014 RM'000
Acquisition of subsidiary companies		(50,270)	-
Construction revenue recognised		24,133	-
Less: Progress billings		(12,561)	-
		(38,698)	-
Acquisition of subsidiary companies			
- Contract asset	6(a)	8,715	-
- Contract liability	6(a)	(58,985)	-
		(50,270)	-

14. TRADE RECEIVABLES AND CONTRACT ASSETS (CONT'D)

(iii) Construction contracts (Cont'd)

The carrying amounts of contract assets and contract liabilities from construction contracts after netting are as follows: (Cont'd)

	Note	Group 2015 RM'000	Group 2014 RM'000
At end of year			
- Contract asset		19,778	-
- Contract liability	24 (b)	(58,476)	-
		(38,698)	-

The contract assets and contract liabilities under property development activities and construction contracts of the Group were not impacted by significant changes in contract terms. Included in construction contracts is depreciation of property, plant and equipment of RM2.9 million.

15. OTHER ASSETS

		Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
(a)	**Non-current**				
	Deposits	4,455	-	-	-
(b)	**Current**				
	Other receivables	74,024	243	66,636	43
	Less: Allowance for impairment, arising from acquisitions of subsidiary companies	(872)	-	-	-
		73,152	243	66,636	43
	Other deposits	27,717	203	32	26
	Prepayments	8,250	3,151	69	256
		109,119	3,597	66,737	325
	Total	113,574	3,597	66,737	325
	Allowance for impairment				
	Acquisitions of subsidiary companies / At end of year	872	-	-	-

Other receivables are non-interest bearing and the normal credit period granted by the Group range from 30 to 90 days (2014: 30 days). Included in other receivables of the Group is excess rights application monies in an associated company of RM22.1 million (2014: RM Nil). The increase in other assets mainly arising from acquisitions of subsidiary companies.

Included in other receivables of the Company are dividend receivable from subsidiary companies of RM44.5 million (2014: RM Nil) and excess rights application monies in an associated company of RM22.1 million (2014: RM Nil).

16. SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

		Group		Company	
		2015	2014	2015	2014
	Note	RM'000	RM'000	RM'000	RM'000
Designated as fair value through profit or loss:					
Quoted securities					
Shares in Malaysia		204	4,415	204	283
Shares outside Malaysia		-	1,666	-	-
		204	6,081	204	283
Collective investment schemes in Malaysia		-	23,153	-	23,153
Cash management fund in Malaysia	45	16,105	53,384	13,095	8,132
Total		16,309	82,618	13,299	31,568

The above securities are designated as fair value through profit or loss in accordance with the Group's investment strategy. The fair value of the quoted securities is based on their last bid price in the active markets.

The Cash Management Fund aims to invest in highly liquid instruments and is predominantly investing its assets in Ringgit Malaysia deposits with financial institution in Malaysia which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value and form part of cash and cash equivalents. The tax-exempt fund distribution income is calculated daily and distributed at every month end.

The Cash Management Fund of the Group and of the Company with carrying amount of RM13.1 million has been pledged as security for medium term notes as disclosed in Note 21, being permitted investments pursuant to medium term note programme.

17. AMOUNTS DUE FROM/(DUE TO) SUBSIDIARY COMPANIES

		Company	
		2015	2014
		RM'000	RM'000
(a)	Amounts due from subsidiary companies		
	- Interest bearing	1,797	16,650
(b)	Amounts due to subsidiary companies		
	- Interest bearing	(218,040)	(134,387)

The amounts due from/(due to) subsidiary companies are unsecured, repayable on demand and bear interest rate ranging from 4.61% to 4.73% (2014: 4.40% to 4.65%) per annum.

18. DERIVATIVE ASSETS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cross-currency interest rate swap				
Contract/Notional Amount	99,360	-	-	-
At fair value:				
Cross-currency interest rate swap	30,718	-	-	-
Investments in subsidiary companies' warrants	-	-	61,659	-
	30,718	-	61,659	-

Cross-currency interest rate swap have been entered into in order to operationally hedge the borrowing denominated in United States Dollar ('USD') and floating monthly interest payments on borrowings that would mature on 30 September 2018. The fair value of these components has been determined based on the difference between the monthly future rates and the strike rate.

The derivative is initially recognised at fair value on the date the derivative contract is entered into. Pursuant to inception of the cash flow hedge, subsequent gain or loss on remeasurement of this hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and the ineffective portion is recognised in profit or loss.

During the period, the Group recognised total fair value gain of RM922,000 arising from fair value changes of derivative assets in other comprehensive income as hedging reserve. The methods and assumptions applied in determining the fair values of derivative are disclosed in Note 44(a).

19. CASH AND SHORT TERM FUNDS

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash and bank balances		69,631	2,714	2,465	79
Housing Development Accounts		228,328	-	-	-
Deposits with licensed financial institutions		141,635	-	905	-
	45	439,594	2,714	3,370	79

Bank accounts held under Housing Development Accounts ("HDAs") are maintained pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966. The utilisation of this balance is restricted for property development activities.

The deposits with licensed banks amounting to RM3.4 million of the Group have been pledged to licensed banks for credit facilities granted to the Group as disclosed in Note 22.

20. NON-CURRENT ASSETS HELD FOR SALE

	Note	Group 2015 RM'000	Group 2014 RM'000
Carrying value of assets held for sale previously classified under investment properties	5	5,100	-

The assets held for sale represent shop offices which were previously measured at fair value.

21. MEDIUM TERM NOTES

	Note	Group and Company 2015 RM'000	Group and Company 2014 RM'000
Non-current			
Secured			
Medium term notes ("MTNs")		750,000	-
Less: Expenses incurred for issuance of MTNs		(3,163)	-
	43(b), 45	746,837	-
The maturity of borrowings are as follows:			
Less than 2 years		73,687	-
More than 2 years but less than 5 years		373,482	-
More than 5 years		299,668	-
		746,837	-

On 15 October 2015, the Company lodged with the Securities Commission Malaysia ("SC") all the required information and relevant documents relating to the MTN Programme pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by SC. The MTN Programme will give the Company the flexibility to raise funds via the issuance of MTNs which can be utilised to refinance its existing borrowings and to fund its working capital requirements. The MTN Programme is unrated and has a tenure of fifteen (15) years from the date of its first issuance.

On 30 October 2015, the Company issued MTNs of RM750.0 million to refinance its existing borrowings. The MTNs were issued in 12 tranches with maturities commencing from 2017 to 2022. The MTNs are redeemable every 6 months commencing 18 months after the first issuance date.

The terms of the MTN Programme contain various covenants, including the following:

(i) The Company shall maintain a Gearing Ratio of not exceeding 1.50 times throughout the tenure of the MTN Programme.

(ii) The Company shall maintain a Security Cover Ratio of not less than 1.50 times throughout the tenure of the MTN Programme.

(iii) The Company shall maintain a Debt Service Reserve Account ("DSRA") of an amount equivalent to one interest payment, which is pre-funded from the Company's internal fund and shall ensure that there are sufficient funds in the DSRA. As at 31 December 2015, the DSRA balance was RM3.1 million.

The amount can be utilised for the payment of interest of MTNs in the event of a default in interest payment obligations. Any utilised funds shall be replenished within 14 days from the date of withdrawal/shortfall.

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21. MEDIUM TERM NOTES (CONT'D)

The MTN Programme are secured by the following:

(i) First party legal charge by way of Memorandum of Deposit with Power of Attorney over shares and warrants in certain subsidiary companies; and

(ii) First party assignment and charge over the Company's right (including right to sue), title, interest and benefit in and under the DSRA and Disbursement Account and all monies standing to the credit thereto (Note 16).

22. BORROWINGS

		Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
(a)	**Non-current**					
	Secured					
	- Bridging loan		10,845	-	-	-
	- Term loans		836,129	-	241,934	-
			846,974	-	241,934	-
(b)	**Current**					
	Secured					
	- Revolving credits		154,800	-	-	-
	- Term loans		33,532	-	6,574	-
	Unsecured					
	- Bank overdrafts		4,117	-	-	-
	- Bankers' acceptances		10,622	-	-	-
	- Revolving credits		398,566	378,214	5,000	-
	- Trust receipt		2,796	-	-	-
			604,433	378,214	11,574	-
	Total	45	1,451,407	378,214	253,508	-

The maturity of borrowings are as follows:

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
On demand or within 1 year	604,433	378,214	11,574	-
More than 1 year but less than 2 years	324,310	-	30,563	-
More than 2 years but less than 5 years	392,428	-	211,371	-
More than 5 years	130,236	-	-	-
	1,451,407	378,214	253,508	-

22. BORROWINGS (CONT'D)

The currency exposure profile of borrowings is disclosed in Note 43 (b)(iii).

The unsecured revolving credits of certain subsidiary companies are supported by corporate guarantees of the Company.

The secured term loans, bridging loan and revolving credits of subsidiary companies are secured by way of charges over subsidiary companies' freehold land and buildings, freehold land and hotel properties, other property, plant and equipment (Note 4), investment properties (Note 5), inventories (Note 10) and deposits with financial institutions (Note 19) as well as debentures for the development projects. Certain of the above borrowings of indirect subsidiary companies also supported by corporate guarantees of their respective holding companies.

The Company's term loan is secured by way of charge over a portion of shares in an associated company as disclosed in Note 7(a).

The term loans are repayable over the periods from years 2015 to 2025. Interest rates for the above borrowings are disclosed in Note 43(b)(i).

23. DEFERRED INCOME

		Group	
		2015 RM'000	2014 RM'000
(a)	**Non-current**		
	Membership fees	168,233	-
(b)	**Current**		
	Facility fees	2,369	2,654
	Membership fees	3,423	-
	Maintenance fees	147	-
	Rental income	57	-
	Unredeemed vouchers	200	-
		6,196	2,654

Deferred income mainly represents membership fees received from timeshare members which are recognised based on the benefit to be enjoyed over the membership period.

Facility fees received are recognised over the financing periods granted.

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24. TRADE PAYABLES AND CONTRACT LIABILITIES

		Note	Group 2015 RM'000	Group 2014 RM'000
(a)	**Non-current**			
	Retention sums		48,415	-
(b)	**Current**			
	Trade creditors		291,035	-
	Advance payment from clients		2,092	818
	Retention sums		60,962	-
			354,089	818
	Contract liabilities in relation to:			
	- property development activities	14(b)	101,989	-
	- construction contracts	14(b)	58,476	-
			160,465	-
			514,554	818
	Total		562,969	818

The retention sums are unsecured and interest free.

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group range from 30 to 90 days.

25. OTHER LIABILITIES

		Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
(a)	**Non-current**					
	Provision for low cost housing	(i)	2,121	-	-	-
(b)	**Current**					
	Provision for low cost housing	(i)	18,068	-	-	-
	Amount due to a joint venture	(ii)	965	-	-	-
	Amounts due to an associated group	(iii)	3,404	3,261	-	-
	Other payables		94,253	306	1	1
	Accruals		77,267	1,889	833	1,677
	Provisions		58,039	3,891	93	419
	Deposits		18,674	1,720	-	-
	Short-term employee benefits		17,679	4,009	3,721	260
			288,349	15,076	4,648	2,357
	Total		290,470	15,076	4,648	2,357

25. OTHER LIABILITIES (CONT'D)

(i) Provision for low cost housing

	Group 2015 RM'000	2014 RM'000
Acquisitions of subsidiary companies	21,070	-
Accretion of discount	235	-
Utilisation of the provision	(1,116)	-
At year end	20,189	-
Non-current	2,121	-
Current	18,068	-
	20,189	-

(ii) The amount due to a joint venture partner is unsecured, interest free and is repayable in accordance to the terms of the joint venture, subject to consent of all parties to the joint venture.

