Golden Pharos Berhad
(152205 W)
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 December 2014

Ernst & Young

AF : 0039

152205 W

Golden Pharos Berhad
(Incorporated in Malaysia)

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Directors' report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2014.

Principal activities

The principal activities of the Company are investment holding and provision of management services to the subsidiaries.

The principal activities of the subsidiaries and associates of the Group are stated in Notes 16 and 17 to the financial statements respectively.

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

Results

	Group RM'000	Company RM'000
Profit/(loss) net of tax	14,846	(9,366)

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

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

Dividends

No dividends were paid or declared since the end of the previous financial year. The directors do not recommend the payment of any dividends in respect of the current financial year.

Directors

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

Dato' Haji Abdul Rahman bin Bakar	
Haji Jusoh bin Ali	
Dato' Haji Osman bin Muda	(appointed on 28 August 2014)
Dato' Sabri bin Mohd Noor	(appointed on 28 August 2014)
Dato' Haji Wan Nawawi bin Haji Wan Ismail	(appointed on 28 August 2014)
Mohamad Nor bin Ibrahim	(appointed on 28 August 2014)
Azaki bin Che Endut	(appointed on 28 August 2014)
Rosli bin Abd Rahman	(appointed on 28 August 2014)
Dato' Senara Muda (Dato' Mazlan @Mohd Nanri bin Hashim)	(resigned on 28 August 2014)
Dato' Haji Mazlan bin Ngah	(resigned on 28 August 2014)
Haji Jusoh @ Kobi bin Musa	(resigned on 28 August 2014)
Y.M. Engku Md Azmi bin Engku Abd Rahman	(resigned on 28 August 2014)
Ramli bin Ismail (Alternate director to Y.M. Engku Md Azmi bin Engku Abd Rahman)	(resigned on 28 August 2014)
Wong Shew Yong	(retired on 24 June 2014)

Directors' benefits

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 11 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Directors' interests

According to the register of directors' shareholdings, none of the directors who held office at the end of the financial year, had any interest in shares in the Company or its related corporations during the financial year.

Other statutory information

(a) Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

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

   (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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

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

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

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

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

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

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

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

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Other statutory information (continued)

(f) In the opinion of the directors:

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

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

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 15 APR 2015

Dato' Haji Abdul Rahman bin Bakar

Dato' Haji Osman bin Muda

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Golden Pharos Berhad
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Statement by directors
Pursuant to Section 169(15) of the Companies Act 1965

We, Dato' Haji Abdul Rahman bin Bakar and Dato' Haji Osman bin Muda, being two of the directors of Golden Pharos Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 9 to 92 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the year then ended.

The information set out in Note 37 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 15 APR 2015

Dato' Haji Abdul Rahman bin Bakar

Dato' Haji Osman bin Muda

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

I, Suhairi bin Sulong, being the officer primarily responsible for the financial management of Golden Pharos Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 9 to 93 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Suhairi bin Sulong at Kuala Terengganu in the state of Terengganu Darul Iman on 15 APR 2015

Suhairi bin Sulong

Before me,

PESURUHJAYA SUMPAH
T.052
ARIATI BINTI IBRAHIM
MALAYSIA

LOT G1, TINGKAT BAWAH
MENARA YAYASAN ISLAM TERENGGANU
JALAN SULTAN OMAR
20300 KUALA TERENGGANU, TERENGGANU

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Independent auditors' report to the members of Golden Pharos Berhad (Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Golden Pharos 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 year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 92.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the 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 the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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Independent auditors' report to the members of Golden Pharos Berhad (continued)
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Auditors' responsibility (continued)

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

Opinion

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

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 have been properly kept in accordance with the provisions of the Act.

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

(c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

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Independent auditors' report to the members of
Golden Pharos Berhad (continued)
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Other reporting responsibilities

The supplementary information set out in Note 37 on page 93 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 Requirement, 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.

Ernst & Young

Ernst & Young
AF: 0039
Chartered Accountants

Adeline Chan Su Lynn
No. 3082/07/15 (J)
Chartered Accountant

Kuala Terengganu, Terengganu Darul Iman, Malaysia
15 April 2015

Golden Pharos Berhad
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Statements of profit or loss and other comprehensive income
For the financial year ended 31 December 2014

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Revenue	4	106,354	79,140	11,179	3,692
Cost of sales		(73,005)	(66,372)	-	-
Gross profit		33,349	12,768	11,179	3,692
Other items of income					
Interest income	5	323	106	27	499
Dividend income from investment securities	6	169	409	-	-
Other income	7	2,397	570	10	37
Other items of expense					
Selling and distribution expenses		(2,172)	(1,759)	-	-
Administrative expenses		(13,108)	(12,150)	(20,336)	(1,659)
Finance costs	8	(512)	(1,459)	(328)	(1,230)
Other expenses		(314)	(340)	-	-
Share of results of associate		263	-	-	-
Profit/(loss) before tax	9	20,395	(1,855)	(9,448)	1,339
Income tax (expense)/benefit	12	(5,549)	(696)	82	76
Profit/(loss) net of tax		14,846	(2,551)	(9,366)	1,415

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Statements of profit or loss and other comprehensive income
For the financial year ended 31 December 2014 (continued)

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Other comprehensive income:					
Items that will be reclassified subsequently to profit or loss :					
(Loss)/gain on fair value changes of available-for-sale financial assets		(1,230)	3,053	-	-
Other comprehensive (loss)/ income, net of tax		(1,230)	3,053	-	-
Total comprehensive income/ (loss) for the year		13,616	502	(9,366)	1,415
Earnings/(loss) per share attributable to owners of the parent (sen per share)					
- Basic and Diluted	13	11.03	(1.90)		

