PROTASCO BERHAD
548078-H

Annual Report 2014

Contents

I AM PROTASCO is Protasco Berhad's unique and distinctive concept based on its Core Values. It is the DNA of Protasco's business strategy. A campaign is being carried out with the objective of developing and inculcating the Core Values by championing winning behaviours amongst Protasco employees. Thus, all Protasco employees is now addressed as Champions.

Cover Rationale

The image on the cover is an outline of a light bulb. The inside of the light bulb has been cut into facets to represent the facets in a diamond. The diamond concept is applied here as a continuity of the diamond that appears on the Protasco logo. Within the facets, are images of activities and product of Protasco Berhad.

The light bulb symbolises ideas – the wealth that exist within the Protasco Group in the form of its intellectual properties. The diamond symbolises value and quality while the multifaceted surface symbolises diversity of the activities undertaken by the Group. Protasco's strength lies in the diversity of the activities that it undertakes and in the fundamentals of its business. This is Protasco today.

Vision

To be an internationally acclaimed conglomerate ensuring growth and delivering value for a better quality of life

Mission

SHAREHOLDERS
To be a multi billion dollar company in terms of market capitalisation

EMPLOYEES
To become the employer of choice for the right talents

CUSTOMERS
To exceed customer expectation

TECHNOLOGY
To improve efficiency and competitive advantage through innovative technologies

PROCESS
To practise good corporate governance and operational excellence

SOCIETY
To build and support sustainable communities

Core Values

- RESULT ORIENTED
- OWNERSHIP
- CUSTOMER FOCUSED
- KNOWLEDGE DRIVEN
- INTEGRITY
- TEAMWORK

Corporate Information

Board Of Directors

Tan Sri Datuk Dr Hadenan Bin A Jalil
Chairman
Independent Non-Executive Director

Dato' Sri Ir Chong Ket Pen
Executive Vice Chairman /
Group Managing Director

Dato' Su-Azian @ Muzaffar Syah Bin Abd Rahman
Executive Director

Dato' Mohd Hanif Bin Sher Mohamed
Independent Non-Executive Director

Dato' Mohd Ibrahim Bin Mohd Nor
Independent Non-Executive Director

Dato' Shaiful Hazizy Bin Zainol Abidin
Independent Non-Executive Director

Ir Tan Heng Kui
Non-Independent Non-Executive Director

Tan Yee Boon
Independent Non-Executive Director

Suhaimi Bin Badrul Jamil
Independent Non-Executive Director

Company Secretaries

Khor Hooi Ling
(MAICSA 7014879)
Seow Fei San
(MAICSA 7009732)

Registered Office

802, 8th Floor
Block C, Kelana Square
17, Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : 603 7803 1126
Fax : 603 7806 1387

Principal Offices

Corporate Office
Unipark Suria, Jalan Ikram-Uniten
43000 Kajang
Selangor Darul Ehsan
Malaysia
Tel : 603 8738 3388
Fax : 603 8926 4008

Kuala Lumpur Office
87, Jalan Kampung Pandan
55100 Kuala Lumpur
Malaysia
Tel : 603 9286 4050
Fax : 603 9284 8118

Web : www.protasco.com.my
Email : ccd@protasco.com.my

Registrar

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A / 46
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel : 603 7841 8000
Fax : 603 7841 8008

Principal Bankers

UOB (Malaysia) Berhad
RHB Bank Berhad
OCBC Bank (Malaysia) Berhad
Hong Leong Bank Berhad
AmBank (M) Berhad
CIMB Bank Berhad

Auditors

Crowe Horwath (AF 1018)
Chartered Accountants
Level 16, Tower C, Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Malaysia

Stock Exchange Listing

Main Board
Bursa Malaysia Securities Berhad
Listed Since : 8 August 2003
Stock Name : PRTASCO
Stock Code : 5070

Corporate Structure

100% HCM Engineering Sdn Bhd

- **100%** HCM (L) Bhd
- **78%** HCM Arabia Sdn Bhd
- **70%** KPS-HCM Sdn Bhd
- **70%** Permint Granite-HCM Sdn Bhd
- **60%** HCM-Molek JV Sdn Bhd
- **51%** Roadcare (M) Sdn Bhd
- **51%** Empayar Indera Sdn Bhd

100% Kumpulan Ikram Sdn Bhd

- **100%** Ikram Education Sdn Bhd
  Infrastructure University Kuala Lumpur
- **100%** Ikram Engineering Services Sdn Bhd
- **100%** Ikram Infrastructure Asset Management Sdn Bhd
- **100%** Ikram QA Services Sdn Bhd
- **100%** Ikram Paves Sdn Bhd
- **100%** Ikram Latihan Sdn Bhd
  - **100%** Ikram Skills Academy Sdn Bhd
- **60%** Kumpulan Ikram (Sarawak) Sdn Bhd
- **60%** Kumpulan Ikram (Sabah) Sdn Bhd
- **30%** Ikram Premier Consulting Sdn Bhd

100% Protasco Trading Sdn Bhd

- **100%** QP Industries Sdn Bhd
- **100%** QP Trading Sdn Bhd

100% Protasco Development Sdn Bhd

- **100%** De Centrum Development Sdn Bhd
- **100%** De Centrum Land Sdn Bhd
- **100%** Protasco Land Sdn Bhd
  - **100%** Protasco Land SA (Pty) Ltd
- **64%** Sun Rock Development Sdn Bhd

Note: This structure depicts main operating subsidiaries and associate companies only

Core Business Divisions

EDUCATION

TRADING & MANUFACTURING

Leveraging on our technological strength, experienced workforce and dedication to excellence, we have steadily developed our capabilities into a one-stop integrated infrastructure centre specialising in:

- Maintenance
- Construction
- Property Development
- Engineering & Consultancy Services
- Education
- Trading & Manufacturing

PROTASCO BERHAD

Group Financial Highlights

Turnover

RM
1.06billion

Operating Profit

RM
57.1million

Total Dividend Per Share

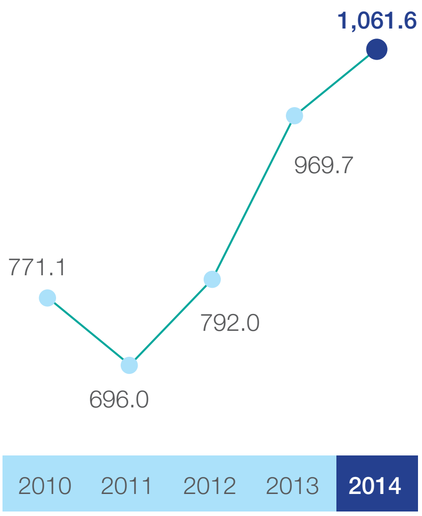
5.0sen

Net Assets Per Share

RM
0.99

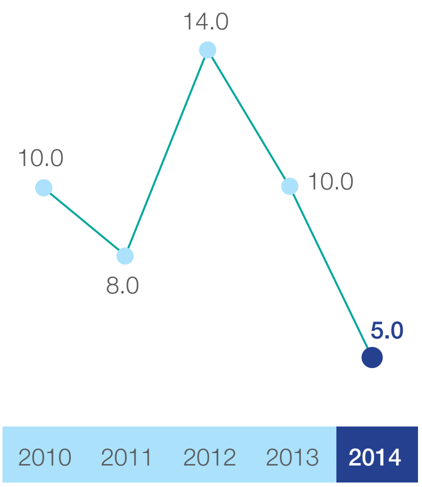
Year Ended 31 December

	2010	2011	2012	2013	**2014**
Turnover (RM'000)	771,051	695,985	791,972	969,706	**1,061,573**
Operating Profit (RM'000)	47,067	31,828	37,472	48,173	**57,103**
Profit/(Loss) After Tax & Non-Controlling Interests (RM'000)	47,067	31,828	37,472	48,173	**(46,444)**
Earnings/(Loss) Per Share (sen)	15.87	10.73	12.63	15.64	**(13.95)**
Total Dividend Per Share (sen)	10.0	8.0	14.0	10.0	**5.0**
Net Assets Per Share (RM)	1.19	1.21	1.19	1.23	**0.99**

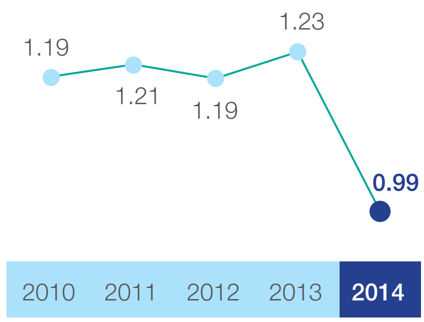


Turnover (RM million)

Operating Profit (RM million)



Total Dividend Per Share (sen)



Net Assets Per Share (RM)

Board of Directors

1. Tan Sri Datuk Dr Hadenan Bin A Jalil
2. Dato' Sri Ir Chong Ket Pen
3. Dato' Su-Azian @ Muzaffar Syah Bin Abd Rahman
4. Dato' Mohd Hanif Bin Sher Mohamed
5. Dato' Mohd Ibrahim Bin Mohd Nor
6. Dato' Shaiful Hazizy Bin Zainol Abidin
7. Ir Tan Heng Kui
8. Tan Yee Boon
9. Suhaimi Bin Badrul Jamil

Directors' Profile

1

TAN SRI DATUK DR HADENAN BIN A JALIL
Chairman
Independent Non-Executive Director
Malaysian, Age 69

Term of Office
- Chairman and a Director of Protasco Berhad since 28 April 2010

Education & Qualification
- A Bachelor of Economics (Honours) degree from the University of Malaya (1970)
- A Master in Business Management from the Asian Institute of Management, Philippines (1975)
- A PhD from Henley Management College, United Kingdom (1986)
- Recipient of the Asian Institute of Management Alumni Award (AAA) in 2003
- A Fellow Member of Association of International Accountants
- An Honorary Member of the Institute of Internal Auditors Malaysia

Skills & Experience
Tan Sri Datuk Dr Hadenan was Malaysia's Auditor General from 2000 to 2006.

He began his 36 years of public service in 1970, at the Ministry of Finance when he joined the Malaysian Administrative and Diplomatic Services as an Assistant Secretary in the Budget Division. He went on to assume various positions such as Principal Assistant Secretary, Tax Division; Deputy Secretary, Economic Division; Deputy Secretary, Finance Division and Secretary, Finance Division until 1998. He then was Deputy Secretary General (Trade) at the Ministry of International Trade and Industry from 1998 to 1999 and Secretary General at the Ministry of Works from 1999 to 2000, before becoming the Auditor General.

Tan Sri Datuk Dr Hadenan was Chairman of ICB Islamic Bank Ltd Bangladesh until June 2014; PNB Commercial Sdn Bhd and its subsidiaries; Roadcare (M) Sdn Bhd; PG Hotel Sdn Bhd and THP Sinar Sdn Bhd.

Other Public Company Directorship & Offices
Tan Sri Datuk Dr Hadenan is Chairman of the Operations Review Panel, Malaysian Anti-Corruption Commission until 26 February 2015.

He holds directorships in Malayan Banking Berhad; Maybank Islamic Berhad; Unilever (M) Holdings Sdn Bhd and Universiti Tun Abdul Razak Sdn Bhd.

He is also a member of Johor Corporation's Audit Committee and the Group Business Advisor of Sinar Jernih Sdn Bhd.

Tan Sri Datuk Dr Hadenan is the Chairman of the Board of Governors of Infrastructure University Kuala Lumpur.

2

DATO' SRI IR CHONG KET PEN

Executive Vice Chairman / Group Managing Director

Malaysian, Age 60

Dato' Sri Ir Chong Ket Pen is the founder of Protasco Group.

Term of Office

- Director of Protasco Berhad since 18 May 2001
- Executive Vice Chairman cum Group Managing Director of Protasco Berhad Group of Companies

Education & Qualification

- A Bachelor of Engineering (Hons) degree from the University of Malaya (1979)
- Master of Philosophy (Civil Engineering) degree, University Of Birmingham, United Kingdom (1990)
- A member of the Institute of Engineers Malaysia (IEM) since 1984
- A registered Professional Engineer with the Board of Engineers Malaysia (BEM)
- A member of the Institution of Civil Engineers, United Kingdom since 1985
- A registered Chartered Engineer with the United Kingdom's Engineering Council since 1987

Skills & Experience

Upon graduating from University of Malaya in 1979, Dato' Sri Ir Chong became a Road Design Engineer cum Assistant Project Engineer at the Public Works Department (JKR) Kelantan until he was promoted to Project Engineer in 1982.

He then became a Senior Engineer at the Design and Research Branch of the JKR Headquarters before he was assigned as Senior Pavement Research Engineer at Institut Kerjaraya Malaysia (IKRAM) in 1988. Subsequently, he was a Senior Engineer, Pavement Evaluation and Research.

He is a road pavement specialist with extensive experience in the design, construction and maintenance of road pavements. In 1991, he left the public sector to set up the foundation for Protasco Berhad.

3

DATO' SU-AZIAN @ MUZAFFAR SYAH BIN ABD RAHMAN

Executive Director

Malaysian, Age 50

Term of Office

Director of Protasco Berhad since 16 December 2014

Education & Qualification

- A Certificate in Business Management, Malay Chamber of Commerce (BBMC) in 1988
- Sijil Tinggi Pelajaran Malaysia (STPM) in 1984

Skills & Experience

Dato' Su-Azian @ Muzaffar Syah Bin Abd Rahman was a Special Officer at the Ministry of International Trade & Industry Malaysia, the Ministry of Youth and Sports Malaysia and the Ministry of Education Malaysia from 1995 to 2009.

He was the Chief Executive Officer at Molek Engineering Sdn Bhd from 2001 to 2012. He also served as a Director in GIA Consult Sdn Bhd from 2006 to 2012 and Papan Agro Valley Sdn Bhd from 2007 to 2012.

Other Public Company Directorship & Offices

He is the Managing Director of HCM Engineering Sdn Bhd, a wholly owned subsidiary of Protasco Berhad.

Dato' Muzaffar currently is the Managing Director of the Construction and Maintenance Divisions of Protasco Berhad.

4

DATO' MOHD HANIF BIN SHER MOHAMED

Independent Non-Executive Director

Malaysian, Age 63

Term of Office

Director of Protasco Berhad since 28 November 2012

Board Committee

Chairman of the Audit Committee

Education & Qualification

- A graduate of Banking, Management and Marketing
- Master in Business Administration
- A member of the Australian Management College
- A member of the British Institute of Management
- A member of the Institute of Credit Management, United Kingdom

Skills & Experience

Dato' Mohd Hanif has vast experience in corporate and consumer banking including strategic planning, risk management, rehabilitation and restructuring of debts.

He was the former Chief Executive Officer of Credit Corporation (Malaysia) Berhad and Chairman of Entrepreneur Rehabilitation Fund (Tabung Pemulihan Usahawan). He was also the Director of Credit Guarantee Corporation, Danajamin Nasional Berhad and Agro Bank.

Other Public Company Directorship & Offices

He is currently Chairman and a Director of Sivash Holdings Berhad and Mieco Chipboard Berhad and Chairman of Credit Counselling and Debt Management Agency (AKPK).

5

DATO' MOHD IBRAHIM BIN MOHD NOR

Independent Non-Executive Director

Malaysian, Age 56

Term of Office

Director of Protasco Berhad, first appointed on 23 November 2009 and resigned on 26 December 2013, he was subsequently reappointed on 10 March 2014

Board Committee

Chairman of the Board Risk Management Committee

Education & Qualification

- A Bachelor of Arts in Mathematics (Minor in Economics) degree from Knox College, Illinois, United States of America (1981)
- Masters of Business Administration from Drake University, Iowa, United States of America (1982)

Skills & Experience

He brings with him more than 30 years of corporate experience, beginning with corporate banking at the Asian International Merchant Bank Berhad (now part of Public Investment Bank) and Utama Wardley Berhad. In 1988, Dato' Mohd Ibrahim joined the The New Straits Times Press Group and held various positions which include General Manager in CEO's Office and General Manager, Circulation Department until 1994.

Dato' Mohd Ibrahim was Chief Operating Officer of Malakoff Bhd in 1994 and in 1996 became the Group Managing Director of Padiberas Nasional Bhd (BERNAS) and was its Vice Chairman from 2001 to 2003.

Between the years 2001 to 2012, Dato' Mohd Ibrahim held directorships in various organisations. He was Chairman of Malay Mail Sdn Bhd; Vice Chairman of BERNAS and Executive Vice Chairman of Sistem Television Malaysia Berhad (TV3). He was director in BERNAS; the New Straits Times Press (Malaysia) Berhad; Malaysian Resources Corporation Berhad; Kumpulan Ikram Sdn Bhd and Ikram Education Sdn Bhd.

He was also Chairman of the Board of Governors of Kuala Lumpur Infrastructure University College, now Infrastructure University Kuala Lumpur from January 2011 to May 2012.

Other Public Company Directorship & Offices

Chairman of Blu Inc Group of Companies.

Chairman of Super Enterprise Holdings Berhad.

6

DATO' SHAIFUL HAZIZY BIN ZAINOL ABIDIN
Independent Non-Executive Director
Malaysian, Age 38

Term of Office
Director of Protasco Berhad since 16 December 2014

Board Committee
- A member of Nomination & Remuneration Committee
- A member of Employees' Share Scheme Committee

Education & Qualification
- A Master in Human Sciences (specialising in Political Sciences) International Islamic University Malaysia (2003)
- A Bachelor (Hons) in Human Sciences (Political Science) International Islamic University Malaysia (2001)

Skills & Experience
Dato' Shaiful started his career as a Program Assistant at Institut Kajian Dasar (Institute for Policy Research) in 1995. He then assumed the post of Executive Manager at the Disability Research Center, under the Department of Social Welfare and was promoted as Manager of Northern Region in year 1997. He was also the Special Officer to the Political Secretary at the Ministry of Youth and Sport as well as Ministry of Finance in 2003 and 2004, respectively.

Dato' Shaiful had served as a Director in Papan Agro Valley Sdn Bhd in the years 2004 until 2012.

Other Public Company Directorship & Offices
He is currently the Executive Chairman at SAMA Consultancy Sdn Bhd since 2013 and a Director at GIA Consult Sdn Bhd since 2006.

7

IR TAN HENG KUI
Non-Independent Non-Executive Director
Malaysian, Age 58

Term of Office
Director of Protasco Berhad since 10 December 2012

Board Committee
- A member of the Nomination & Remuneration Committee
- A member of the Employees' Share Scheme Committee
- A member of the Board Risk Management Committee

Education & Qualification
- A Bachelor of Science (Honours) degree in Civil Engineering from the University of Wales, United Kingdom (1981)
- A Professional Engineer registered with the Board of Engineers Malaysia (BEM)
- A Chartered Engineer with the Engineering Council, United Kingdom
- A registered engineer with the ASEAN Federation of Engineering Organisation (AFEO)

Skills & Experience
Ir Tan Heng Kui has more than 30 years of practical experiences in the local engineering industry, mainly in water resources and waste water engineering projects.

His other professional and community services include holding various positions such as National Vice President of the Institution of Engineers Malaysia (IEM) from 1999 to 2004; President of Sabah Engineers Association and President of the Rotary Club of Likas Bay. He was also the Chairman of IEM Sabah Branch from 1995 to 1997; Chairman of the IEM Arbitration Nomination Committee and also the IEM Professional Practice Standing Committee from 1999 to 2004.

Ir Tan Heng Kui was a member of the Professional Practice Committee of BEM from 2001 to 2004 and a member of Dewan Bandaraya Kota Kinabalu High Risk Building Committee from 1995 to 2002.

Other Public Company Directorship & Offices
Ir Tan Heng Kui is a Director at Incoprime Sdn Bhd and Press Metal Berhad since 1991 and 2001 respectively.

Ir Tan Heng Kui is a Director of Kumpulan Ikram (Sabah) Sdn Bhd since 1997. He is also Principal of Perunding Pertama Consulting Engineers since 1988.

8

TAN YEE BOON

Independent Non-Executive Director
Malaysian, Age 40

Term of Office

Director of Protasco Berhad since 18 January 2013

Board Committee

- Chairman of the Nomination & Remuneration Committee
- Chairman of the Employees' Share Scheme Committee
- Member of the Audit Committee

Education & Qualification

- A Bachelor of Law (Honours) degree from University of Glamorgan, Wales (1997)
- Certificate of Legal Practice from Malaysia (1998)
- Admitted as an Advocate & Solicitor, High Court of Malaya (1999)

Skills & Experience

Tan Yee Boon possesses more than 16 years of experience in legal services with specialisation in commercial, corporate, litigation and advisory works.

Other Public Company Directorship & Offices

Director of Earnest Investments Holdings Limited, a company listed on Hong Kong Stock Exchange, since 2009.

Notes:
(i) None of the Directors have any family relationship with each other and with any substantial shareholders of the Company.
(ii) None of the Directors have any conviction for offences, other than traffic offences, for the past 10 years.
(iii) Other than Dato' Sri Ir Chong Ket Pen and Ir Tan Heng Kui's interests in related party transactions as disclosed in Note 47 of the Financial Statements, none of the other Directors have conflict of interest with the Company.
(iv) The Directors' holdings in shares of the Company are disclosed in the Analysis of Shareholdings section of the Annual Report. Other than Ir Tan Heng Kui, none of the other Directors hold any shares in the subsidiaries of the Company.

9

SUHAIMI BIN BADRUL JAMIL

Independent Non-Executive Director
Malaysian, Age 52

Term of Office

Director of Protasco Berhad since 16 December 2014

Board Committee

- A member of the Audit Committee
- A member of the Board Risk Management Committee

Education & Qualification

- A Master of Business Administration from Deakin University, Australia (2004)
- A Bachelor of Economics (with specialisation in accounting), Australian National University (1985)
- A Graduate Diploma in Accounting, Australian National University (1986)
- A Chartered Accountant (Malaysia) with the Malaysian Institute of Accountants
- A Fellow member of CPA Australia

Skills & Experience

Suhaimi started his career with HRM Arthur Andersen, Chartered Accountants in the audit and financial consulting department. He left to join the corporate world and went on to be appointed as a Group Financial Controller, Group General Manager and finally as a Group Executive Director for a Malaysian conglomerate whose activities included property development, transportation, insurance and banking, plantation, construction, manufacturing and investment holdings.

He then went on to start his own business and has been involved in various start-ups covering diverse areas including education, international trading, agriculture, manufacturing, mining and private equity. Apart from this, he was also a Special Administrator for Danaharta, regularly consults various companies in areas of corporate finance, corporate restructuring, risk management, turnaround management, cross border investments in South East Asia, mergers and acquisitions and strategic management and leadership.

He held various board directorships in public listed companies as well as licensed financial institutions. Among the companies in which he was a board member were MEMS Technology Berhad as Chairman of the Board; Petra Energy Berhad; Credit Corporation (M) Berhad; MIMB Investment Bank Berhad; Gadek Capital Berhad; SPK-Sentosa Corporation Berhad; Intrakota Consolidated Berhad; eB Capital Berhad and SJ Kumpulan Berhad. He was also an Executive Director with Ferrier Hodgson MH and Baker Tilly MH.

Chairman's Statement

Valued Shareholders,

On behalf of the Board of Directors, I hereby present the Annual Report of the Protasco Berhad Group of Companies for the financial year ended 31 December 2014.

We are proud that your Company achieved a remarkable 'first' this year, recording just over RM1 billion turnover and bringing Protasco one step closer to achieving its Vision. During the year, the Company also posted its highest ever operational profit after taxation and non-controlling interests recorded at RM57.1 million.

These impressive results were achieved despite the challenging year we experienced. The Group made impairment losses of RM103.5 million for ventures in Indonesia and is pursuing recovery of these investments through the Malaysian courts. Your Board is fully committed to exploring all avenues to recover these investments. The appropriate announcements have been made as these matters progress through the courts, and will continue to be made to keep you updated through the stock exchange. It must be emphasised that these investments were made through the Group's internally generated funds and have had no effect on the operations of the Protasco Group.

Review of FY2014

For FY2014, the Group recorded an increase in turnover to RM1.06 billion, an improvement of 9.5% over FY2013. Excluding a one-off impairment losses of RM103.5 million, operating profits after tax and non-controlling interests increased by 18.5% to RM57.1 million.

No final dividend is proposed in view of the impairment losses suffered by the Group for FY2014. The total dividend paid for FY2014 was RM16.8 million, through an interim dividend of 5 sen paid on 15 January 2015.

However, we fully expect to make improved dividend payouts in FY2015 in keeping with the Company's dividend policy and to maintain the established trend of the past years.

Operations Highlights

The Maintenance Division continued to deliver healthy turnover and profit as well as sustain a strong cashflow position for the Group. Turnover recorded for FY2014 was RM553.4 million, an improvement of 4.4% over the preceding year. Profit before tax, increased by 11.5% to RM97.4 million. This was mainly due to higher periodic works awarded.

The Construction Division posted higher revenue of RM215.2 million in 2014 and delivered a strong performance with profit before tax surging by almost 68.6 % to RM9.1 million. Revenue and profit of this division were contributed by road projects in Johor, Kedah and Sarawak as well as Perumahan Penjawat Awam 1Malaysia (PPA1M) project.

The Property Development Division recorded strong revenue and profit for FY2014 of RM83.9 million and RM12.4 million respectively. The improved results were contributed from Phase 1 and Phase 2A (Unipark Condo) of the De Centrum Development. As at 31 December 2014, Phase 1 was 55% completed and Phase 2A was 14% completed. De Centrum recently won the "Best Mixed Development Award" at the Property Insight Malaysia's Prestigious Developer Award 2015. As a young developer, such achievement is very encouraging and has inspired Protasco to be ranked among the top property developers in time to come.

The Engineering and Consultancy Services Division continued its turnaround for the second consecutive year after its set back in 2012. Profit before tax however decreased by 24.8% to RM10.1 million. This is mainly due to higher expenses by geotechnical and forensic works.