(iii) The amounts due to an associated group represent rental and utility deposits received which are interest free, unsecured and repayable on demand.

The increase in other liabilities mainly arising from acquisitions of subsidiary companies.

26. SHARE CAPITAL

	Group and Company Number of ordinary shares ('000) /Amount (RM'000) 2015	2014
Authorised		
Ordinary shares of RM1.00 each:		
At beginning/end of year	1,500,000	1,500,000
Issued and fully paid		
Ordinary shares of RM1.00 each:		
At beginning of year	969,058	969,058
Issued during the financial year:		
- Acquisitions of subsidiary companies	292,328	-
- Acquisitions of additional interests in subsidiary companies from non-controlling interests	141,505	-
	433,833	-
At end of year	1,402,891	969,058

26. SHARE CAPITAL (CONT'D)

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

During the year, the Company issued 433,832,718 new ordinary shares of RM1.00 each for the acquisitions of subsidiary companies and acquisitions of additional interests subsequently in OSKP and PJD as disclosed in Note 6. The new ordinary shares issued rank pari passu in all respect with the existing ordinary shares of the Company.

Warrant C 2015/2020

On 23 July 2015, the Company issued 237,732,751 Warrants C 2015/2020 pursuant to the Bonus Issue of Warrants which were listed on the Main Market of Bursa Securities with effect from 9.00 a.m. on 4 August 2015.

The Stock Short Name, Stock Number and ISIN Code of the Warrant C 2015/2020 are "OSK-WC", "5053WC" and "MYL5053WCU71" respectively. The main features of Warrant C 2015/2020 are as follows:

(i) Each Warrant C 2015/2020 entitles the holder to subscribe for 1 new ordinary share of RM1.00 each in the Company at a exercise price of RM1.80 per share by cash at any time during normal business hours up to 5.00 pm on or before 22 July 2020; and

(ii) Full provisions regarding the transferability of Warrant C 2015/2020 to new ordinary shares, which will thereafter rank pari passu with the existing ordinary shares of the Company, adjustment of the Exercise Price in certain circumstances, quotation on Bursa Securities and other terms and conditions pertaining to the Warrant C 2015/2020 are set out in detail in a Deed Poll executed by the Company on 7 July 2015, which is available for inspection at the registered office of the Company.

As at 31 December 2015, the total number of Warrant C 2015/2020 which remained unexercised was 237,732,751.

27. TREASURY SHARES

	Group and Company	
	2015 RM'000	2014 RM'000
At cost		
At beginning of year	30,232	787
Share buybacks	2	29,445
At end of year	30,234	30,232

	Group and Company	
	2015 '000	2014 '000
Number of treasury shares		
At beginning of year	18,097	637
Share buybacks	1	17,460
At end of year	18,098	18,097
Total number of outstanding shares in issue	1,384,793	950,961
Total number of issued and fully paid ordinary shares	1,402,891	969,058

27. TREASURY SHARES (CONT'D)

The Shareholders of the Company, by a special resolution passed in the Extraordinary General Meeting held on 18 December 2000, approved the Company's plan to repurchase its own ordinary shares. The Company has annually obtained the approval of the Shareholders to repurchase its own ordinary shares subject to the conditions of:

(i) the aggregate number of shares purchased does not exceed 10 percent of the total issued and paid-up share capital of the Company as quoted on Bursa Securities as at the point of purchase;

(ii) an amount not exceeding the Company's last audited retained profits and/or the share premium account at the time of the purchase(s) will be allocated by the Company for the purchase of own shares; and

(iii) the Directors of the Company may decide either to retain the shares purchased as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder or to resell the shares or distribute the shares as dividends.

The Directors are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan is to the best interests of the Company and its shareholders. The repurchase transactions were mainly financed by internally generated funds coupled with minimum borrowings.

The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965. The Company may distribute the treasury shares as dividend to the shareholders or re-sell the treasury shares in the market in accordance with the Rules of Bursa Securities or cancel the shares in accordance with Section 67A of the Companies Act, 1965.

Summary of the share buybacks are as follows:

	Highest price RM	Lowest price RM	Average cost* RM	Number of shares '000	Total amount paid RM'000
2015					
At beginning of year	2.82	0.90	1.67	18,097	30,232
Share buybacks during the year:					
December	1.67	1.67	1.71	1	2
At end of year	2.82	0.90	1.67	18,098	30,234
2014					
At beginning of year	2.82	0.90	1.24	637	787
Share buybacks during the year:					
February	1.62	1.61	1.62	1,398	2,270
March	1.67	1.60	1.63	4,598	7,483
April	1.73	1.66	1.72	11,463	19,690
June	1.68	1.68	1.72	1	2
	1.73	1.60	1.69	17,460	29,445
At end of year	2.82	0.90	1.67	18,097	30,232

* Average cost includes transaction costs.

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28. RESERVES

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Share premium	(a)	336,481	-	336,481	-
Revaluation reserve	(b)	76,321	76,321	-	-
Foreign exchange reserves	(c)	96,133	26,260	-	-
Hedging reserve	(d)	824	-	-	-
Other reserves	(e)	(10,455)	(4,064)	-	-
		499,304	98,517	336,481	-
Retained profits		2,222,071	1,670,648	1,125,013	1,316,990
		2,721,375	1,769,165	1,461,494	1,316,990

(a) Share Premium

	Group and Company	
	2015 RM'000	2014 RM'000
Arising from issuance of shares for:		
- Acquisitions of subsidiary companies	251,402	-
- Acquisitions of additional interests in subsidiary companies from non-controlling interests	85,315	-
Shares issuance expenses	(236)	-
At end of year	336,481	-

(b) Revaluation Reserve

The revaluation reserve of the Group represent revaluation surplus on land and building. On 9 November 2012, this land and building that classified on property, plant and equipment were transferred to investment properties due to change in use. This land and building are measured at their fair values based on independent valuer at that date as a result of disposal of investment banking subsidiary companies. A total gain of RM80.3 million is recognised as a revaluation surplus in year 2012 and a deferred tax of RM4.0 million arising from change of tax legislation in year 2013.

(c) Foreign Exchange Reserves

The foreign exchange reserves are used to record foreign currency exchange differences arising from the translations of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

Foreign exchange reserves includes sharing of translation differences arising from an associated company, amounting to RM81.5 million (2014: 26.3 million).

(d) Hedging Reserve

The hedging reserve comprise of the effective portion of the cumulative net change in fair value of cash flow hedging instruments as related to hedged transactions that have not yet occurred as disclosed in Note18.

28. RESERVES (CONT'D)

(e) Other Reserves

Other reserves are share of other reserves of an associated company. Types of reserves are as shown below:

	Group 2015 RM'000	Group 2014 RM'000
Available-for-sale reserve	(10,850)	(4,196)
Other reserve	395	132
	(10,455)	(4,064)

29. REVENUE

	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Contracts with customers:				
- Construction contracts	12,561	-	-	-
- Property development	509,236	-	-	-
Dividend income				
- Subsidiary companies	-	-	56,173	-
- Associated company	-	-	15,348	25,987
- Available-for-sale securities	35	7	-	-
- Securities at fair value through profit or loss	-	454	-	213
	35	461	71,521	26,200
Facility fees	5,696	7,969	-	-
Interest income				
- Non-impaired financing	29,935	32,364	-	-
- Impaired financing	2,983	1,917	-	-
- Short term deposits	980	-	-	-
- Subsidiary companies	-	-	585	3,535
	33,898	34,281	585	3,535
Rental income	30,152	17,217	-	-
Rendering of services	54,491	-	-	-
Sale of goods	114,666	-	-	-
	760,735	59,928	72,106	29,735

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30. COST OF SALES

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Contract works		1,121	-	-	-
Cost of inventories sold		91,440	-	-	-
Fee expenses		442	258	-	-
Facility and commitment fees		1,501	1,033	371	387
Funding costs		12,105	11,150	-	-
Investment property expenses		9,410	4,386	-	-
Property development costs	10(b)	371,734	-	-	-
Services rendered		22,396	-	-	-
		510,149	16,827	371	387

Cost of sales includes depreciation of property, plant and equipment and staff costs of RM0.9 million (2014: RM Nil) (Note 4) and RM23.7 million (2014: RM Nil) respectively.

31. OTHER INCOME

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Bad debts recovered		508	2	-	-
Dividend income from:					
- securities at fair value through profit or loss		215	-	-	-
- available-for-sale securities		12	-	-	-
Financial guarantee income		-	-	-	1,637
Fund distribution income from Cash Management Fund		1,052	-	267	-
Gain on disposals of plant and equipment		181	30	-	-
Gain on fair valuation of:					
- biological assets	8	425	-	-	-
- investment properties	5	3,000	12,000	-	-
Interest income on deposits and placements with financial institutions		4,467	2	67	2
Management fee		169	-	5,588	-
Negative goodwill arising from acquisitions of:					
- subsidiary companies	6(a)	363,163	-	-	-
- additional interest in an associated company		12,089	-	-	-
Gain arising from sales of securities		11,266	780	11,266	946
Realised gain on foreign exchange translations		-	186	-	208
Rental income		1,287	-	-	-
Sale of oil palm fresh fruit bunches		146	122	-	-
Unrealised gain on foreign exchange translations		162	-	-	-
Unrealised gain on revaluation of securities at fair value through profit or loss		-	1,173	-	1,144
Unwinding of discount		2,898	-	-	-

31. OTHER INCOME (CONT'D)

		Group		Company	
	Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Write back of allowance for impairment losses on capital financing:					
- Collective assessment	13	40	836	-	-
- Individual assessment	13	-	838	-	-
Write back of allowance for impairment losses on trade receivables:					
- Individual assessment	14	4,489	-	-	-
Others		6,312	457	536	132
		411,881	16,426	17,724	4,069

32. ADMINISTRATIVE EXPENSES

			Group		Company	
		Note	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
(a)	**Establishment related expenses**					
	Depreciation of property, plant and equipment	4	9,839	705	1	1
	Amortisation of software licenses	9	229	143	-	-
	Insurance		602	45	3	6
	Rental of equipment		296	1	-	-
	Rental of premises		157	-	236	129
	Repair and maintenance		1,236	303	1	-
	Utility expenses		5,200	31	15	12
	Upkeep expenses		2,614	42	-	2
	Others		5,395	8	-	-
			25,568	1,278	256	150
(b)	**General administrative expenses**					
	Bank charges		767	-	18	-
	Communication expenses		1,213	71	355	1
	Donation		27	139	5	39
	Legal and professional fees		6,236	3,459	2,425	3,088
	Printing and stationery		2,056	165	1,015	106
	Shares registration		505	251	426	251
	Stamp duty		65	-	9	22
	Transport and travelling		1,142	42	52	18
	Others		7,117	1,766	894	582
			19,128	5,893	5,199	4,107

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32. ADMINISTRATIVE EXPENSES (CONT'D)

		Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
(c)	**Personnel expenses**					
	Salaries, allowances, bonuses and other emoluments (net of over provision)		35,880	7,107	6,899	(2,914)
	Pension costs - defined contribution plan		4,029	890	456	-
	Others		3,237	319	54	39
			43,146	8,316	7,409	(2,875)
(d)	**Selling and marketing expenses**					
	Advertisement and promotion		11,751	-	-	-
	Commission		9,152	-	-	-
	Interest subsidies		12,586	-	-	-
	Legal fees		3,886	-	-	-
	Others		4,581	-	-	-
			41,956	-	-	-
	Total administrative expenses		129,798	15,487	12,864	1,382