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

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Golden Pharos Berhad
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Statements of financial position as at 31 December 2014

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Assets					
Non-current assets					
Property, plant and equipment	14	68,569	69,140	8,478	8,343
Goodwill	15	-	-	-	-
Investments in subsidiaries	16	-	-	45,021	45,021
Investments in associates	17	263	-	-	-
Deferred tax assets	18	211	429	-	-
Investment securities	19	7,758	8,900	-	-
		76,801	78,469	53,499	53,364
Current assets					
Inventories	20	13,054	18,672	-	-
Trade and other receivables	21	14,581	16,601	3,304	20,322
Prepayments		3,614	5,026	254	5
Tax recoverable		785	1,751	-	-
Cash and bank balances	22	19,883	5,973	632	242
		51,917	48,023	4,190	20,569
Total assets		128,718	126,492	57,689	73,933
Equity and liabilities					
Current liabilities					
Retirement benefit obligations	24	281	629	-	34
Borrowings	23	1,818	5,613	88	93
Trade and other payables	25	30,674	38,323	29,633	36,536
Tax payable		34	204	-	-
		32,807	44,769	29,721	36,663
Net current assets/(liabilities)		19,110	3,254	(25,531)	(16,094)
Non-current liabilities					
Retirement benefit obligations	24	6,000	5,120	236	168
Deferred tax liabilities	18	1,937	2,517	414	496
Borrowings	23	1,190	918	228	150
Other payables	25	-	-	1	1
		9,127	8,555	879	815
Total liabilities		41,934	53,324	30,600	37,478
Net assets		86,784	73,168	27,089	36,455

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Statements of financial position as at 31 December 2014 (continued)

		Group		Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Equity attributable to owners of the parent					
Share capital	26	67,273	67,273	67,273	67,273
Share premium	26	625	625	625	625
Retained earnings/ (accumulated losses)		36,088	21,242	(41,009)	(31,643)
Other reserves	27	(17,202)	(15,972)	200	200
Total equity		86,784	73,168	27,089	36,455
Total equity and liabilities		128,718	126,492	57,689	73,933

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

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Statements of changes in equity
For the financial year ended 31 December 2014

		Attributable to owners of the parent							
				Non-distributable	Distributable		Non-distributable		
2014 **Group**	**Note**	**Equity, total RM'000**	**Share capital RM'000**	**Share premium RM'000**	**Total retained earnings RM'000**	**Other reserves, total RM'000**	**Fair value adjustment reserve RM'000**	**Equity contribution from a corporate shareholder RM'000**	**Reserve arising from merger RM'000**
Opening balance at 1 January 2014		73,168	67,273	625	21,242	(15,972)	6,546	200	(22,718)
Profit for the year		14,846	-	-	14,846	-	-	-	-
Other comprehensive income									
- Fair value adjustment reserve	27	(1,230)	-	-	-	(1,230)	(1,230)	-	-
Total comprehensive income		13,616	-	-	14,846	(1,230)	(1,230)	-	-
Closing balance at 31 December 2014		86,784	67,273	625	36,088	(17,202)	5,316	200	(22,718)
Opening balance at 1 January 2013		72,466	67,273	625	23,793	(19,225)	3,493	-	(22,718)
Loss for the year		(2,551)	-	-	(2,551)	-	-	-	-
Other comprehensive income									
- Fair value adjustment reserve	27	3,053	-	-	-	3,053	3,053	-	-
Total comprehensive income		502	-	-	(2,551)	3,053	3,053	-	-
Transaction with owner									
Waiver of amount due to a corporate shareholder		200	-	-	-	200	-	200	-
Closing balance at 31 December 2013		73,168	67,273	625	21,242	(15,972)	6,546	200	(22,718)

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

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Statements of changes in equity (continued)
For the financial year ended 31 December 2014

				Non-distributable			
2014 **Company**	**Note**	**Equity, total RM'000**	**Share capital RM'000**	**Share premium RM'000**	**Accumulated losses RM'000**	**Other reserve RM'000**	**Equity contribution from shareholder RM'000**
Opening balance at 1 January 2014		36,455	67,273	625	(31,643)	200	200
Total comprehensive loss		(9,366)	-	-	(9,366)	-	-
Closing balance at 31 December 2014		27,089	67,273	625	(41,009)	200	200
Opening balance at 1 January 2013		34,840	67,273	625	(33,058)	-	-
Total comprehensive income		1,415	-	-	1,415	-	-
Transaction with owner							
Waiver of amount due to shareholder	27	200	-	-	-	200	200
Closing balance at 31 December 2013		36,455	67,273	625	(31,643)	200	200

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

Golden Pharos Berhad
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Statements of cash flows
For the financial year ended 31 December 2014