Group Revenue

RM1.06 billion

Highest turnover ever recorded by the Protasco Group

Operating Profit

RM57.1 million

Highest operating profit recorded by the Protasco Group

Artist impression of De Centrum City

The Education Division, under the banner of Infrastructure University Kuala Lumpur achieved a revenue of RM51.9 million. However, due to the impairment losses made on outstanding students fees, this division posted a pre-tax loss of RM0.7 million.

The Trading and Manufacturing Division recorded lower turnover of RM155.9 million, but continued to maintain its operating profit before taxation at RM5.1 million. This was achieved through trading of products with higher profit margin rather than the traditional trading of bitumen.

Challenges Ahead

In 2015, the Malaysian economy is expected to grow between 4.5% to 5.5%; mainly driven by domestic consumption and expenditure by both the public and private sectors. Continued government spending on infrastructure projects via the Economic Transformation Programme (ETP) will further enhance the economy of Malaysia. However, the introduction of the Goods and Services Tax (GST) may affect domestic consumption levels and dampen investor sentiments.

For the current financial year, the Group is cautious in its view of uncertainties surrounding the global and domestic markets. The year 2015 is likely to be a more challenging year for Protasco. The Management is focused on securing the renewal of two (2) maintenance contracts in the face of tough competition. We are optimistic that these contracts will be renewed.

Protasco expects the growth for 2015 to be driven by the Construction and Property Development Divisions. The on-going PPA1M project is expected to further contribute to the profitability of the Construction Division. We will continue to secure more projects, either through direct negotiations or tender, to replenish our order book. With regards to the Property Development Division, we will launch the next phase, Phase 2B in the third quarter of 2015, with estimated GDV of approximately RM300 million. With our current unbilled sale of RM265 million, this division is poised to perform better in 2015.

In FY2014, the Board approved the Group's new Vision, Mission and Core Values Statements which can be found on the Vision and Mission page of this report. With this, the Management has engineered a key transformation plan and charted the direction of the Group for the next five (5) years. This transformation plan will not only focus on the financial milestones but include achievements such as market recognition of Protasco from our customers and employees, our technology and processes as well as the contribution to the society.

With our healthy financial position, we are able to source for other business opportunities either through strategic investment or joint venture. The Group will continue with its prudent and responsible approach in its evaluation of these initiatives, with full compliance of corporate governance.

While we remain cautious over the near- and medium-term economic environment, your Board is optimistic we can deliver another year of growth in 2015.

Human Capital Development

The Group is now at optimal strength in terms of staffing, with over 2,000 employees in its workforce. The Management, under the leadership of YBhg Dato' Sri Ir Chong Ket Pen is committed to human capital development with a strong emphasis on competencies, advancement opportunities and career development. The Management will continue to provide adequate training budgets to ensure that staff at all levels are properly trained and gained the knowledge and skills they need to perform at the highest levels for the Group. We aspire to be the "Employer of Choice".

A Word Of Thanks

I welcome YBhg Dato' Shaiful Hazizy Bin Zainol Abidin, YBhg Dato' Su-Azian @ Muzaffar Syah Bin Abdul Rahman and Encik Suhaimi Bin Badrul Jamil to the Board of Protasco. With their wealth of experiences, they bring new capabilities to complement those of the current Board Members. I am confident they will lead Protasco forward to even greater heights. I would also like to record my appreciation to my fellow Directors who have served and guided the Group in terms of governance, risk management and corporate strategies.

To YBhg Dato' Sri Ir Chong Ket Pen and all his Protasco Champions, I would like to thank you for your dedication and effort that has allowed us to grow in operations and performance.

Lastly, to our shareholders, I wish to thank you for your trust and loyalty to the Board despite the challenges faced by us in 2014. We hope to reward you with better returns in the coming years.

TAN SRI DATUK DR HADENAN BIN A JALIL
Chairman

PPA1M Larai at Presint 6, Putrajaya

Statement on Corporate Social Responsibility

Protasco Berhad is committed to preserving the interests of their clients, employees, shareholders and society through their Corporate Social Responsibility (CSR) practices.

We subscribe to the principles of sustainable development and continuously seek for opportunities to maximise the positive impacts of our activities to our employees, the environment and the community, riding on our pledge to build and support sustainable communities.

Our Employees

In Protasco Berhad Group (the Group), we recognise the significant role of our human capital. We believe, our employees are our main assets and makes it a policy to support the talent development of our employees through appropriate career paths, succession planning and internal recognition programmes which are developed for both technical and non-technical employees.

Employees are provided with numerous learning and development opportunities to fulfil their potential. These development opportunities are structured to align with our organisational needs and objectives.

The Group also provides a Ringgit for Ringgit contribution to the Protasco Welfare Club subscription fee. This allows for better club initiatives and encourages employees' participation. The club organises sporting, recreational, charitable activities and health screening programmes for its members.

In April 2014, the Group launched a new Vision, Mission and Core Values on a course to moving forward. A year long campaign was planned to complement and solidify the Group's value inculcation and unification process.

More recently, staff who were directly affected by the December 2014 flood tragedy in the East Coast of Malaysia were provided with a cash contribution amounting to a total of almost RM110,000.

The Community

We made a commitment to give back to our community. We seek to improve the role we play in the community, integrating their needs into our operations for the betterment of the society.

With our strength in various aspects of infrastructure, we provide education to the community through Infrastructure University Kuala Lumpur (IUKL). Excellent students are rewarded through a discount of their following semester's tuition fees, to encourage them to strive even harder for personal success.

In 2014, the Group took part as one of the sponsors for the Bursa Malaysia's Bursa Bull Charge where Malaysia's capital market players collaborated for a common cause for the community.

The Group has also donated a total of RM250,000 to the Montfort Youth Centre in Melaka for the maintenance of the Centre.

Visits to welfare homes for the young and elderly are regularly organised and we take the opportunity to provide them with contributions to alleviate some of their hardship. On an annual basis, a selected orphanage will be treated to the Group's breaking of fast feast held during the month of Ramadhan.

Reaching out to the communities which were affected by the recent flood tragedy in East Coast of Malaysia, Protasco Berhad, through its subsidiary, Roadcare (M) Sdn Bhd, supported the Jabatan Kerja Raya (JKR) convoy to the affected areas and contributed up to RM50,000 worth of emergency supplies. Generous staff also made their contributions.

Majlis Qurban 2014

Protasco Sports Carnival 2014

Protasco staff at
Bursa Bull Charge 2014

The Environment

Due to Protasco Berhad's nature of business in road maintenance and construction; geotechnical services and property development, the Group is highly committed to the preservation and creating of a sustainable environment.

In road maintenance, the Group advocates environmentally sustainable practices by utilising the Cold-In-Place-Recycling technology.

Its geotechnical services particularly in the treatment of slopes encourage the use of environment friendly techniques such as the soil confinement systems that promote the growth of vegetation, therefore keeping a balance in the ecosystem.

The Group's De Centrum Mall is working towards Malaysia's Green Building Index (GBI) certification. The mall will improve energy consumption by optimising the orientation of the building, minimising solar heat gain and harvesting natural lighting. Its innovative roof design will promote the use of natural ventilation which will reduce the future shopping centre's carbon footprint. Water harvesting and water saving systems will also be put in place to further encourage sustainability.

Protasco Berhad shall continue to look for opportunities to play our role in building and supplying on sustainable community.

We made contributions to employees affected by December 2014 flood

JKR and Roadcare flood aid in, December 2014

Visit to Rumah Anak Yatim YPIN, Banting

Calendar of Events

2014

APR

11-13 Apr 2014

IUKL WINS GOLD AND SILVER MEDALS AT I-ENVEX2014

Infrastructure University Kuala Lumpur won Gold and Silver medals in the International Engineering Invention & Innovation Exhibition (I-ENVEX2014) organised by Universiti Malaysia Perlis (UNIMAP).

MAY

17 May 2014

HANDOVER OF ALOR SETAR-KUALA NERANG-DURIAN BURUNG ROAD REPAIR PROJECT AND THE CLOSING CEREMONY FOR KEDAH AMAN MAKMUR BICYCLE FUN RIDE 2014

The Handover of Alor Setar-Kuala Nerang-Durian Burung Road Repair Project at Pedu, Kedah and the closing ceremony for Kedah Aman Makmur Bicycle Fun Ride 2014 was officiated by Dato' Seri Mukhriz Tun Dr Mahathir, Menteri Besar Kedah.

JUN

14 Jun 2014

MALAYSIA GEMS 2014

Protasco Berhad participated in the Malaysia GEMS 2014 roadshow in Singapore. GEMS 2014 is an investor's road show for Malaysia's Public Listed Companies.

24 Jun 2014

PB 13TH ANNUAL GENERAL MEETING

Protasco Berhad's 13th Annual General Meeting was held on 24 June 2014, at Unipark Suria. The shareholders approved the payment of a single tier dividend of six (6) per ordinary share for the financial year ended 31 December 2013.

26 Jun 2014

MAJLIS CABUTAN UNDI PPA1M LARAI

The balloting ceremony for project Perumahan Penjawat Awam 1Malaysia (PPA1M) Larai, Presint 6, Putrajaya was held on 26 June 2014. Protasco Development Sdn Bhd is the developer for this project.

JUL

23 Jul 2014

PTSB SIGNS MOA WITH SEAGATE GLOBAL

Protasco Trading Sdn Bhd (PTSB) and Seagate Global Trading Sdn Bhd signed a Memorandum of Agreement (MOA) on 23 July 2014. The MOA is in relation to the trade and credit support programme for local companies, for the delivery of Malaysian Government supply contracts.

SEP

6 Sep 2014

12TH IUKL CONVOCATION

Infrastructure University Kuala Lumpur held its 12th Convocation on 6 September 2014. More than 800 graduates received their Masters, Bachelor Degrees and Diploma scrolls.

10 Sep 2014

PERINTIS 2014
The Research Management Centre of Infrastructure University Kuala Lumpur in collaboration with the Ministry of Science, Technology and Innovation organised the ‘Pertandingan Rekacipta dan Inovasi Institusi Pengajian Tinggi Swasta 2014‘ (PERINTIS 2014).

19 Sep 2014

HCM SIGNS MOU WITH ABDUL MONEM LTD
HCM Engineering Sdn Bhd and Abdul Monem Ltd signed a Memorandum of Understanding (MOU) at Unipark Suria to participate in tenders on targeted potential roads and bridge projects in Bangladesh.

25 Sep 2014

PROTASCO SIGNS MOU WITH CHEC CONSTRUCTION
Protasco Berhad and CHEC Construction (M) Sdn Bhd signed a Memorandum of Understanding (MOU) to establish business collaborations.

OCT

5 Oct 2014

CSR: MONTFORT CHARITY GALA 2014
Dato’ Sri Ir Chong Ket Pen, Executive Vice Chairman/Group Managing Director of Protasco Berhad presented a RM200,000 cheque to the Montfort Youth Centre, Melaka during the Charity Gala, to assist with the upkeep of the centre.

NOV

8 & 9 Nov 2014

SALES PREVIEW LAUNCH OF UNIPARK CONDOMINIUM - BLOCK C
Protasco Land Sdn Bhd held its sales preview of their newly launched Block C Unipark Condominium @ De Centrum City on 8 and 9 November 2014. Dato’ Joey Yap and Mr Ho Chin Soon were the guests speakers.

26 & 27 Nov 2014

PROTASCO BERHAD EXTRAORDINARY GENERAL MEETINGS
An Extraordinary General Meeting was held at Unipark Suria, Kajang, to vote on resolutions for the removal of directors Tey Por Yee and Ooi Kock Aun. The 26 November 2014 meeting was adjourned to 27 November 2014, and the resolutions were carried.

28 Nov 2014

PROTASCO BERHAD EXTRAORDINARY GENERAL MEETING
An Extraordinary General Meeting was held at Corus Hotel, Kuala Lumpur, to vote on the resolution for the removal of Dato’ Sri Ir Chong Ket Pen as a Director of Protasco Berhad. The resolution was not carried.

DEC

18 Dec 2014

STAFF APPRECIATION LUNCH
Protasco Berhad hosted an Appreciation Lunch for its employees.

2015

JAN

19 Jan 2015

BUKIT NANAS WATERFALL AND SLOPE REPAIR WORK DINNER

A dinner reception with YB Datuk Seri Tengku Adnan Tengku Mansor, Minister of the Federal Territories and DBKL was held to commemorate the completion of Bukit Nanas waterfall and slope repair works by Kumpulan Ikram Sdn Bhd.

21 & 22 Jan 2015

I AM PROTASCO - LIVING THE VALUES CAMPAIGN - CONSTRUCTION DIVISION

The Group's Construction Division kicked off the I AM PROTASCO - LIVING THE VALUES programme which embraces Protasco's first core value - Result Oriented for the month of January 2015.

MAR

11 Mar 2015

HANDING-OVER OF DESARU PROJECT

The completed Desaru Coast Course Project by HCM Engineering Sdn Bhd was handed over to Desaru Development One Sdn Bhd.

9-12 Mar 2015

ASIAN INFRASTRUCTURE PPP SUMMIT 2015

Protasco Berhad participated in the exhibition which was jointly organised by Unit Kerjasama Awam Swasta of the Jabatan Perdana Menteri and Asian World Summit Sdn Bhd.

19 Mar 2015

I AM PROTASCO - LIVING THE VALUES - EDUCATION DIVISION

The Group's Education Division takes on Protasco's third core value - Customer Focused for the month of March 2015.

30 Mar 2015

DE CENTRUM AWARDED THE BEST MIXED DEVELOPMENT AT PROPERTY INSIGHT'S PRESTIGIOUS AWARD 2015

De Centrum Development Sdn Bhd was awarded the Best Mixed Development Award at Property Insight's Prestigious Award 2015 on 30 March 2015. The event was officiated by YB Dato' Seri Nazri Abdul Aziz, Minister of Tourism and Culture Malaysia.

APR

1 Apr 2015

HCM SIGNS MOU WITH ABDUL MONEM LTD

HCM Engineering & Abdul Monem Ltd signed a Memorandum of Understanding (MOU) in Bangladesh to participate in the proposal, tender or bid for any buildings & infrastructure projects or any other projects in Bangladesh initiated by the Bangladeshi Army Trust Fund.

2 Apr 2015

HCM ENGINEERING WINS RM77MIL MAINTENANCE JOB

HCM Engineering Sdn Bhd was awarded maintenance works on Federal Roads in Zone 2A, Sarawak for a total contract sum of approximately RM77 million by Jabatan Kerja Raya. The award encompasses construction of four (4) overtaking lanes in Sibu and Bintulu.

3 Apr 2015

MRCB AWARDS RM58MIL OKR-NPE MAIN CIVIL AND INFRASTRUCTURE WORKS TO HCM

Malaysian Resources Corporation Berhad (MRCB), through its subsidiary, Gelanggang Harapan Construction Sdn Bhd, awarded HCM Engineering Sdn Bhd the Main Civil and Infrastructure Works to connect the road between Old Klang Road – New Pantai Expressway (OKR-NPE).

Audit Committee Report

MEMBERS OF THE AUDIT COMMITTEE

As at the date of this Annual Report, the composition of the Audit Committee is as follows:

Members

Dato' Mohd Hanif Bin Sher Mohamed
Chairman *(Independent Non-Executive Director)*

Tan Yee Boon
Member *(Independent Non-Executive Director)*

Suhaimi Bin Badrul Jamil
Member *(Independent Non-Executive Director)*

Secretaries

The Company Secretary or his/her representative shall be the Secretary of the Committee.

TERMS OF REFERENCE

Composition

The Audit Committee members shall be appointed by the Board of Directors and comprises at least three (3) Directors, all of whom must be Non-Executive Directors, with a majority of them being Independent Directors. The composition of the Audit Committee shall fulfil the requirements as prescribed in the Listing Requirements of Bursa Malaysia.

Authority

The Audit Committee shall have the authority to investigate any activity of the Group within its terms of reference and shall have full and unrestricted access to the Group's information. The Committee is authorised to have resources which are required to perform its duties and have direct communication channels with the external auditors, internal auditors and all employees of the Group.

The Audit Committee may obtain independent professional advice and be able to convene meetings with external auditors, the internal auditor or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary.

Duties and Responsibilities

a) Internal Control System

The Audit Committee is to:

i. Review general policies and procedures to reasonably assure the adequacy of internal accounting and financial reporting controls; and

ii. Make all necessary enquiries of management and external auditors concerning established standards of corporate conduct and performance, and deviations therefrom.

b) Financial Reporting

The Committee is to review:

i. The quarterly financial report and year-end financial statements prior to the Board's approval; and
ii. With management and external auditors upon completion of their audit on the financial results for the year prior to release to the public.

c) External Audit

To review and report the same to the Board of Directors:

i. External audit plan, scope, evaluation on internal control system and their report;
ii. Assistance given by the management to the external auditors;
iii. Nomination of external auditors; and
iv. Resignation of the external auditors and its written explanations, if any.

d) Internal Audit

To review:

i. Adequacy of the scope, functions, competency and resources of the Internal Audit Department and that it has the necessary authority to carry out its works; and
ii. Annual audit plan, its progress and discuss the major issues raised in the internal audit reports.

e) Related Party Transactions

To review any related party transactions and conflict of interest that may arise within the Group including any transactions, procedures or course of conduct that raises questions of management integrity.

f) Other Matters

To perform or review such other matters as the Audit Committee considers necessary and as the Board of Directors may direct.

MEETINGS

Frequency and Quorum of Meetings

A minimum of four (4) meetings a year shall be conducted. The Committee shall also meet with the external auditors without the presence of Executive Board members at least two (2) times a year. A majority of Independent Directors present shall form a quorum. If necessary, members of management, Head of Internal Audit and representatives of the external auditors are to be present at the meeting.

Attendance

The Audit Committee held six (6) meetings during the financial year ended 31 December 2014. The attendance of members is as follows:

Audit Committee Member	Attendance at Committee Meeting
Dato' Mohd Hanif Bin Sher Mohamed	6/6
Tan Yee Boon *(Appointed as a Member on 7 August 2014)*	2/2
Suhaimi Bin Badrul Jamil *(Appointed as a Member on 16 December 2014)*	0/0

SUMMARY OF ACTIVITIES

The main activities undertaken by the Committee during the year are as follows:

a) Discuss the appointment of external auditors and their audit fees, the nature and scope of the audit, the audit plan and ensure co-ordination where more than one audit firm is involved;

b) Review the progress of internal audit plan and discuss issues raised in the internal audit reports;

c) Review the financial quarterly results and annual financial statements of the Group and its subsidiaries prior to approval by the Board;

d) Review any related party transactions and conflict of interest situation that may arise within the Group and to ensure that such transactions are undertaken at arm's length, on normal commercial terms; and

e) Consider any other issues as defined by the Board.

INTERNAL AUDIT FUNCTION

The Group has an Internal Audit Department, which reports to the Audit Committee and assists the Board in monitoring and managing risks and internal controls.

The principal responsibility of the Internal Audit Department is to undertake an independent, regular and systematic review of the system of internal control so as to provide reasonable assurance that internal controls and risks are satisfactorily monitored and managed within the Group.

The Internal Audit Department also conducts special audits and investigations on an ad-hoc basis as requested by the Audit Committee or the Management. Total costs incurred by the Department for the financial year ended 31 December 2014 were approximately RM250,000.

None of the issues raised during audit review had any significant impact to the Group. All the issues raised had been addressed accordingly.

REVIEW OF THE AUDIT COMMITTEE

The Board of Directors shall review the term of office and performance of the Audit Committee and each of its members at least once every three (3) years to determine whether such Audit Committee and members have performed their duties in accordance with their terms of reference.

Statement on Corporate Governance

COMPLIANCE WITH THE CODE

The Company's Board of Directors (Board) is committed in ensuring that the Company practises good corporate governance in line with the principles, requirements and best practices specified in the Malaysian Code on Corporate Governance 2012. In this regard, the Company conducts its affairs with transparency, integrity and professionalism with checks and balances in place to directly and indirectly benefit the Company and its stakeholders.

BOARD OF DIRECTORS

Roles and Responsibilities of the Board

The Company is led by a Board comprising members with a wide range of business, financial, technical, legal and public service experience. This depth and diversity in expertise and perspectives as reflected in the Directors' Profile from page 09 to page 13 bring vital ingredients necessary for the Company's strategic direction and guidance in the management of the various business activities undertaken by the Protasco Group of Companies (Group).

The Board

The Board shares a common goal of providing the best total integrated solutions for our clients in road construction, maintenance, upgrading and rehabilitation; engineering services and consultancy; R&D; education and training; trading; construction and property development.

With the overall responsibility for the Company's strategic direction, the Board always strives to give due attention to matters pertaining to corporate strategy development and alignment, business operational execution and performance monitoring within the context of both internal and external factors in the marketplace.

Composition of the Board and Board Balance

At present, there are nine (9) members of the Board comprising two (2) Executive and seven (7) Non-Executive Directors. The ratio of Independent Directors to Non-Independent Directors is 6:3.

There is a balance in the Board with the presence of six (6) Independent Directors in the nine (9) member board with the necessary skills and experience. All the Independent Directors have neither business nor other relationships that could significantly interfere with the exercise of their independent judgment.

The Board had conducted assessment on the independence of the Independent Directors. None of the Independent Directors has serviced the Company for more than a cumulative term of nine (9) years.

Gender Diversity

The Board recognises the benefits of gender diversity in the Boardroom and the workforce at all levels which will promote greater diversity of thought and broader perspectives in approach. Although the Board does not endorse a specific target, it does commit itself to having representatives of women on the Board subject to identification of suitable candidates with appropriate skills.

Directors Training

All Directors have attended and obtained certification from the Mandatory Accreditation Programme (MAP). In addition, they participated in conferences, seminars and training programmes to keep abreast with the changing commercial risks and development in the business environment as well as the new regulatory and statutory requirements to enhance their professionalism and knowledge so that they could effectively discharge their duties and obligations.

Board Meetings

During the year under review, thirteen (13) board meetings were held. The Directors' attendance for the Board Meetings held in 2014 are as follows:

Name of Directors	Total Number of Meetings Attended
Tan Sri Datuk Dr Hadenan Bin A Jalil	12 out of 13
Dato' Sri Ir Chong Ket Pen	13 out of 13
Dato' Mohd Hanif Bin Sher Mohamed	13 out of 13
Dato' Mohd Ibrahim Bin Mohd Nor (Appointed on 10 March 2014)	11 out of 11
Ir Tan Heng Kui	10 out of 13
Tan Yee Boon	12 out of 13
Dato' Su-Azian @ Muzaffar Syah Bin Abd Rahman (Appointed on 16 December 2014)	N/A
Dato' Shaiful Hazizy Bin Zainol Abidin (Appointed on 16 December 2014)	N/A
Suhaimi Bin Badrul Jamil (Appointed on 16 December 2014)	N/A

Access to Information and Advice

The Company provides the Board with full assistance and gives it complete access to necessary materials and relevant information. Together with proper counsel from qualified Company Secretaries and others, these have enabled the Board to discharge its functions properly. The Directors are also encouraged to and not prevented from making verifications and endorsements, and seeking external guidance.

Nomination and Remuneration Committee and Its Processes

Protasco Berhad's Nomination and Remuneration Committee (Committee) is made up of two (2) Independent Non-Executive Directors & one (1) Non-Independent Non-Executive Director. The Committee is responsible to recommend identified candidate(s) to the Board if a vacancy on the Board is anticipated or otherwise occurs due to resignation, retirement or any other reasons or if there is a need to appoint additional Director(s) with the required skill or profession in order to close the competency gap in the Board.

The Committee shall strive for a structured assessment of individual members as well as of the Chairman of the Board to achieve a better balance in Board in terms of gender, age, background, experience and competency.

The Committee considers candidates for directorship identified from various sources such as the existing Directors, senior management staff, shareholders or third party referrals.

A Director candidate is evaluated by the Committee based on the basic criteria established by the Committee from time to time before the Committee recommends the candidate to the Board of Directors for its consideration.

The Committee takes into consideration many factors in evaluating Director candidates, including the individual's educational and professional background, employment record, whether the individual has any special experience in a relevant area, possession of the required skill and qualification, personal accomplishments and such other factors it deems appropriate. The Board, based on the recommendation of the Committee, would evaluate and decide on the appointment of the proposed candidates.

During the financial year, the Committee had assessed and made recommendation to the Board the candidature of directors and had reviewed and assessed the effectiveness of the individual Directors, the Board as a whole and the Board Committees. The Committee was satisfied with the performance of the Board and Board Committees.

Appointments and Re-Election of Directors

In compliance with the Company's Articles of Association, at each Annual General Meeting (AGM), one-third (1/3) of Directors or if their number is not three (3), the number nearest to one-third (1/3), shall retire from office at least once in three (3) years. They however shall be eligible for re-election by the shareholders. The Directors to retire shall be those who have been longest in office since their last re-election or appointment.

The Company ensures the positions of the Chairman and the Group Managing Director of the Company are held by different individuals and that the Chairman post is non-executive post.

Remuneration Policy

The remuneration of Directors is determined at a reasonable level for the Company, enabling it to attract and retain Directors with a good mix of relevant experiences and expertise.

Details of the Directors' Remuneration for the financial year ended 31 December 2014 are as follows:

	RM'000
Executive:	
Salaries and emoluments	1,440
Bonus	480
Contributions to defined contribution plans	230
Estimated money value of benefits-in-kind	35
	2,185
Non-Executive:	
Fees and other emoluments	946
	3,131

The number of Directors whose total remuneration during the financial year fell within the following bands is analysed below:

	No. of Directors
Executive:	
RM2,150,001 - RM2,200,000	1
Non-Executive:	
Below RM50,000	2
RM50,001 - RM100,000	4
RM150,001 - RM200,000	1
RM200,001 - RM500,000	1

Executive Directors

The remuneration of the Executive Directors shall be proposed and subject to review by the Committee for Directors' approval. The Committee shall take into consideration their responsibilities, scope of works, remuneration paid by other companies in a comparable sector and other relevant factors.