33. OTHER EXPENSES

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Allowance for impairment losses on Individual assessment					
- capital financing	13	2,785	-	-	-
- trade receivables	14	4,680	-	-	-
Bad debts written off		122	1	-	-
Contribution to a foundation		-	1,400	-	(1,700)
Plant and equipment written off	4	874	-	-	-
Loss on disposal of quoted securities		695	-	-	-
Realised loss on foreign exchange		1,860	-	-	-
Research and development expenses		892	-	-	-
Unrealised loss on foreign exchange translations		-	1,304	-	1,141
Reversal of unrealised gain on revaluation of securities at fair value through profit or loss		9,753	-	9,753	-
Unrealised loss on revaluation of securities at fair value through profit or loss		140	-	67	-
Unrealised loss on revaluation of derivative assets		-	-	13,387	-
Others		976	-	-	-
		22,777	2,705	23,207	(559)

34. ITEMS OF INCOME AND EXPENSES

The following amounts have been credited/(charged) to the profit or loss (which are not disclosed in other notes):

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
Auditors' remuneration:					
(i) Statutory audit - current year					
- auditors of the Company		(345)	(115)	(281)	(50)
- other auditors		(440)	-	-	-
(ii) Other audit-related services					
- current year					
- auditors of the Company		(91)	(235)	(91)	(235)
- other auditors		(17)	-	-	-
(iii) Non- audit services					
- current year					
- auditors of the Company		(140)	-	(140)	-
		(1,033)	(350)	(512)	(285)
Amortisation of finance cost		(157)	-	(157)	-
Directors' remuneration including estimated money value of any other benefits	38(a)	(5,346)	(3,743)	(2,474)	(265)
Interest expense		(26,865)	(2,498)	(20,764)	(7,379)
Staff costs (excluding Directors' remuneration):					
- salaries, allowances, bonuses and other emoluments (net of over provision)		(47,744)	(3,754)	(4,712)	3,179
- defined contribution plan		(4,879)	(500)	(192)	-
- social security costs		(162)	(42)	-	-
- other staff related expenses		(8,695)	(277)	(30)	(39)
		(61,480)	(4,573)	(4,935)	3,140

35. INCOME TAX EXPENSE / (INCOME)

	Note	Group 2015 RM'000	Group 2014 RM'000	Company 2015 RM'000	Company 2014 RM'000
In respect of the current year					
Malaysian income tax		51,729	9,359	2,796	804
Foreign income tax		13	-	-	-
		51,742	9,359	2,796	804
(Over)/Under provision in respect of prior years					
Malaysian income tax		(1,471)	1,292	(572)	1,327
Deferred taxation:					
Deferred tax assets	11(a)	(18,379)	676	-	-
Deferred tax liabilities	11(b)	3,028	33	(2,438)	5
		(15,351)	709	(2,438)	5
Income tax expense / (income)		34,920	11,360	(214)	2,136

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35. INCOME TAX EXPENSE / (INCOME) (CONT'D)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deferred taxation is further analysed as follow:				
Origination and reversal of temporary differences	(18,933)	628	(2,438)	5
Change in tax rate	1,246	-	-	-
Under provision in prior year	2,336	81	-	-
	(15,351)	709	(2,438)	5

Income tax expense is calculated based on the respective jurisdictions' statutory income tax rates on the estimated taxable profits for the year as follow:

Country	Tax rate %
Malaysia	25%
Australia	30%
Singapore	17%
Thailand	20%
Vietnam	*

* Incentive corporation income tax

OVI Cables (Vietnam) Co. Ltd., a wholly-owned subsidiary company of PJD and in turn an indirect subsidiary company of the Company, is entitled to enjoy preferential corporate income tax as follows:

- income tax rate of 15% shall be applied for 12 years from the commencement of activities for year 2007 to 2018 and based on the current rate of relevant regulation of corporation income tax ("CIT") for the following subsequent years, and
- to be exempted from CIT for three years from the first year generating taxable profit and reduced 50% of CIT in the seven succeeding years.

The reconciliation between the tax at statutory tax rate of 25% (2014: 25%) on the profit before tax and the tax expense is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Profit before tax ("PBT")	604,722	215,615	32,624	25,215
Tax at Malaysian statutory on PBT	151,181	53,904	8,156	6,304
Effects of:				
- change in tax rate in respect of deferred tax	1,246	-	-	-
- different tax rates in foreign jurisdictions/other authorities	(128)	-	-	-
- different tax rate under Real Property Gains Tax rate	150	(2,400)	-	-
- non-taxable income	(98,147)	(998)	(17,947)	(7,956)
- non-deductible expenses	9,039	3,676	10,149	2,461
Share of post-tax results of associates and a joint venture	(30,463)	(44,195)	-	-
Utilised of previously unrecognised deferred tax assets	(866)	-	-	-
Deferred tax assets not recognised during the year	2,043	-	-	-
Temporary differences not recognised in prior years	2,336	81	-	-
(Over)/Under provision of tax in prior years	(1,471)	1,292	(572)	1,327
Income tax expense/(income)	34,920	11,360	(214)	2,136

36. EARNINGS PER SHARE ("EPS")

Basic

	Group 2015	2014
Profit attributable to Owners of the Company (RM'000)	561,528	204,255
Weighted average number of ordinary shares in issue ('000)	1,127,280	959,440
Basic EPS (sen)	49.81	21.29

Basic earnings per share is calculated by dividing profit attributable to Owners of the Company by the weighted average number of ordinary shares in issue during the year net of treasury shares held by the Company.

Diluted

	Group 2015	2014
Profit attributable to Owners of the Company (RM'000)	561,528	204,255
Weighted average number of ordinary shares in issue ('000)	1,127,280	959,440
Effect of dilution from assumed exercise of Warrant C 2015/2020 ('000)	- ^	-
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,127,280	959,440
Diluted EPS (sen)	49.81	21.29

Diluted earnings per share is calculated by dividing profit attributable to Owners of the Company by the weighted average number of ordinary shares in issue during the year net of treasury shares after adjusting for the effects of dilution arising from the potential conversion of the Company's Warrant C 2015/2020 into ordinary shares.

^ The Company's Warrant C 2015/2020 that could potentially dilute basic earnings per share in the future were not included in the calculation of diluted earnings per share because they are anti-dilutive from the period of the warrant issuance date to reporting date.

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37. DIVIDENDS

(a) Dividends Paid:

	Group and Company			
	Amount		Dividend per share	
	2015 RM'000	2014 RM'000	2015 Sen	2014 Sen
In 2015				
Single-tier final dividend of 5.0 sen for the year ended 2014, paid on 8 May 2015	47,551	-	5.0	-
Single-tier special dividend of 15.0 sen for the year ended 2015, paid on 4 August 2015	142,644	-	15.0	-
Single-tier interim dividend of 2.5 sen for the year ended 2015, paid on 12 November 2015	34,620	-	2.5	-
In 2014				
Single-tier final dividend of 5.0 sen for the year ended 2013, paid on 15 May 2014	-	47,548	-	5.0
Single-tier interim dividend of 2.5 sen for the year ended 2014, paid on 30 September 2014	-	23,774	-	2.5
	224,815	71,322	22.5	7.5

37. DIVIDENDS (CONT'D)

(b) Dividends Declared or Proposed:

	Group and Company			
	Amount		Dividend per share	
	2015	2014	2015	2014
	RM'000	RM'000	Sen	Sen
For the year ended 31 December 2015				
Single-tier special dividend of 15.0 sen paid on 4 August 2015	142,644	-	15.0	-
Single-tier interim dividend of 2.5 sen paid on 12 November 2015	34,620	-	2.5	-
Proposed single-tier final dividend of 2.5 sen per share based on number of shares outstanding in issue at end of the year	34,620	-	2.5	-
For the year ended 31 December 2014				
Single-tier interim dividend of 2.5 sen paid on 30 September 2014	-	23,774	-	2.5
Single-tier final dividend of 5.0 sen per share paid on 8 May 2015	-	47,551	-	5.0
	211,884	71,325	20.0	7.5

The Board of Directors recommends a single-tier final dividend of 2.5 sen per share (2014: 5.0 sen per share) amounting to approximately RM34.6 million, based on number of outstanding shares in issue at the end of the year, for the year ended 31 December 2015. The proposed dividend is subject to Shareholders' approval at the forthcoming Annual General Meeting. The entitlement date for the final dividend shall be determined by the Board of Directors. The financial statements for the current year do not reflect these proposed dividends. Such dividends, if approved by the Shareholders, will be accounted for in equity in the year ending 31 December 2016.

38. SIGNIFICANT RELATED PARTY DISCLOSURES

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating policy decisions, or the parties are subject to common control or significant influence.

38. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(a) Key Management Personnel's Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities, directly or indirectly, including Directors of the Company and senior personnel of the Group. The key management personnel's compensation is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Directors:				
Executive				
Fees - current year	20	50	-	50
Other emoluments *	4,049	2,751	1,923	-
	4,069	2,801	1,923	50
Estimated money value of benefits-in-kind	54	18	16	-
Total short-term employee benefits	4,123	2,819	1,939	50
Post-employment benefits				
- Defined contribution plan	560	390	264	-
Total for Executive Directors	4,683	3,209	2,203	50
Non-Executive				
Fees - current year	192	215	165	215
Other emoluments *	448	303	98	-
	640	518	263	215
Estimated money value of benefits-in-kind	23	16	8	-
Total for Non-Executive Directors	663	534	271	215
Total for Directors	5,346	3,743	2,474	265
Other key management personnel:				
Short-term employee benefits	5,138	1,473	517	-
Estimated money value of benefits-in-kind	149	1	4	-
Total short-term employee benefits	5,287	1,474	521	-
Post-employment benefits				
- Defined contribution plan	701	211	66	-
	5,988	1,685	587	-
Total for key management personnel compensation	11,334	5,428	3,061	265

* Other emoluments included salaries, bonuses and allowances.

38. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(b) Directors' Remuneration

The Directors' remuneration included in administrative expenses as disclosed in Note 38(a) are paid/payable to the following Directors:

2015
Executive:
Tan Sri Ong Leong Huat @ Wong Joo Hwa
Ong Ju Yan - appointed on 9.10.15
Ong Ju Xing - appointed on 9.10.15
Dato' Saiful Bahri bin Zainuddin - appointed on 9.10.15

Non-Executive:
Dato' Nik Mohamed Din bin Datuk Nik Yusoff
Foo San Kan
Dato' Abdul Majit bin Ahmad Khan
Dr. Ngo Get Ping

2014
Executive:
Tan Sri Ong Leong Huat @ Wong Joo Hwa

Non-Executive:
Dato' Nik Mohamed Din bin Datuk Nik Yusoff
Foo San Kan
Dato' Abdul Majit bin Ahmad Khan
Dr. Ngo Get Ping

The number of Directors of the Company whose total remuneration (excluding benefits-in-kind), for the year or the period from the date of appointment to end of the year, fell within the following bands is analysed below:

	Number of Directors	
	2015	**2014**
Executive:		
RM200,001 up to RM250,000	1	-
RM400,001 up to RM450,000	1	-
RM500,001 up to RM550,000	1	-
RM3,150,001 up to RM3,200,000	-	1
RM3,450,001 up to RM3,500,000	1	-
Non-Executive:		
RM50,000 and below	-	1
RM50,001 up to RM100,000	3	2
RM350,001 up to RM400,000	-	1
RM400,001 up to RM450,000	1	-
	8	5

38. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(c) Significant Transactions and Balances with Subsidiary Companies and Associated Company

The relationship between the Company and its subsidiary companies, and its associated companies and joint venture are disclosed in Notes 6 and 7 respectively. The significant transactions with subsidiary companies and associated company during the year are as follows:

	Group			
Transactions and balances with an associated group of companies	**Income/(Expenses)**		**Amount due from/(to)**	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
RHB Capital Berhad group of companies				
RHB Bank Berhad				
Office rental income	750	698	-	-
Interest expense	(17,419)	(3,185)	-	-
Banking facility fee	(1,250)	-	-	-
Commitment fee expense	(695)	(402)	-	-
Medium term notes	-	-	(750,000)	-
Borrowings	-	-	(189,240)	(138,075)
Bank balance and short term funds	-	-	13,712	2,575
RHB Investment Bank Berhad				
Office rental income	8,715	8,827	513	469
Brokerage fee	(318)	-	-	-
Banking facility fee	(1,250)	-	-	-
Advisory fee	(1,000)	(600)	-	-
Rental and utilities deposits received	-	-	(2,578)	(2,576)
Short term deposits	-	-	22,501	-
RHB Trustees Berhad				
Office rental income	311	370	2	-
RHB Research Institute Sdn. Bhd.				
Office rental income	276	273	2	-
RHB Asset Management Sdn. Bhd.				
Office rental income	1,567	1,446	15	-
Interest income	820	-	-	-
Rental and utilities deposits received	-	-	(400)	(245)

The Group invested in a collective investment scheme and cash management fund of RM16.1 million (2014: RM76.5 million) which managed by RHB Asset Management Sdn Bhd.

38. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(c) Significant Transactions and Balances with Subsidiary Companies and Associated Company (Cont'd)

Transactions and balances with subsidiary companies	Company Income/(Expenses) 2015 RM'000	Company Income/(Expenses) 2014 RM'000	Company Amount due from/(to) 2015 RM'000	Company Amount due from/(to) 2014 RM'000
OSK Capital Sdn. Bhd.				
Interest income	585	2,145	-	-
Management fee	842	-	-	-
Amount due to subsidiary company	-	-	-	16,641
Amount due from subsidiary company	-	-	(27,563)	-
KE-ZAN Holdings Berhad				
Interest expense	(7,068)	(7,314)	-	-
Amount due from subsidiary company	-	-	(177,201)	(125,396)
OSK Realty Sdn. Bhd.				
Interest income	-	1,390	-	-
Interest expense	(507)	-	-	-
Management fee	393	-	-	-
Amount due from subsidiary company	-	-	(13,276)	(8,991)
PJ Development Holdings Berhad group of companies				
PJ Development Holdings Berhad				
Dividend income	23,396	-	-	-
Management fee	2,503	-	1,585	-
OSK Property Holdings Berhad group of companies				
OSK Property Holdings Berhad				
Dividend income	32,777	-	-	-
OSK Properties Management Sdn. Bhd.				
Management fee	1,715	-	-	-

38. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(c) Significant Transactions and Balances with Subsidiary Companies and Associated Company (Cont'd)

	Company			
	Income/(Expenses)		Amount due from/(to)	
Transactions and balances with an associated group of companies	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
RHB Capital Berhad group of companies				
RHB Bank Berhad				
Interest expense	(11,879)	-	-	-
Banking facility fee	(1,250)	-	-	-
Medium term notes	-	-	(750,000)	-
Bank balance and short term funds	-	-	3,314	15
RHB Investment Bank Berhad				
Brokerage fee	(318)	-	-	-
Banking facility fee	(1,250)	-	-	-
Advisory fee	(1,000)	(600)	-	-

During the year, the Company received dividend income of RM15.3 million (2014: RM26.0 million) from RHB Capital Berhad.

The Company invested in a collective investment scheme and cash management fund of RM13.1million (2014: RM31.3 million) which managed by RHB Asset Management Sdn. Bhd.

(d) Significant Transactions and Balances with Other Related Parties

Other related parties are companies related to a director and a major shareholder of the Company:

Dindings Consolidated Sdn. Bhd. ("DCSB")

- The spouse and daughter of Tan Sri Ong Leong Huat @ Wong Joo Hwa are directors of DCSB. Tan Sri Ong Leong Huat @ Wong Joo Hwa, his spouse and children collectively owned 100% of DCSB.

38. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D)

(d) Significant Transactions and Balances with Other Related Parties (Cont'd)

	Group			
	Income/(Expenses)		Amount due from/(to)	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Dindings Consolidated Sdn. Bhd. group of companies				
Dindings Risks Management Services Sdn. Bhd.				
Insurance premium expense	(360)	(245)	-	-
DC Services Sdn. Bhd.				
Insurance premium expense	(426)	-	-	-
Dindings Life Agency Sdn. Bhd.				
Insurance premium expense	(318)	-	-	-
Sincere Source Sdn. Bhd.				
Insurance premium expense	(405)	-	-	-
Dindings Construction Sdn. Bhd.				
Construction works	(8,765)	-	(5,594)	-

(e) Ultimate Holding Company

OSK Equity Holdings Sdn. Bhd. ("OSKE") is the ultimate holding company of the Company and the Company has not incurred related party transactions or balances with OSKE during the current and prior years.

39. UNRECOGNISED CONTRACTUAL COMMITMENTS

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Capital commitments				
Contracted but not provided for:				
- Acquisition of office equipment and software	9,325	144	-	-
- Investment property expenses	33	82	-	-
- Development of an investment property under construction	38,817	13,642	-	-
- Acquisition of land held for property development	8,535	-	-	-
- Professional fees	104	959	104	917
- Construction of buildings	62	121	-	-
	56,876	14,948	104	917

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40. CONTINGENT LIABILITIES

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unsecured:				
Corporate guarantees given to licensed banks for facilities granted to subsidiaries	-	-	393,395	378,075
Corporate guarantees given to financial institutions relating to banking facilities of a joint venture	39,409	-	-	-
Bank guarantees in lieu of security deposits for utility	387	447	-	-
	39,796	447	393,395	378,075

41. SEGMENT INFORMATION

The Group is organised into four major business segments based on products and services, which are regularly provided to and reviewed by the chief operating decision makers comprising of the Board of Directors and senior management of the Group:

Financial services & Investment Holdings

(i) Investment Holdings – Investing activities and other insignificant business segment, where investments contribute dividend income and interest income as well as sharing of results of the investee companies.

(ii) Capital Financing – Capital financing activities, generating interest, fee and related income.

Properties & Construction

(i) Property Development – Property development of residential and commercial properties including townships for sale as well as provision of project management services.

(ii) Property Investment & Management – Management and letting of properties, contributing rental yield and appreciation of properties.

(iii) Construction – Building construction and other construction contracts.

Industries

(i) Cables & Wires – Manufacturing and trading of cable and wire products.

(ii) Building Materials – Manufacturing and sale of concrete wall panels, an Industrial Building System (IBS) materials; and trading of building materials.

Hospitality – Management of hotels, resorts including golf course operations and management of timeshare membership scheme.

Business segment revenue and results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The inter-segment transactions have been entered into at terms mutually agreed between the segments concerned and have been eliminated to arrive at the Group's results. Revenue of approximately RM11.8 million (2014: RM12.0 million) is derived from a single customer, which is attributable to the Property Investment segment.

Upon the Company completed acquisitions of OSKP and PJD as disclosed in Note 6, the Group's business segments have diversified to include properties and construction, industrial products and hotel and timeshare management.

41. SEGMENT INFORMATION (CONT'D)

(a) Business Segment Analysis:

2015	Financial Services & Investment Holdings RM'000	Properties & Construction RM'000	Industries RM'000	Hospitality RM'000	Elimi-nations RM'000	Conso-lidated RM'000
Revenue						
External parties	40,744	552,372	113,783	53,836	-	760,735
Inter-segment	19,367	73,999	515	206	(94,087)	-
Dividend from subsidiary companies	56,174	-	-	-	(56,174)	-
Dividend from an associated company	15,348	-	-	-	(15,348)	-
Total	131,633	626,371	114,298	54,042	(165,609)	760,735
Results						
Segment profits	367,386	100,249	9,878	7,601	(2,087)	483,027
Share of results of associated companies and a joint venture	121,695	-	-	-	-	121,695
Profit before tax	489,081	100,249	9,878	7,601	(2,087)	604,722
Income tax expense						(34,920)
Profit after tax						569,802
Other income/(expense) disclosures:						
Depreciation and amortisation	(649)	(6,380)	(1,826)	(5,057)	-	(13,912)
Dividend income	70,999	785	-	-	(71,522)	262
Finance costs	(27,828)	(17,542)	(213)	(1,319)	20,037	(26,865)
Funding costs	(12,690)	-	-	-	585	(12,105)
Interest income	38,089	13,157	248	54	(13,183)	38,365
Gain on fair value of investment properties	-	3,000	-	-	-	3,000
Plant and equipment written off	-	(673)	-	(201)	-	(874)
Reversal of unrealised gain on revaluation of securities at fair value through profit or loss	(9,753)	-	-	-	-	(9,753)
Unrealised loss on revaluation of fair value through profit or loss	(140)	-	-	-	-	(140)
Unrealised gain on foreign exchange translations	162	-	-	-	-	162
Allowance for impairment losses (net) on:						
- capital financing	(2,745)	-	-	-	-	(2,745)
- trade receivables	-	-	-	(191)	-	(191)
Bad debt written off	-	-	-	(122)	-	(122)
Negative goodwill on acquisitions of:						
- subsidiary companies	363,163	-	-	-	-	363,163
- additional interests in an associated company	12,089	-	-	-	-	12,089

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41. SEGMENT INFORMATION (CONT'D)

(a) Business Segment Analysis: (Cont'd)

2015	Financial Services & Investment Holdings RM'000	Properties & Construction RM'000	Industries RM'000	Hospitality RM'000	Conso-lidated RM'000
Assets					
Tangible assets	552,678	3,460,962	233,240	539,680	4,786,560
Intangible assets	1,353	731	-	-	2,084
	554,031	3,461,693	233,240	539,680	4,788,644
Investments in associated companies and a joint venture	2,791,783	-	-	-	2,791,783
Segment assets	3,345,814	3,461,693	233,240	539,680	7,580,427
Deferred tax assets and tax recoverable					110,626
Total assets					7,691,053
Liabilities					
Segment liabilities	1,412,147	1,502,662	38,593	272,710	3,226,112
Deferred tax liabilities and tax payable					157,247
Total liabilities					3,383,359
Other information					
Capital expenditure	602	20,315	7,478	13,617	42,012

2014	Investment Holding RM'000	Capital Financing RM'000	Property Investment RM'000	Elimi-nations RM'000	Conso-lidated RM'000
Revenue					
External parties	213	42,498	17,217	-	59,928
Inter-segment	3,535	-	1,487	(5,022)	-
Dividend from an associated company	25,987	-	-	(25,987)	-
Total	29,735	42,498	18,704	(31,009)	59,928

41. SEGMENT INFORMATION (CONT'D)

(a) Business Segment Analysis: (Cont'd)

2014	Investment Holding RM'000	Capital Financing RM'000	Property Investment RM'000	Eliminations RM'000	Consolidated RM'000
Results					
Segment (loss)/profits	(2,492)	18,031	23,298	-	38,837
Share of profit of an associated company	176,778	-	-	-	176,778
Profit before tax	174,286	18,031	23,298	-	215,615
Income tax expense					(11,360)
Profit after tax					204,255
Other income/(expense) disclosures:					
Depreciation and amortisation	-	(401)	(447)	-	(848)
Dividend income	26,448	-	-	(25,987)	461
Finance costs	-	-	(3,919)	1,421	(2,498)
Funding costs	(7,380)	(13,515)	-	9,745	(11,150)
Interest income	3,537	34,280	7,315	(10,849)	34,283
Gain from fair valuation on investment properties	-	-	12,000	-	12,000
Unrealised gain on revaluation of fair value through profit or loss	1,173	-	-	-	1,173
Unrealised loss from foreign exchange translations	(1,304)	-	-	-	(1,304)
Write back of impairment losses on capital financing	-	1,674	-	-	1,674

2014	Investment Holding RM'000	Capital Financing RM'000	Property Investment RM'000	Consolidated RM'000
Assets				
Tangible assets	37,941	398,834	429,130	865,905
Intangible assets	159	794	-	953
	38,100	399,628	429,130	866,858
Investments in an associated company	2,245,521	-	-	2,245,521
Segment assets	2,283,621	399,628	429,130	3,112,379
Deferred tax assets and tax recoverable				4,503
Total assets				3,116,882
Liabilities				
Segment liabilities	2,370	291,875	102,517	396,762
Deferred tax liabilities and tax payable				12,129
Total liabilities				408,891
Other information				
Capital expenditure	-	548	550	1,098

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41. SEGMENT INFORMATION (CONT'D)

(b) Geographical Segments Analysis:

The Group's operations are mainly based in Malaysia and Australia. Other geographical segments mainly include Singapore, Thailand, Vietnam and British Virgin Islands. In presenting information on the basis of geographical areas, segment revenue is based on the geographical location of customers and non-current assets are based on the geographical location of the assets.