		Group		Company	
	Note	**2014 RM'000**	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Operating activities					
Profit/(loss) before tax		20,395	(1,855)	(9,448)	1,339
Adjustments for:					
Dividend income					
- Investments in subsidiaries	4	-	-	(8,726)	(1,239)
- Investment securities	6	(169)	(409)	-	-
Profit from Al-Mudharabah	7	(20)	(9)	-	(1)
Finance costs	8	512	1,459	328	1,230
Depreciation of property, plant and equipment	9	4,550	4,477	293	266
Impairment loss on inventories	9	33	-	-	-
Gain on disposal of property, plant and equipment	7	(135)	(33)	-	(1)
Gain on disposal of assets classified as held for sale	7	-	(35)	-	(35)
Property, plant and equipment written off	9	22	13	1	6
Impairment loss on trade and other receivables	9	582	514	16,465	-
Reversal of allowance for impairment of trade and other receivables	7	-	(31)	-	-
Reversal of allowance for impairment of loss in a subsidiary	9	-	-	-	(2,104)
Interest income	5	(323)	(106)	(27)	(499)
Net unrealised foreign exchange gain	7	(48)	(32)	-	-
Share of results of associate		(263)	-	-	-
Provision for retirement benefits	10	630	656	34	32
Provision for short-term accumulating compensated absences	10	97	86	25	21
Total adjustments		5,468	6,550	8,393	(2,324)

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Statements of cash flows
For the financial year ended 31 December 2014 (continued)

	Note	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Operating cash flows before changes in working capital		**25,863**	**4,695**	**(1,055)**	**(985)**
Changes in working capital:					
Decrease/(increase) in inventories		5,618	(1,126)	-	-
Decrease/(increase) in trade and other receivables		1,440	(2,133)	553	(143)
Decrease/(increase) in prepayments		1,412	579	(249)	1
(Decrease)/increase in trade and other payables		(8,122)	3,209	(7,244)	(75)
Total changes in working capital		348	529	(6,940)	(217)
Cash flows from/(used in) operations		**26,211**	**5,224**	**(7,995)**	**(1,202)**
Profit from Al-Mudharabah		20	9	-	1
Finance costs		(113)	(538)	-	-
Income taxes (paid)/refund		(5,106)	1,311	-	211
Retirement benefits paid	24	(98)	(538)	-	(22)
Net cash flows from/(used in) operating activities		**20,914**	**5,468**	**(7,995)**	**(1,012)**
Investing activities					
Purchase of property, plant and equipment	14	(3,121)	(1,611)	(271)	(32)
Proceeds from disposal of property, plant and equipment		182	81	-	1
Placement of deposits in licensed banks		203	(42)	-	-
Proceed from disposal of assets classified as held for sale		-	42	-	42
Dividend received					
- Investment securities		81	354	-	-
- Investments in subsidiaries		-	-	8,726	1,285
Profit sharing and interest received		323	349	26	1
Net cash flows (used in)/from investing activities		**(2,332)**	**(827)**	**8,481**	**1,297**

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Statements of cash flows
For the financial year ended 31 December 2014 (continued)

		Group		Company	
	Note	**2014**	**2013**	**2014**	**2013**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Financing activities					
Drawdowns from borrowings		303	7,962	-	-
Repayment of borrowings		(2,852)	(9,498)	-	-
Repayment of obligations under finance leases		(514)	(351)	(86)	(80)
Cost of fund and interest paid		(18)	(18)	(10)	(13)
Net cash flows used in financing activities		**(3,081)**	**(1,905)**	**(96)**	**(93)**
Net increase in cash and cash equivalents		15,501	2,736	390	192
Cash and cash equivalents at 1 January		2,398	(338)	242	50
Cash and cash equivalents at 31 December	22	**17,899**	**2,398**	**632**	**242**

The accompanying accounting policies and explanatory information form an integral part of the financial statements.

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Lot PT 3071, Kawasan Perindustrian Chendering, 21080 Kuala Terengganu, Terengganu Darul Iman.

The principal place of business of the Company is located at 66-2 Taman Sri Intan, Jalan Sultan Omar, 20300 Kuala Terengganu, Terengganu Darul Iman.

The holding company is Terengganu Incorporated Sdn. Bhd., a company incorporated in Malaysia.

The principal activities of the Company are investment holding and provision of management services to the subsidiaries. The principal activities of the subsidiaries and associates are set out in Notes 16 and 17 respectively.

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

2. Summary of significant accounting policies

2.1 Basis of preparation

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

The financial statements of the Group and of the Company are prepared under the historical cost convention except as disclosed in the summary of significant accounting policies.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM’000) except when otherwise indicated.

2. Summary of significant accounting policies (continued)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2014, the Group and the Company adopted the following new and amended MFRS and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2014.

Description	Effective for annual periods beginning or after
Amendments to MFRS 132 Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21: Levies	1 January 2014

The nature and impact of the new and amended MFRSs and IC Interpretation are described below:

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities

The amendments clarify the meaning of “currently has a legally enforceable right to set-off” and “simultaneous realisation and settlement”. These amendments are to be applied retrospectively. These amendments have no impact on the Group, since none of the entities in the Group has any offsetting arrangements.

Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under MFRS 10 Consolidated Financial Statements and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the Group, since none of the entities in the Group qualifies to be an investment entity under MFRS 10.

Adoption of the above Amendments and IC Interpretation did not have any significant effect on the financial performance and position of the Group and the Company.

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning or after
Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to MFRS 2010–2012 Cycle	1 July 2014
Annual Improvements to MFRS 2011–2013 Cycle	1 July 2014
Annual Improvements to MFRS 2012 – 2014 Cycle	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRS 101: Disclosure Initiatives	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
MFRS 14 Regulatory Deferral Accounts	1 January 2016
MFRS 15 Revenue from Contracts with Customers	1 January 2017
MFRS 9 Financial Instruments	1 January 2018

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

The directors expect that the adoption of the above Amendments and standards will have no material impact on the financial statements of the Group and the Company in the period of initial application except as discussed below:

Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions

The amendments to MFRS 119 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee. For contributions that are independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. For contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Company's financial statements.

Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of an asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as the Group has not used a revenue-based method to depreciate its non-current assets.

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

Amendments to MFRS 101: Disclosure Initiatives

The amendments to MFRS 101 include narrow-focus improvements in the following five areas:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income arising from equity accounted investments

The Directors of the Company do not anticipate that the application of these amendments will have a material impact on the Group's and the Company's financial statements.

Amendments to MFRS 10, MFRS 12 and MFRS 128: Investment Entities: Applying the Consolidation Exception

The amendments clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments further clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. In addition, the amendments also provides that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

MFRS 15 Revenue from Contracts with Customers (continued)

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Directors anticipate that the application of MFRS 15 will have no impact on the amounts reported and disclosures made in the the Company’s financial statements.

MFRS 9 Financial Instruments

In November 2014, MASB issued the final version of MFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces MFRS 139 Financial Instruments: Recognition and Measurement and all previous versions of MFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. MFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of MFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

Annual Improvements to MFRS 2010–2012 Cycle

The Annual Improvements to MFRS 2010-2012 Cycle include a number of amendments to various MFRS, which are summarised below. The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company’s financial statements.

Standards	Descriptions
MFRS 3 Business Combinations	The amendments to MFRS 3 clarifies that contingent consideration classified as liabilities (or assets) should be measured at fair value through profit or loss at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of MFRS 9 or MFRS 139. The amendments are effective for business combinations for which the acquisition date is on or after 1 July 2014.

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

Annual Improvements to MFRS 2010–2012 Cycle (continued)

Standards	Descriptions
MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets	The amendments remove inconsistencies in the accounting for accumulated depreciation or amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amendments clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.
MFRS 124 Related Party Disclosures	The amendments clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. The reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services.

Annual Improvements to MFRS 2011–2013 Cycle

The Annual Improvements to MFRS 2011-2013 Cycle include a number of amendments to various MFRS, which are summarised below. The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company’s financial statements.

Standards	Descriptions
MFRS 13 Fair Value Measurement	The amendments to MFRS 13 clarify that the portfolio exception in MFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of MFRS 9 (or MFRS 139 as applicable).

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

Annual Improvements to MFRS 2012–2014 Cycle

The Annual Improvements to MFRS 2012-2014 Cycle include a number of amendments to various MFRS, which are summarised below. The Directors of the Company do not anticipate that the application of these amendments will have a significant impact on the Group's and the Company’s financial statements.

Standards	Descriptions
MFRS 7 Financial Instruments: Disclosures	The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in MFRS 7 in order to assess whether the disclosures are required. In addition, the amendment also clarifies that the disclosures in respect of offsetting of financial assets and financial liabilities are not required in the condensed interim financial report.

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

2. Summary of significant accounting policies (continued)

2.4 Basis of consolidation (continued)

The Company controls an investee if and only if the Company has all the following:

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) Potential voting rights held by the Company, other vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

2. Summary of significant accounting policies (continued)

2.4 Basis of consolidation (continued)

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 139, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.7.

2. Summary of significant accounting policies (continued)

2.5 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its investment with the investee; and
(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.6 Investments in associates

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

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

An associate is equity accounted for from the date on which the investee becomes an associate.

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

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

2. Summary of significant accounting policies (continued)

2.6 Investments in associates (continued)

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

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

In the Company's separate financial statements, investments in associates are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.7 Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

2. Summary of significant accounting policies (continued)

2.8 Property, plant and equipment

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

Subsequent to recognition, property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. When significant parts of property and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Work-in progress is also not depreciated as this asset is not available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful lives of the assets, at the following annual rates and useful life:

Leasehold land	50 - 60 years
Buildings	2% - 5%
Plant and machinery	6% - 20%
Furniture, fittings and equipment	5% - 20%
Motor vehicles	10% - 20%
Renovation	10%
Infrastructure	4% - 20%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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

2. Summary of significant accounting policies (continued)

2.9 Impairment of non-financial assets

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

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

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

Impairment losses are recognised in profit or loss.

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

2.10 Financial assets

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

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

2. Summary of significant accounting policies (continued)

2.10 Financial assets (continued)

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

The Group and the Company have classified their financial assets as loans and receivables and available-for-sale financial assets.

(a) Loans and receivables

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

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

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

(b) Available-for-sale financial assets

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

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

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

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.

2. Summary of significant accounting policies (continued)

2.10 Financial assets (continued)

(b) Available-for-sale financial assets (continued)

Investments in quoted securities are designated as available-for-sale financial assets.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

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

2.11 Impairment of financial assets

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

(a) Trade and other receivables and other financial assets carried at amortised cost

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

2. Summary of significant accounting policies (continued)

2.11 Impairment of financial assets (continued)

(a) Trade and other receivables and other financial assets carried at amortised cost (continued)

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

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

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

(b) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

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

2. Summary of significant accounting policies (continued)

2.11 Impairment of financial assets (continued)

(c) Available-for-sale financial assets (continued)

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

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

2.12 Cash and cash equivalents

Cash and short-term deposits in the statements of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the statements of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdraft.

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials and consumable materials: purchase costs on a first-in first-out basis.

- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

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

2. Summary of significant accounting policies (continued)

2.14 Provisions

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

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

2.15 Financial liabilities

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

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

The Group and the Company have classified their financial liabilities as other financial liabilities.