Executive Directors shall also be entitled to other standard benefits provided to employees of the Company such as company car, medical expenses, insurance coverage and other additional benefits if so proposed by the Committee for the Board's approval.

Non-Executive Directors

The remuneration of Non-Executive Directors is determined by the Board which comprises the following:

Director Fee	Non-Executive Directors receive fees. The fees are to be determined and recommended by the Board and to be approved by shareholders.
Meeting Allowance	Non-Executive Directors of the Company will receive meeting allowance for attending Board Committee meetings, Board meetings and general meetings. The meeting allowances are to be determined by the Board.
Other benefits	Non-Executive Directors of the Company are also entitled to other benefits provided to employees of the Company such as receiving discount for purchasing of property(ies) or product(s) developed or sold by the Company.

The Company has at its AGM held on 24 June 2014, obtained a shareholders' mandate on payment of Directors' fees of not exceeding RM500,000 per annum.

Board Charter

The Protasco Berhad's Board Charter spells out the duties and responsibilities of all Board members in line with various legislations and regulations affecting their conduct. The Charter is available online at www.protasco.com.my.

Directors Code of Conduct

The Company is aware of its responsibility to conduct itself in all aspects of its business to the highest ethical standards. Its Code of Conduct sets out the Company's key rules and values that acts as guidelines for the Directors to make their decision.

The Code of Conduct is available online at www.protasco.com.my.

ESS Committee

At an Extraordinary General Meeting of the Company held on 1 October 2013, the shareholders approved the establishment of an Employees' Share Scheme (ESS). The scheme came into effect on 4 October 2013 for a period of five (5) years with an option to extend for another five (5) years. Subsequently, an ESS Committee was established with delegated authority to assist the Board in determining all questions of policy and expediency that may arise in the administration of the scheme and generally exercises all acts that are required and necessary to promote the best interest of the Company. The ESS Committee administers the scheme in accordance with the ESS By-Laws and the Bursa Malaysia Securities Berhad Main Market Listing Requirements. The ESS Committee also oversees the Management's implementation of the scheme with regard to the eligibility of the employees to participate in the scheme, ESS shares grant, option offers, offer date, basis of allotment, exercise of option and option allocations (after taking into consideration the performance, seniority and number of years of service as well as the employees' actual or potential contribution to the Group) as well as dispute and termination issues in relation to the scheme in line with the ESS By-Laws.

**Scan QR Code to read this online.*

Board Charter

Directors
Code of Conduct

The ESS Committee shall within the duration of the scheme, grant ESS shares or make offers to any eligible employee whom the ESS Committee may in its discretion select to subscribe for new Protasco shares.

During the financial year, there was no allocation of options under the ESS.

REACHING OUT TO SHAREHOLDERS AND INVESTORS

The Company holds meetings with investors, journalists and financial analysts to update them on developments, obtain feedback and discuss matters of common interests.

In addition, the Company issues timely release of its financial results and other mandatory announcements and responds promptly to enquiries from investors, regulators, the public and financial analysts.

The Company has a dedicated website, www.protasco.com.my, designed to assist its stakeholders. The Company has subscribed to Bursa Malaysia website linking service so that the Company's announcements made to Bursa Malaysia can be retrieved concurrently from both websites.

The Company also subscribes to the services provided by SI Portal.com Sdn Bhd, as recommended by Bursa Malaysia, to enhance its investor relations programmes.

Contact Person:
Marina Jaal, General Manager, Corporate Communications Department
Tel: 603-8738 3388 Fax: 603-8926 4008 Email: ccd@protasco.com.my

Annual General Meeting

The AGM is the main delivery channel for dialogue with all shareholders. They are encouraged and are given ample opportunities to enquire about the Groups' activities and prospects as well as to communicate their expectations and concerns.

Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Shareholders can also contact the Company with their queries.

The information on shareholders' rights relating to general meetings is available at www.protasco.com.my.

The Board encourages poll voting for substantive resolutions. The Board will evaluate the feasibility of carrying out electronic polling at its general meetings in the future.

CORPORATE DISCLOSURE

To ensure quality disclosure, the Company has a corporate disclosure policy to ensure accurate, clear and timely disclosure of material information and take reasonable steps to ensure that the general public has access to such information.

The Corporate Disclosure Policy is available at www.protasco.com.my.

SUSTAINABILITY POLICY

The Company endeavors to operate its business in accordance with environmental, social and economic responsibility. This includes working within the law in order to be innovative and demonstrate initiative to meet the requirements of various stakeholders. The Company strives to achieve a sustainable long-term balance between meeting its business goals and preserving the environment. It recognises that the sustainability of the ecosystem is an integral part of sustaining its business.

The strategies to promote sustainability and its implementation can be found at the Company's website at www.protasco.com.my

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Corporate Disclosure Policy

Shareholders' Rights Relating to General Meeting

Sustainability Policy

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors are required by the Companies Act 1965 to ensure that financial statements prepared for each financial year provide a true and fair view of the Company and the Group. The Directors deliberate on financial statements and ensure that the Group has used appropriate accounting policies, supported by reasonable and prudent judgment and estimates. The Audit Committee assists the Board by scrutinising the information to be disclosed.

The Group's financial statements are presented in pages 38 to 144 of this Annual Report.

Relationship with the Auditors

Through the Audit Committee of the Board, the Group has established a professional, transparent and appropriate relationship with the Group's auditors, both internal and external, particularly in obtaining their professional advice towards ensuring full compliance with applicable accounting standards.

Internal Control

The Board acknowledges their responsibility for the Group's system of internal controls and reviews its effectiveness regularly via the Internal Audit Department which provides support to the Audit Committee in dispensing its responsibilities with respect to the adequacy and integrity of the system of internal control within the Group. A Statement on Risk Management and Internal Control outlining the internal controls within the Group is presented on page 32 of this Annual Report.

STATEMENT OF DIRECTOR'S RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Directors are required by the Companies Act 1965 to prepare financial statements for each financial year in accordance with the applicable approved accounting standards in Malaysia, giving a true and fair view of the financial position of the Group and Company at the end of the financial year and of the results and cash flows of the Group and Company for the financial year ended.

The Directors have the responsibility to ensure that the Company keeps proper accounting records, disclosing with reasonable accuracy the financial position of the Group and Company and ensuring that the financial statements comply with the Companies Act 1965.

The Directors have overall responsibilities for undertaking necessary steps that are reasonably open to them to protect and safeguard the assets of the Group to prevent and detect fraud and other irregularities. The Board has also ensured that the quarterly and annual financial statements of the Company and Group are released to Bursa Malaysia in a timely manner to keep the investing public well informed of the Groups' latest development.

GOING CONCERN STATEMENT

Having exercised due and reasonable enquiry into the affairs of the Company, the Board is satisfied with the Company and shall proceed to operate as a going concern business in the foreseeable future.

Statement on Risk Management and Internal Control

"The Malaysian Code of Corporate Governance requires the Board of Directors (Board) to maintain a sound system of risk management and internal control to safeguard shareholders' investments and the Group's assets. Pursuant to Para 15.26(b) of Bursa Malaysia Securities Berhad Main Market Listing Requirements and guided by *Statement on Risk Management & Internal Control: Guidelines for Directors of Public Listed Companies (Guidelines)*, the Board is pleased to present the Statement on Risk Management and Internal Control for the financial year under review."

Responsibility

The Board acknowledges its responsibility for the Group's system of internal controls and risk management which includes the establishment and reviewing the adequacy and integrity of the systems. The Board however recognises that this system is designed to manage rather than eliminate the risks completely. As such, it should be noted that it only provides reasonable assurance against the occurrence of any material misstatement, operational failure, loss or fraud. In addition, the Group's system does not apply to associate companies where the Group does not have full management over them.

The Board has established ongoing processes for identifying the principal risks impeding the achievement of the organisation's goals and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. This process is regularly reviewed by the Board, taking into account changes in the regulatory and business environment as mentioned in the Guidelines.

In accordance with the Guidelines, the Board assures that this process has been in place for the year under review and up to the date of issuance of the Annual Report.

Risk Management Framework

The Board maintains the control over risk management. The Board Risk Management Committee was established by the Board which is empowered by its Terms of Reference on the implementation of risk management framework to assist the Board to oversee the overall compliance with applicable laws and regulations, internal policies and approved limits. The members of the Board Risk Management Committee are:

(1) Dato' Mohd Ibrahim Bin Mohd Nor (Chairman)
(2) Ir Tan Heng Kui (Member)
(3) Suhaimi Bin Badrul Jamil (Member)

The Board Risk Management Committee is assisted by the Risk Management Committee, comprising senior management personnel, which incorporates the process of assessing, reporting, monitoring and reviewing the risks within the Group.

Risk management framework was established applicable to all functions in the Group; in operational, financial and support areas. The principal risks inherent to business units are regularly reviewed and assessed and where necessary, appropriate actions are taken to manage those risks. The management and business units assist the Board in identifying, assessing, managing and monitoring the risks.

Key Elements of Internal Control

The key elements of the Group's internal control system include:

- The Board Audit Committee comprises of Non-Executive Directors, all of whom are Independent Directors. The Committee primarily assist the Board in reviewing the organisation's risk with the assistance of the Internal Audit Department.
- Well-defined lines of responsibilities for the Board, management and each operating unit within the Group; including authorisation level on day-to-day operation.
- Each operating unit undertakes business planning and budgeting process each year which are appraised at regular interval.
- The Group's quarterly financial performance is presented to the Board for review and approval;
- Internal Audit Department performs periodic audits based on the approved audit plan to ascertain the adequacy and effectiveness of the internal control system.
- Human capital programmes which include staff training, performance appraisal, succession planning and code of ethics.

Conclusion

The Board has received assurance from the Group Managing Director and Chief Financial Controller that the Company's risk management and internal control system is operating adequately and effectively in all material aspect.

For the financial year under review, the Board is in the opinion that the Group's system of internal controls is satisfactory. Any deficiencies identified have been or are being addressed accordingly. Notwithstanding this, review of the internal control systems will be continuously carried out to ensure the ongoing effectiveness of the system.

Review of the Statement by External Auditors

The Statement has been reviewed by the External Auditors for the inclusion in the Annual Report of the Company for the year ended 31 December 2014 and reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the system of the risk management and internal controls.

Other Compliance Information

1. Share Buybacks

The Company had at its Thirteenth Annual General Meeting held on 24 June 2014 obtained approval of the shareholders in relation to the Share Buyback authority, whereby the Directors are authorised to purchase and/or hold at any point in time up to ten per cent (10%) of the issued and paid share capital of the Company for the time being quoted on the Bursa Malaysia Securities Berhad.

For the financial year ended 31 December 2014, the Company purchased a total of 2,000 shares, all of which are retained as treasury shares. None of the shares purchased has been sold or cancelled during the financial year ended 31 December 2014. Details of the shares repurchased are set out below:

		Buy-back Price Per Share (RM)		Average Cost Per Share	Total Cost
Monthly Breakdown	No. of ordinary shares	Lowest	Highest	RM	RM
February	1,000	1.54	1.54	1.54	1,582
September	1,000	1.73	1.73	1.73	1,773
TOTAL	2,000				3,355

2. Depository Receipt (DR) Programme

During the financial year, the Company did not sponsor any DR programmes.

3. Imposition of Sanctions and/or Penalties

During the financial year, there were no material sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies.

4. Non-Audit Fees

Non-audit fees paid to the external auditors of the Group for the financial year ended 31 December 2014 amounted to RM120,000.

5. Variation in Results for the Financial Year

There was no deviation of 10% or more between the profit after tax and non-controlling interests stated in the announced unaudited results and the audited financial statements of the Group for the financial year ended 31 December 2014.

6. Profit Guarantees

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

7. Material Contracts

Other than as disclosed in the Note 47 of the Financial Statements, there were no material contracts entered into by the Company or its subsidiaries involving Directors' and major shareholders' interests since the end of previous financial year.

8. Options, Warrants or Convertible Securities

The Company did not issue any options, warrants or convertible securities during the financial year ended 31 December 2014.

Employee Share Scheme (ESS)

The details of the ESS which are exercised from the issuance of ESS in prior year were as follows:

Total number of ESS shares granted	1,441,000
Total number of ESS options vested	5,764,000
Total number of ESS options exercised	5,566,500
- Exercised in prior year	2,519,800
- Exercised in current financial year	3,046,700
Total number of ESS options forfeited	197,500
Total number of ESS outstanding	-

9. Utilisation of Proceeds from Corporate Proposals

There is no private placement proposal during the financial year.

10. Recurrent Related Party Transactions

Details of the Recurrent Related Party Transactions are disclosed in Note 47 of the Financial Statements.

Financial Statements

Directors' Report

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM'000	The Company RM'000
(Loss)/Profit after taxation for the financial year	(18,794)	36,120
Attributable to:		
Owners of the Company	(46,444)	36,120
Non-controlling interests	27,650	–
	(18,794)	36,120

DIVIDENDS

Since the end of the previous financial year, the Company:-

(a) paid a final single tier dividend of 6 sen per ordinary share amounting to RM20,072,885 in respect of the financial year ended 31 December 2013 as proposed in the directors' report of that financial year; and

(b) declared an interim single tier dividend of 5 sen per ordinary share amounting to RM16,763,505 in respect of the current financial year and paid on 15 January 2015.

The directors do not recommend any final dividend for the financial year ended 31 December 2014.

RESERVES AND PROVISIONS

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

Directors' Report

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) there were no changes in the authorised share capital of the Company;

(b) the Company increased its issued and fully paid-up ordinary shares from RM166,112,695 to RM167,636,045 by the issuance of 3,046,700 new ordinary shares of RM0.50 each pursuant to the exercise of the Employees' Share Scheme options at an issue price of RM1.19 per share.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company; and

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

TREASURY SHARES

During the financial year, the Company purchased 2,000 (2013 - 14,019,300) of its issued ordinary shares from the open market at market prices ranging from RM1.54 to RM1.73 (2013 - RM0.98 to RM1.32) per share. The total consideration paid for the purchase including transaction costs amounted to RM3,355 (2013 - RM15,494,131). The shares purchased were retained as treasury shares in accordance with the requirement of Section 67A of the Companies Act 1965 and presented as a deduction from equity.

During the financial year ended 31 December 2014, a total of 17,355,100 issued ordinary shares that were held as treasury shares had been fully re-sold in the open market at market prices ranging from RM1.41 to RM1.45 (2013 - NIL) per share.

As at 31 December 2014, the Company held as treasury shares a total of 2,000 (2013 - 17,355,100) of its 335,272,090 (2013 - 332,225,390) issued and paid-up ordinary shares. The treasury shares are held at a carrying amount of RM3,355 (2013 - RM18,328,814). The details are disclosed in Note 23 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

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

EMPLOYEES' SHARE SCHEME

The Employees' Share Scheme ("ESS") of the Company is governed by the ESS By-Laws and was approved by shareholders on 1 October 2013. The ESS is to be in force for a period of 5 years effective from 4 October 2013.

The main features of the ESS are disclosed in Note 25 to the financial statements.

Directors' Report

The option prices and the details in the movement of the options granted are as follows:-

		Number Of Options Over Ordinary Shares Of RM0.50 Each				
Date of Offer	Exercise Price	At 1 January 2014	Granted	Forfeited	Exercised	At 31 December 2014
17 October 2013	RM1.19	3,204,200	–	(157,500)	(3,046,700)	–

The options forfeited during the financial year were due to non-exercisable ESS Option by the expiry date.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

Directors' Report

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities are disclosed in Note 46 to the financial statements. At the date of this report, there does not exist:-

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature other than the total impairment losses of RM103,547,170 on purchase price paid and advances given pursuant to the acquisition of PT Anglo Slavic Indonesia and coal trade deposits made to PT Goldchild Integritas Abadi as disclosed in Note 48 of the financial statements.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

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

Tan Sri Datuk Dr Hadenan Bin A. Jalil	
Dato' Sri Chong Ket Pen	
Dato' Mohd Hanif Bin Sher Mohamed	
Tan Heng Kui	
Tan Yee Boon	
Dato' Mohd Ibrahim Bin Mohd Nor	(Appointed on 10.3.2014)
Dato' Su-Azian @ Muzaffar Syah Bin Abd Rahman	(Appointed on 16.12.2014)
Dato' Shaiful Hazizy Bin Zainol Abidin	(Appointed on 16.12.2014)
Suhaimi Bin Badrul Jamil	(Appointed on 16.12.2014)
Mohamad Farid Bin Mohd Yusof	(Resigned on 18.12.2014)
Ooi Kock Aun	(Removed on 27.11.2014)
Tey Por Yee	(Appointed on 10.3.2014 and removed on 27.11.2014)

Directors' Report

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:-

	Number Of Ordinary Shares Of RM0.50 Each			
	At 1.1.2014/ Date of Appointment	**Bought/ Allotted**	**Sold**	**At 31.12.2014**
Direct Interests				
Tan Sri Datuk Dr Hadenan Bin A. Jalil	40,000	80,000	–	120,000
Dato' Sri Chong Ket Pen	47,077,642	2,444,000	(6,887,500)	42,634,142
Dato' Mohd Hanif Bin Sher Mohamed	540,000	215,000	(220,000)	535,000
Tan Heng Kui	5,752,900	243,000	–	5,995,900
Tan Yee Boon	20,000	80,000	(100,000)	–
Indirect Interests				
Dato' Sri Chong Ket Pen^^	31,469,650	2,194,000	(430,000)	33,233,650
Dato' Su-Azian @ Muzaffar Syah Bin Abd Rahman#	2,500,000	–	–	2,500,000

Notes:-

^^ Deemed interest by virtue of his substantial shareholdings in Penmacorp Sdn. Bhd. which in turn is a substantial shareholder of the Company pursuant to Section 6A of the Companies Act 1965 as well as his spouse and children's shareholdings in the Company pursuant to Section 134(12)(c) of the Companies Act 1965.

Deemed interest by virtue of his substantial shareholdings in Rencana Berkat Sdn. Bhd. pursuant to Section 6A of the Companies Act 1965.

By virtue of his interest in the Company, Dato' Sri Chong Ket Pen is deemed to have interests in shares in the subsidiaries to the extent of the Company's interest, in accordance with Section 6A of the Companies Act 1965.

Directors' Report

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 47 to the financial statements.

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 48 to the financial statements.

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 49 to the financial statements.

AUDITORS

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

Signed in accordance with a resolution of the directors dated 29 April 2015.

DATO' SRI CHONG KET PEN

DATO' MOHD HANIF BIN SHER MOHAMED

Statement by Directors

We, Dato' Sri Chong Ket Pen and Dato' Mohd Hanif Bin Sher Mohamed, being two of the directors of Protasco Berhad, state that, in the opinion of the directors, the financial statements set out on pages 47 to 144 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 December 2014 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 54, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors dated 29 April 2015.

DATO' SRI CHONG KET PEN **DATO' MOHD HANIF BIN SHER MOHAMED**

Statutory Declaration

I, Muhammad Hafidzi Bin Abu Bakar, being the officer primarily responsible for the financial management of Protasco Berhad, do solemnly and sincerely declare that the financial statements set out on pages 47 to 144 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
Muhammad Hafidzi Bin Abu Bakar)
at Kuala Lumpur in the Federal Territory)
on this 29 April 2015) **MUHAMMAD HAFIDZI BIN ABU BAKAR**

Before me

Datin Hajah Raihela Wanchik
W275
Commissioner for Oaths

Independent Auditors' Report

to the members of PROTASCO BERHAD
(Incorporated in Malaysia) Company No: 548078 - H

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Protasco Berhad, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 47 to 144.

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 Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Emphasis of matters

Without qualifying our opinion, we draw attention to Note 48(a) and Note 48(b) to the financial statements, on the significant events which occurred during the financial year as follows:-

(i) Note 48(a) – legal suit and the impairment loss made in the financial statements of approximately RM84,643,000, arising from the proposed acquisition of PT Anglo Slavic Indonesia; and

(ii) Note 48(b) – legal suit and the impairment loss made in the financial statements of approximately RM18,904,000, arising from the deposits paid for the trading in coals.

Independent Auditors' Report

to the members of PROTASCO BERHAD
(Incorporated in Malaysia) Company No: 548078 - H

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 5 to the financial statements.

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

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

OTHER REPORTING REQUIREMENTS

The supplementary information set out in Note 54 on page 145 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.

CROWE HORWATH
Firm No: AF 1018
Chartered Accountants

LEE KOK WAI
Approval No: 2760/06/16 (J)
Chartered Accountant

29 April 2015

Kuala Lumpur

Statements of Financial Position

At 31 December 2014

	Note	The Group 2014 RM'000	The Group 2013 RM'000	The Company 2014 RM'000	The Company 2013 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	5	**–**	–	**147,806**	129,179
Investment in associates	6	**57**	110	**–**	–
Property, plant and equipment	7	**172,258**	174,997	**50**	25
Investment property	8	**58,705**	10,347	**–**	–
Land held for property development	9	**2,000**	2,082	**–**	–
Goodwill on consolidation		**36**	36	**–**	–
Long-term investments	10	**225**	225	**–**	–
Deferred tax assets	11	**58**	44	**–**	–
		233,339	187,841	**147,856**	129,204
CURRENT ASSETS					
Inventories	12	**1,472**	1,288	**–**	–
Property development costs	13	**11,808**	12,035	**–**	–
Amount owing by contract customers	14	**102,109**	9,209	**–**	–
Trade receivables	15	**254,206**	316,338	**–**	–
Other receivables, deposits and prepayments	16	**31,389**	115,835	**26**	50,081
Amount owing by subsidiaries	17	**–**	–	**111,208**	69,772
Amount owing by associates	18	**3,616**	3,483	**–**	–
Tax recoverable		**3,039**	2,908	**–**	–
Short-term investments	19	**663**	16,009	**–**	–
Deposits with licensed banks	20	**187,614**	155,951	**10,183**	2,996
Cash and bank balances	21	**96,947**	66,901	**415**	13,475
		692,863	699,957	**121,832**	136,324
TOTAL ASSETS		**926,202**	887,798	**269,688**	265,528

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

Statements of Financial Position
At 31 December 2014

	Note	The Group 2014 RM'000	The Group 2013 RM'000	The Company 2014 RM'000	The Company 2013 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	22	**167,636**	166,113	**167,636**	166,113
Treasury shares	23	**(3)**	(18,329)	**(3)**	(18,329)
Share premium	24	**73,719**	64,363	**73,719**	64,363
Employee share option reserve	25	**–**	973	**–**	973
Foreign exchange translation reserve	26	**(10,903)**	(11,043)	**–**	–
Capital reserve	27	**8,875**	8,600	**–**	–
Retained profits	28	**94,170**	177,804	**954**	1,670
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**333,494**	388,481	**242,306**	214,790
Non-controlling interests		**42,442**	37,511	**–**	–
TOTAL EQUITY		**375,936**	425,992	**242,306**	214,790
NON-CURRENT LIABILITIES					
Deferred tax liabilities	11	**9,212**	8,769	**–**	–
Long-term borrowings	29	**92,732**	3,400	**–**	–
		101,944	12,169	**–**	–
CURRENT LIABILITIES					
Trade payables	32	**269,467**	302,515	**–**	–
Other payables and accruals	33	**57,875**	67,096	**1,125**	712
Amount owing to subsidiaries	17	**–**	–	**6,690**	34,500
Dividend payable		**16,763**	12,595	**16,763**	12,595
Provision for taxation		**9,901**	11,004	**2,804**	2,931
Short-term borrowings	34	**75,081**	44,500	**–**	–
Bank overdrafts	35	**19,235**	11,927	**–**	–
		448,322	449,637	**27,382**	50,738
TOTAL LIABILITIES		**550,266**	461,806	**27,382**	50,738
TOTAL EQUITY AND LIABILITIES		**926,202**	887,798	**269,688**	265,528

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

Statements of Profit or Loss and Other Comprehensive Income

For The Financial Year Ended 31 December 2014

	Note	The Group 2014 RM'000	The Group 2013 RM'000	The Company 2014 RM'000	The Company 2013 RM'000
REVENUE	36	**1,061,573**	969,706	**134,400**	35,000
COST OF SALES		**(810,290)**	(755,145)	**–**	–
GROSS PROFIT		**251,283**	214,561	**134,400**	35,000
OTHER INCOME		**9,404**	11,040	**156**	103
ADMINISTRATIVE EXPENSES		**(42,727)**	(38,378)	**(14,197)**	(10,309)
OTHER EXPENSES		**(197,159)**	(80,076)	**(84,643)**	–
PROFIT FROM OPERATIONS		**20,801**	107,147	**35,716**	24,794
FINANCE COSTS		**(4,079)**	(2,427)	**–**	–
SHARE OF (LOSS)/PROFIT IN ASSOCIATES		**(52)**	15	**–**	–
PROFIT BEFORE TAXATION	37	**16,670**	104,735	**35,716**	24,794
INCOME TAX EXPENSE	39	**(35,464)**	(31,706)	**404**	26
(LOSS)/PROFIT AFTER TAXATION		**(18,794)**	73,029	**36,120**	24,820
OTHER COMPREHENSIVE EXPENSES:-					
Item that will be reclassified subsequently to profit or loss:					
- Foreign currency translation		**(418)**	(2,042)	**–**	–
		(418)	(2,042)	**–**	–
TOTAL COMPREHENSIVE (EXPENSES)/INCOME FOR THE FINANCIAL YEAR		**(19,212)**	70,987	**36,120**	24,820

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

Statements of Profit or Loss and Other Comprehensive Income

For The Financial Year Ended 31 December 2014

	Note	The Group 2014 RM'000	The Group 2013 RM'000	The Company 2014 RM'000	The Company 2013 RM'000
(LOSS)/PROFIT AFTER TAXATION ATTRIBUTABLE TO:-					
Owners of the Company		**(46,444)**	48,173	**36,120**	24,820
Non-controlling interests		**27,650**	24,856	**–**	–
		(18,794)	73,029	**36,120**	24,820
TOTAL COMPREHENSIVE (EXPENSES)/INCOME ATTRIBUTABLE TO:-					
Owners of the Company		**(46,304)**	46,570	**36,120**	24,820
Non-controlling interests		**27,092**	24,417	**–**	–
		(19,212)	70,987	**36,120**	24,820
(LOSS)/EARNINGS PER SHARE (SEN)	40				
Basic		**(13.95)**	15.64		
Diluted		**N/A**	N/A		