	Malaysia RM'000	Australia RM'000	Others RM'000	Total RM'000
2015				
Revenue	743,293	1,548	15,894	760,735
Profit/(Loss) before tax	607,501	(1,404)	(1,375)	604,722
Capital expenditure	41,938	10	64	42,012
Segment assets	7,050,631	522,645	7,151	7,580,427
2014				
Revenue	59,928	-	-	59,928
Profit before tax	215,615	-	-	215,615
Capital expenditure	1,098	-	-	1,098
Segment assets	3,112,379	-	-	3,112,379

42. SIGNIFICANT AND SUBSEQUENT EVENTS

Significant events during the current year are as follow:

(a) The changes in composition of the Group in relation to subsidiary and associated companies are disclosed in Note 6 and Note 7 respectively.

(b) On 17 August 2015, the Company's securities reclassified from Finance sector to Properties sector. The Stock Number and Stock Short Name of the Company's securities remain unchanged.

(c) On 12 November 2015, with effect from 9.00 a.m., the securities of OSKP were removed from the Official List of Bursa Securities pursuant to Paragraph 16.07 (a) of the Main Market Listing Requirements of Bursa Securities.

(d) From July 2015 to December 2015, the Company issued new shares for the acquisitions of subsidiary companies and additional interest in subsidiary companies are disclosed in Note 6.

(e) On 30 October 2015, the Company issued RM750.0 million medium term notes and the relevant details are disclosed in Note 21.

42. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D)

Subsequent event that occurred after the current year end is as shown below:

Proposed acquisition of development land

On 8 January 2016, Aspect Synergy Sdn. Bhd ("ASSB"), an indirect subsidiary of the Company, entered into a sale and purchase agreement with AmBank (M) Berhad ("ABMB") for the proposed acquisition of six (6) parcels of freehold agricultural lands held under Geran 67449 Lot 462, Geran 67450 Lot 1163, Geran 67452 Lot 1669, Geran 67453 Lot 1531, Geran 126111 Lot 29778 and Geran 126113 Lot 29779, all measuring 767.73 acres in total and situated in the Mukim of Rantau, District of Seremban, Negeri Sembilan for a total purchase consideration of RM145.00 million, representing approximately RM188,868.48 per acre or RM4.34 per square foot.

The proposed acquisition of land is subject to the approval of the Estate Land Board to transfer the Lands in favour of ASSB and is expected to be completed by the end of the second quarter of 2016.

43. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The Group's financial risk management policies were established to ensure that there is adequate financial resources for business development and management of the Group's credit, market which includes interest rate, price and currency, liquidity or cash flow risks. The Group manages and allocates its capital resources centrally to ensure that all business units of the Group maintains the required level of capital and prudent level of liquidity at all times. The Group operates within clearly defined guidelines that are approved by the Board of Directors.

In dealing with its stewardship, the Board of Directors recognises that effective risk management is an integral part of good business practice. The Board acknowledges that the Group's activities may involve some degree of risks and it should be noted that any system could only provide a reasonable and not absolute assurance against any misstatement or loss.

The Board will pursue an ongoing process of identifying, assessing and managing key business areas, overall operational and financial risks faced by its business units as well as regularly reviewing and enhancing risk mitigation strategies.

Below are the risks exposed by the Group:

(a) Credit Risk

Credit risk is the risk of potential loss arising from the failure of a counterparty to fulfill its obligations under a contractual agreement and include settlement/clearing risk, concentration risk, credit assessment risk, recovery risk and credit-related liquidity risk.

Allowance for impairment losses are made and interest income is recognised in accordance with the relevant accounting policies or when deemed necessary based on estimates of possible losses that may arise from non-collection of debts from its business. Write off of debts against individual assessment are made only when avenues of recovery have been exhausted and the debts are deemed to be irrecoverable in the foreseeable future.

The Group's business activities are guided by internal credit policies and guidelines that are approved by the Board of Directors, which has been established to ensure that the overall objectives in the area of lending are achieved. The Group conservatively manages its credit risk by controlling the granting of credit approvals, revision in limits and other monitoring procedures.

43. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit Risk (Cont'd)

(i) Credit risk exposures and concentration

The Group has no significant concentration of credit risk from exposure to a single receivable or to groups of receivables except as disclosed in Note 13 and 14. The maximum exposure to credit risk associated with recognised financial assets is the carrying amount shown in the statements of financial position.

The Company is also exposed to credit risk arising from amount due from subsidiary companies and financial guarantee given to banks for subsidiary companies' borrowings, where the maximum credit risk exposure arising from the financial guarantee is the amount of borrowings utilised by the subsidiary companies. Management is of the view that the amount due from subsidiary companies is fully recoverable and financial guarantee is unlikely to be called by banks.

Bank balances and short term funds are placed with creditworthy financial institutions. The Company considers the risk of material loss in the event of non-performance by the financial institutions to be unlikely.

At the end of the year, the maximum exposure of the Group to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position, except for the following:

	Group	
	2015 RM'000	2014 RM'000
Maximum exposure of amount due from timeshare members to credit risk	47,880	-

(ii) Collateral

Credit risk of capital financing is mitigated via collateral held as security. The main types of collateral obtained by the Group to mitigate credit risk of capital financing are pledges over quoted shares, charges over properties, ownership claims over assets financed and guarantee from individuals. The Group adopts the policy of obtaining sufficient collateral and monitor closely the collateral by observing the market trends, the collateral value continually being updated based on the changes in market value.

As at 31 December 2015 and 31 December 2014, collateral held as security are above the net outstanding capital financing.

(iii) Credit quality of capital financing

The Group assesses credit quality of capital financing using the following internal classified grades:

(a) "Grade A" refers to capital financing with collateral value higher than the gross outstanding amount. The collateral obtained is able to be used to settle in whole the indebtedness of the customer in the event of default.

(b) "Grade B" refers to capital financing with collateral value lower than the gross outstanding amount. The collateral obtained is able to be used to settle in part the indebtedness of the customer in the event of default.

43. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Credit Risk (Cont'd)

(iii) Credit quality of capital financing (Cont'd)

The credit quality of gross capital financing that are neither past due nor impaired is analysed as follows:

	Group 2015 RM'000	Group 2014 RM'000
Capital financing		
- Grade A	314,684	338,547
- Grade B	90	753
	314,774	339,300

(b) Market Risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in the market prices, such as interest rates, equity prices and foreign exchange rates. The risk of loss in value is minimised via adherence of qualifying criteria before making the investments and by continuous monitoring of the performance and market risk of the investments.

Management continually evaluates risk arising from adverse movements in market prices or rates. The Group invests in marketable securities in Malaysia (2014: Malaysia and Indonesia). External conditions such as global and domestic economic climates that are generally unpredictable and uncontrollable may affect the overall performance of the Group.

The credit risk of clients that the Group provides short term financing is also closely associated to market risk, as the changes in market prices will alter the value of client's investment and collateral provided to the Group. Risk of this nature is managed and mitigated by selective funding of client's investment and stringent criteria for collateral acceptance. The risk of loss in value of investment is mitigated via adherence to stringent qualifying criteria before making the investments and by continuous monitoring of the performance and medium term market risk of the investment.

In respect of the Group's property investment activities, market risk arises from changes in the state of domestic property prices. The Group minimises its exposure to adverse fluctuation in property value by continuous monitoring of the state of the property market. Gain or loss arising from the change in the fair value of investment properties will be made in the statement of profit or loss for the period in which it arises.

(i) Interest rate risk

Interest rate risk is the risk that the value or yield of a financial instrument will fluctuate due to changes in market interest rate. The floating rate borrowings based on respective financial institutions' cost of funds or base rates managed by the Group to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall. The floating rate borrowings are monitored and negotiated according to changes in the interest rates to ensure that the Group benefits from the lowest possible finance cost.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been an average of 75 (2014: 75) basis points higher/lower for the Group, with all other variables held constant, the Group's profit after tax would have been approximately RM10.3 million (2014: RM44,000) higher/lower, arising mainly as a result of higher/lower interest income from capital financing and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on current observable market environment.

43. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Market Risk (Cont'd)

(i) Interest rate risk (Cont'd)

The following tables set out the carrying amounts, the interest rates as at the end of the reporting period and the remaining maturities of the financial instruments of the Group and of the Company that are exposed to interest rate risk:

	Note	Interest rate per annum %	On demand or within 1 year RM'000	>1 - 2 years RM'000	>2 - 3 years RM'000	>3 - 4 years RM'000	>4 - 5 years RM'000	Over 5 years RM'000	Total RM'000
Group									
2015									
Fixed rate instruments									
Deposits with licensed institutions	19	3.32	57,614	-	-	-	-	-	57,614
Floating rate instruments									
Deposits with licensed financial institutions	19	2.60 - 4.64	84,021	-	-	-	-	-	84,021
Housing Development Accounts	19	2.27	228,328	-	-	-	-	-	228,328
Medium term notes	21	4.93	-	(73,687)	(74,392)	(149,477)	(149,613)	(299,668)	(746,837)
Borrowings	22	3.19 - 7.17	(604,433)	(324,310)	(183,829)	(105,963)	(102,636)	(130,236)	(1,451,407)
2014									
Floating rate instruments									
Unsecured revolving credits	22	4.59	(378,124)	-	-	-	-	-	(378,124)
Company									
2015									
Fixed rate instruments									
Deposits with licensed financial institutions	19	3.20	905	-	-	-	-	-	905
Floating rate instruments									
Medium term notes	21	4.93	-	(73,687)	(74,392)	(149,477)	(149,613)	(299,668)	(746,837)
Borrowings	22	4.76 - 5.26	(11,574)	(30,563)	(61,916)	(74,614)	(74,841)	-	(253,508)

43. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Market Risk (Cont'd)

(ii) Price risk for investment securities

Price risk arises securities at fair value through profit or loss. The Group's equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages its price risk arising from investments in equity securities by diversification of its portfolio in accordance with the limits on individual and total equity instruments.

Sensitivity analysis for price risk

At the reporting date, if the FTSE Bursa Malaysia KLCI had been 5% (2014: 5%) higher/lower, with all other variables held constant, the Group's profit after tax would have been approximately RM0.6 million (2014: RM3.0 million) higher/lower, arising as a result of higher/lower fair value gains on quoted securities at fair value through profit or loss in Malaysia listed on Bursa Malaysia.

At 31 December 2014, if the JKSE Composite Index in the Indonesia had been 5% higher/lower, with all other variables held constant, the Group's profit after tax would have been approximately RM62,000 higher/lower, arising as a result of higher/lower fair value gains on quoted securities at fair value through profit or loss in the Indonesia.