The Group’s and the Company's other financial liabilities include trade and other payables and borrowings.

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

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

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

2. Summary of significant accounting policies (continued)

2.15 Financial liabilities (continued)

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

2.16 Offsetting of financial instruments

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

2.17 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the tems of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

2.18 Employee benefits

(a) Short-term benefits

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

2. Summary of significant accounting policies (continued)

2.18 Employee benefits (continued)

(b) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(c) Defined benefit plans

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise the following:
- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Remeasurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

2. Summary of significant accounting policies (continued)

2.18 Employee benefits (continued)

(c) Defined benefit plans (continued)

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognised as a separate asset at fair value when and only when reimbursement is virtually certain.

(d) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either to terminate the employment of current employees according to the detailed plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the reporting date are discounted to present value.

2.19 Leases

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

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

2. Summary of significant accounting policies (continued)

2.19 Leases (continued)

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.20 Borrowing costs

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

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.21 Revenue

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

(a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risks and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(c) Dividend income

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

2. Summary of significant accounting policies (continued)

2.21 Revenue (continued)

(d) Management fees

Management fees are recognised when services are rendered.

(e) Interest income

Interest income is recognised using the effective interest method.

2.22 Income taxes

(a) Current tax

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

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

(b) Deferred tax

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

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. Summary of significant accounting policies (continued)

2.22 Income taxes (continued)

(b) Deferred tax (continued)

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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

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 transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. Summary of significant accounting policies (continued)

2.22 Income taxes (continued)

(c) Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

2.23 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 34, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.24 Share capital and share issuance expenses

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

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

2.25 Contingencies

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

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

2. Summary of significant accounting policies (continued)

2.26 Fair value measurements

The Group measures its financial instruments, such as, derivatives, at fair value at each reporting date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 31(b).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or
(ii) In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

2. Summary of significant accounting policies (continued)

2.27 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company’s functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

3. Significant accounting judgements and estimates

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

3.1 Judgements made in applying accounting policies

There were no significant judgements made in applying the accounting policies of the Group which may have significant effects of the amounts recognised in the financial statements.

3. Significant accounting judgements and estimates (continued)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Useful lives of plant and machinery

The cost of plant and machinery for the manufacture of wood related products is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these plant and machinery to be within 5 to 17 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's plant and machinery at the reporting date is disclosed in Note 14.

(b) Deferred tax assets

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

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future production and sales volume, operating costs, capital expenditure, dividends and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statement of financial position and the amount of unrecognised tax losses and capital allowances. The carrying amount of the Group's deferred tax assets at the reporting date is disclosed in Note 18.

(c) Impairment of loans and receivables

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

3. Significant accounting judgements and estimates (continued)

3.2 Key sources of estimation uncertainty (continued)

(c) Impairment of loans and receivables (continued)

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the reporting date is disclosed in Note 21.

(d) Defined benefit plan

The cost of defined benefit pension plan is determined using the actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. All assumptions are reviewed at each reporting date. The carrying amounts of the Group's and of the Company's defined benefit plan at the reporting date and related assumptions are disclosed in Note 24.

(e) Impairment of investments in subsidiaries and associates

The Company assesses whether there are indicators of impairment for its investments in subsidiaries and associates at each reporting date. The Company carried out the impairment test based on the estimation of the higher of the value-in-use or the fair value less cost to sell of the cash-generating units ("CGU") to which the investments in subsidiaries and associates belong to. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the CGU and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amounts of the investments in subsidiaries and associates at the reporting date are disclosed in Note 16 and Note 17 respectively.

4. Revenue

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Sale of goods	106,330	79,115	-	-
Rental income	24	25	728	728
Dividend income from subsidiaries	-	-	8,726	1,239
Management fees from subsidiaries	-	-	1,725	1,725
	106,354	79,140	11,179	3,692

5. Interest income

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Interest income from:				
Loans and receivables	323	106	27	499

Included in interest income from loans and receivables of the Company is interest of RMNil (2013:RM498,000) on amounts due from subsidiaries (Note 21).

6. Dividend income

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Dividend income from:				
Available-for-sale financial assets				
- Equity instruments (quoted in Malaysia)	169	409	-	-

7. Other income

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Reversal of allowances for impairment of trade and other receivables (Note 21)	-	31	-	-
Sale of scrap and other products	16	92	-	-
Gain on disposal of property, plant and equipment	135	33	-	1
Unrealised gain on foreign exchange	48	32	-	-
Realised gain on foreign exchange	24	106	-	-
Discount received	15	-	10	-
Profit from Al-Mudharabah	20	9	-	1
Gain on disposal of assets classified as held for sale	-	35	-	35
Insurance compensation	1,568	-	-	-
Post-filling forest inventory development	407	-	-	-
Miscellaneous	164	232	-	-
	2,397	570	10	37

8. Finance costs

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Interest expense on:				
Hire purchase payables	90	75	10	21
Bankers' acceptances	15	142	-	-
Overdrafts	26	199	-	-
Intercompany loans and advances	-	-	1	263
Interest expense on loans and advances:				
- holding company	263	381	199	284
- a corporate shareholder	118	662	118	662
	512	1,459	328	1,230

9. Profit/(loss) before tax

The following items have been included in arriving at profit/(loss) before tax:

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Auditors' remuneration:				
- Current year	146	146	54	54
- Other services	65	65	65	65
Employee benefits expense (Note 10)	18,105	16,232	1,738	1,687
Non-executive directors' remuneration excluding benefits-in-kind (Note 11)	932	1,045	495	473
Depreciation of property, plant and equipment (Note 14)	4,550	4,477	293	266
Property, plant and equipment written off	22	13	1	6

9. Profit/(loss) before tax (continued)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Impairment loss on trade and other receivables (Note 21(a),(c))	582	514	16,465	-
Sustainable forest management expenses	1,043	1,051	-	-
Rental of equipment	11	22	8	11
Rental of land and buildings	397	326	74	71
Impairment loss on inventories	33	-	-	-
Reversal of allowance for impairment loss in a subsidiary	-	-	-	(2,104)

10. Employee benefits expense

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Wages and salaries	12,503	11,182	1,237	1,364
Social security contributions	178	147	11	11
Contributions to defined contribution plan	1,560	1,421	163	156
Provision for retirement benefits (Note 24)	630	656	34	32
Provision for short-term accumulating compensated absences	97	86	25	21
Other benefits	3,137	2,740	268	103
	18,105	16,232	1,738	1,687

11. Directors' remuneration

The details of remuneration receivable by directors of the Company during the year are as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Non-executive:				
Fees	271	298	176	180
Other emoluments	661	747	319	293
Total directors' remuneration (excluding benefits-in-kind)	932	1,045	495	473
Estimated money value of benefits-in-kind	26	10	-	-
Total non-executive directors' remuneration (including benefits-in-kind)	958	1,055	495	473
Total directors' remuneration	958	1,055	495	473

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

	Number of directors	
	2014	2013
Non-executive directors:		
Below RM50,000	7	5
RM50,001 - RM100,000	-	1
RM200,001-RM250,000	1	1

12. Income tax expense/(benefit)

Major components of income tax expense/(benefit)

The major components of income tax expense/(benefit) for the years ended 31 December 2014 and 2013 are:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Statements of profit or loss and other comprehensive income:				
Current income tax:				
Malaysian income tax	5,916	649	-	-
(Over)/under provision in respect of previous years	(5)	63	-	-
	5,911	712	-	-
Deferred income tax (Note 18):				
Reversal of temporary differences	(332)	(116)	(342)	(122)
Effect of reduction in tax rate	-	(92)	-	(26)
(Over)/under provision in respect of previous years	(30)	192	260	72
	(362)	(16)	(82)	(76)
Income tax expense/(benefit) recognised in profit or loss	5,549	696	(82)	(76)

12. Income tax expense/(benefit) (continued)

Reconciliation between tax expense/(benefit) and accounting profit/(loss)

The reconciliation between tax expense/(benefit) and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the years ended 31 December 2014 and 2013 is as follows:

	2014 RM'000	2013 RM'000
Group		
Profit/(loss) before tax	20,395	(1,855)
Tax at Malaysian statutory tax rate of 25% (2013: 25%)	5,099	(464)
Adjustments:		
Income not subject to tax	(244)	(162)
Non-deductible expenses	747	1,033
Deferred tax recognised at different tax rate	15	(92)
Utilisation of current year reinvestment allowances	(70)	(28)
Utilisation of unabsorbed capital allowances and tax losses	-	(4)
Deferred tax assets not recognised	102	158
Share of results of associate	(65)	-
Under provision of deferred tax in respect of previous year	(30)	192
(Over)/under provision of income tax in respect of previous year	(5)	63
Income tax expense recognised in profit or loss	5,549	696

	2014 RM'000	2013 RM'000
Company		
Profit before tax	(9,448)	1,339
Tax at Malaysian statutory tax rate of 25% (2013: 25%)	(2,362)	335
Adjustments:		
Income not subject to tax	(2,181)	(584)
Deferred tax recognised at different tax rate	14	(26)
Non-deductible expenses	4,187	127
Under provision of deferred tax in respect of previous year	260	72
Income tax benefit recognised in profit or loss	(82)	(76)

Current income tax is calculated at the statutory tax rate of 25% (2013: 25%) of the estimated assessable profit/(loss) for the year. The domestic statutory tax rates will be reduced to 24% from the current year's rate of 25% effective Year of Assessment 2016. The computation of deferred tax as at 31 December 2014 has reflected this change.

12. Income tax expense/(benefit) (continued)

Tax savings during the financial year arising from:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
- Utilisation of current year tax losses	47	137	9	125
- Utilisation of previously unrecognised tax losses	315	188	-	-

13. Earnings/(loss) per share

Basic earnings/(loss) per share amounts are calculated by dividing profit/(loss) for the year net of tax, attributable to owners of the parent by weighted average number of ordinary shares outstanding during the financial year.

The following reflect the profit/(loss) and share data used in the computation of basic and diluted earnings/(loss) per share for the years ended 31 December:

	Group	
	2014	2013
Profit/(loss) net of tax attributable to owners of the parent (RM'000)	14,846	(2,551)
Weighted average number of ordinary shares in issue ('000)	134,546	134,546
Basic and diluted earnings/(loss) per share (sen)	11.03	(1.90)

The Group has no potential ordinary shares in issue as at the reporting date and therefore the basic and fully diluted earnings/(loss) per share are the same.