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

Statements of Changes in Equity

For The Financial Year Ended 31 December 2014

	<--------------	--------------	Non-Distributable	--------------	--------------	-------------->	Distributable			
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Employee Share Option Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Capital Reserve RM'000	Retained Profits RM'000	Attributable To Owners Of The Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
The Group										
Balance at 1.1.2013	150,000	(2,835)	43,531	–	(9,440)	8,600	164,108	353,964	46,552	400,516
Profit after taxation for the financial year	–	–	–	–	–	–	48,173	48,173	24,856	73,029
Other comprehensive income for the financial year:										
- foreign currency translation	–	–	–	–	(1,603)	–	–	(1,603)	(439)	(2,042)
Total comprehensive income for the financial year	–	–	–	–	(1,603)	–	48,173	46,570	24,417	70,987
Balance carried forward	150,000	(2,835)	43,531	–	(11,043)	8,600	212,281	400,534	70,969	471,503

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

Statements of Changes in Equity
For The Financial Year Ended 31 December 2014

		<----Non-Distributable				---->	Distributable			
	Note	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Employee Share Option Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Capital Reserve RM'000	Retained Profits RM'000	Attributable To Owners Of The Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
The Group											
Balance brought forward		150,000	(2,835)	43,531	–	(11,043)	8,600	212,281	400,534	70,969	471,503
Contributions by and distribution to owners of the Company:-											
Acquisition of a subsidiary	42.1	–	–	–	–	–	–	–	–	(20)	(20)
Recognition of share-based payments	25	–	–	–	1,729	–	–	–	1,729	–	1,729
Issuance of new shares	22	16,113	–	20,176	–	–	–	–	36,289	–	36,289
Share issuance costs		–	–	(100)	–	–	–	–	(100)	–	(100)
Transfer to share premium upon exercise of share options	25	–	–	756	(756)	–	–	–	–	–	–
Issuance of shares by subsidiaries to non-controlling interests ("NCI")		–	–	–	–	–	–	–	–	343	343
Changes in ownership interests in subsidiaries that do not result in loss of control	42.2	–	–	–	–	–	–	(9,743)	(9,743)	9,743	–
Treasury shares acquired	23	–	(15,494)	–	–	–	–	–	(15,494)	–	(15,494)
Dividends:											
- by the Company	41	–	–	–	–	–	–	(24,734)	(24,734)	–	(24,734)
- by subsidiaries to NCI		–	–	–	–	–	–	–	–	(43,524)	(43,524)
Total transactions with owners of the Company		16,113	(15,494)	20,832	973	–	–	(34,477)	(12,053)	(33,458)	(45,511)
Balance at 31.12.2013		166,113	(18,329)	64,363	973	(11,043)	8,600	177,804	388,481	37,511	425,992

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

Statements of Changes in Equity

For The Financial Year Ended 31 December 2014

	<-------------------------	-------------------------	Non-Distributable	-------------------------	-------------------------	------------------------->	Distributable			
	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Employee Share Option Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Capital Reserve RM'000	Retained Profits RM'000	Attributable To Owners Of The Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
The Group										
Balance at 1.1.2014	**166,113**	**(18,329)**	**64,363**	**973**	**(11,043)**	**8,600**	**177,804**	**388,481**	**37,511**	**425,992**
(Loss)/Profit after taxation for the financial year	–	–	–	–	–	–	(46,444)	(46,444)	27,650	(18,794)
Other comprehensive income for the financial year:										
- foreign currency translation	–	–	–	–	140	–	–	140	(558)	(418)
Total comprehensive expenses for the financial year	–	–	–	–	140	–	(46,444)	(46,304)	27,092	(19,212)
Balance carried forward	**166,113**	**(18,329)**	**64,363**	**973**	**(10,903)**	**8,600**	**131,360**	**342,177**	**64,603**	**406,780**

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

Statements of Changes in Equity
For The Financial Year Ended 31 December 2014

		<----------Non-Distributable				---------->	Distributable			
	Note	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Employee Share Option Reserve RM'000	Foreign Exchange Translation Reserve RM'000	Capital Reserve RM'000	Retained Profits RM'000	Attributable To Owners Of The Company RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
The Group											
Balance brought forward		166,113	(18,329)	64,363	973	(10,903)	8,600	131,360	342,177	64,603	406,780
Contributions by and distribution to owners of the Company:-											
Issuance of new shares	22	1,523	–	2,102	–	–	–	–	3,625	–	3,625
Share issuance costs		–	–	(79)	–	–	–	–	(79)	–	(79)
Transfer to share premium upon exercise of share options	25	–	–	914	(914)	–	–	–	–	–	–
Share option forfeited during the financial year		–	–	–	(59)	–	–	–	(59)	–	(59)
Changes in ownership interest in a subsidiary that does not result in loss of control	42.2	–	–	–	–	–	–	(79)	(79)	79	–
Treasury shares acquired	23	–	(3)	–	–	–	–	–	(3)	–	(3)
Treasury shares sold	23 & 24	–	18,329	6,419	–	–	–	–	24,748	–	24,748
Transfer to capital reserve		–	–	–	–	–	275	(275)	–	–	–
Dividends:											
- by the Company	41	–	–	–	–	–	–	(36,836)	(36,836)	–	(36,836)
- by subsidiaries to NCI		–	–	–	–	–	–	–	–	(22,240)	(22,240)
Total transactions with owners of the Company		1,523	18,326	9,356	(973)	–	275	(37,190)	(8,683)	(22,161)	(30,844)
Balance at 31.12.2014		167,636	(3)	73,719	–	(10,903)	8,875	94,170	333,494	42,442	375,936

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

Statements of Changes in Equity

For The Financial Year Ended 31 December 2014

	Note	<----------Non-Distributable----------			---------->	Distributable	
		Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Employee Share Option Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
The Company							
Balance at 1.1.2013		150,000	(2,835)	43,531	–	1,584	192,280
Profit after taxation/Total comprehensive income for the financial year		–	–	–	–	24,820	24,820
Contributions by and distribution to owners of the Company:-							
Recognition of share-based payments	25	–	–	–	1,729	–	1,729
Issuance of new shares	22	16,113	–	20,176	–	–	36,289
Share issuance costs		–	–	(100)	–	–	(100)
Transfer to share premium upon exercise of share options	25	–	–	756	(756)	–	–
Treasury shares acquired	23	–	(15,494)	–	–	–	(15,494)
Dividends	41	–	–	–	–	(24,734)	(24,734)
Total transactions with owners of the Company		16,113	(15,494)	20,832	973	(24,734)	(2,310)
Balance at 31.12.2013		166,113	(18,329)	64,363	973	1,670	214,790

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

Statements of Changes in Equity

For The Financial Year Ended 31 December 2014

		<-----Non-Distributable			----->	Distributable	
	Note	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Employee Share Option Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
The Company							
Balance at 1.1.2014		166,113	(18,329)	64,363	973	1,670	214,790
Profit after taxation/Total comprehensive income for the financial year		–	–	–	–	36,120	36,120
Contributions by and distribution to owners of the Company:-							
Issuance of new shares	22	1,523	–	2,102	–	–	3,625
Share issuance costs		–	–	(79)	–	–	(79)
Transfer to share premium upon exercise of share options	25	–	–	914	(914)	–	–
Share options forfeited during the financial year				–	(59)		(59)
Treasury shares acquired	23	–	(3)	–	–	–	(3)
Treasury shares sold	23 & 24	–	18,329	6,419	–		24,748
Dividends	41	–	–	–	–	(36,836)	(36,836)
Total transactions with owners of the Company		1,523	18,326	9,356	(973)	(36,836)	(8,604)
Balance at 31.12.2014		167,636	(3)	73,719	–	954	242,306

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

Statements of Cash Flows

For The Financial Year Ended 31 December 2014

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES				
Profit before taxation	**16,670**	104,735	**35,716**	24,794
Adjustments for:				
Amortisation of development costs	**–**	330	**–**	–
Bad debts written off	**318**	25	**–**	–
Depreciation of property, plant and equipment	**14,279**	14,322	**8**	1
Expenses recognised in respect of share-based payments	**–**	1,729	**–**	1,729
Impairment losses on:				
- investment in associates	**1**	1	**–**	–
- trade and other receivables	**110,026**	4,894	**84,643**	–
Interest expense	**3,607**	2,426	**–**	–
Inventories written off	**–**	56	**–**	–
Property, plant and equipment written off	**–**	112	**–**	–
(Gain)/Loss on disposal of property, plant and equipment	**(678)**	564	**–**	–
Gross dividends from subsidiaries	**–**	–	**(132,000)**	(32,600)
Interest income	**(2,187)**	(1,746)	**(156)**	(103)
Writeback of impairment losses on:				
- inventories	**(10)**	–	**–**	–
- long term investments	**–**	(30)	**–**	–
- trade and other receivables	**(1,542)**	(2,251)	**–**	–
Share of loss/(profits) in associates	**52**	(15)	**–**	–
Share options forfeited during the financial year	**(59)**	–	**(59)**	–
Tax-exempt dividend received from investment in unit trusts	**(99)**	(540)	**–**	–
Unrealised gain on foreign exchange	**(444)**	(1,791)	**–**	–
Operating profit/(loss) before working capital changes	**139,934**	122,821	**(11,848)**	(6,179)
Increase in inventories	**(174)**	(139)	**–**	–
Decrease/(Increase) in property development costs	**2,223**	(8,482)	**–**	–
(Increase)/Decrease in amount owing by contract customers	**(92,900)**	3,277	**–**	–
Increase in amount owing by associates	**(133)**	(3,483)	**–**	–
Decrease/(Increase) in trade and other receivables	**37,776**	(83,289)	**(34,588)**	(76)
(Decrease)/Increase in trade and other payables	**(42,269)**	125,482	**413**	617
CASH FROM/(FOR) OPERATIONS	**44,457**	156,187	**(46,023)**	(5,638)
Interest paid	**(3,607)**	(2,426)	**–**	–
Income tax (paid)/refunded	**(36,269)**	(33,925)	**277**	139
NET CASH FROM/(FOR) OPERATING ACTIVITIES CARRIED FORWARD	**4,581**	119,836	**(45,746)**	(5,499)

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

Statements of Cash Flows
For The Financial Year Ended 31 December 2014

		The Group		The Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
NET CASH FROM/(FOR) OPERATING ACTIVITIES BROUGHT FORWARD		**4,581**	119,836	**(45,746)**	(5,499)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Repayment from associates		**–**	2,664	**–**	–
Interest received		**2,187**	1,746	**156**	103
Net dividend received from subsidiaries		**–**	–	**132,000**	32,600
Additional investment in subsidiaries		**–**	–	**(18,300)**	–
Acquisition from non-controlling interests	42.2	**(40)**	–	**–**	–
Net cash inflow/(outflow) from acquisition of a subsidiary	42.1	**–**	213	**(327)**	–
Placement of deposits pledged with licensed banks		**(1,660)**	(110)	**–**	–
Proceeds from disposal of property, plant and equipment		**1,776**	7,830	**–**	–
Proceeds from disposal of short-term investments		**33,346**	–	**–**	–
Purchase of property, plant and equipment	43	**(15,600)**	(17,508)	**(33)**	(23)
Purchase of investment property		**(46,111)**	(12,666)	**–**	–
Purchase of short-term investments		**(18,000)**	(9,632)	**–**	–
Purchase of treasury shares		**(3)**	(15,494)	**(3)**	(15,494)
Resale of treasury shares		**24,748**	–	**24,748**	–
Advances to subsidiaries		**–**	–	**(41,436)**	(20,899)
Tax-exempt dividend received from investment in unit trusts		**99**	540	**–**	–
NET CASH (FOR)/FROM INVESTING ACTIVITIES		**(19,258)**	(42,417)	**96,805**	(3,713)
BALANCE CARRIED FORWARD		**(14,677)**	77,419	**51,059**	(9,212)

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

Statements of Cash Flows
For The Financial Year Ended 31 December 2014

	Note	The Group 2014 RM'000	The Group 2013 RM'000	The Company 2014 RM'000	The Company 2013 RM'000
BALANCE BROUGHT FORWARD		**(14,677)**	77,419	**51,059**	(9,212)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Dividends paid		**(32,668)**	(12,139)	**(32,668)**	(12,139)
Dividends paid to non-controlling interests		**(22,240)**	(43,524)	**–**	–
Proceeds from issuance of new shares		**3,546**	36,189	**3,546**	36,189
Proceeds from issuance of new shares to non-controlling interests		**–**	343	**–**	–
Repayment to subsidiaries		**–**	–	**(27,810)**	–
Drawdown of term loans		**89,381**	–	**–**	–
Repayment of term loans		**(62)**	(59)	**–**	–
Repayment of hire purchase obligations		**(1,132)**	(2,548)	**–**	–
Net drawdown of short-term borrowings		**30,445**	6,716	**–**	–
NET CASH FROM/(FOR) FINANCING ACTIVITIES		**67,270**	(15,022)	**(56,932)**	24,050
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**52,593**	62,397	**(5,873)**	14,838
FOREIGN EXCHANGE TRANSLATION DIFFERENCES		**148**	31	**–**	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		**207,410**	144,982	**16,471**	1,633
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	44	**260,151**	207,410	**10,598**	16,471

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

Notes to The Financial Statements

For The Financial Year Ended 31 December 2014

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	802, 8th Floor, Block C, Kelana Square, 17, Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan.
Principal place of business	:	Unipark Suria, Jalan Ikram-Uniten, 43000 Kajang, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 29 April 2015.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

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

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

FRSs and IC Interpretations (Including The Consequential Amendments)
Amendments to FRS 10, FRS 12 and FRS 127 (2011): Investment Entities
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities
Amendments to FRS 136: Recoverable Amount Disclosures for Non-financial Assets
Amendments to FRS 139: Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21 Levies

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

3. BASIS OF PREPARATION (CONT'D)

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

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

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:-

FRS 9 (IFRS 9 issued by IASB in July 2014) replaces the existing guidance in FRS 139 and introduces a revised guidance on the classification and measurement of financial instruments, including a single forward-looking 'expected loss' impairment model for calculating impairment on financial assets, and a new approach to hedge accounting. Under this FRS 9, the classification of financial assets is driven by cash flow characteristics and the business model in which a financial asset is held. The adoption of FRS 9 will result in a change in accounting policy. The Group is currently assessing the financial impact of adopting FRS 9.

(i) The amendments to FRS 119 simplify the accounting treatment of contributions from employees and third parties to defined benefit plans. Contributions that are independent of the number of years of service shall be recognised as a reduction in the service cost in the period in which the related service is rendered. For contributions that are dependent on the number of years of service, the Company is required to attribute those contributions to periods of service using either based on the plan's contribution formula or on a straight-line basis, as appropriate. The amendments are expected to have no material impact on the financial statements of the Group upon its initial application.

(ii) Annual Improvements to FRSs 2010 – 2012 cycle. These amendments are expected to have no material impact on the financial statements of the Group upon its initial application.

(iii) Annual Improvements to FRSs 2011 – 2013 cycle. These amendments are expected to have no material impact on the financial statements of the Group upon its initial application.

(iv) Annual Improvements to FRSs 2012 – 2014 cycle. These amendments are expected to have no material impact on the financial statements of the Group upon its initial application.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

3. BASIS OF PREPARATION (CONT'D)

3.3 MASB has issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRSs"), that are to be applied by all entities other than private entities; with the exception of entities that are within the scope of MFRS 141 (Agriculture) and IC Interpretation 15 (Agreements for Construction of Real Estate), including its parent, significant investor and venturer (herein called "transitioning entities").

As announced by MASB on 2 September 2014, the transitioning entities are allowed to defer the adoption of MFRSs to annual periods beginning on or after 1 January 2017.

Accordingly, as a transitioning entity as defined above, the Group has chosen to defer the adoption of MFRSs and will only prepare its first set of MFRS financial statements for the financial year ending 31 December 2017. The Group is currently assessing the possible financial impacts that may arise from the adoption of MFRSs and the process is still ongoing.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment is based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Income Taxes

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(c) Construction Contracts

Construction contracts accounting requires reliable estimation of the costs to complete the contract and reliable estimation of the stage of completion.

(i) Contract Revenue

Construction contracts accounting requires that variation claims and incentive payments only be recognised as contract revenue to the extent that it is probable that they will be accepted by the customers. As the approval process often takes some time, a judgement is required to be made of its probability and revenue recognised accordingly.

(ii) Contract Costs

Using experience gained on each particular contract and taking into account the expectations of the time and materials required to complete the contract, management estimates the profitability of the contract on an individual basis at any particular time.

(d) Property Development

The Group recognises property development revenue and expenses in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that the property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(e) Classification between Investment Properties and Owner-occupied Properties

The Group determines whether a property qualifies as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(f) Classification of Leasehold Land

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

(g) Impairment of Non-financial Assets

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

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

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

(i) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

(j) Write-down of Inventories

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

(k) Impairment of Trade and Other Receivables

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

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

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

(m) Share-based Payments

The Group measures the cost of equity settled transactions with employees by reference to the fair value of the equity investments at the date at which they are granted. The estimating of the fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model including the expected life of the option volatility and dividend yield and making assumptions about them.

4.2 BASIS OF CONSOLIDATION

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

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

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

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

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 BASIS OF CONSOLIDATION (CONT'D)

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

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

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

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 127 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly venture.

<u>Business combinations from 1 January 2011 onwards</u>

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

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

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

<u>Business combinations before 1 January 2011</u>

All subsidiaries are consolidated using the purchase method. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the consolidated financial statements. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

Non-controlling interests are initially measured at their share of the fair values of the identifiable assets and liabilities of the acquiree as at the date of acquisition.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 GOODWILL

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Business combinations from 1 January 2011 onwards

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

Business combinations before 1 January 2011

Under the purchase method, goodwill represents the excess of the fair value of the purchase consideration over the Group's share of the fair values of the identifiable assets, liabilities and contingent liabilities of the subsidiaries at the date of acquisition.

If, after reassessment, the Group's interest in the fair values of the identifiable net assets of the subsidiaries exceeds the cost of the business combinations, the excess is recognised as income immediately in profit or loss.

4.4 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

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

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

(b) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss except for differences arising from the translation of available-for-sale equity instruments which are recognised in other comprehensive income.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(c) Foreign Operations

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

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

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from the translation such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

4.5 FINANCIAL INSTRUMENTS

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

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

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

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

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

(a) Financial Assets

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

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

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

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

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

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

(ii) Held-to-maturity Investments

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

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

(iii) Loans and Receivables Financial Assets

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

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

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(iv) Available-for-sale Financial Assets

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

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

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

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

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

(b) Financial Liabilities

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

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

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

(c) Equity Instruments

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

(i) Ordinary Shares

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

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

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments (Cont'd)

(ii) Treasury Shares

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

Where such shares are subsequently sold or reissued, any consideration received, net of any direct costs, is included in equity.

(d) Derecognition

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

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

4.6 INVESTMENTS IN SUBSIDIARIES

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

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

4.7 INVESTMENTS IN ASSOCIATES

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 INVESTMENTS IN ASSOCIATES (CONT'D)

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

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

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

4.8 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and impairment losses, if any. Freehold land is stated at cost less any impairment losses, and is not depreciated.

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

Buildings	2%
Leasehold land	Over the lease period of 99 years
Renovation	10% - 33.33%
Reference books, office equipment, furniture and fittings	10% - 33.33%
Motor vehicles	12.50% - 20%
Laboratory equipment, plant and machinery	12.50% - 20%

Capital work-in-progress represents assets under construction, and which are not ready for commercial use at the end of the reporting period. Capital work-in-progress is stated at cost, and is transferred to the relevant category of assets and depreciated accordingly when the assets are completed and ready for commercial use.

Cost of capital work-in-progress includes direct cost, related expenditure and interest cost on borrowings taken to finance the construction or acquisition of the assets to the date that the assets are completed and put into use.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

4.9 LAND HELD FOR PROPERTY DEVELOPMENT

Property development expenditure includes any incidental expenditure incurred to put a piece of land in a condition ready for development. Property development expenditure is classified as non-current assets on the statement of financial position and is stated at cost.

4.10 INVESTMENT PROPERTIES

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

Investment properties under construction are properties not ready for commercial use at the end of the reporting period. Investment properties under construction are stated at cost less any impairment losses, and are not depreciated.

Depreciation is charged to profit or loss on the straight-line method over the estimated useful lives of the investment properties.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

On the derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

Transfers are made to or from investment property only when there is a change in use. All transfers do not change the carrying amount of the property reclassified.

4.11 PROPERTY DEVELOPMENT COSTS

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, the amount of property revenue and expenses are recognised in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed todate bear to the estimated total property development costs.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 PROPERTY DEVELOPMENT COSTS (CONT'D)

Where the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred. Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

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

4.12 IMPAIRMENT

(a) Impairment of Financial Assets

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

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

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

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

(b) Impairment of Non-Financial Assets

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 IMPAIRMENT (CONT'D)

(b) Impairment of Non-Financial Assets (Cont'd)

An impairment loss is recognised in profit or loss immediately.

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

4.13 ASSETS UNDER HIRE PURCHASE

Assets acquired under hire purchase are capitalised in the financial statements at the lower of the fair value of the leased assets and the present value of the minimum lease payments and, are depreciated in accordance with the policy set out in Note 4.8 above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

4.14 INVENTORIES

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

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

4.15 AMOUNTS OWING BY/TO CONTRACT CUSTOMERS

The amounts owing by/to contract customers are stated at cost plus profits attributable to contracts in progress less progress billings and allowance for foreseeable losses, if any. Cost includes direct materials, labour and applicable overheads.

4.16 PROVISIONS

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

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 PROGRESS BILLINGS/ACCRUED BILLINGS

In respect of progress billings:-

(i) where revenue recognised in profit or loss exceeds the billings to purchasers, the balance is shown as accrued billings under current assets; and

(ii) where billings to purchasers exceed the revenue recognised to profit or loss, the balance is shown as progress billings under current liabilities.

4.18 INCOME TAXES

Income tax for the year comprises current and deferred tax.

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

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

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.19 BORROWING COSTS

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

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

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

4.20 CASH AND CASH EQUIVALENTS

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

4.21 EMPLOYEE BENEFITS

(a) Short-term Benefits

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

(b) Defined Contribution Plans

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

(c) Share-based Payment Transactions

The Group operates an equity-settled share-based compensation plan, under which the Group receives services from employees as consideration for equity instruments of the Company (share options).

At grant date, the fair value of the share options is recognised as an expense on a straight-line method over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding credit to employee share option reserve in equity. The amount recognised as an expense is adjusted to reflect the actual number of the share options that are expected to vest. Service and non-market performance conditions attached to the transaction are not taken into account in determining the fair value.

In the Company's separate financial statements, the grant of the share options to the subsidiaries' employees is not recognised as an expense. Instead, the fair value of the share options measured at the grant date is accounted for as an increase to the investment in subsidiary undertaking with a corresponding credit to the employee share option reserve.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 EMPLOYEE BENEFITS (CONT'D)

(c) Share-based Payment Transactions (Cont'd)

Upon expiry of the share option, the employee share option reserve is transferred to retained profits.

When the share options are exercised, the employee share option reserve is transferred to share capital or share premium if new ordinary shares are issued, or to treasury shares if the share options are satisfied by the reissuance of treasury shares.

When the Company charges a subsidiary for the share options granted to its employees, the recharge is offset against the investments in subsidiaries in the Company's separate financial statements, with any excess being charged to profit or loss as a distribution from the subsidiary.

4.22 RELATED PARTIES

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

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

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

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

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

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

4.23 OPERATING SEGMENTS

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.24 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4.25 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. However, this basis does not apply to share-based payment transactions.

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

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

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

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

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

4.26 REVENUE AND OTHER INCOME

(a) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(b) Services

Revenue is recognised upon rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.26 REVENUE AND OTHER INCOME (CONT'D)

(c) Education and Training Fees

Tuition and training fees, net of discounts, are recognised on an accrual basis whereas non-refundable registration and enrolment fees are recognised when chargeable.

(d) Construction Contracts

Revenue on contracts is recognised on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case revenue on contracts is only recognised to the extent of contract costs incurred that are recoverable. Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the contract will result in a loss.

The stage of completion is determined based on completion of a physical proportion of the contract work.

(e) Property Development

Revenue from property development is recognised from the sale of completed and uncompleted development properties.

Revenue from the sale of completed properties is recognised when the sale is contracted.

Revenue on uncompleted properties contracted for sale is recognised based on the stage of completion method unless the outcome of the development cannot be reliably determined in which case the revenue on the development is only recognised to the extent of development costs incurred that are recoverable.

The stage of completion is determined based on the proportion that the development costs incurred for work performed to date bear to the estimated total development costs.

(f) Dividend Income

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

(g) Interest Income

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

(h) Management Fee

Management fee is recognised when services are rendered.

(i) Rental Income

Rental income is recognised on an accrual basis.

5. INVESTMENT IN SUBSIDIARIES

	The Company	
	2014 RM'000	2013 RM'000
At cost:		
Unquoted shares in Malaysia:		
- ordinary shares	**129,979**	129,179
- Redeemable Convertible Preference Shares ("RCPS")	**17,500**	–
	147,479	129,179
Unquoted shares outside Malaysia:		
- ordinary shares	**327**	–
	147,806	129,179

During the financial year:-

(a) the Company incorporated a wholly-owned subsidiary and two indirect subsidiaries as follows:-

(i) Protasco Ventures Partners Inc.;
(ii) Jalur Saujana Sdn. Bhd.; and
(iii) Protasco Agro Ltd.