(iii) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument would fluctuate because of changes in foreign exchange rates.

Subsidiary companies operating in Singapore, Thailand, Vietnam and Australia have assets and liabilities together with expected cash flows from anticipated transactions denominated in foreign currencies that give rise to foreign exchange exposures.

The following tables summarised the currency exposure of financial assets and financial liabilities of the Group as at year end which are mainly in Ringgit Malaysia ("RM"), Australian Dollar ("AUD") and United States Dollar ("USD"). Others currencies mainly include exposure to Vietnamese Dong, Thai Baht, Singapore Dollar, Indonesian Rupiah ("IDR"), Euro and Myammar Kyat.

		Denominated in				
	Note	RM	AUD	USD	Others	Total
Group		RM'000	RM'000	RM'000	RM'000	RM'000
2015						
Financial Assets						
Trade receivables, including construction contracts	14	441,367	86	3,169	6,042	450,664
Other assets, excluding prepayments	15	104,555	204	-	565	105,324
Cash and short term funds	19	428,400	8,297	827	2,070	439,594
		974,322	8,587	3,996	8,677	995,582

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43. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Market Risk (Cont'd)

(iii) Currency risk (Cont'd)

Group	Note	Denominated in RM RM'000	Denominated in AUD RM'000	Denominated in USD RM'000	Denominated in Others RM'000	Total RM'000
2015						
Financial Liabilities						
Borrowings	22	1,125,349	194,106	129,156	2,796	1,451,407
Trade payable, including construction contracts	24	454,428	937	4,423	1,192	460,980
Other liabilities, excluding provisions		195,094	11,554	-	566	207,214
		1,774,871	206,597	133,579	4,554	2,119,601

Group	Note	Denominated in RM RM'000	Denominated in IDR RM'000	Total RM'000
2014				
Financial Assets				
Securities at fair value through profit or loss	16	80,952	1,666	82,618

The Group holds cash and short term funds denominated in foreign currencies for working capital purposes. To a certain extent, the cash forms a natural hedge against a borrowing denominated in a foreign currency.

During the year, the Group is exposed to foreign currency exchange risk in respect of its overseas investments and borrowings. The Group has entered into cross-currency interest rate swap to manage exposures to currency risk the borrowings which is denominated in a currency other than the functional currencies of the Group. In 2014, there is no other significant foreign exchange risk arising from foreign currency transaction that may affect the overall activities of the Group except for the investment stated as above.

The notional amount and maturity date of the cross-currency interest rate swap outstanding as at 31 December 2015 are as follows:

Contract	Note	Expiry date	Contract amounts	RM equivalent
Contract used to hedge borrowings	18	30 September 2018	USD30,082	99,360

The Company is not exposed to foreign currency exchange risk, hence currency risk disclosure for the Company is not presented.

43. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Market Risk (Cont'd)

(iii) Currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group's profit after tax to a reasonably possible change in AUD and USD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant. The sensitivity analysis includes only significant outstanding balances denominated in foreign currencies, of which the fluctuations in foreign exchange rates would have a significant impact to profit or loss.

	Group	
	2015	2014
	RM'000	RM'000
Profit net of tax		
AUD/RM		
- strengthen by 3%	(4,292)	-
- weaken by 3%	4,292	-
USD/RM		
- strengthen by 3%	412	-
- weaken by 3%	(412)	-

(c) Liquidity or Cash Flow Risk

Liquidity risk, also refers to as funding risk, is the risk that the Group will encounter difficulties in maintaining and raising funds to meet its financial commitments and obligations when they fall due at a reasonable cost. Funding needs of the Group are primarily meet by bank borrowings and internally generated funds.

The Group seeks to achieve a balance between certainty of funding and a flexible, cost-effective borrowing structure. The Group's policy seeks to ensure that all projected net borrowing needs are covered by committed facilities. In addition, debt maturities are closely monitored to ensure that the Group is able to meet its refinancing needs and obligations as and when they fall due.

Cash flow forecasts, taking into account all major transactions, are prepared and monitored. Any excess funds from operating cash cycles, which are temporary in nature, are invested in short term placements, cash management funds and fixed deposits as and when available with a wide array of licensed financial institutions at the most competitive interest rates obtainable.

The Group manages the funding needs and allocates funds in such manner that all business units maintain optimum levels of liquidity which are sufficient for their operations.

Liquidity risk exposures

The table below analyses the Group's and Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, the balances will not agree to the balances as reported in the statements of financial position as the table incorporates all contractual cash flows on an undiscounted basis, relating to both principal and interest payments.

43. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Liquidity or Cash Flow Risk (Cont'd)

	On demand or within 1 year RM'000	>1 to 2 years RM'000	>2 to 5 years RM'000	Over 5 years RM'000	Total RM'000
Group					
2015					
Medium term notes	36,975	110,410	452,328	315,925	915,638
Borrowings	643,474	347,656	420,607	130,887	1,542,624
Trade payables	436,966	13,822	38,384	-	489,172
Other liabilities	207,214	-	-	-	207,214
Total	1,324,629	471,888	911,319	446,812	3,154,648
2014					
Borrowings	386,399	-	-	-	386,399
Other liabilities	7,395	-	-	-	7,395
Total	393,794	-	-	-	393,794
Company					
2015					
Medium term notes	36,975	110,410	452,328	315,925	915,638
Borrowings	24,418	43,786	232,070	-	300,274
Amount due to subsidiary companies	218,040	-	-	-	218,040
Other liabilities	684	-	-	-	684
Total	280,117	154,196	684,398	315,925	1,434,636
2014					
Amount due to subsidiary companies	134,387	-	-	-	134,387
Other liabilities	1,528	-	-	-	1,528
Total	135,915	-	-	-	135,915

As at 31 December 2015, the maximum amount of the financial guarantees issued to the banks for subsidiary companies' borrowings is limited to the amount utilised by the subsidiary companies amounting to RM393.4 million. (2014: RM378.1 million).

The Company believes that the liquidity risk in respect of the financial guarantees is minimum as it is unlikely that the subsidiary companies will not make payment to the banks when due.

44. FINANCIAL INSTRUMENTS

(a) Fair Value Measurement

(i) Determination of fair value

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Trade and other receivables/payables, cash and cash equivalents and short term borrowings

The carrying amounts of these financial assets and liabilities approximate their fair values as they are relatively short term in nature.

(ii) Capital financing

As the Group's capital financing are mostly fixed rate loans with short term maturities of less than one year and the carrying amounts of capital financing approximate their fair values.

The fair value of financing receivables with remaining maturity of less than one year is estimated to approximate their carrying values. The fair value of financing receivables with maturities of more than one year have been determined by discounting the relevant cash flows using market rates at the end of reporting period.

The fair values of impaired fixed rate capital financing are represented by their carrying value, net of individual impairment allowance, being the expected recoverable amount.

(iii) Financial guarantees

Fair value is determined using a market based approach by identifying an equivalent market rate of financial guarantees issued for the subsidiary or another company with similar credit standing, and applying the market rate against the guaranteed amount to derive fair value of financial guarantees on initial recognition. Financial guarantees are subsequently recognised as income over the period of the guarantee or at any amount payable should the guarantees crystalise. Financial guarantee liability outstanding at the reporting date relates to the guarantee income for the remaining period guaranteed.

(iv) Derivatives

The fair value of the cross-currency interest rate swap contract is the amount that would be payable or receivable upon termination of the position at the end of each reporting period, and is determined using forward interest rates extracted from observable yield curve and forward exchange rates at the end of the reporting period, with the resulting value discounted to fair value.

(ii) Fair value hierarchy

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

Level 1 : quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : other techniques for which all inputs which have a significant effect on the recorded fair values are observable for the assets or liabilities, either directly or indirectly.

Level 3 : techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data for the assets or liabilities.

44. FINANCIAL INSTRUMENTS (CONT'D)

(a) Fair Value Measurement (Cont'd)

(ii) Fair value hierarchy (Cont'd)

The following table shows an analysis of financial instruments and non-financial assets recorded at fair value within the fair value hierarchy:

Group	Note	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2015					
Recurring fair value measurement:					
Non financial assets					
Investment properties	5	-	243,075	327,267	570,342
Biological assets	8	-	-	17,298	17,298
Financial assets					
Available-for-sale securities	12	-	-	882	882
Securities at fair value through profit or loss	16	16,309	-	-	16,309
Derivative assets	18	-	30,718	-	30,718
		16,309	273,793	345,447	635,549
2014					
Recurring fair value measurement:					
Non financial asset					
Investment properties	5	-	203,921	168,000	371,921
Financial assets					
Available-for-sale securities	12	-	-	165	165
Securities at fair value through profit or loss	16	82,618	-	-	82,618
		82,618	203,921	168,165	454,704

44. FINANCIAL INSTRUMENTS (CONT'D)

(a) Fair Value Measurement (Cont'd)

(ii) Fair value hierarchy (Cont'd)

Company	Note	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2015					
Recurring fair value measurement:					
Financial assets					
Securities at fair value through profit or loss	16	13,299	-	-	13,299
Derivative assets	18	43,988	-	17,671	61,659
		57,287	-	17,671	74,958
2014					
Recurring fair value measurement:					
Financial assets					
Securities at fair value through profit or loss	16	31,568	-	-	31,568

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the last bid price. There were no transfers between Level 1 and 2 during the year.

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy

	Note	Group 2015 RM'000	Group 2014 RM'000
At beginning at year		168,165	165,165
Acquisitions of subsidiary companies		337,282	-
Transfer to property, plant and equipment and recognised as amortised cost	4	(160,000)	-
Fair value gain recognised in profit or loss		-	3,000
At end at year		345,447	168,165

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44. FINANCIAL INSTRUMENTS (CONT'D)

(b) Categories of Financial Instruments

Group	Note	Derivative assets used for hedging RM'000	Loans and receivables RM'000	Financial assets at fair value through profit or loss RM'000	Available-for-sale financial assets RM'000	Total RM'000
2015						
Financial Assets						
Available-for-sale securities	12	-	-	-	882	882
Capital financing	13	-	382,118	-	-	382,118
Trade receivables, including construction contracts	14	-	450,664	-	-	450,664
Other financial assets	15	-	105,324	-	-	105,324
Securities at fair value through profit or loss	16	-	-	16,309	-	16,309
Derivative assets	18	30,718	-	-	-	30,718
Cash and short term funds	19	-	439,594	-	-	439,594
		30,718	1,377,700	16,309	882	1,425,609

		Financial liabilities at amortised cost RM'000
Financial Liabilities		
Medium term notes	21	746,837
Borrowings	22	1,451,407
Trade payables, including construction contracts	24	460,980
Other financial liabilities		207,214
		2,866,438

44. FINANCIAL INSTRUMENTS (CONT'D)

(b) Categories of Financial Instruments (Cont'd)

Group	Note	Loans and receivables RM'000	Financial assets at fair value through profit or loss RM'000	Available-for-sale financial assets RM'000	Total RM'000
2014					
Financial Assets					
Available-for-sale securities	12	-	-	165	165
Capital financing	13	394,996	-	-	394,996
Trade receivables	14	496	-	-	496
Other financial assets	15	446	-	-	446
Securities at fair value through profit or loss	16	-	82,618	-	82,618
Cash and short term funds	19	2,714	-	-	2,714
		398,652	82,618	165	481,435

		Financial liabilities at amortised cost RM'000
Financial Liabilities		
Borrowings	22	378,214
Trade payables	24	818
Other financial liabilities		7,395
		386,427

Company	Note	Loans and receivables RM'000	Financial assets at fair value through profit or loss RM'000	Total RM'000
2015				
Financial Assets				
Other financial assets	15(b)	66,668	-	66,668
Securities at fair value through profit or loss	16	-	13,299	13,299
Amounts due from subsidiary companies	17(a)	1,797	-	1,797
Derivative assets	18	-	61,659	61,659
Cash and short term funds	19	3,370	-	3,370
		71,835	74,958	146,793

NOTES TO THE
FINANCIAL STATEMENTS

31 DECEMBER 2015

44. FINANCIAL INSTRUMENTS (CONT'D)

(b) Categories of Financial Instruments (Cont'd)

Company (Cont'd)	Note	Financial liabilities at amortised cost RM'000
2015		
Financial Liabilities		
Medium term notes	21	746,837
Borrowings	22	253,508
Other financial liabilities		684
Amounts due to subsidiary companies	17(b)	218,040
		1,219,069

Company	Note	Loans and receivables RM'000	Financial assets at fair value through profit or loss RM'000	Total RM'000
2014				
Financial Assets				
Other financial assets	15(b)	69	-	69
Securities at fair value through profit or loss	16	-	31,568	31,568
Amounts due from subsidiary companies	17(a)	16,650	-	16,650
Cash and short term funds	19	79	-	79
		16,798	31,568	48,366

	Note	Financial liabilities at amortised cost RM'000
Financial Liabilities		
Other financial liabilities		1,528
Amounts due to subsidiary companies	17(b)	134,387
		135,915

45. CAPITAL MANAGEMENT

Capital is equivalent to equity attributable to the Owners of the Company. The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions by meeting the internal capital requirements, optimising return to shareholders, maintaining adequate levels and optimum mix of capital. To meet these objectives, 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 years ended 31 December 2015 and 31 December 2014.