14. Property, plant and equipment

	Land and buildings* RM'000	Plant and machinery RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Infra-structure RM'000	Total RM'000
Group						
Cost:						
At 1 January 2013	64,296	80,226	12,515	9,305	1,803	168,145
Additions	321	901	267	1,010	90	2,589
Disposals	-	(1,104)	(19)	(374)	-	(1,497)
Write offs	-	-	(58)	-	-	(58)
At 31 December 2013 and 1 January 2014	64,617	80,023	12,705	9,941	1,893	169,179
Additions	337	1,164	328	2,204	15	4,048
Disposals	-	(2,065)	(119)	(411)	-	(2,595)
Write offs	-	(1,629)	(121)	-	-	(1,750)
At 31 December 2014	64,954	77,493	12,793	11,734	1,908	168,882
Accumulated depreciation and impairment losses:						
At 1 January 2013	3,436	73,800	11,277	7,378	1,165	97,056
Depreciation charge for the year (Note 9)	1,823	1,823	242	586	3	4,477
Disposals	-	(1,099)	(18)	(332)	-	(1,449)
Write offs	-	-	(45)	-	-	(45)
At 31 December 2013 and 1 January 2014	5,259	74,524	11,456	7,632	1,168	100,039
Depreciation charge for the year (Note 9)	1,795	1,701	265	779	10	4,550
Disposals	-	(2,030)	(119)	(399)	-	(2,548)
Write offs	-	(1,629)	(99)	-	-	(1,728)
At 31 December 2014	7,054	72,566	11,503	8,012	1,178	100,313
Net carrying amount						
At 31 December 2013	59,358	5,499	1,249	2,309	725	69,140
At 31 December 2014	57,900	4,927	1,290	3,722	730	68,569

14. Property, plant and equipment (continued)

* Land and building of the Group:

	Freehold land RM'000	Leasehold land RM'000	Building RM'000	Total RM'000
Group (continued)				
Cost:				
At 1 January 2013	409	48,911	14,976	64,296
Addition	-	-	321	321
At 31 December 2013 and 1 January 2014	409	48,911	15,297	64,617
Addition	-	-	337	337
At 31 December 2014	409	48,911	15,634	64,954
Accumulated depreciation:				
At 1 January 2013	-	2,378	1,058	3,436
Depreciation charge for the year	-	1,105	718	1,823
At 31 December 2013 and 1 January 2014	-	3,483	1,776	5,259
Depreciation charge for the year	-	1,183	612	1,795
At 31 December 2014	-	4,666	2,388	7,054
Net carrying amount				
At 31 December 2013	409	45,428	13,521	59,358
At 31 December 2014	409	44,245	13,246	57,900

14. Property, plant and equipment (continued)

	Land and building* RM'000	Renovation RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Total RM'000
Company					
Cost:					
At 1 January 2013	8,099	386	414	768	9,667
Additions	-	20	12	-	32
Disposals	-	-	(16)	-	(16)
Write offs	-	-	(9)	-	(9)
At 31 December 2013 and 1 January 2014	8,099	406	401	768	9,674
Additions	193	-	43	193	429
Write offs	-	-	(15)	-	(15)
At 31 December 2014	8,292	406	429	961	10,088
Accumulated depreciation:					
At 1 January 2013	284	166	315	319	1,084
Depreciation charge for the year (Note 9)	142	39	20	65	266
Disposals	-	-	(16)	-	(16)
Write offs	-	-	(3)	-	(3)
At 31 December 2013 and 1 January 2014	426	205	316	384	1,331
Depreciation charge for the year (Note 9)	143	40	23	87	293
Write offs	-	-	(14)	-	(14)
At 31 December 2014	569	245	325	471	1,610
Net carrying amount:					
At 31 December 2013	7,673	201	85	384	8,343
At 31 December 2014	7,723	161	104	490	8,478

14. Property, plant and equipment (continued)

* Land and building of the Company:

	Leasehold land RM'000	Building RM'000	Total RM'000
Company (continued)			
Cost:			
At 1 January 2013/31 December 2013	3,000	5,099	8,099
Addition	-	193	193
At 31 December 2014	3,000	5,292	8,292
Accumulated depreciation:			
At 1 January 2013	80	204	284
Depreciation charge for the year	40	102	142
At 31 December 2013 and 1 January 2014	120	306	426
Depreciation charge for the year	39	104	143
At 31 December 2014	159	410	569
Net carrying amount:			
At 31 December 2013	2,880	4,793	7,673
At 31 December 2014	2,841	4,882	7,723

14. Property, plant and equipment (continued)

Assets held under finance lease

During the financial year, the Group and the Company acquired equipment and motor vehicles with an aggregate cost of RM927,000 (2013: RM978,000) and RM158,000 (2013:RM Nil) respectively, by means of finance lease. The cash flow on acquisition of property, plant and equipment of the Group and the Company were amounted to RM3,121,000 (2013: RM1,611,000) and RM271,000 (2013: RM32,000) respectively.

The carrying amount of plant and machinery, equipment and motor vehicles held under finance leases at the reporting date were RM417,000 (2013: RM332,000) and RM2,623,000 (2013: RM2,010,000) of the Company and the Group respectively.

Assets pledged as securities

In addition to assets held under finance leases, the Group's land and buildings, motor vehicles, furniture, fittings, equipment and plant and machinery, with carrying amount of RM21,324,000 (2013: RM21,803,000) are mortgaged to secure the Group's bank borrowings (Note 23).