(b) the Company subscribed for:-

(i) an additional 299,998 ordinary shares of RM1 each at par in Protasco Development Sdn. Bhd; and
(ii) an additional 500,000 ordinary shares of RM1 each at par and 17,500,000 RCPS of RM0.01 each at an issue price of RM1 each in Protasco Trading Sdn. Bhd. The RCPS is non-transferable, non-cumulative and with zero coupon rate. The RCPS shall be redeemable at RM1 each and/or entitle to be converted into one ordinary share per RCPS of the subsidiary within a period of five years from the date of issuance and extendable for another five years subject to the mutual consent of the holder of RCPS.

(c) the Group increased its effective equity interests in an existing subsidiary through the acquisition of equity from non-controlling interests. The details and effects of this acquisition are disclosed in Note 42.2 to the financial statements.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries held by the Company are as follows:-

Name of Subsidiary	Country of Incorporation	Effective Equity Interest 2014 %	Effective Equity Interest 2013 %	Principal Activities
HCM Engineering Sdn. Bhd.	Malaysia	**100**	100	Road construction, rehabilitation and maintenance.
Kumpulan Ikram Sdn. Bhd.	Malaysia	**100**	100	Training, geotechnical laboratory, structural and material testing, soil investigation, research and development, listing of building materials, engineering and technical related activities and services.
Protasco Trading Sdn. Bhd.	Malaysia	**100**	100	Trading of construction materials and petroleum products.
Protasco Infra Sdn. Bhd.	Malaysia	**100**	100	Investment holding.
Protasco Development Sdn. Bhd.	Malaysia	**100**	100	Property development.
Protasco Venture Partners Inc.	British Virgin Islands	**100**	–	Investment holding.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of subsidiaries held through HCM Engineering Sdn. Bhd. are as follows:-

Name of Subsidiary	Country of Incorporation	Effective Equity Interest 2014 %	2013 %	Principal Activities
Roadcare (M) Sdn. Bhd.*	Malaysia	**51**	51	Road maintenance and rehabilitation.
HCM-TH Technologies Sdn. Bhd.	Malaysia	**70**	70	Dormant.
HCM Engineering-Isyoda JV Sdn. Bhd.	Malaysia	**100**	100	Dormant.
HCM-Ikhtisas Sdn. Bhd.*	Malaysia	**78**	78	Investment holding.
HCM (L) Bhd.* #	FT Labuan	**100**	100	Renting out machines.
HCM-Molek JV Sdn. Bhd.*	Malaysia	**60**	60	Road maintenance and rehabilitation.
HCM Arabia Sdn. Bhd.*	Malaysia	**78**	78	Road maintenance and rehabilitation.
KPS-HCM Sdn. Bhd.	Malaysia	**70**	70	Road maintenance and rehabilitation.
Permint Granite-HCM Sdn. Bhd.	Malaysia	**70**	70	Road maintenance and rehabilitation.
HCM Kasturi Sdn. Bhd.	Malaysia	**100**	100	Dormant.
Alkatech Sdn. Bhd.	Malaysia	**100**	100	Dormant.
Makmur Bersih Sdn. Bhd.	Malaysia	**100**	60	Dormant.
Empayar Indera Sdn. Bhd.	Malaysia	**51**	51	Road maintenance and rehabilitation.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of a subsidiary held through HCM (L) Bhd. are as follows:-

Name of Subsidiary	Country of Incorporation	Effective Equity Interest 2014 %	Effective Equity Interest 2013 %	Principal Activities
Global Traders Ltd.*	FT Labuan	**100**	100	Dormant.

Details of subsidiaries held through Kumpulan Ikram Sdn. Bhd. are as follows:-

Name of Subsidiary	Country of Incorporation	Effective Equity Interest 2014 %	Effective Equity Interest 2013 %	Principal Activities
Ikram Engineering Services Sdn. Bhd.	Malaysia	**100**	100	Site investigation and soil testing services.
Kumpulan Ikram (Sabah) Sdn. Bhd.*	Malaysia	**60**	60	Site investigation and soil testing services.
Ikram Education Sdn. Bhd.	Malaysia	**100**	100	Educational services.
Ikram Latihan Sdn. Bhd.	Malaysia	**100**	100	Training courses.
Ikram Infrastructure Asset Management Sdn. Bhd.	Malaysia	**100**	100	Provision of structural and material testing.
Ikram QA Services Sdn. Bhd.	Malaysia	**100**	100	Certification and listing of products.
Kumpulan Ikram (Sarawak) Sdn. Bhd.*	Malaysia	**60**	60	Site investigation and soil testing services.
Ikram Paves Sdn. Bhd.	Malaysia	**100**	100	Provision of evaluation and testing services for road pavement.
Ikram Libyana Sdn. Bhd.	Malaysia	**60**	60	Dormant.
Ikram Greentech Sdn. Bhd.	Malaysia	**100**	100	Dormant.
Ikram International Sdn. Bhd.	Malaysia	**100**	100	Dormant.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of a subsidiary held through Ikram Latihan Sdn. Bhd. are as follows:-

Name of Subsidiary	Country of Incorporation	Effective Equity Interest 2014 %	2013 %	Principal Activities
Ikram Skills Academy Sdn. Bhd.	Malaysia	**100**	100	Provision of skills training courses.

Details of subsidiaries held through Protasco Trading Sdn. Bhd. are as follows:-

Name of Subsidiary	Country of Incorporation	Effective Equity Interest 2014 %	2013 %	Principal Activities
QP Industries Sdn. Bhd.*	Malaysia	**100**	100	Production of pavement materials.
QP Trading Sdn. Bhd.* *(formerly known as Linktel Communication Sdn. Bhd.)*	Malaysia	**100**	100	Dealing in materials for road pavement.
Ximax Communications Sdn. Bhd.*	Malaysia	**100**	100	Investment holding.

Details of a subsidiary held through Ximax Communications Sdn. Bhd. are as follows:-

Name of Subsidiary	Country of Incorporation	Effective Equity Interest 2014 %	2013 %	Principal Activities
Ximax Communications Co. Ltd.*	Hong Kong	**100**	100	Dormant.

Details of a subsidiary held through Ximax Communications Co. Ltd. are as follows:-

Name of Subsidiary	Country of Incorporation	Effective Equity Interest 2014 %	2013 %	Principal Activities
Ximax Communications (Shenzhen) Co. Ltd.*	China	**100**	100	Dormant.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of subsidiaries held through Protasco Development Sdn. Bhd. are as follows:-

Name of Subsidiary	Country of Incorporation	Effective Equity Interest 2014 %	2013 %	Principal Activities
Protasco Land Sdn. Bhd.	Malaysia	**100**	100	Property development.
De Centrum Development Sdn. Bhd.	Malaysia	**100**	100	Property development.
Sun Rock Development Sdn. Bhd. * #	Malaysia	**64**	64	Property development.

Details of a subsidiary held through Protasco Land Sdn. Bhd. are as follows:-

Name of Subsidiary	Country of Incorporation	Effective Equity Interest 2014 %	2013 %	Principal Activities
Protasco Land SA (Pty) Ltd.*	South Africa	**100**	100	Property development.

Details of subsidiaries held through Protasco Infra Sdn. Bhd. are as follows:-

Name of Subsidiary	Country of Incorporation	Effective Equity Interest 2014 %	2013 %	Principal Activities
Hainan Protasco Engineering Co. Ltd. *	China	**100**	100	Investment holding.
Ikram Masterbuilder Sdn. Bhd.	Malaysia	**100**	100	Building construction.
Infra Water Sdn. Bhd.	Malaysia	**55**	55	Dormant.

Details of a subsidiary held through Hainan Protasco Engineering Co. Ltd. are as follows:-

Name of Subsidiary	Country of Incorporation	Effective Equity Interest 2014 %	2013 %	Principal Activities
Hainan Rifu Resources Co. Ltd. *	China	**82**	82	Dormant.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of subsidiaries held through Protasco Venture Partners Inc. are as follows:-

Name of Subsidiary	Country of Incorporation	Effective Equity Interest 2014 %	2013 %	Principal Activities
Jalur Saujana Sdn. Bhd*	Malaysia	**100**	–	Dormant.
Protasco Agro Ltd*	British Virgin	**100**	–	Dormant.

Notes:-

* Audited by firms of auditors other than Messrs. Crowe Horwath.

The auditors' reports on the audited financial statements of these subsidiaries contained an emphasis of matter that the subsidiaries' going concern is dependent on the continuing financial support from the Company and/or their bankers.

The details of non-wholly-owned subsidiaries that have material non-controlling interests ("NCI") at the end of the reporting period comprise the following:-

	The Group			
	Profit/(Loss) Allocated to NCI		Accumulated NCI	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Roadcare (M) Sdn. Bhd. ("Roadcare")	**18,883**	23,828	**40,695**	41,412
Permint Granite-HCM Sdn. Bhd. ("PG-HCM")	**2,862**	2,356	**5,454**	4,392
KPS-HCM Sdn. Bhd. ("KPS-HCM")	**1,788**	1,599	**4,461**	3,273
Empayar Indera Sdn. Bhd. ("EISB")	**2,803**	948	**3,575**	772
HCM-Molek JV Sdn. Bhd. ("HCM-Molek")	**442**	(3,826)	**(3,163)**	(3,605)
HCM Arabia Sdn. Bhd. ("HCMA")	**(30)**	(357)	**(13,067)**	(12,598)
Kumpulan Ikram (Sabah) Sdn. Bhd. ("KI-Sabah")	**558**	241	**2,872**	2,314
Kumpulan Ikram (Sarawak) Sdn. Bhd. ("KI-Sarawak")	**172**	128	**1,902**	1,970
Other individually immaterial subsidiaries	**172**	(61)	**(287)**	(419)
	27,650	24,856	**42,442**	37,511

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	Roadcare RM'000	PG-HCM RM'000	KPS-HCM RM'000	EISB RM'000	HCM-Molek RM'000	HCMA RM'000	KI-Sabah RM'000	KI-Sarawak RM'000
At 31 December 2014								
Non-current assets	9,624	2,087	1,317	2,042	120	–	1,699	680
Current assets	192,725	20,314	22,020	13,173	9,322	17,246	10,592	5,903
Non-current liabilities	(1,232)	(380)	(170)	(105)	–	–	(121)	(50)
Current liabilities	(118,066)	(3,842)	(8,298)	(7,813)	(19,462)	(72,052)	(4,991)	(1,778)
Net assets/(liabilities)	83,051	18,179	14,869	7,297	(10,020)	(54,806)	7,179	4,755
Financial year ended 31 December 2014								
Revenue	373,588	48,987	33,573	28,586	9,388	16,215	9,292	4,222
Profit/(Loss) for the financial year	38,537	9,540	5,960	5,721	1,104	(136)	1,394	431
Total comprehensive income/(expenses)	38,537	9,540	5,960	5,721	1,104	(2,129)	1,394	431
Dividends paid to non-controlling interests	19,600	1,800	600	–	–	–	–	240
Net cash flows from/(for) operating activities	48,632	12,010	3,626	6,823	(4,220)	7,446	521	–
Net cash flows from/(for) investing activities	(1,955)	(61)	91	(408)	48	–	(256)	23
Net cash flows for financing activities	(40,000)	(6,120)	(2,328)	(4,963)	–	–	–	(699)
Net increase/(decrease) in cash and cash equivalents	6,677	5,829	1,389	1,452	(4,172)	7,446	265	(676)

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:- (Cont'd)

	Roadcare RM'000	PG-HCM RM'000	KPS-HCM RM'000	EISB RM'000	HCM-Molek RM'000	HCMA RM'000	KI-Sabah RM'000	KI-Sarawak RM'000
At 31 December 2013								
Non-current assets	8,346	2,456	1,743	1,902	295	–	1,761	847
Current assets	270,645	17,681	18,676	8,824	11,061	1,516	6,108	5,005
Non-current liabilities	(969)	(509)	(406)	(105)	–	–	(177)	(803)
Current liabilities	(193,507)	(4,988)	(9,103)	9,004	(22,480)	(58,781)	(1,906)	(125)
Net assets/(liabilities)	84,515	14,640	10,910	19,625	(11,124)	(57,265)	5,786	4,924
Financial year ended 31 December 2013								
Revenue	431,783	47,795	34,501	16,071	18,458	–	5,393	4,275
Profit/(Loss) for the financial year	48,629	7,853	5,331	1,935	(9,564)	(1,004)	603	320
Total comprehensive income/(expenses)	48,629	7,853	5,331	1,935	(9,564)	(3,002)	603	320
Dividends paid to non-controlling interests	39,200	2,700	1,200	–	–	–	–	240
Net cash flows from/(for) operating activities	149,171	3,765	5,347	3,932	1,287	(5,141)	(55)	(795)
Net cash flows from/(for) investing activities	(350)	(170)	(243)	725	270	1	(32)	(12)
Net cash flows from/(for) financing activities	(80,000)	(9,187)	(4,128)	1,489	–	–	(27)	(707)
Net increase/(decrease) in cash and cash equivalents	68,821	(5,592)	976	6,146	1,557	(5,140)	(114)	(1,514)

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

6. INVESTMENT IN ASSOCIATES

	The Group	
	2014	**2013**
	RM'000	**RM'000**
Unquoted shares, at cost		
At 1 January	**235**	1,527
Write-off during the financial year	**–**	(1,292)
At 31 December	**235**	235
Share of post acquisition results	**(64)**	(12)
Foreign exchange translation reserve	**41**	41
	212	264
Redeemable preference shares	**1,400**	1,400
	1,612	1,664
Accumulated impairment losses	**(1,555)**	(1,554)
At 31 December	**57**	110
Accumulated impairment losses:-		
At 1 January	**(1,554)**	(4,081)
Addition during the financial year	**(1)**	(1)
Write-off during the financial year	**–**	2,528
At 31 December	**(1,555)**	(1,554)

Details of the associate held through HCM Engineering Sdn. Bhd. are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 2014 %	2013 %	Principal Activities
THT-HCM JV Sdn. Bhd. *	Malaysia	**40**	40	Dormant.

6. INVESTMENT IN ASSOCIATES (CONT'D)

Details of the associate held through HCM-Ikhtisas Sdn. Bhd. are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 2014 %	2013 %	Principal Activities
Libyan Malaysian Company for Roads and Construction *	Libya	**49**	49	Construction and maintenance.

Details of the associate held through Kumpulan Ikram Sdn. Bhd. are as follows:-

Name of Company	Country of Incorporation	Effective Equity Interest 2014 %	2013 %	Principal Activities
Ikram Premier Consulting Sdn. Bhd.	Malaysia	**30**	30	Lab or material testing, site investigation, special geotechnical works and other consultancy services.

Note:-

* The results of these associates have not been equity accounted as the companies are dormant and the amounts involved are insignificant.

The summarised unaudited financial information for all associates that are individually immaterial to the Group is as follows:-

	Individually Immaterial Associates 2014 RM'000	2013 RM'000
Financial year ended 31 December		
Group's share of (loss)/profit for the financial year	**(52)**	15
Group's share of total comprehensive income/(expenses)	**(52)**	15
Aggregate carrying amount of the Group's interests in these associates	**57**	110

7. PROPERTY, PLANT AND EQUIPMENT

The Group	Freehold Land RM'000	Leasehold Land RM'000	Buildings RM'000	Renovation RM'000	Reference Books, Office Equipment, Furniture And Fittings RM'000	Laboratory Equipment, Plant And Machinery RM'000	Motor Vehicles RM'000	Capital Work-In Progress RM'000	Total RM'000
At Cost									
At 1.1.2014	66,519	4,804	57,955	19,301	51,767	134,727	42,212	–	377,285
Additions	–	–	–	1,124	3,023	6,398	5,378	958	16,881
Disposals	–	–	(800)	(42)	(762)	(4,835)	(1,655)	–	(8,094)
Written off	–	–	–	–	(1)	(1)	–	–	(2)
Transfer[#]	(4,243)	–	–	–	–	–	–	–	(4,243)
Reclassification	–	–	(183)	(72)	(213)	218	–	250	–
Exchange rate differences	–	–	–	46	36	(592)	167	–	(343)
At 31.12.2014	62,276	4,804	56,972	20,357	53,850	135,915	46,102	1,208	381,484
Accumulated Depreciation									
At 1.1.2014	–	807	10,739	13,208	41,912	110,614	25,008	–	202,288
Charge for the financial year	–	92	1,165	1,305	3,056	4,935	3,726	–	14,279
Disposals	–	–	(185)	(17)	(652)	(4,718)	(1,424)	–	(6,996)
Written off	–	–	–	–	(1)	(1)	–	–	(2)
Reclassification	–	–	–	(51)	(73)	124	–	–	–
Exchange rate differences	–	–	–	46	36	(592)	167	–	(343)
At 31.12.2014	–	899	11,719	14,491	44,278	110,362	27,477	–	209,226
Net Book Value	62,276	3,905	45,253	5,866	9,572	25,553	18,625	1,208	172,258

[#] Transferred to Investment property and Property development costs during the financial year.

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

The Group	Freehold Land RM'000	Leasehold Land RM'000	Buildings RM'000	Renovation RM'000	Reference Books, Office Equipment, Furniture And Fittings RM'000	Laboratory Equipment, Plant And Machinery RM'000	Motor Vehicles RM'000	Capital Work-In Progress RM'000	Total RM'000
At Cost									
At 1.1.2013	70,288	4,804	57,672	18,170	49,217	135,761	43,540	100	379,552
Additions	–	–	283	2,025	3,540	10,181	2,977	–	19,006
Disposals	(3,769)	–	–	(250)	(905)	(12,537)	(4,161)	–	(21,622)
Written off	–	–	–	(738)	(147)	(1,122)	(257)	–	(2,264)
Reclassification	–	–	–	62	38	–	–	(100)	–
Exchange rate differences	–	–	–	32	24	2,444	113	–	2,613
At 31.12.2013	66,519	4,804	57,955	19,301	51,767	134,727	42,212	–	377,285
Accumulated Depreciation									
At 1.1.2013	–	715	9,580	12,502	39,996	113,182	24,758	–	200,733
Charge for the financial year	–	92	1,159	1,507	2,864	5,249	3,451	–	14,322
Disposals	–	–	–	(196)	(837)	(9,139)	(3,056)	–	(13,228)
Written off	–	–	–	(637)	(135)	(1,122)	(258)	–	(2,152)
Exchange rate differences	–	–	–	32	24	2,444	113	–	2,613
At 31.12.2013	–	807	10,739	13,208	41,912	110,614	25,008	–	202,288
Net Book Value	66,519	3,997	47,216	6,093	9,855	24,113	17,204	–	174,997

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

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

	Reference Books, Office Equipment, Furniture And Fittings	
The Company	**2014 RM'000**	**2013 RM'000**
At cost		
At 1 January	**27**	4
Additions	**33**	23
At 31 December	**60**	27
Accumulated depreciation		
At 1 January	**(2)**	(1)
Charge for the financial year	**(8)**	(1)
At 31 December	**(10)**	(2)
Net book value	**50**	25

Certain property, plant and equipment of the Group with a total net book value of RM4,945,486 (2013 - RM5,821,093) are held under hire purchase arrangements.

Certain property, plant and equipment of the Group with a total net book value of RM93,681,518 (2013 - RM98,859,104) were pledged to financial institutions as security for credit facilities granted to the Group as disclosed in Note 31 and Note 34 to the financial statements.

8. INVESTMENT PROPERTY

	The Group	
	2014 RM'000	**2013 RM'000**
At cost:-		
At 1 January	**10,347**	1,433
Addition during the financial year	**48,358**	8,914
At 31 December	**58,705**	10,347

Investment property comprise the following, at cost:-

Leasehold land	**29,654**	–
Investment property under construction:		
- shopping mall	**22,557**	10,347
- condominium	**6,494**	–
	29,051	10,347
	58,705	10,347

8. INVESTMENT PROPERTY (CONT'D)

The fair value of the investment property under construction cannot be determined as there are uncertainties in estimating its fair value. The estimated fair value upon completion is expected to be within the range of RM131 million and RM136 million (2013 - RM45 million and RM50 million).

Included in the development costs incurred on the investment property under construction during the financial year are as follows:-

	The Group	
	2014 RM'000	**2013 RM'000**
Interest expense	**166**	139
Staff costs	**–**	23

The leasehold land comprises five parcels of commercial land were pledged to a financial institution as security for credit facilities granted to the Group as disclosed in Note 31 to the financial statements.

9. LAND HELD FOR PROPERTY DEVELOPMENT

	The Group	
	2014 RM'000	**2013 RM'000**
At cost:-		
At 1 January	**2,082**	2,341
Exchange rate differences	**(82)**	(259)
At 31 December	**2,000**	2,082

10. LONG-TERM INVESTMENTS

	The Group	
	2014 RM'000	**2013 RM'000**
At cost:-		
Unquoted shares	**30**	30
Club membership	**195**	195
At 31 December	**225**	225
Represented by:-		
At cost	**30**	30
At fair value	**195**	195
	225	225

Investments in unquoted shares of the Group are designated as available for sale financial assets but are stated at cost as their fair values cannot be measured reliably using valuation techniques due to the lack of marketability of the shares.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

11. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group	
	2014 RM'000	2013 RM'000
At 1 January	**(8,725)**	(7,905)
Recognised in profit or loss (Note 39)	**(429)**	(820)
At 31 December	**(9,154)**	(8,725)
Presented as follows:-		
Deferred tax assets	**58**	44
Deferred tax liabilities	**(9,212)**	(8,769)
	(9,154)	(8,725)

The deferred tax assets/(liabilities) recognised at the end of the reporting period and after appropriate offsetting are as follows:-

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Deferred tax assets:-				
Unutilised tax losses	**37**	10	**–**	–
Unabsorbed capital allowances	**6**	779	**5**	–
Allowance for impairment loss	**370**	125	**–**	–
Others	**109**	17	**–**	–
	522	931	**5**	–
Deferred tax liabilities:-				
Accelerated capital allowances	**(8,405)**	(8,385)	**(5)**	–
Others	**(1,271)**	(1,271)	**–**	–
	(9,676)	(9,656)	**(5)**	–
At 31 December	**(9,154)**	(8,725)	**–**	–

11. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Deferred tax assets have not been recognised in respect of the following items:-

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Excess of depreciation over capital allowances	**1,050**	–	**–**	–
Provision	**686**	473	**686**	473
Unutilised tax losses	**39,392**	34,555	**9,050**	3,691
Unabsorbed capital allowances	**709**	894	**7**	–
	41,837	35,922	**9,743**	4,164

12. INVENTORIES

	The Group	
	2014 RM'000	2013 RM'000
At cost:-		
Stores and spares	**1,121**	937
Unsold completed properties	**351**	351
	1,472	1,288

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

13. PROPERTY DEVELOPMENT COSTS

	The Group	
	2014 RM'000	2013 RM'000
At 1 January		
Freehold land	**9,508**	6,216
Development costs	**26,690**	58,775
	36,198	64,991
Incurred during the financial year:-		
Freehold land	**1,996**	9,508
Development costs	**48,160**	16,837
	50,156	26,345
Reversal of development costs of completed projects during the financial year:-		
Freehold land	**–**	(6,216)
Development costs	**–**	(48,922)
	–	(55,138)
Accumulated costs charged to profit or loss:-		
At 1 January	**(24,163)**	(57,090)
Charge during the financial year	**(50,383)**	(22,211)
Reversal of completed projects during the financial year	**–**	55,138
	(74,546)	(24,163)
Balance brought forward	**11,808**	12,035

13. PROPERTY DEVELOPMENT COSTS (CONT'D)

	The Group	
	2014	**2013**
	RM'000	**RM'000**
Balance carried forward	**11,808**	12,035
Cumulative revenue recognised in profit or loss	**117,200**	35,162
Cumulative billings to purchasers	**(74,170)**	(36,803)
Net accrued revenue/(progress billings)	**43,030**	(1,641)
At 31 December	**54,838**	10,394
Represented by:		
Freehold land	**11,504**	9,508
Development costs	**74,850**	26,690
Cumulative costs charged to profit or loss	**(74,546)**	(24,163)
	11,808	12,035
Accrued revenue (Note 15)	**43,030**	–
Progress billing (Note 32)	**–**	(1,641)
	43,030	(1,641)
	54,838	10,394

Included in property development costs incurred during the financial year are as follows:-

	The Group	
	2014	**2013**
	RM'000	**RM'000**
Interest expense	**495**	462
Staff costs	**–**	76

The freehold land included in the property development costs of the Group are pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 34 to the financial statements.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

14. AMOUNT OWING BY CONTRACT CUSTOMERS

	The Group	
	2014	**2013**
	RM'000	**RM'000**
Contract costs incurred to date	**171,205**	37,218
Attributable profits	**4,163**	2,436
	175,368	39,654
Progress billings	**(73,259)**	(30,445)
Amount owing by the contract customers	**102,109**	9,209
Contract costs recognised as expense	**145,870**	28,009

The costs incurred todate on construction include the following charges made during the financial year:-

	The Group	
	2014	**2013**
	RM'000	**RM'000**
Depreciation of property, plant and equipment	**175**	171
Hire of plant and machinery	**–**	32
Rental expense	**–**	40
Staff costs	**1,138**	1,067

15. TRADE RECEIVABLES

	The Group	
	2014	**2013**
	RM'000	**RM'000**
Trade receivables	**193,789**	297,628
Retention sums	**40,603**	40,867
	234,392	338,495
Allowance for impairment losses	**(25,230)**	(25,262)
	209,162	313,233
Accrued income	**2,014**	3,105
Accrued revenue (Note 13)	**43,030**	–
	254,206	316,338
Allowance for impairment losses:		
At 1 January	**(25,262)**	(24,696)
Addition during the financial year	**(4,823)**	(4,070)
Writeback during the financial year	**1,542**	2,249
Write-off during the financial year	**3,313**	1,255
At 31 December	**(25,230)**	(25,262)

15. TRADE RECEIVABLES (CONT'D)

The Group's normal trade credit terms range from 21 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

The retention sums are unsecured, interest-free and due to be received within 6 to 12 months or within normal operating cycle (2013 - 6 to 12 months or within normal operating cycle).

16. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Other receivables	**110,257**	42,353	**84,661**	81
Deposits	**25,275**	73,116	**8**	50,000
Prepayments	**2,659**	2,021	**–**	–
	138,191	117,490	**84,669**	50,081
Allowance for impairment losses	**(106,802)**	(1,655)	**(84,643)**	–
	31,389	115,835	**26**	50,081
Allowance for impairment losses:				
At 1 January	**(1,655)**	(1,687)	**–**	–
Addition during the financial year	**(105,203)**	(824)	**(84,643)**	–
Writeback for the financial year	**–**	2	**–**	–
Write-off during the financial year	**56**	854	**–**	–
At 31 December	**(106,802)**	(1,655)	**(84,643)**	–

Included in the other receivables and deposits of the Group and of the Company in the financial year was an amount of RM86,464,300 (2013 - RM50,000,000) paid for the proposed acquisition of 95,000,000 ordinary shares of IDR1,000 each, representing 76% equity interest in PT Anglo Slavic Indonesia. The amount has been fully impaired during the financial year. Details of this transaction are disclosed in Note 48(a) to the financial statements.

Included in the deposits of the Group in the financial year was an amount of RM18,904,000 (2013 - RM18,904,000) paid as coal trades deposits. The amount has been fully impaired during the financial year. Details of these deposits are disclosed in Note 48(b) to the financial statements.

17. AMOUNTS OWING BY/TO SUBSIDIARIES

The amounts owing are non-trade in nature, unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

18. AMOUNT OWING BY ASSOCIATES

The amount owing is trade in nature and subject to normal trade credit terms ranging from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis. The amount owing is unsecured and to be settled in cash.

19. SHORT-TERM INVESTMENTS

	The Group	
	2014 RM'000	2013 RM'000
At fair value:-		
Unit trusts, quoted in Malaysia	–	12,410
Money market fund	**663**	3,599
	663	16,009
Market value of unit trusts	–	12,410
Market value of money market fund	**663**	3,599
	663	16,009

20. DEPOSITS WITH LICENSED BANKS

Deposits with licensed banks of the Group amounting to RM5,175,153 (2013 - RM3,515,218) are pledged to banks for bank guarantees and credit facilities granted to the subsidiaries.

The effective interest rates of deposits at the end of the reporting period were as follows:-

	The Group		The Company	
	2014 %	2013 %	2014 %	2013 %
Effective interest rates	**1.85 to 3.45**	1.85 to 3.10	**2.33 to 2.94**	2.10 to 2.50

The average maturity period of the deposits as at the end of the reporting period were as follows:-

	The Group		The Company	
	2014	2013	2014	2013
Maturity period (days)	**1 to 365**	1 to 365	**1 to 30**	1 to 30

21. CASH AND BANK BALANCES

Included in cash and bank balances of the Group is a sum of RM2,470,771 (2013 - RM1,917,919) held under a Housing Development Account pursuant to Section 7A of the Housing Developer (Control & Licensing) Act 1966.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

22. SHARE CAPITAL

	The Group/The Company			
	2014	2013	2014	2013
	Number of Shares			
	'000	'000	RM'000	RM'000
Ordinary shares of RM0.50 each:				
Authorised	**600,000**	600,000	**300,000**	300,000
Issued and fully paid up:-				
At 1 January	**332,225**	300,000	**166,113**	150,000
Issue of shares pursuant to:				
- private placement	**–**	28,264	**–**	14,132
- Employees' Shares Scheme Shares ("ESS Shares")	**–**	1,441	**–**	721
- Employees' Shares Scheme Options ("ESS Options") exercised	**3,047**	2,520	**1,523**	1,260
	3,047	32,225	**1,523**	16,113
At 31 December	**335,272**	332,225	**167,636**	166,113

(a) During the current financial year, the Company increased its issued and fully paid-up ordinary shares from RM166,112,695 to RM167,636,045 by the issuance of 3,046,700 new ordinary shares of RM0.50 each pursuant to the exercise of the Company's ESS Options at an issue price of RM1.19 per share.

The new shares were issued for cash consideration. The new ordinary shares issued rank pari passu in all respects with the existing shares of the Company.

(b) Of the total 335,272,090 (2013 - 332,225,390) issued and fully paid-up ordinary shares as at 31 December 2014, 2,000 (2013 - 17,355,100) were held as treasury shares by the Company. As at 31 December 2014, the number of outstanding ordinary shares in issue and fully paid-up, net of treasury shares, amounted to 335,270,090 (2013 - 314,870,290).

23. TREASURY SHARES

	The Group/The Company	
	2014 RM'000	2013 RM'000
At 1 January	**18,329**	2,835
Share buy-back during the financial year	**3**	15,494
Treasury shares sold	**(18,329)**	–
At 31 December	**3**	18,329

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

23. TREASURY SHARES (CONT'D)

The amount relates to the acquisition cost of treasury shares net of the proceeds received on their subsequent sale or issuance.

At the annual general meeting held on 24 June 2014, the shareholders of the Company approved the Company's plan to repurchase its own shares. The directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company reissued its treasury shares by resale in the open market and purchased its own ordinary shares from the open market under the share buy-back programme. Details are as follows:-

Date	Price Per Share	Number Of Shares	Total Consideration RM'000
Balance at 1 January 2014		**17,355,100**	**18,329**
January 2014	**1.41 – 1.45**	**(17,355,100)**	**(18,329)**
February 2014	**1.54**	**1,000**	**1**
September 2014	**1.73**	**1,000**	**2**
At 31 December		**2,000**	**3**

The total shares purchased under the share buy-back program were financed by internally generated funds. The shares purchased were retained as treasury shares in accordance with Section 67A of the Companies Act 1965 and are presented as a deduction from shareholders' equity.

The proceeds from the resale of treasury shares were utilised as working capital during the financial year.

24. SHARE PREMIUM

	The Group/The Company	
	2014 RM'000	**2013 RM'000**
At 1 January	**64,363**	43,531
Arising from the issuance of new ordinary shares during the financial year pursuant to:		
- Private placement	**–**	17,256
- ESS Shares	**–**	1,181
- ESS Options	**2,102**	1,739
	2,102	20,176
Transfer from employee share option reserve upon exercise of share options	**914**	756
Share issuance costs	**(79)**	(100)
Treasury shares sold	**6,419**	–
At 31 December	**73,719**	64,363

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

25. EMPLOYEE SHARE OPTION RESERVE

	The Group/The Company	
	2014	**2013**
	RM'000	**RM'000**
At 1 January	**973**	–
Arising from share-based payments during the financial year	**–**	1,729
Share options forfeited during the financial year	**(59)**	–
Transfer to share premium upon exercise of share options	**(914)**	(756)
At 31 December	**–**	973

The employee share option reserve represents the equity-settled share options granted by the Company to eligible directors and employees under the Employees' Share Scheme ("ESS") plan. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

The Employees' Share Scheme of the Company is governed by the ESS By-Laws and was approved by shareholders on 1 October 2013.

The main features of the ESS are as follows:-

(a) Eligible persons are confirmed employees and/or directors of the Group, save for companies which are dormant.

(b) The maximum number of new shares of the Company, which may be available under the scheme, shall not exceed in aggregate 15%, or any such amount or percentage as may be permitted by the relevant authorities of the issued and paid-up share capital of the Company at any one time during the existence of the ESS.

(c) The option price shall be determined by the ESS Committee based on the 5-day weighted average market price of shares of the Company immediately preceding the offer date of the option, with a discount of not more than 10%, or at the par value of shares of the Company, whichever is higher.

(d) The option may be exercised by the grantee by notice in writing to the Company in the prescribed form during the option period in respect of all or any part of the new shares of the Company comprised in the ESS.

(e) The ESS shall be in force for a period of five (5) years commencing from 4 October 2013. The Board of Directors shall have the discretion upon recommendation of the ESS Committee to extend the ESS for another five (5) years or such shorter period as is deems fit immediately from the expiry of the first five (5) years.

In the previous financial year, the Company granted 1,441,000 new ordinary shares under the ESS ("ESS Shares"). The ESS Shares were issued at an issue price of RM1.32 and awarded to the eligible employees pursuant to the Company's ESS.

In the previous financial year, the Company granted 5,764,000 share options under the ESS ("ESS Options"). The ESS Options are immediately vested on the grant date and exercisable at any time prior to the expiry date. These share options expired on 31 October 2014.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

25. EMPLOYEE SHARE OPTION RESERVE (CONT'D)

The option prices and the details in the movement of the options granted are as follows:-

		< -Number Of Options Over Ordinary Shares Of RM0.50 Each- >				
Date of Offer	**Exercise Price**	**At 1 January 2014**	**Granted**	**Forfeited**	**Exercised**	**At 31 December 2014**
17 October 2013	RM1.19	**3,204,200**	**–**	**(157,500)**	**(3,046,700)**	**–**

The options forfeited during the financial year were due to ESS Options not exercised by the expiry date.

The fair values of the share options granted were estimated using a trinomial model, taking into account the terms and conditions upon which the options were granted. The fair values of the share options measured at grant date and the assumptions used were as follows:-

	The Group/The Company	
	2014	**2013**
Fair value of share options at the grant date (RM)	**–**	30 sen
Weighted average share price (RM)	**–**	–
Exercise price (RM)	**–**	1.19
Expected volatility (%)	**–**	26.92
Expected life (years)	**–**	1
Risk free rate (%)	**–**	3.75
Expected dividend yield (%)	**–**	4.97

26. FOREIGN EXCHANGE TRANSLATION RESERVE

The exchange fluctuation reserve arose from the translation of the financial statements of foreign subsidiaries, foreign associates and the foreign branch and is not distributable by way of dividends.

27. CAPITAL RESERVE

The capital reserve relates to the Group's portion of bonus shares issued by a sub-subsidiary through the capitalisation of its retained profits account.

The reserve is not distributable as cash dividends.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

28. RETAINED PROFITS

Under the single tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

29. LONG-TERM BORROWINGS

	The Group	
	2014 RM'000	2013 RM'000
Secured:-		
Hire purchase payable (Note 30)	**1,738**	1,722
Term loans (Note 31)	**90,994**	1,678
	92,732	3,400

30. HIRE PURCHASE PAYABLES

	The Group	
	2014 RM'000	2013 RM'000
Minimum hire purchase payments:		
- not later than one year	**1,278**	1,173
- later than one year but not later than five years	**1,873**	1,884
	3,151	3,057
Less : future finance charges	**(243)**	(298)
	2,908	2,759
Current (Note 34):		
- not later than one year	**1,170**	1,037
Non-current (Note 29):		
- later than one year but not later than five years	**1,738**	1,722
	2,908	2,759

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

31. TERM LOANS

	The Group	
	2014	2013
	RM'000	RM'000
Current (Note 34):		
- not later than one year	**69**	66
Non-current (Note 29):		
- later than one year but not later than two years	**15,552**	57
- later than two years but not later than five years	**74,164**	285
- later than five years	**1,278**	1,336
	90,994	1,678
	91,063	1,744

Details of the repayment terms are as follows:-

Term Loan	Number of Monthly Instalment	Monthly Instalments RM	Date of Commencement of Repayment	The Group Amount Outstanding 2014 RM'000	2013 RM'000
1	240	8,205	February 2011	**1,134**	1,175
2	240	3,809	March 2013	**547**	569
3	24	645,834	May 2018	**15,500**	–
4	*	*	December 2017	**73,882**	–
				91,063	1,744

Note:-

* The term loan is repayable upon receipt of sales proceeds and proceeds from a facilitation fund or through a final bullet payment of the balance of loan or up to the facility's limit of RM400 million on the 42nd month of loan drawdown, whichever is earlier. The Group has not fully drawn down the term loan during the financial year.

The term loans are secured by:-

(i) a first party legal charge over certain freehold land and buildings of the Group as disclosed in Note 7 to the financial statements;

(ii) a first party legal charge over the leasehold land of the Group as disclosed in Note 8 to the financial statements;

(iii) a corporate guarantee provided by the Company; and

(iv) assignment by a subsidiary of the Company on the facilitation fund and proceeds receivable from a project awarded by the Government of Malaysia.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

32. TRADE PAYABLES

	The Group	
	2014 RM'000	2013 RM'000
Trade payables	**53,843**	78,261
Accrued costs	**175,895**	191,260
Retention sums	**30,238**	23,502
	259,976	293,023
Deferred income	**9,491**	7,851
Progress billings in respect of property development costs (Note 13)	**–**	1,641
	269,467	302,515

The normal trade credit terms granted to the Group range from 30 to 180 days.

The retention sums are unsecured, interest-free and due to be paid within 6 to 12 months or within normal operating cycle (2013 - 6 to 12 months or within normal operating cycle).

33. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Other payables and accruals	**53,367**	64,002	**1,125**	712
Amount owing to a subsidiary's shareholder	**4,508**	3,094	**–**	–
	57,875	67,096	**1,125**	712

The amount owing to a subsidiary's shareholder is unsecured, interest-free and repayable on demand. The amount is to be settled in cash.

34. SHORT-TERM BORROWINGS

	The Group	
	2014	**2013**
	RM'000	**RM'000**
Secured:-		
Bills payable	**29,048**	18,426
Revolving credit	**31,256**	20,792
Bridging loan	**13,538**	4,179
Hire purchase payables (Note 30)	**1,170**	1,037
Term loans (Note 31)	**69**	66
	75,081	44,500

The bills payable and revolving credit are secured by:-

(a) a corporate guarantee of the Company; and

(b) fixed and floating charges on certain property, plant and equipment as disclosed in Note 7 to the financial statements;

The bridging loan is secured by:-

(a) a first legal charge over the freehold land which is included in the property development costs of a subsidiary as disclosed in Note 13 to the financial statements;

(b) a fixed and floating charge for all present and future assets of the property development project of a subsidiary;

(c) Deed of assignment over the Project Account of the property development project of a subsidiary; and

(d) a corporate guarantee of the Company.

35. BANK OVERDRAFTS

Included in the bank overdrafts is an amount of RM3,286,000 (2013 - RM6,300,000) which is secured by a corporate guarantee of the Company. The remaining balance of the bank overdrafts of RM15,949,000 (2013 - RM5,627,000) is secured in the same manner as the bridging loan disclosed in Note 34 to the financial statements.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

36. REVENUE

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Gross dividends from subsidiaries	**–**	–	**132,000**	32,600
Management fees from subsidiaries	**–**	–	**2,400**	2,400
Maintenance	**553,397**	530,150	**–**	–
Construction	**141,971**	155,414	**–**	–
Property development	**83,896**	34,822	**–**	–
Trading and manufacturing	**136,361**	133,849	**–**	–
Education	**51,858**	49,704	**–**	–
Engineering services	**85,261**	57,244	**–**	–
Others	**8,829**	8,523	**–**	–
	1,061,573	969,706	**134,400**	35,000

37. PROFIT BEFORE TAXATION

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit before taxation is arrived at after charging/(crediting):-				
Amortisation of development costs	**–**	330	**–**	–
Audit fee:				
- for the financial year	**470**	439	**45**	50
- underprovision in the previous financial year	**37**	21	**10**	–
Bad debts written off	**318**	25	**–**	–
Depreciation of property, plant and equipment	**14,279**	14,322	**8**	1
Directors' remuneration:				
- fee	**456**	354	**360**	258
- non-fee emoluments	**2,640**	1,379	**2,180**	1,120
- share-based payments	**–**	958	**–**	958
- benefits-in-kind	**35**	35	**35**	35
Impairment losses on:				
- investment in associates	**1**	1	**–**	–
- trade and other receivables	**110,026**	4,894	**84,643**	–

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

37. PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Interest expense:				
- bank overdrafts	**241**	147	**–**	–
- hire purchase	**148**	187	**–**	–
- bills payable	**1,002**	1,011	**–**	–
- revolving credit	**1,300**	840	**–**	–
- term loans	**880**	85	**–**	–
- others	**36**	156	**–**	–
Inventories written off	**–**	56	**–**	–
Property, plant and equipment written off	**–**	112	**–**	–
Rental of:			**–**	–
- land	**50**	18	**–**	–
- office premises	**2,839**	3,050	**–**	–
- plant and machinery	**212**	195	**–**	–
- motor vehicles	**696**	1,003	**–**	4
- office equipment	**768**	682	**2**	–
- others	**206**	148	**–**	–
Staff costs:				
- salaries, wages, bonuses and allowances	**88,712**	73,101	**3,110**	2,686
- defined contribution plan	**9,663**	8,726	**409**	305
- share-based payments	**–**	2,642	**–**	799
- other benefits	**5,942**	6,021	**680**	108
Bad debts recovered	**(3,926)**	(1,887)	**–**	–
(Gain)/Loss on disposal of property, plant and equipment	**(678)**	564	**–**	–
Interest income:				
- financial institution	**(2,108)**	(1,598)	**(156)**	(103)
- others	**(79)**	(148)	**–**	–
Net foreign exchange gain:				
- unrealised	**(444)**	(1,791)	**–**	–
- realised	**(1)**	(28)	**–**	–
Rental income	**(198)**	(335)	**–**	–
Tax-exempt dividends received from investment in unit trusts	**(99)**	(540)	**–**	–
Writeback of impairment losses on:				
- inventories	**(10)**	–	**–**	–
- long-term investments	**–**	(30)	**–**	–
- trade and other receivables	**(1,542)**	(2,251)	**–**	–

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

38. DIRECTORS' REMUNERATION

The aggregate amounts of remuneration received and receivable by the directors of the Group and the Company during the financial year are as follows:-

	The Group		The Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Directors of the Company:				
Executive directors' remuneration:				
- Fees	**–**	–	**–**	–
- Other emoluments	**2,150**	1,338	**2,150**	1,120
	2,150	1,338	**2,150**	1,120
Non-executive directors' remuneration:				
- Fees	**456**	354	**360**	258
- Other emoluments	**490**	41	**30**	–
	946	395	**390**	258
Directors of the Subsidiaries:				
Executive directors' remuneration:				
- Fees	**304**	114	**–**	–
- Other emoluments	**3,804**	4,441	**–**	–
	4,108	4,555	**–**	–
Total directors' remuneration	**7,204**	6,288	**2,540**	1,378

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

38. DIRECTORS' REMUNERATION (CONT'D)

The details of remuneration receivable by the directors of the Company and its subsidiaries during the financial year are as follows:- (Cont'd)

	The Group		The Company	
	2014 RM'000	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Total directors' remuneration	**7,204**	6,288	**2,540**	1,378
Estimated money value of benefits-in-kind	**87**	86	**35**	35
Share-based payments	**–**	2,404	**–**	958
Total directors' remuneration including benefits-in-kind	**7,291**	8,778	**2,575**	2,371
Executive:				
Fee	**304**	114	**–**	–
Salaries and emoluments	**4,588**	4,805	**1,440**	805
Bonus	**782**	420	**480**	195
Contributions to defined contribution plans	**584**	554	**230**	120
Estimated money value of benefits-in-kind	**87**	86	**35**	35
Share-based payments	**–**	1,950	**–**	504
	6,345	7,929	**2,185**	1,659
Non-Executive:				
- Fees	**456**	354	**360**	258
- Other emoluments	**490**	41	**30**	–
- Share-based payments	**–**	454	**–**	454
	7,291	8,778	**2,575**	2,371

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:-

	The Company Number Of Directors	
	2014	**2013**
Executive Directors:-		
RM1,000,001 - RM1,150,000	**–**	1
RM2,150,001 - RM2,200,000	**1**	–
Non-Executive Directors:-		
Below RM50,000	**2**	4
RM50,001 - RM100,000	**4**	1
RM150,001 - RM200,000	**1**	1
RM200,001 - RM500,000	**1**	–

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

39. INCOME TAX EXPENSE

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current tax expenses:-				
Charge for the financial year	**34,244**	32,328	**49**	–
Under/(Over)provision in the previous financial year	**791**	(1,442)	**(453)**	(26)
	35,035	30,886	**(404)**	(26)
Deferred tax expense (Note 11):-				
Relating to origination and reversal of temporary differences	**805**	503	**–**	–
(Over)/Underprovision in the previous financial year	**(376)**	317	**–**	–
	429	820	**–**	–
	35,464	31,706	**(404)**	(26)

During the financial year, the statutory tax rate remained at 25%.

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

Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions.

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

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Profit before taxation	**16,670**	104,735	**35,716**	24,794
Tax at the statutory rate of 25%	**4,168**	26,184	**8,929**	6,198
Tax effects of:				
Differential in tax rates	**(26)**	9	**–**	–
Non-deductible expenses	**32,611**	5,460	**22,725**	1,952
Non-taxable income	**(3,184)**	(1,391)	**(33,000)**	(8,150)
Utilisation of previously unrecognised deferred tax assets	**(500)**	(461)	**–**	–
Deferred tax assets not recognised during the financial year	**1,980**	3,030	**1,395**	–
Under/(Over)provision in the previous financial year:				
- current tax	**791**	(1,442)	**(453)**	(26)
- deferred tax	**(376)**	317	**–**	–
	35,464	31,706	**(404)**	(26)

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

40. (LOSS)/EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net (loss)/profit for the financial year by the weighted average number of ordinary shares in issue excluding treasury shares during the financial year.

	The Group	
	2014	**2013**
Net (loss)/profit for the financial year (RM'000)	**(46,444)**	48,173
Weighted average number of ordinary shares in issue ('000)	**332,948**	308,021
Basic (loss)/earnings per share (sen)	**(13.95)**	15.64

The fully diluted earnings per share for the Group is not presented as there were no potential dilutive ordinary shares outstanding at the end of the reporting period for the current financial year.

In the previous financial year, the diluted earnings per share was not presented as there was an anti-dilutive effect arising from the assumed conversion of the balance of share options granted at the end of the reporting period as disclosed in Note 25 to the financial statements.

41. DIVIDENDS

	The Company	
	2014 RM'000	**2013 RM'000**
Final single tier dividend of 6 sen per ordinary share in respect of the financial year ended 31 December 2013	**20,073**	–
Interim single tier dividend of 5 sen per ordinary share in respect of the financial year ended 31 December 2014	**16,763**	–
Final single tier dividend of 4 sen per ordinary share in respect of the financial year ended 31 December 2012	**–**	12,139
Interim single tier dividend of 4 sen per ordinary share in respect of the financial year ended 31 December 2013	**–**	12,595
	36,836	24,734

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

42. ACQUISITION OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS

42.1 ACQUISITION OF SUBSIDIARIES

In the previous financial year, the Group acquired a 64% equity interest in Sun Rock Development Sdn. Bhd. ("SRDSB")

The fair values of the identifiable assets and liabilities of SRDSB at the date of acquisition were as follows:-

	2013 At Date Of Acquisition	
	Carrying Amount RM'000	**Fair Value Recognised RM'000**
Other receivables and deposits	2,837	2,837
Cash and cash equivalents	213	213
Other payables and accruals	(3,106)	(3,106)
Net identifiable assets and liabilities assumed	(56)	(56)
Less: Non-controlling interests		20
Add: Goodwill on acquisition		36
Total purchase consideration		*
Less: Cash and cash equivalents of subsidiary acquired		(213)
Net cash inflow for acquisition of a subsidiary		213

* - RM64

The non-controlling interests are measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition.

The acquired subsidiary has contributed the following results to the Group:-

	2013 RM'000
Revenue	–
Profit after taxation	6

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

42. ACQUISITION OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS (CONT'D)

42.2 ACQUISITION OF NON-CONTROLLING INTERESTS ("NCI")

During the current financial year, the Group acquired additional ordinary shares not already owned by the Group in the following subsidiary:-

Name of Subsidiary	2014 Equity Interest Acquired (%)	2014 Purchase Consideration RM
Makmur Bersih Sdn. Bhd.	**40**	**40,000**

In the previous financial year, the Group acquired additional ordinary shares not already owned by the Group in the following subsidiaries:-

Name of Subsidiary	2013 Equity Interest Acquired (%)	2013 Purchase Consideration RM
HCM-Ikhtisas Sdn. Bhd.	18	33
HCM Arabia Sdn. Bhd.	18	33
Protasco Land SA (Pty) Ltd.	30	0.30

The details on the effects of the acquisitions of the additional equity interests in existing subsidiaries are as follows:-

	The Group 2014 RM'000	The Group 2013 RM'000
Net debit balance acquired from NCI	**(79)**	(9,743)
Premium paid on acquisition of NCI	**39**	9,743
Purchase consideration	**(40)**	*
Less: Non-cash consideration	**–**	–
Net cash outflow from acquisition of additional equity interest in subsidiaries	**(40)**	*

* - RM66

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

43. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cost of property, plant and equipment purchased	**16,881**	19,006	**33**	23
Amount financed through hire purchased	**(1,281)**	(1,498)	**–**	–
Cash disbursed for purchase of property, plant and equipment	**15,600**	17,508	**33**	23

44. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Deposits with licensed banks	**187,614**	155,951	**10,183**	2,996
Cash and bank balances	**96,947**	66,901	**415**	13,475
Bank overdrafts	**(19,235)**	(11,927)	**–**	–
	265,326	210,925	**10,598**	16,471
Less : Deposits pledged to licensed banks	**(5,175)**	(3,515)	**–**	–
	260,151	207,410	**10,598**	16,471

45. CAPITAL COMMITMENTS

	The Group	
	2014 RM'000	2013 RM'000
Approved and contracted for:-		
Purchase of property, plant and equipment	**1,425**	1,465
Approved but not contracted for:-		
Purchase of property, plant and equipment	**4,747**	2,690

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

46. CONTINGENT LIABILITIES

HCM, a wholly-owned subsidiary of Protasco Berhad, received a winding up notice pursuant to Section 218(2) of the Companies Act 1965 on 25 October 2011 arising from two judgements in default (of appearance) which were entered against HCM for the sum of RM507,662 in Shah Alam High Court Suit No: 22-1558-2010 and the sum of RM9,960,492 in Shah Alam High Court Suit No: 22-1559-2010, respectively. Both judgements were entered on 11 July 2011.