The Group monitors capital by actively monitoring the level of gearing ratio, which is total borrowings divided by equity attributable to the Owners of the Company.

		Group	
		2015	2014
	Note	RM'000	RM'000
Medium term notes	21	746,837	-
Borrowings	22	1,451,407	378,214
Less: Cash Management Fund	16	(16,105)	(53,384)
Less: Cash and short term funds	19	(439,594)	(2,714)
Net debts		1,742,545	322,116
Total capital			
Equity attributable to Owners of the Company		4,094,032	2,707,991
Gearing ratio (times)		0.43	0.12

46. MATERIAL LITIGATION

Saved as disclosed below, the Group was not engaged in any material litigation, claims nor arbitration either as plaintiff or defendant and the Directors are not aware of any proceeding pending or threatened against the Group or of any facts likely to give rise to any proceeding which might materially and adversely affect the financial position or business operations of the Group.

Claims by BUCG (M) Sdn Bhd ("BUCG") against Atria Damansara Sdn Bhd ("ADSB")

ADSB, a subsidiary company of OSKP and in turn a subsidiary company of the Company, appointed BUCG pursuant to a Letter of Acceptance dated 29 June 2012 ("the Contract") for the "Main Building Works For Cadangan Pembangunan Semula Daripada 1 Blok Bangunan Komersil 4 Tingkat Dan 1 Blok Komersil 3 Tingkat Kepada 2 Blok Menara Pejabat 16 Tingkat Di Atas 4 Tingkat Podium Pusat Membeli-Belah Berserta 2 Aras Bawah Tanah Tempat Letak Kereta Dan 4 Aras Tempat Letak Kereta Bertingkat Atas Podium Di Atas P.T. 9089, P.T. 9090, P.T. 10166, P.T. 10197 Dan P.T. 10198, Jalan SS22/43, SS22, Mukim Sungai Buloh, Daerah Petaling, Selangor Darul Ehsan" ("the Works").

On 3 August 2015, BUCG issued a notice under Clause 26 of the Conditions of Contract to ADSB demanding for the payments certified under Payment Certificates No. 28 to 32.

On 18 August 2015, BUCG determined its own employment under Clause 26 of the Conditions of Contract based on ADSB's failure to pay on the said Payment Certificates No. 28 to 32.

ADSB responded to BUCG's letters dated 3 August 2015 and 18 August 2015 vide its letter dated 2 September 2015 stating, among others, that no sums were due to BUCG as:

(a) ADSB was entitled to withheld the sum of RM11.4 million due to BUCG's failure to renew the Performance Bond;

(b) ADSB was entitled to deduct the sum of RM23.6 million as liquidated damages due to BUCG's failure to complete the Works within the contractual and/or extended completion dates;

(c) ADSB was entitled to withhold and/or deduct the sum of RM4.9 million being advance payments made on behalf of BUCG; and

(d) ADSB was entitled to deduct the sum of RM9.2 million being payments made directly to BUCG's nominated and domestic sub-contractors.

46. MATERIAL LITIGATION (CONT'D)

Claims by BUCG (M) Sdn Bhd ("BUCG") against Atria Damansara Sdn Bhd ("ADSB") (Cont'd)

BUCG filed their Payment Claim dated 13 October 2015 for the sum of RM73.3 million under Section 5 of the Construction Industry Payment and Adjudication Act 2012. On 28 October 2015 ADSB disputed the entire Payment Claim vide its Payment Response and replied, among others, that ADSB is entitled to the defence of set-off and/or counter-claim amounting to RM102.8 million.

On 19 November 2015, BUCG issued a Notice of Adjudication under the Construction Industry Payment and Adjudication Act 2012 against ADSB.

The Adjudication Claim was filed and served by the Claimant (BUCG) on 6 January 2016. The Adjudication Response was filed and served by the Respondent (ADSB) on 27 January 2016. The Adjudication Reply was filed and served by the Claimant (BUCG) on 16 February 2016. The Adjudicator directed the parties to file written witness statements by 4 April 2016.

On 10 December 2015, an Adjudicator was appointed by the Kuala Lumpur Regional Centre for Arbitration to adjudicate the disputes between the parties.

47. DETERMINATION REALISED AND UNREALISED PROFITS OR LOSSES IN THE CONTEXT OF DISCLOSURE PURSUANT TO BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

The breakdown of the retained profits of the Group and of the Company into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total retained profits of the Company and its subsidiary companies				
- Realised	2,190,786	1,422,554	1,125,256	1,309,866
- Unrealised	410,641	110,454	(243)	7,124
	2,601,427	1,533,008	1,125,013	1,316,990
Total share of retained profits from associated companies and a joint venture				
- Realised	499,434	351,525	-	-
- Unrealised	1,104	-	-	-
	500,538	351,525	-	-
Less : Consolidation adjustments	(879,894)	(213,885)	-	-
	2,222,071	1,670,648	1,125,013	1,316,990

LIST OF GROUP'S TOP TEN PROPERTIES

AS AT 31 DECEMBER 2015

	ADDRESS / LOCATION	DESCRIPTION / EXISTING USE	TENURE	APPROXIMATE AREA	DATE OF ACQUISITION	APPROXIMATE AGE OF BUILDING	CARRYING VALUE RM'000
1	Sungai Petani, Kedah Darul Aman	Land under development and held for development	Freehold	2,500 acres	29 January 1996	N/A	582,884
2	93-119 Kavanagh Street, Southbank, Victoria 3006, Australia	Land for mixed development	Freehold	218,076 square foot	25 February 2015	N/A	486,057
3	SS 22 Damansara Jaya, Petaling Jaya, Selangor Darul Ehsan	Investment property and land under development	Freehold	5.47 acres	06 July 2007	1 year	307,776
4	Jalan Ampang, Kuala Lumpur	Investment property	Freehold	5,652.82 square metres	30 October 1996	N/A	170,000
5	Plaza OSK, Jalan Ampang, Kuala Lumpur	Offices building	Freehold	5,351 square metres	30 December 1993	31 years	160,000
6	PN No. 3696, Lot 52 Sekyen 13, Bandar Petaling Jaya, Daerah Petaling, Selangor Darul Ehsan	Office and industry	Leasehold (99 years expiring on 04 November 2114)	258,746 square foot	31 May 2013	52 years	132,087
7	Damai Laut Country Resort, Mukim of Lumut, District of Dindings, Perak Darul Ridzuan	Resort & property development	Freehold and leasehold (99 years expiring on 08 June 2094)	15,044,751 square foot	1990	N/A	100,961
8	Harbour Place, Seksyen 4, Bandar Butterworth, Daerah Seberang Prai Utara, Pulau Pinang	Land for mixed development	Freehold	960,739 square foot	14 October 1996	N/A	92,001
9	Swiss-Garden Hotel & Residences Kuala Lumpur, 117 Jalan Pudu, 55100 Kuala Lumpur, Wilayah Persekutuan	Hotel	Freehold	342,752 square foot	-	19 years	90,808
10	Swiss-Garden Resort & Spa Kuantan, Lot PT 7566, Mukim Sungai Karang, 26100 Berserah, Daerah Kuantan, Pahang Darul Makmur	Hotel	Freehold	250,512 square foot	-	17 years	66,021

STATEMENT OF DIRECTORS' INTERESTS

AS AT 29 FEBRUARY 2016

Name of Directors	Number of Ordinary Shares of RM1.00 each Direct Interest	%	Indirect Interest	%
1. Dato' Nik Mohamed Din bin Datuk Nik Yusoff	16,797,802	1.21	-	-
2. Tan Sri Ong Leong Huat @ Wong Joo Hwa	90,457,319	6.53	708,394,409[1]	51.16
3. Ong Ju Yan	6,491,700	0.47	1,645,134[2]	0.12
4. Ong Ju Xing	8,722,930	0.63	10,660,608[3]	0.77

Name of Directors	Number of Warrants C 2015/2020 Direct Interest	%	Indirect Interest	%
1. Dato' Nik Mohamed Din bin Datuk Nik Yusoff	4,199,450	1.77	-	-
2. Tan Sri Ong Leong Huat @ Wong Joo Hwa	2,050,000	0.86	94,677,030[1]	39.82
3. Ong Ju Yan	805,557	0.34	177,533[2]	0.07
4. Ong Ju Xing	141,207	0.06	-	-

SHAREHOLDINGS OF DIRECTOR IN A RELATED CORPORATION

Name of Director & Related Corporation	Number of Ordinary Shares Direct Interest	%	Indirect Interest	%
1. Tan Sri Ong Leong Huat @ Wong Joo Hwa's interest in:				
OSK Equity Holdings Sdn. Bhd.	99,999	99.99	-	-

Notes:

[1] Deemed interested pursuant to Section 6A of the Companies Act, 1965 ("the Act") by virtue of his substantial shareholdings in Dindings Consolidated Sdn. Bhd., Land Management Sdn. Bhd. and OSK Equity Holdings Sdn. Bhd. and disclosure made pursuant to Section 134(12)(c) of the Act in relation to interests held by his spouse and children.

[2] Disclosure made pursuant to Section 134(12)(c) of the Act in relation to interests held by his spouse.

[3] Deemed interested pursuant to Section 6A of the Act by virtue of his substantial shareholdings in Ladang Setia Sdn. Bhd. and disclosure made pursuant to Section 134(12)(c) of the Act in relation to interests held by his spouse.

Tan Sri Ong Leong Huat @ Wong Joo Hwa, by virtue of his interest in the Company, is also deemed to have an interest in the shares of all the Company's subsidiary companies to the extent the Company has an interest.

Other than the above, none of the other Directors in office has any interest in the shares and warrants of the Company and its related corporations as at 29 February 2016.