HCM has engaged a firm of solicitors to set aside both the judgements and resist any attempt to file a winding up petition premised on the said judgements which HCM contend is without merit. At the hearing on 17 October 2013, HCM's setting aside application for both Shah Alam High Court Suit No: 22-1558-2010 and Shah Alam High Court Suit No: 22-1559-2010 were allowed with costs.

The Court has further directed HCM to file its Statement of Defence for both suits within 14 days from 17 October 2013. Pursuant to the said direction, HCM has filed its Statement of Defence for both suits in Court on 22 October 2013 and it was also served on the Plaintiffs on the same day.

On 13 June 2013, HCM proceeded to file an application to strike out both abovementioned suits ("striking out application"). On 13 March 2014, the Plaintiffs filed an application to amend the Statement of Claim in respect of the Shah Alam High Court Suit No: 22-1559-2010 ("amendment application").

On 12 August 2014, HCM's striking out application for both suits were allowed with costs of RM6,000 (in total for both suits). The Amendment Application was also dismissed with costs of RM3,000 to be paid to HCM.

On 8 September 2014, HCM was served with 3 notices of appeal on the decisions delivered by the High Court.

On 13 March 2015, the 3 appeals were dismissed by the Court of Appeal with costs of RM15,000 to be paid to HCM.

As at date of the financial statements, the Plaintiffs did not file the notice of motion for leave to appeal to the Federal Court.

46. CONTINGENT LIABILITIES (CONT'D)

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unsecured:-				
Corporate guarantees given to financial institutions for credit facilities granted to subsidiaries	**–**	–	**179,769**	307,670
Corporate guarantees given to suppliers for credit facilities granted to a subsidiary	**–**	–	**33,800**	53,900
Guarantee given by a subsidiary to the Government of Malaysia for the repayment of advance payment received	**8,700**	8,700	**–**	–
Guarantee given by a subsidiary to the Government of Malaysia for services rendered	**3,106**	3,662	**–**	–
Performance guarantee extended by subsidiaries to third parties	**8,081**	7,689	**–**	–

47. RELATED PARTY DISCLOSURES

(a) Identities of related parties

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with:-

(i) its subsidiaries, as disclosed in Note 5 to the financial statements;

(ii) its associates, as disclosed in Note 6 to the financial statements;

(iii) the directors who are the key management personnel; and

(iv) close members of the families of certain directors.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

47. RELATED PARTY DISCLOSURES (CONT'D)

(b) Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year:-

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Gross dividends from subsidiaries	–	–	(132,000)	(32,600)
Management fees from subsidiaries	–	–	(2,400)	(2,400)
Services rendered to a related party	(36)	(251)	–	–
Rental payable to:				
- a company substantially owned by a director of a subsidiary	30	30	–	–
- a company substantially owned by a related party	218	164	–	–
Services rendered to an associate	8,261	7,724	–	–

(c) Key management personnel compensation

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel of the Group and of the Company includes Executive Directors and Non-Executive Directors and certain members of senior management of the Group and of the Company.

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Short-term employee benefits	7,291	6,374	2,575	1,413
Share-based payments	–	2,404	–	958
	7,291	8,778	2,575	2,371

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

48. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The following are the significant events involving the Group and the Company during the financial year:-

(a) On 28 December 2012, the Company entered into a conditional Sale and Purchase Agreement ("Conditional SPA") with PT Anglo Slavic Utama ("PT ASU") to acquire 95,000,000 ordinary shares of IDR1,000 each in PT Anglo Slavic Indonesia ("PT ASI"), representing 76% equity interest in PT ASI for a proposed purchase consideration of USD55 million.

PT ASI holds 95% equity interest in PT Firman Andalan Sakti ("PT FAS") which in turn holds 70% equity interest in PT Hase Bumou Aceh ("PT Haseba") ("PT ASI Group"). PT Haseba has a 10 year production management partnership agreement ("PMP Agreement") with PT Pertamina (PERSERO) ("Pertamina") to develop and to produce oil and gas in the Kuala Simpang Timur Field ("KST Field") from 14 December 2004.

On 29 January 2014, the Company entered into an amended and restated Sale and Purchase Agreement ("Restated SPA") with PT ASU to amend, vary and restate, in its entirety, the Conditional SPA. With the execution of the Restated SPA, the Company acquired 78,750,000 ordinary shares of IDR1,000 each in PT ASI representing 63% equity interest in PT ASI from PT ASU for a total purchase consideration of USD22.0 million (RM68,393,170). The purchase consideration was paid by off-setting the deposit of RM50.0 million and the balance was paid by cash.

The Restated SPA is subject to, amongst others, the following Conditions Subsequent to the completion of the Restated SPA within 6 months from the date of the Restated SPA (Conditional Period):-

(i) Consent of Pertamina;
(ii) Extension of the PMP Agreement for a further ten (10) year period; and
(iii) Issuance of SKT Migas licence by the Ministry of Energy and Mineral Resources' General of Oil and Gas Indonesia to PT Haseba.

In January 2014, the Company paid the balance of purchase consideration of RM18,393,170 to PT ASU. The Company also made an advance of RM16,250,000 for the working capital of PT ASI.

The total purchase consideration paid to PT ASU and advances made to PT ASI amounted to RM84,643,170.

On 5 August 2014, the Company announced that the Conditions Subsequent pursuant to the completion of Restated SPA had not been fulfilled by PT ASU within the Condition Period and accordingly, the Restated SPA lapsed on 28 July 2014. The Company terminated the Restated SPA on 4 August 2014.

On 22 September 2014, the Company filed a legal suit against PT ASU and two former directors of the Company for the refund of the purchase consideration and advance.

The total amount claimed against PT ASU and the two former directors ("Defendants") are as follows:-

<u>Against PT ASU</u>

i A payment of USD22 million;
ii. Pre-judgement interest on USD22 million pursuant to Section 11 of the Civil Law Act 1956 from the date of the suit until the date of judgement at an interest rate of 5% per annum;
iii. Post judgement interest on USD22 million pursuant to Order 42 Rule 12 of the Rules of Court 2012 from the date of judgement until full and final settlement thereof at an interest rate of 5% per annum; and
iv. Damages for the breach of the Restated SPA.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

48. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

The following are the significant events involving the Group and the Company during the financial year:- (Cont'd)

(a) The total amount claimed against PT ASU and the two former directors ("Defendants") are as follows:- (Cont'd)

Against two former directors

i. A payment of USD27 million (including an advance of USD5.0 million to PT ASI for the purpose of exploration, wells re-activation and/or construction of wells);
ii. Pre-judgement interest on USD27 million pursuant to Section 11 of the Civil Law Act 1956 from the date of the suit until the date of judgement at an interest rate of 5% per annum;
iii. Post judgement interest on USD27 million pursuant to Order 42 Rule 12 of the Rules of Court 2012 from the date of judgement until full and final settlement thereof at an interest rate of 5% per annum;
iv. Damages for fraud and conspiracy; and
v. General damages, aggravated and exemplary.

The purchase consideration paid and advances made amounting to RM68,393,170 and RM16,250,000 respectively have been fully impaired in the financial statements in the current financial year.

(b) Protasco Trading Sdn. Bhd. ("PTSB"), a wholly-owned subsidiary of the Company, had entered into an agreement dated 4 February 2013 ("the Agreement") to undertake coal trades with PT Goldchild Integritas Abadi ("Goldchild").

Pursuant to the terms of the Agreement and to facilitate coal purchases, a deposit ("Deposit') of USD5,161,290 or approximately RM16,000,000 was paid by PTSB to Goldchild on 4 February 2013. The Deposit is to be deducted in stages against future coal trades.

On 19 July 2013, PTSB entered into a Coal Stockpile Joint Venture Agreement with Goldchild to provide a sum of not exceeding USD900,000 or approximately RM2,904,000 for the purpose of the joint venture to purchase coal in Indonesia and resell the coal to potential buyers, subject to such terms and conditions as stipulated in the Coal Stockpile Joint Venture Agreement.

On 22 September 2014, the Company filed a legal suit against Goldchild and one of the former directors when the Company uncovered that the former director has an undisclosed interest in Goldchild.

The coal trade deposits made to Goldchild amounted to RM18,904,000 had been fully impaired in the financial statements in the current financial year.

49. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

On 10 March 2015, the Company's wholly-owned subsidiary, Protasco Development Sdn. Bhd. incorporated a wholly-owned subsidiary, De Centrum Land Sdn. Bhd. ("DCLSB").

DCLSB has an authorised share capital of RM400,000 and paid up share capital of RM250,000. The intended business activities of DCLSB are principally related to property development.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

50. OPERATING SEGMENTS

BUSINESS SEGMENTS

The Group is organised into six major business segments:-

Business Segment	Principal activities
Maintenance	Maintenance of federal and state roads.
Construction	Construction of buildings and other infrastructures.
Property development	Development of commercial and residential properties.
Engineering services	Provision of full spectrum of civil engineering work and related services.
Trading and manufacturing	Trading and manufacturing of construction materials.
Education	Provision of tertiary education.

Other business segment mainly represents investment holding activities.

(a) Segment revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 4. Segment results represent profit before tax of the segment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

(b) Segment assets

Segment assets are measured based on all assets (including goodwill) of the segment, excluding investment in associates, deferred tax assets, current tax assets and other investment.

(c) Segment liabilities

Segment liabilities are measured based on all liabilities, excluding current tax liabilities, interest bearing loans and borrowings and deferred tax liabilities.

Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly investments and related income, loans and borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses.

Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties.

50. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	Maintenance RM'000	Construction RM'000	Property Development RM'000	Engineering Services RM'000	Trading and Manufacturing RM'000	Education RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
2014									
Revenue									
External sales	553,397	141,971	83,896	85,261	136,361	51,858	8,829	–	1,061,573
Inter-segment sales	–	73,267	–	4,203	19,571	–	136,017	(233,058)	–
Total revenue	553,397	215,238	83,896	89,464	155,932	51,858	144,846	(233,058)	1,061,573
Results									
Segment results	97,372	9,139	12,419	10,072	(13,835)	(732)	37,899	(131,533)	20,801
Profit from operations									20,801
Finance costs									(4,079)
Share of loss in associates									(52)
Income tax expense									(35,464)
Loss after taxation									(18,794)
Non-controlling interests									(27,650)
Net loss attributable to owners of the Company									(46,444)

50. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	Maintenance RM'000	Construction RM'000	Property Development RM'000	Engineering Services RM'000	Trading and Manufacturing RM'000	Education RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
2014									
Assets									
Segment assets	263,497	394,484	172,111	228,929	79,137	44,985	269,863	(529,958)	923,048
Investment in associates	–	37	–	20	–	–	–	–	57
Unallocated corporate assets	–	612	65	1,067	385	968	–	–	3,097
Consolidated total assets									926,202
Liabilities									
Segment liabilites	133,591	395,644	127,714	145,083	63,428	17,453	25,129	(376,890)	531,152
Unallocated corporate liabilities	5,162	4,568	677	3,695	22	2,186	2,804	–	19,114
Consolidated total liabilities									550,266
Other information									
Impairment losses on trade and other receivables	–	2,824	–	2,292	19,598	669	84,643	–	110,026
Capital expenditure	3,992	4,509	1,289	3,100	144	3,815	32	–	16,881
Depreciation and amortisation	3,314	3,068	143	3,926	413	3,407	8	–	14,279
Writeback of impairment losses on trade and other receivables	–	–	–	(1,223)	(296)	(23)	–	–	(1,542)

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

50. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	Maintenance RM'000	Construction RM'000	Property Development RM'000	Engineering Services RM'000	Trading and Manufacturing RM'000	Education RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
2013									
Revenue									
External sales	530,150	155,414	34,822	57,244	133,849	49,704	8,523	–	969,706
Inter-segment sales	–	–	–	3,923	32,689	–	36,897	(73,509)	–
Total revenue	530,150	155,414	34,822	61,167	166,538	49,704	45,420	(73,509)	969,706
Results									
Segment results	87,311	5,419	6,102	13,385	4,417	3,165	23,381	(36,033)	107,147
Profit from operations									107,147
Finance costs									(2,427)
Share of profits in ssociates									15
Income tax expense									(31,706)
Profit after taxation									73,029
Non-controlling interests									(24,856)
Net profit attributable to owners of the Company									48,173

50. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

	Maintenance RM'000	Construction RM'000	Property Development RM'000	Engineering Services RM'000	Trading and Manufacturing RM'000	Education RM'000	Others RM'000	Eliminations RM'000	Consolidation RM'000
2013									
Assets									
Segment assets	330,225	166,665	86,291	241,942	82,615	46,727	265,756	(335,485)	884,736
Investment in associates	–	37	–	73	–	–	–	–	110
Unallocated corporate assets	273	27	10	1,934	346	362	–	–	2,952
Consolidated total assets									887,798
Liabilities									
Segment liabilites	173,016	118,310	78,930	139,592	68,675	16,282	47,807	(200,580)	442,032
Unallocated corporate liabilities	5,783	4,876	459	3,510	22	2,193	2,931	–	19,774
Consolidated total liabilities									461,806
Other information									
Impairment losses on trade and other receivables	–	5	–	3,821	322	746	–	–	4,894
Capital expenditure	2,973	8,322	76	1,250	915	5,447	23	–	19,006
Depreciation and amortisation	3,642	3,368	27	3,824	628	3,141	22	–	14,652
Writeback of impairment losses on trade and other receivables	–	(88)	–	(1,935)	(226)	(2)	–	–	(2,251)

No geographical segment has been presented as the revenue derived from the Group during the financial year under review are mainly in Malaysia.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

50. OPERATING SEGMENTS (CONT'D)

MAJOR CUSTOMER

The following is a major customer with revenue equal to or more than 10% of Group revenue:-

Customer Name	Revenue		Segment
	2014 RM'000	2013 RM'000	
Customer A	**553,397**	530,150	Maintenance

51. FOREIGN EXCHANGE RATES

The applicable closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to Ringgit Malaysia equivalent) for the translation of the foreign currency balances at the end of the reporting date are as follows:-

	The Group	
	2014	2013
Chinese Renminbi	**0.55**	0.54
Euro	**4.24**	4.47
Hong Kong Dollar	**0.45**	0.42
Libyan Dinar	**2.84**	2.66
South African Rand	**0.30**	0.31
United States Dollar	**3.50**	3.29

52. FINANCIAL INSTRUMENTS

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

51.1 FINANCIAL RISK MANAGEMENT POLICIES

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

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily Libyan Dinar, Chinese Renminbi, Euro, Hong Kong Dollar and South African Rand. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency exposure

The Group	Libyan Dinar RM'000	Euro RM'000	South African Rand RM'000	United States Dollar RM'000	Hong Kong Dollar RM'000	Chinese Renminbi RM'000	Ringgit Malaysia RM'000	Total RM'000
2014								
Financial assets								
Long-term investments	–	–	–	–	–	–	225	225
Trade receivables	14,368	–	–	–	–	711	194,083	209,162
Other receivables and deposits	21	181	–	–	–	–	28,528	28,730
Amount owing by associates	–	–	–	–	–	–	3,616	3,616
Short-term investments	–	–	–	–	–	–	663	663
Deposits with licensed banks	–	–	–	–	–	–	187,614	187,614
Cash and bank balances	2,716	8	32	–	–	132	94,059	96,947
	17,105	189	32	–	–	843	508,788	526,957
Financial liabilities								
Trade payables	12,451	–	–	–	–	–	247,525	259,976
Other payables and accruals	–	–	10	–	7,917	933	49,015	57,875
Dividend payable	–	–	–	–	–	–	16,763	16,763
Borrowings	–	–	–	–	–	–	167,813	167,813
Bank overdrafts	–	–	–	–	–	–	19,235	19,235
	12,451	–	10	–	7,917	933	500,351	521,662
Net financial assets/(liabilities)	4,654	189	22	–	(7,917)	(90)	8,437	5,295
Less : Net financial (assets)/ liabilities denominated in the respective entities functional currencies	(4,654)	(189)	(22)	–	7,917	90	(8,437)	(5,295)
	–	–	–	–	–	–	–	–

52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency exposure (Cont'd)

The Group	Libyan Dinar RM'000	Euro RM'000	South African Rand RM'000	United States Dollar RM'000	Hong Kong Dollar RM'000	Chinese Renminbi RM'000	Ringgit Malaysia RM'000	Total RM'000
2013								
Financial assets								
Long-term investments	–	–	–	–	–	–	225	225
Trade receivables	–	–	–	454	–	–	312,779	313,233
Other receivables and deposits	–	190	–	18,596	–	–	95,028	113,814
Amount owing by associates	–	–	–	–	–	–	3,483	3,483
Short-term investments	–	–	–	–	–	–	16,009	16,009
Deposits with licensed banks	–	–	–	–	–	–	155,951	155,951
Cash and bank balances	1,328	6	75	23	25	134	65,310	66,901
	1,328	196	75	19,073	25	134	648,785	669,616
Financial liabilities								
Trade payables	1,843	–	–	–	–	–	291,180	293,023
Other payables and accruals	–	11	8	–	7	1,461	65,609	67,096
Dividend payable	–	–	–	–	–	–	12,595	12,595
Borrowings	–	–	–	–	–	–	47,900	47,900
Bank overdrafts	–	–	–	–	–	–	11,927	11,927
	1,843	11	8	–	7	1,461	429,211	432,541
Net financial assets/(liabilities)	(515)	185	67	19,073	18	(1,327)	219,574	237,075
Less : Net financial (assets)/ liabilities denominated in the respective entities functional currencies	515	(185)	(67)	–	(18)	1,327	(219,574)	(218,002)
	–	–	–	19,073	–	–	–	19,073

52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign currency risk sensitivity analysis

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

	The Group	
	2014 Increase/ (Decrease) RM'000	**2013 Increase/ (Decrease) RM'000**
Effects on profit after taxation/equity		
United States Dollar:		
- strengthened by 5%	–	715
- weakened by 5%	–	(715)

(ii) Interest Rate Risk

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

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Exposure to interest rate risk

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:-

	The Group	
	2014 RM'000	**2013 RM'000**
Fixed rate instruments		
Deposits with licensed banks	**187,614**	155,951
Hire purchase payables	**(2,908)**	(2,759)
Bills payable	**(29,048)**	(18,426)
Revolving credit	**(31,256)**	(20,792)
Bridging loan	**(13,538)**	(4,179)
	110,864	109,795
Floating rate instruments		
Term loans	**(91,063)**	(1,744)
Bank overdrafts	**(19,235)**	(11,927)
	(110,298)	(13,671)

Interest rate risk sensitivity analysis

The interest rate risk sensitivity analysis on the fixed rate instruments is not disclosed as these financial instruments are measured at amortised cost.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk (Cont'd)

Interest rate risk sensitivity analysis (Cont'd)

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

	The Group	
	2014 Increase/ (Decrease) RM'000	**2013 Increase/ (Decrease) RM'000**
Effects on profit after taxation		
Increase of 100 basis points (bp)	**(827)**	(103)
Decrease of 100 bp	**827**	103
Effects on equity		
Increase of 100 bp	**(827)**	(103)
Decrease of 100 bp	**827**	103

(iii) Equity Price Risk

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

If prices for quoted investments as at the end of the reporting period strengthened by 5% with all other variables being held constant, the Group's equity would have increased by RM33,000 (2013 - RM800,000). A 5% weakening in the quoted prices would have had an equal but opposite effect on the profit after taxation and equity respectively.

52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

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

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

(i) Credit risk concentration profile

The Group's major concentration of credit risks relates to the amount owing by the Government of Malaysia which constituted a significant amount of its total trade receivables at the end of the reporting date.

(ii) Exposure to credit risk

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

The Group does not have exposure to international credit risk as the entire receivables are concentrated in Malaysia.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Ageing analysis

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

The Group	Gross Amount RM'000	Individual Impairment RM'000	Collective Impairment RM'000	Carrying Value RM'000
2014				
Not past due	**103,830**	**–**	**–**	**103,830**
Past due:				
- less than 6 months	**64,536**	**–**	**–**	**64,536**
- 6 to 12 months	**23,859**	**(218)**	**–**	**23,641**
- 1 to 2 years	**13,831**	**(1,627)**	**–**	**12,204**
- more than 2 years	**28,336**	**(22,755)**	**(630)**	**4,951**
	234,392	**(24,600)**	**(630)**	**209,162**
2013				
Not past due	216,254	(381)	–	215,873
Past due:				
- less than 6 months	56,077	–	–	56,077
- 6 to 12 months	15,342	–	–	15,342
- 1 to 2 years	20,058	(316)	–	19,742
- more than 2 years	30,764	(24,565)	–	6,199
	338,495	(25,262)	–	313,233

52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Ageing analysis (Cont'd)

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

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

Trade receivables that are past due but not impaired

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

Trade receivables that are neither past due nor impaired

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

(c) Liquidity Risk

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

52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

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

The Group	Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2014						
Trade payables	**–**	**259,976**	**259,976**	**259,976**	**–**	**–**
Other payables and accruals	**–**	**57,875**	**57,878**	**57,878**	**–**	**–**
Dividend payable	**–**	**16,763**	**16,763**	**16,763**	**–**	**–**
Hire purchase payables	**4.13 – 7.13**	**2,908**	**3,151**	**1,278**	**1,873**	**–**
Term loans	**4.90**	**91,063**	**111,728**	**5,454**	**91,252**	**15,022**
Bill payables	**4.50 to 5.00**	**29,048**	**29,048**	**29,048**	**–**	**–**
Revolving credit	**4.90**	**31,256**	**31,256**	**31,256**	**–**	**–**
Bridging loans	**4.78**	**13,538**	**13,538**	**13,538**	**–**	**–**
Bank overdrafts	**7.60 to 7.75**	**19,235**	**19,235**	**19,235**	**–**	**–**
		521,662	**542,573**	**434,426**	**93,125**	**15,022**
2013						
Trade payables	–	293,023	293,023	293,023	–	–
Other payables and accruals	–	67,096	67,096	67,096	–	–
Dividend payable	–	12,595	12,595	12,595	–	–
Hire purchase payables	3.85 to 7.13	2,759	3,057	1,173	1,884	–
Term loans	4.90	1,744	2,650	144	721	1,785
Bill payables	4.50 to 5.00	18,426	18,426	18,426	–	–
Revolving credit	4.90	20,792	20,792	20,792	–	–
Bridging loans	4.78	4,179	4,179	4,179	–	–
Bank overdrafts	7.60 to 7.75	11,927	11,927	11,927	–	–
		432,541	433,745	429,355	2,605	1,785

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

The Company	Effective Rate %	Carrying Amount RM'000	Contractual Undiscounted Cash Flows RM'000	Within 1 Year RM'000	1 - 5 Years RM'000	Over 5 Years RM'000
2014						
Other payables and accruals	–	**1,125**	**1,125**	**1,125**	–	–
Amount owing to subsidiaries	–	**6,690**	**6,690**	**6,690**	–	–
Dividend payable	–	**16,763**	**16,763**	**16,763**	–	–
		24,578	**24,578**	**24,578**	–	–
2013						
Other payables and accruals	–	712	712	712	–	–
Amount owing to subsidiaries	–	34,500	34,500	34,500	–	–
Dividend payable	–	12,595	12,595	12,595	–	–
		47,807	47,807	47,807	–	–

52.2 CAPITAL RISK MANAGEMENT

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

The Company manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt (total interest-bearing borrowings less cash and cash equivalents) divided by total equity.

There was no change in the Company's approach to capital management during the financial year.

The debt-to-equity ratio of the Company at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total interest-bearing borrowings.

52. FINANCIAL INSTRUMENTS (CONT'D)

52.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Financial assets				
Available-for-sale financial assets				
Long-term investments, at fair value	**195**	195	**–**	–
Long-term investments, at cost	**30**	30	**–**	–
	225	225	**–**	–
Loans and receivables financial assets				
Trade receivables	**209,162**	313,233	**–**	–
Other receivables and deposits	**28,730**	113,814	**26**	50,081
Amount owing by associates	**3,616**	3,483	**–**	–
Amount owing by subsidiaries	**–**	–	**111,208**	69,772
Deposits with licensed banks	**187,614**	155,951	**10,183**	2,996
Cash and bank balances	**96,947**	66,901	**415**	13,475
	526,069	653,382	**121,832**	136,324
Fair value through profit or loss				
Short-term investments	**663**	16,009	**–**	–
Financial liabilities				
Other financial liabilities				
Trade payables	**259,976**	293,023	**–**	–
Other payables and accruals	**57,875**	67,096	**1,125**	712
Amount owing to subsidiaries	**–**	–	**6,690**	34,500
Dividend payable	**16,763**	12,595	**16,763**	12,595
Hire purchase payables	**2,908**	2,759	**–**	–
Term loans	**91,063**	1,744	**–**	–
Bills payable	**29,048**	18,426	**–**	–
Revolving credit	**31,256**	20,792	**–**	–
Bridging loan	**13,538**	4,179	**–**	–
Bank overdrafts	**19,235**	11,927	**–**	–
	521,662	432,541	**24,578**	47,807

52. FINANCIAL INSTRUMENTS (CONT'D)

52.4 FAIR VALUE INFORMATION

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

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000	RM'000
2014								
Financial Assets								
Long-term investments:								
- unquoted shares	–	–	–	#	#	#	#	**30**
Short-term investments:								
- quoted	**663**	–	–	–	–	–	**663**	**663**
Financial Liabilities								
Hire purchase payables	–	–	–	–	**2,975**	–	**2,975**	**2,908**
Term loans	–	–	–	–	**91,063**	–	**91,063**	**91,063**

52. FINANCIAL INSTRUMENTS (CONT'D)

52.4 FAIR VALUE INFORMATION (CONT'D)

	Fair Value Of Financial Instruments Carried At Fair Value			Fair Value Of Financial Instruments Not Carried At Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000	RM'000
2013								
Financial Assets								
Long-term investments:								
- unquoted shares	–	–	–	#	#	#	#	30
Short-term investments:								
- quoted	16,009	–	–	–	–	–	16,009	16,009
Financial Liabilities								
Hire purchase payables	–	–	–	–	2,761	–	2,761	2,759
Term loans	–	–	–	–	1,744	–	1,744	1,744

Note:-

The fair value cannot be reliably measured using valuation techniques due to lack of marketability of the unquoted shares.