STATEMENT OF SHAREHOLDINGS

AS AT 29 FEBRUARY 2016

Authorised Capital	:	RM3,000,000,000
Issued and fully paid-up capital	:	RM1,384,792,537 (excluding the treasury shares of 18,098,253)
Class of Shares	:	Ordinary Shares of RM1.00 each fully paid
Voting Rights	:	One vote per RM1.00 share

BREAKDOWN OF HOLDINGS

Range of Holdings	No. of Holders	Percentage of Holders	No. of RM1.00 share	Percentage of Issued Capital
1 – 99	3,750	15.14	139,600	0.01
100 – 1,000	1,959	7.91	988,736	0.07
1,001 – 10,000	14,079	56.85	54,396,224	3.93
10,001 – 100,000	4,413	17.82	118,616,575	8.57
100,001 – 69,239,625*	561	2.27	527,550,575	38.10
69,239,626 and above**	5	0.02	683,100,827	49.33
	24,767	100.00	1,384,792,537	100.00

Remarks:

* Less than 5% of the issued holdings

** 5% and above of the issued holdings

SUBSTANTIAL SHAREHOLDERS

According to the register required to be kept under Section 69L of the Companies Act, 1965, the substantial shareholders of the Company are as follows:

Name of Substantial Shareholders	Number of Ordinary Shares of RM1.00 each Direct Interest	%	Indirect Interest	%
1. Tan Sri Ong Leong Huat @ Wong Joo Hwa	90,457,319	6.53	648,673,444[1]	46.84
2. Puan Sri Khor Chai Moi	51,575,122	3.73	287,815,003[2]	20.78
3. OSK Equity Holdings Sdn Bhd	371,442,749	26.82	-	-
4. Land Management Sdn Bhd	168,281,482	12.15	-	-
5. Dindings Consolidated Sdn Bhd	108,949,213	7.87	-	-

Note:

[1] Deemed interested by virtue of his substantial shareholdings in Land Management Sdn. Bhd., OSK Equity Holdings Sdn. Bhd. and Dindings Consolidated Sdn. Bhd.

[2] Deemed interested by virtue of her substantial shareholdings in Land Management Sdn. Bhd., Dindings Consolidated Sdn. Bhd, J.B. Properties Sdn. Bhd.and Ladang Setia Sdn. Bhd.

STATEMENT OF SHAREHOLDINGS

AS AT 29 FEBRUARY 2016

THIRTY LARGEST REGISTERED HOLDERS

Name	No. of Shares	%
1. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for OSK Equity Holdings Sdn. Bhd. (246758)	215,000,000	15.53
2. Land Management Sdn Bhd	168,281,482	12.15
3. Dindings Consolidated Sdn Bhd	108,949,213	7.87
4. Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for OSK Equity Holdings Sdn. Bhd. (211920)	108,612,813	7.84
5. Tan Sri Ong Leong Huat @ Wong Joo Hwa	82,257,319	5.94
6. Puan Sri Khor Chai Moi	49,888,569	3.60
7. OSK Equity Holdings Sdn. Bhd.	40,774,936	2.94
8. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CIMB PRIN)	20,434,700	1.48
9. Wong Chong Ngin	17,229,000	1.24
10. Dato' Nik Mohamed Din bin Datuk Nik Yusoff	16,797,802	1.21
11. Khor Chei Yong	12,430,000	0.90
12. Ladang Setia Sdn Bhd	10,176,208	0.73
13. Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (CIMB Equities)	9,023,000	0.65
14. Ong Ju Xing	8,665,274	0.63
15. Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 1)	8,282,247	0.60
16. HSBC Nominees (Tempatan) Sdn Bhd AA Noms SG for Tan Sri Ong Leong Huat @ Wong Joo Hwa	8,200,000	0.59
17. Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 14)	8,036,700	0.58
18. Nora Ee Siong Chee	7,890,625	0.57
19. Amanahraya Trustees Berhad Public Smallcap Fund	7,679,800	0.55
20. HSBC Nominees (Asing) Sdn Bhd Exempt AN for JPMorgan Chase Bank, National Association (U.S.A.)	7,393,353	0.53

THIRTY LARGEST REGISTERED HOLDERS (CONT'D)

Name	No. of Shares	%
21. Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	7,262,470	0.52
22. RHB Nominees (Tempatan) Sdn Bhd OSK Equity Holdings Sdn. Bhd.	7,055,000	0.51
23. Ong Ju Yan	6,491,700	0.47
24. Hwang Enterprises Sdn Bhd	6,352,900	0.46
25. Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA Emerging Markets Small Cap Series	5,458,070	0.39
26. CIMB Commerce Trustee Berhad Public Focus Select Fund	5,310,400	0.38
27 HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Allianz Life Insurance Malaysia Berhad (P)	5,174,500	0.37
28. AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Swee Kwong	4,708,800	0.34
29. Amanahraya Trustees Berhad Public Strategic Smallcap Fund	4,640,300	0.34
30. Amanahraya Trustees Berhad Public Optimal Growth Fund	4,630,000	0.33

STATEMENT OF WARRANT HOLDINGS

AS AT 29 FEBRUARY 2016

No. of Outstanding Warrants C 2015/2020 issued: 237,732,751

BREAKDOWN OF HOLDINGS

Range of Holdings	No. of Holders	Percentage of Holders	No. of Warrants C 2015/2020	Percentage of Issued Warrants C 2015/2020
1 – 99	4,494	20.28	87,317	0.04
100 – 1,000	8,926	40.28	4,635,400	1.95
1,001 – 10,000	7,393	33.36	21,739,709	9.14
10,001 – 100,000	1,195	5.39	33,614,681	14.14
100,001 – 11,886,636*	152	0.69	86,558,707	36.41
11,886,637 and above**	1	0.00	91,096,937	38.32
	22,161	100.00	237,732,751	100.00

Remarks:

* Less than 5% of the issued Warrants C 2015/2020
** 5% and above of the issued Warrants C 2015/2020

THIRTY LARGEST REGISTERED HOLDERS

Name	No. of Warrants C 2015/2020	%
1. OSK Equity Holdings Sdn. Bhd.	91,096,937	38.32
2. AmSec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Swee Kwong	5,209,625	2.19
3. I-Wen Morsingh	4,445,000	1.87
4. Wong Chong Ngin	4,274,000	1.80
5. Dato' Nik Mohamed Din bin Datuk Nik Yusoff	4,199,450	1.77
6. Hwang Enterprises Sdn Bhd	3,617,950	1.52
7. Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 1)	2,603,236	1.10
8. Puan Sri Khor Chai Moi	2,399,261	1.01
9. CimSec Nominees (Tempatan) Sdn Bhd CIMB Bank for Siew Peng Kong (MY0559)	2,290,000	0.96
10. HSBC Nominees (Tempatan) Sdn Bhd AA Noms SG for Tan Sri Ong Leong Huat @ Wong Joo Hwa	2,050,000	0.86

STATEMENT OF
WARRANT HOLDINGS
AS AT 29 FEBRUARY 2016

THIRTY LARGEST REGISTERED HOLDERS (CONT'D)

Name	No. of Warrants C 2015/2020	%
11. Loh Yu Lin	2,000,000	0.84
12. Ng Choon Chuy	2,000,000	0.84
13. Loh Siew Hooi	1,950,000	0.82
14. Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	1,793,867	0.75
15. Nora Ee Siong Chee	1,697,656	0.71
16. Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tan Swee Kwong (STF)	1,651,775	0.69
17. Loh Siew Hooi	1,550,200	0.65
18. Khor Chei Yong	1,388,679	0.58
19. HSBC Nominees (Asing) Sdn Bhd Exempt AN for JPMorgan Chase Bank, National Association (U.S.A.)	1,234,663	0.52
20. Dato' Nik Mohamed bin Nik Yahya	1,153,415	0.49
21. Amanahraya Trustees Berhad Public Optimal Growth Fund	1,125,000	0.47
22. Chinchoo Investment Sdn. Berhad	1,081,615	0.45
23. Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA Emerging Markets Small Cap Series	1,055,468	0.44
24. HSBC Nominees (Asing) Sdn Bhd TNTC for Hosking Global Fund Public Limited Company	882,561	0.37
25. Toh Ean Hai	835,000	0.35
26. Ong Ju Yan	805,557	0.34
27. RHB Nominees (Asing) Sdn Bhd Pledged Securities Account for Profidend Investments Pte. Ltd.	769,050	0.32
28. RHB Nominees (Asing) Sdn Bhd Pledged Securities Account for Tan Lee Gek	754,950	0.32
29. RHB Nominees (Asing) Sdn Bhd RHB Securities Singapore Pte.Ltd. for Jen Shek Chuen (910088)	717,065	0.30
30. Chin Cheng Mei	691,425	0.29

OSK HOLDINGS BERHAD (207075-U)
(Incorporated in Malaysia)

FORM OF PROXY

CDS Account No.	Number of ordinary shares

I/We...

*NRIC No./Passport No./Company No. ....

of ....

being a member(s) of **OSK Holdings Berhad** hereby appoint:-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the Twenty-Sixth Annual General Meeting of the Company to be held at the Grand Hibiscus, Level 3, Swiss-Garden Hotel & Residences Kuala Lumpur, 117, Jalan Pudu, 55100 Kuala Lumpur, on Tuesday, 19 April 2016 at 2:30 p.m. and at any adjournment thereof, in the manner indicated below:

Item	Agenda	Resolution	For	Against
1.	To receive the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2015 and the Reports of Directors and Auditors thereon.			
		Resolution	For	Against
2.	To sanction the declaration of a single-tier final dividend of 2.5 sen per share in respect of the financial year ended 31 December 2015.	1		
3.	To approve the payment of Directors' fees of RM165,000.00 for the financial year ended 31 December 2015.	2		
4.	To re-elect Mr. Foo San Kan who retires by rotation in accordance with Article 102(1) of the Company's Articles of Association and being eligible, offers himself for re-election.	3		
5.	To re-elect Dato' Saiful Bahri bin Zainuddin who retires by rotation in accordance with Article 109 of the Company's Articles of Association and being eligible, offers himself for re-election.	4		
6.	To re-elect Mr. Ong Ju Yan who retires by rotation in accordance with Article 109 of the Company's Articles of Association and being eligible, offers himself for re-election.	5		
7.	To re-elect Mr. Ong Ju Xing who retires by rotation in accordance with Article 109 of the Company's Articles of Association and being eligible, offers himself for re-election.	6		
8.	To re-appoint Dato' Nik Mohamed Din bin Datuk Nik Yusoff who retires pursuant to Section 129(6) of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting of the Company.	7		
9.	To re-appoint Tan Sri Ong Leong Huat @ Wong Joo Hwa who retires pursuant to Section 129(6) of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting of the Company.	8		
10.	To re-appoint Dato' Abdul Majit bin Ahmad Khan who retires pursuant to Section 129(6) of the Companies Act, 1965 to hold office until the conclusion of the next Annual General Meeting of the Company.	9		
11.	To appoint Messrs. BDO as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.	10		
Special Business				
12.	Authority to Issue Shares	11		
13.	Proposed Shareholders' Mandate	12		
14.	Proposed Renewal of Share Buy-Back Authority	13		

Please indicate with an "X" in the appropriate space how you wish your proxy to vote. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit or, at his discretion, abstain from voting.

Dated this .... day of 2016

** Delete if not applicable*

____
*Signature/Common Seal of Shareholder

NOTES:

1. In respect of deposited securities, only members whose names appear in the Register of Members and Record of Depositors on 12 April 2016 ("General Meeting Record of Depositors") shall be eligible to attend the Meeting.
2. A member entitled to attend and vote at this meeting is entitled to appoint a proxy/proxies to attend and vote instead of him. A proxy may but need not be a member of the Company. Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
3. Where a member appoints two (2) proxies, the appointment shall be invalid unless he specifies the proportion of his holding(s) to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under seal or in some other manner approved by its Board of Directors.
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. The instrument appointing a proxy must be deposited at the office of the Share Registrar, Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

Fold this for sealing

Affix
Stamp

The Share Registrar
Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

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1st fold here

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