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

52. FINANCIAL INSTRUMENTS (CONT'D)

52.4 FAIR VALUE INFORMATION (CONT'D)

The fair values of level 1 and level 2 above have been determined using the following basis:-

(a) The fair values of quoted investments are measured at their quoted closing bid prices at the end of the reporting period.

(b) The fair values of hire purchase payables and term loans are determined by discounting the relevant cash flows using interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

The interest rates used to discount estimated cash flows, where applicable, are as follows:-

	The Group	
	2014	**2013**
	%	**%**
Hire purchase payables	**7.13% – 8.47%**	7.42% – 8.47%
Term loans	**4.75%**	4.9%

In regard to financial instruments carried at fair value, there were no transfer between level 1 and level 2 during the financial year.

53. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	The Group	
	2014	**2013**
	RM'000	**RM'000**
Consolidated Statement of Financial Position (Extract):-		
NON-CURRENT ASSETS:		
Investment property	**10,347**	14,099
CURRENT ASSETS:		
Property development costs	**12,035**	16,383
Amount owing by contract customers	**9,209**	1,109
Trade receivables	**316,338**	308,487
NON-CURRENT LIABILITIES:		
Trade payables	**–**	2,112
CURRENT LIABILITIES:		
Trade payables	**302,515**	292,552

Notes to The Financial Statements
For The Financial Year Ended 31 December 2014

54. SUPPLEMENTARY INFORMATION - DISCLOSURE OF REALISED AND UNREALISED PROFITS/(LOSSES)

The breakdown of the retained profits of the Group and the Company at the end of the reporting period into realised and unrealised profits are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad 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, as follows:-

	The Group	
	2014 RM'000	**2013 RM'000**
Total retained profits:		
- realised	**205,770**	266,725
- unrealised	**(9,598)**	(8,854)
	196,172	257,871
Total share of retained profit of associate:		
- unrealised	**(64)**	(12)
	196,108	257,859
Less : Consolidation adjustments	**(101,938)**	(80,055)
	94,170	177,804

	The Company	
	2014 RM'000	**2013 RM'000**
Total retained profits:		
- realised	**954**	1,670
- unrealised	**–**	–
	954	1,670

Lists of Properties

NO	LOCATION	DESCRIPTION/ EXISTING USE	AGE OF BUILDINGS	TENURE	APPROX. LAND AREA SQ. FT.	NET BOOK VALUE AT 31.12.2014 RM'000	DATE OF REVALUATION*/ ACQUISITION#
1	Lot No. 52500,52501, 52502, 52503, 52504 & 52518, Bandar Baru Bangi, District of Sepang, State of Selangor Darul Ehsan.	Institutional, commercial and residential	Between 6 - 32 years	Freehold	3.411 million	101,466	18.04.02*
2	Lot No. 52505 & 52517, Bandar Baru Bangi, District of Sepang, State of Selangor Darul Ehsan.	Land held for property development	N/A	Freehold	367,911	40,859	18.04.02*
3	Lot Nos. 1576 and 1577, Held Under Grant, Nos. 53674 and 53675, respectively of Mukim 4, Seberang Prai Tengah, Pulau Pinang.	Two adjoining three-storey shop offices	19 years	Freehold	2,799	712	18.04.02*
4	Lot No. P.T. 172, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Intermediate four-storey shophouse	31 years	Leasehold 99 years expiring in 2076	1,760	671	01.03.02#
5	Lot No. P.T. 166, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Intermediate four-storey shophouse	31 years	Leasehold 99 years expiring in 2076	1,760	561	11.06.02#
6	Lot No. P.T. 167, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Intermediate four-storey shophouse	31 years	Leasehold 99 years expiring in 2076	1,760	561	11.06.02#
7	Lot No. P.T. 168, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Intermediate four-storey shophouse	31 years	Leasehold 99 years expiring in 2076	1,760	561	11.06.02#
8	Lot No. P.T. 169, Section 90, Town and District of Kuala Lumpur, State of Wilayah Persekutuan.	Corner lot four-storey shophouse	31 years	Leasehold 99 years expiring in 2076	2,208	786	11.06.02#
9	Country Lease, No. 075356580, Sungai Tinosan, Sandakan, Sabah.	Land for future development	N/A	Leasehold 99 years expiring in 2074	291,850	613	10.03.05#
10	HS (M) 1156, Blok 7, Mukim of Dengkil, District of Sepang, State of Selangor Darul Ehsan.	Workshop	9 years	Leasehold 99 years expiring in 2080	126,300	1,778	05.08.05#
11	2 Cauldrons Crescent, Viking Village Kraaifontein, City of Cape Town, South Africa.	Vacant Land	N/A	Freehold	5,380	95	19.01.07#
12	4 - 14 Odin Drive, Viking Village Kraaifontein, City of Cape Town, South Africa.	Vacant Land	N/A	Freehold	61,579	1,048	19.01.07#

Lists of Properties

NO	LOCATION	DESCRIPTION/ EXISTING USE	AGE OF BUILDINGS	TENURE	APPROX. LAND AREA SQ. FT.	NET BOOK VALUE AT 31.12.2014 RM'000	DATE OF REVALUATION*/ ACQUISITION#
13	2, 4 Viking Way, Viking Village, Kraaifontein, City of Cape Town, South Africa.	Vacant Land	N/A	Freehold	12,008	191	19.01.07#
14	25, 27, 29, 31, 33, 35, 37, Mostert Street, Viking Village, Kraaifontein, City of Cape Town, South Africa.	Vacant Land	N/A	Freehold	37,660	667	19.01.07#
15	HS (M) 3647, Mukim of Dengkil, District of Sepang, State of Selangor Darul Ehsan.	Vacant Land	N/A	Leasehold 99 years expiring in 2091	79,100	719	25.06.08#
16	No. Hakmilik Geran 79109, Lot 3223, Mukim of Beranang, District of Ulu Langat, State of Selangor Darul Ehsan.	Factory	3 years	Freehold	185,566	3,110	07.10.10#
17	HS (D) 367944 PTD 106041, Mukim of Tebrau, District of Johor Bahru, State of Johor Darul Takzim.	Two-storey shop office	3 years	Freehold	2,982	795	17.01.12#
18	Parcel No #17-16, Level 17, Type A, Lot No HS(D) 452849 PTD 198871, Mukim of Plentong, District of Johor Bahru, State of Johor Darul Takzim.	Service Apartment	3 years	Leasehold 99 years expiring in 2105	609	309	18.10.12#
19	HS(D) 478360, No. Lot PTD 204274, Mukim of Plentong, District of Johor Bahru, State of Johor Darul Takzim.	Land held for property development	N/A	Leasehold 99 years expiring in 2084	258,872	12,266	11.05.14#
20	HS(D) 478361, No. Lot PTD 204275, Mukim of Plentong, District of Johor Bahru, State of Johor Darul Takzim.	Land held for property development	N/A	Leasehold 99 years expiring in 2084	78,792	3,733	11.05.14#
21	HS(D) 478356, No. Lot PTD 204269, Mukim of Plentong, District of Johor Bahru, State of Johor Darul Takzim.	Land held for property development	N/A	Leasehold 99 years expiring in 2084	87,080	4,127	11.05.14#
22	HS(D) 478357, No. Lot PTD 204270, Mukim of Plentong, District of Johor Bahru, State of Johor Darul Takzim.	Land held for property development	N/A	Leasehold 99 years expiring in 2084	87,080	4,127	11.05.14#
23	HS(D) 501207, No. Lot PTD 209606, Mukim of Plentong, District of Johor Bahru, State of Johor Darul Takzim.	Land held for property development	N/A	Leasehold 99 years expiring in 2084	113,977	5,400	11.05.14#

Analysis of Shareholdings

As at 24 April 2015

Authorised Share Capital : RM300,000,000.00
Issued and Paid-Up Share Capital : RM167,636,045.00
Class of Shares : Ordinary Shares of RM0.50 each
Voting Rights : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF HOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES HELD	%
1 – 99	98	2.12	4,537	0.00
100 – 1,000	697	15.05	559,067	0.17
1,001 – 10,000	2,569	55.47	13,100,397	3.92
10,001 – 100,000	1,024	22.11	32,179,430	9.62
100,001 – 16,716,753*	242	5.23	258,359,009	77.28
16,716,754 and above**	1	0.02	30,132,650	9.01
***TOTAL	4,631	100.00	334,335,090	100.00

Remarks: * Less than 5% of issued holdings
** 5% and above of issued holdings
*** Excluding 937,000 treasury shares

SUBSTANTIAL SHAREHOLDERS

	DIRECT SHAREHOLDINGS		INDIRECT SHAREHOLDINGS	
NAME	NO. OF SHARES HELD	%	NO. OF SHARES HELD	%
Dato' Sri Chong Ket Pen	42,634,142	12.75	31,266,650	9.35[(1)]
Penmacorp Sdn Bhd	31,266,650	9.35	–	–
Tey Por Yee	40,622,415	12.15	15,229,000	4.56[(2)]

Notes:
(1) Deemed interested pursuant to Section 6(A) of the Company's Act 1965 by Virtue of his shareholdings in Penmacorp Sdn Bhd
(2) Deemed interested pursuant to Section 6(A) of the Company's Act 1965 by Virtue of his shareholdings in Kingdom Seekers Ventures Sdn Bhd

DIRECTORS' SHAREHOLDINGS

	DIRECT SHAREHOLDINGS		INDIRECT SHAREHOLDINGS	
NAME	NO. OF SHARES HELD	%	NO. OF SHARES HELD	%
Tan Sri Datuk Dr Hadenan Bin A Jalil	120,000	0.04	–	–
Dato' Sri Chong Ket Pen	42,634,142	12.75	33,233,650[(a)]	9.94
Dato' Mohd Hanif Bin Sher Mohamed	290,000	0.09	–	–
Dato' Mohd Ibrahim Bin Mohd Nor	–	–	–	–
Dato' Su-Azian @ Muzaffar Syah Bin Abd Rahman	–	–	2,500,000[(b)]	0.75
Dato' Shaiful Hazizy Bin Zainol Abidin	–	–	–	–
Tan Heng Kui	5,995,900	1.79	–	–
Tan Yee Boon	–	–	–	–
Suhaimi Bin Badrul Jamil	–	–	–	–

Notes:
(a) by virtue of his interest via his spouse, children and Penmacorp Sdn Bhd
(b) by virtue of his interest in Rencana Berkat Sdn Bhd

LIST OF TOP 30 SHAREHOLDERS

NO	NAME	NO. OF SHARES HELD	%
1	UOBM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PENMACORP SDN BHD (PCB)	30,132,650	9.01
2	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEY POR YEE	15,556,281	4.65
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KINGDOM SEEKERS VENTURES SDN BHD	15,229,000	4.56
4	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR CHONG KET PEN (PBCL-000086)	14,000,000	4.19
5	CHONG KET PEN	13,893,684	4.16
6	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR CHONG KET PEN (PB)	13,444,000	4.02
7	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEY POR YEE (8109597)	10,845,000	3.24
8	FEDERLITE HOLDINGS SDN BHD	8,074,600	2.42
9	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEY POR YEE	7,018,518	2.10
10	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHAI BENG (M02)	6,905,100	2.07
11	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHAI BENG (CEB)	6,040,000	1.81
12	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR THE BANK OF THE NEW YORK MELLON (MELLON ACCT)	5,156,900	1.54
13	TAN HENG KUI	5,100,000	1.53
14	HSBC NOMINEES (ASING) SDN BHD BNVM SA/NV FOR CONSILIUM EMERGING MARKET SMALL CAP FUND	4,408,425	1.32
15	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOH PIK CHAI (M05)	4,312,200	1.29
16	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	3,636,100	1.09
17	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOH PEE SENG	3,464,100	1.04
18	TEY POR YEE	3,174,074	0.95
19	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BANK SIMPANAN NASIONAL	2,860,000	0.86
20	CITIGROUP NOMINEES (ASING) SDN BHD CBLDN FOR POHJOLA BANK PLC (CLIENT AC-EUR)	2,600,000	0.78
21	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEY POR YEE (MARGIN)	2,522,742	0.75
22	ALLIANCE GROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI KOCK AUN (8116335)	2,500,000	0.75
23	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR YAP OON NEO (PB)	2,500,000	0.75
24	RENCANA BERKAT SDN BHD	2,500,000	0.75
25	DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND SD4N FOR GOVERNMENT OF THE PROVINCE OF ALBERTA	2,496,200	0.75
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA INSURANCE BERHAD (LIFE PAR FUND)	2,157,400	0.65
27	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DFA EMERGING MARKETS SMALL CAP SERIES	2,109,000	0.63
28	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (RHB INV)	2,100,000	0.63
29	DB (MALAYSIA) NOMINEE (ASING) SDN BHD EXEMPT AN FOR DEUTSCHE BANK AG LONDON (PRIME BROKERAGE)	1,991,100	0.60
30	HSBC NOMINEES (ASING) SDN BHD TNTC FOR LSV EMERGING MARKETS SMALL CAP EQUITY FUND, LP	1,923,700	0.58
	TOTAL	198,650,774	59.42

Note:
Without aggregating securities from different securities accounts belonging to the same person.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Fourteenth Annual General Meeting of the Company will be held at Conference Hall, 1st Floor, Corporate Building, Unipark Suria, Jalan Ikram-Uniten, 43000 Kajang, Selangor Darul Ehsan on Thursday, 11 June 2015 at 10.00 a.m. to transact the following businesses:

AGENDA

AS ORDINARY BUSINESS:

1. **TO RECEIVE THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 AND THE REPORTS OF DIRECTORS AND AUDITORS THEREON.**

2. **TO RE-ELECT THE FOLLOWING DIRECTORS RETIRING IN ACCORDANCE WITH ARTICLE 70 OF THE COMPANY'S ARTICLES OF ASSOCIATION:**

   (i) Tan Sri Datuk Dr Hadenan Bin A Jalil **(Ordinary Resolution 1)**
   (ii) Ir Tan Heng Kui **(Ordinary Resolution 2)**

3. **TO RE-ELECT THE FOLLOWING DIRECTORS RETIRING IN ACCORDANCE WITH ARTICLE 76 OF THE COMPANY'S ARTICLES OF ASSOCIATION:**

   (i) Dato' Su-Azian @ Muzaffar Syah Bin Abd Rahman **(Ordinary Resolution 3)**
   (ii) Dato' Shaiful Hazizy Bin Zainol Abidin **(Ordinary Resolution 4)**
   (iii) Suhaimi Bin Badrul Jamil **(Ordinary Resolution 5)**

4. **TO RE-APPOINT MESSRS CROWE HORWATH AS AUDITORS OF THE COMPANY AND AUTHORISE THE DIRECTORS TO DETERMINE THEIR REMUNERATION.** **(Ordinary Resolution 6)**

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following resolutions, with or without modifications:

5. **ORDINARY RESOLUTION - AUTHORITY TO ISSUE SHARES**

   "THAT pursuant to Section 132D of the Companies Act 1965 and subject to the approvals of the relevant authorities, the Directors be empowered to issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever 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 share capital of the Company for the time being and that the Directors be also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." **(Ordinary Resolution 7)**

6. **ORDINARY RESOLUTION - PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY**

"THAT subject to the Companies Act 1965 (Act), the Company's Memorandum and Articles of Association, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities) and requirements of any other relevant authorities, the Directors of the Company be authorised to purchase its own shares through Bursa Securities, subject to the following:

(a) The maximum number of shares which may be purchased by the Company shall not exceed ten per centum (10%) of the issued and paid-up ordinary share capital of the Company at any point in time;

(b) The maximum fund to be allocated by the Company for the purpose of purchasing its shares shall not exceed the retained profits and/or share premium accounts of the Company. As at the latest financial year ended 31 December 2014, the audited retained profits and share premium account of the Company stood at RM0.95 million and RM73.7 million respectively;

(c) The authority conferred by this resolution will be effective upon passing of this resolution and will continue in force until:

(i) the conclusion of the next Annual General Meeting (AGM), at which time the said authority will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
(ii) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 143(2) of the Act); or
(iii) varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first;

(d) Upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt with in the following manner:

(i) cancel the shares so purchased;
(ii) retain the shares so purchased as treasury shares;
(iii) distribute the treasury shares as dividends to shareholders;
(iv) resell the treasury shares on Bursa Securities in accordance with the relevant rules of Bursa Securities; and
(v) any combination of the above (i), (ii), (iii) and (iv).

THAT the Directors of the Company be authorised to take all such steps as are necessary and enter into all other agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own shares." **(Ordinary Resolution 8)**

7. **ORDINARY RESOLUTION - PROPOSED ALLOCATION OF EMPLOYEES' SHARE SCHEME SHARES AND EMPLOYEES' SHARE SCHEME OPTIONS (AWARDS) TO DATO' SU-AZIAN @ MUZAFFAR SYAH BIN ABD RAHMAN**

"THAT approval be and is hereby given to the Board to offer and grant to Dato' Su-Azian @ Muzaffar Syah Bin Abd Rahman, Executive Director, Awards to subscribe for such number of ordinary shares of RM0.50 each up to an aggregate of 2,500,000 of the total number of ordinary shares of RM0.50 each to be issued pursuant to the Employees' Share Scheme of the Company, subject always to such terms and conditions of the By-Laws governing the Awards (By-Laws) and/or any adjustment which may be made in accordance with the provisions of the By-Laws." **(Ordinary Resolution 9)**

8. ORDINARY RESOLUTION - PROPOSED ALLOCATION OF EMPLOYEES' SHARE SCHEME SHARES AND EMPLOYEES' SHARE SCHEME OPTIONS (AWARDS) TO DATO' MOHD IBRAHIM BIN MOHD NOR

"THAT approval be and is hereby given to the Board to offer and grant to Dato' Mohd Ibrahim Bin Mohd Nor, Independent Non-Executive Director, Awards to subscribe for such number of ordinary shares of RM0.50 each up to an aggregate of 400,000 of the total number of ordinary shares of RM0.50 each to be issued pursuant to the Employees' Share Scheme of the Company, subject always to such terms and conditions of the By-Laws governing the Awards (By-Laws) and/or any adjustment which may be made in accordance with the provisions of the By-Laws." **(Ordinary Resolution 10)**

9. ORDINARY RESOLUTION - PROPOSED ALLOCATION OF EMPLOYEES' SHARE SCHEME SHARES AND EMPLOYEES' SHARE SCHEME OPTIONS (AWARDS) TO DATO' SHAIFUL HAZIZY BIN ZAINOL ABIDIN

"THAT approval be and is hereby given to the Board to offer and grant to Dato' Shaiful Hazizy Bin Zainol Abidin, Independent Non-Executive Director, Awards to subscribe for such number of ordinary shares of RM0.50 each up to an aggregate of 400,000 of the total number of ordinary shares of RM0.50 each to be issued pursuant to the Employees' Share Scheme of the Company, subject always to such terms and conditions of the By-Laws governing the Awards (By-Laws) and/or any adjustment which may be made in accordance with the provisions of the By-Laws." **(Ordinary Resolution 11)**

10. ORDINARY RESOLUTION - PROPOSED ALLOCATION OF EMPLOYEES' SHARE SCHEME SHARES AND EMPLOYEES' SHARE SCHEME OPTIONS (AWARDS) TO SUHAIMI BIN BADRUL JAMIL

"THAT approval be and is hereby given to the Board to offer and grant to Suhaimi Bin Badrul Jamil, Independent Non-Executive Director, Awards to subscribe for such number of ordinary shares of RM0.50 each up to an aggregate of 400,000 of the total number of ordinary shares of RM0.50 each to be issued pursuant to the Employees' Share Scheme of the Company, subject always to such terms and conditions of the By-Laws governing the Awards (By-Laws) and/or any adjustment which may be made in accordance with the provisions of the By-Laws." **(Ordinary Resolution 12)**

11. TO TRANSACT ANY OTHER BUSINESS OF WHICH DUE NOTICE SHALL HAVE BEEN RECEIVED

BY ORDER OF THE BOARD

KHOR HOOI LING
SEOW FEI SAN
Secretaries

Petaling Jaya
19 May 2015

NOTES TO NOTICE OF FOURTEENTH ANNUAL GENERAL MEETING:

1. Only Members whose names appear on the Record of Depositors as at 3 June 2015 shall be entitled to attend, speak and vote at the Fourteenth Annual General Meeting.

2. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy may but need not be a member of the Company.

3. A Member shall be entitled to appoint not more than two (2) proxies to attend and vote at the Fourteenth Annual General Meeting. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless the Member specifies the proportions of his holdings to be represented by each proxy.

4. Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

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 shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.

7. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty eight (48) hours before the time appointed for holding the Fourteenth Annual General Meeting or any adjournment thereof.

8. Explanatory notes on Special Business:

   Ordinary Resolution 7 - The proposed Resolution 7, if passed, will give the Directors of the Company, from the date of the Fourteenth Annual General Meeting, authority to allot and issue shares from the unissued capital of the Company for such purposes as the Directors may deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

   As at the date of printing of the Annual Report, no new shares were issued by the Company pursuant to the authority granted to the Directors at the Thirteenth Annual General Meeting held on 24 June 2014 and the said authority will lapse at the conclusion of the Fourteenth Annual General Meeting.

   The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

   Ordinary Resolution 8 - The proposed Resolution 8, if passed, will empower the Directors of the Company to purchase the Company's shares up to ten percent (10%) of the issued and paid-up share capital of the Company (Proposed Share Buy-Back) by utilising the funds allocated which shall not exceed the total retained earnings and share premium account of the Company. Further information on the Proposed Shares Buy-Back is set out in the Share Buy-Back Statement to Shareholders dated 19 May 2015, which is despatched together with the Company's Annual Report 2014.

   Ordinary Resolutions 9-12 - The proposed Resolutions 9 to 12, if passed, will empower the Directors of the Company to grant the Directors who were appointed as Directors of the Company after the implementation of the Employees' Share Scheme in 2013 the right to have a number of the Company's shares vested and options which upon exercise, to obtain the Company's shares at a pre-determined price.

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Form of Proxy

PROTASCO BERHAD
(548078-H)
(Incorporated in Malaysia)

I/We ____
(Full Name in Capital Letters)

of ____
(Full Address)

being a member/members of **Protasco Berhad** hereby appoint ______________________________
(Full Name in Capital Letters)

of ____
(Full Address)

or failing him/her ____
(Full Name in Capital Letters)

of ____
(Full Address)

or failing him/her, the Chairman of the Meeting as my/our proxy to vote on my/our behalf at the Fourteenth Annual General Meeting of the Company to be held at Conference Hall, 1st Floor, Corporate Building, Unipark Suria, Jalan Ikram-Uniten, 43000 Kajang, Selangor Darul Ehsan on Thursday, 11 June 2015 at 10.00 a.m. and at any adjournment thereof.

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	To re-elect Tan Sri Datuk Dr Hadenan Bin A Jalil as Director of the Company		
2.	To re-elect Ir Tan Heng Kui as Director of the Company		
3.	To re-elect Dato' Su-Azian @ Muzaffar Syah Bin Abd Rahman as Director of the Company		
4.	To re-elect Dato' Shaiful Hazizy Bin Zainol Abidin as Director of the Company		
5.	To re-elect Suhaimi Bin Badrul Jamil as Director of the Company		
6.	To re-appoint Messrs Crowe Horwath as Auditors of the Company and authorise the Directors to determine their remuneration		
7.	To approve the Authority to Issue Shares		
8.	To approve the proposed renewal of share buy-back authority		
9.	To allocate awards to Dato' Su-Azian @ Muzaffar Syah Bin Abd Rahman		
10.	To allocate awards to Dato' Mohd Ibrahim Bin Mohd Nor		
11.	To allocate awards to Dato' Shaiful Hazizy Bin Zainol Abidin		
12.	To allocate awards to Suhaimi Bin Badrul Jamil		

Please indicate with a "X" in the space above on how you wish to cast your vote. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Signed this .... day of ...., 2015

Number of shares held | |

____
Signature of Shareholder or Common Seal

Notes:

1. Only Members whose names appear on the Record of Depositors as at 3 June 2015 shall be entitled to attend, speak and vote at the Fourteenth Annual General Meeting.

2. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, speak and vote in his stead. A proxy may but need not be a member of the Company.

3. A Member shall be entitled to appoint not more than two (2) proxies to attend and vote at the Fourteenth Annual General Meeting. Where a Member appoints more than one (1) proxy, the appointment shall be invalid unless the Member specifies the proportions of his holdings to be represented by each proxy.

4. Where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

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 shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.

7. The instrument appointing a proxy and the power of attorney or other authority (if any), under which it is signed or a notarially certified copy thereof, must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty eight (48) hours before the time appointed for holding the Fourteenth Annual General Meeting or any adjournment thereof.

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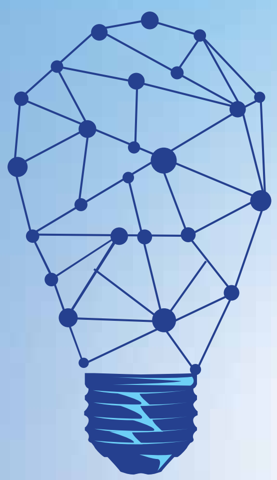
STAMP

The Company Secretaries

PROTASCO BERHAD
802, 8th Floor, Block C, Kelana Square
17, Jalan SS7/26, 47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Please fold here

PROTASCO BERHAD



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43000 Kajang, Selangor, Malaysia
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F: 603 8926 4008

Kuala Lumpur Office:
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