15. Goodwill

	2014 RM'000	2013 RM'000
Cost:		
At 1 January/31 December	613	613
Accumulated impairment:		
At 1 January/31 December	(613)	(613)
At 31 December	-	-

16. Investments in subsidiaries

	Company 2014 RM'000	Company 2013 RM'000
Unquoted shares, at cost	118,824	118,824
Less: Accumulated impairment losses	(73,817)	(73,817)
	45,007	45,007
Provision for financial guarantee	14	14
	45,021	45,021

Impairment assessment

Based on the Company's impairment review, a reversal of impairment loss amounting to RMNil (2013: RM2,104,000) has been recognised in profit or loss.

	Names	Country of incorporation	Principal activities	Proportion (%) of ownership interest 2014	Proportion (%) of ownership interest 2013
	Held by the Company:				
	Golden Pharos Doors Sdn. Bhd.	Malaysia	Trading of doors.	100	100
	Golden Pharos Glass Sdn. Bhd.	Malaysia	Manufacturing and trading of glass.	100	100
	Golden Pharos Overseas Sales Sdn. Bhd.	Malaysia	Inactive.	100	100
**	Golden Pharos Overseas Sdn. Bhd.	Malaysia	Dormant.	100	100
	Permint Timber Corporation Sdn. Bhd.	Malaysia	Investment holding.	100	100
	Golden Pharos Fiber Sdn. Bhd.	Malaysia	Dormant.	100	100

16. Investments in subsidiaries (continued)

Names	Country of incorporation	Principal activities	Proportion (%) of ownership interest held by Group		Proportion (%) of ownership interest held by non-controlling interest*	
			2014	2013	2014	2013
Held through Permint Timber Corporation Sdn. Bhd.:						
Pesama Timber Corporation Sdn. Bhd.	Malaysia	Sawmilling, harvesting moulding, finger joint, furniture and kiln drying.	100	100	-	-
Pesaka Trengganu Berhad	Malaysia	Sawmilling.	100	100	-	-
Permint Plywood Sdn. Bhd.	Malaysia	Rental of plant and machinery.	100	100	-	-
Kumpulan Pengurusan Kayu-Kayan Trengganu Sdn. Bhd.	Malaysia	Harvesting and sustainable forest management.	100	100	-	-
GP Tropical Furniture Sdn. Bhd.	Malaysia	Dormant.	50.39	50.39	49.61	49.61

* equals to the proportion of voting rights held.

** This subsidiary holds 19% equity interest in Prestige Doors PLC, a company incorporated in the United Kingdom.

17. Investments in associates

	Group 2014 RM'000	Group 2013 RM'000
Unquoted ordinary shares, at cost	3,981	3,981
Unquoted preference shares, at cost	7,764	7,764
	11,745	11,745
Share of post-acquisition losses	(75)	(338)
	11,670	11,407
Less: Accumulated impairment losses	(11,407)	(11,407)
	263	-
Represented by:		
Share of net tangible assets	263	-

17. Investments in associates (continued)

Details of the associates are as follows:

Names	Country of incorporation	Proportion (%) of ownership interest		Principal activities
		2014	2013	
Konsortium Perumahan Rakyat Terengganu Sdn. Bhd.	Malaysia	35	35	Housing development.
Kemaman Furniture Industries Sdn. Bhd.	Malaysia	43.59	43.59	Dormant.
Pesama Renors (M) Sdn. Bhd.	Malaysia	25	25	Dormant.
+ GPB Seabridge International, Inc.	United States of America	20	20	Dormant.

\+ Audited by a firm of auditors other than Ernst & Young.

Konsortium Perumahan Rakyat Terengganu Sdn. Bhd.

The Group has not recognised losses relating to Konsortium Perumahan Rakyat Terengganu Sdn. Bhd. in prior year where its share of losses exceeded the Group's interest in this associate.

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

	2014 RM'000	2013 RM'000 Restated
(i) Summarised statement of financial position		
Assets and liabilities		
Total assets	17,335	14,872
Total liabilities	(16,584)	(15,546)

17. Investments in associates (continued)

The summarised financial information of the associate, not adjusted for the proportion of ownership interest held by the Group, is as follows (cont'd.):

	2014 RM'000	2013 RM'000
(ii) Summarised statement of comprehensive income		
Results		
Revenue	11,564	7,503
Profit for the year	1,425	775

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associate

	2014 RM'000	2013 RM'000
Net assets at 1 January	(674)	(1,449)
Profit for the year	1,425	775
Net assets at 31 December	751	(674)
Interest in associate	35%	35%
	263	-

(iv) Unrecognised share of losses in the associate

	2014 RM'000	2013 RM'000
The unrecognised share of loss in an associate for the year	-	-
Cumulative share of loss in an associate	-	(236)

The Group has no obligation in respect of these losses.

18. Deferred tax

Deferred income tax as at 31 December relates to the following:

Group	As at 1.1.2013 RM'000	Recognised in profit and loss (Note 12) RM'000	As at 31.12.2013/ 1.1.2014 RM'000	Recognised in profit and loss (Note 12) RM'000	As at 31.12.2014 RM'000
Deferred tax liabilities:					
Property, plant and equipment	8,624	(292)	8,332	(366)	7,966
Deferred tax assets:					
Other payables	(1,417)	(43)	(1,460)	39	(1,421)
Unutilised tax losses, unabsorbed reinvestment allowances and unabsorbed capital allowances	(5,103)	319	(4,784)	(35)	(4,819)
	(6,520)	276	(6,244)	4	(6,240)
	2,104	(16)	2,088	(362)	1,726

Company	As at 1.1.2013 RM'000	Recognised in profit and loss (Note 12) RM'000	As at 31.12.2013/ 1.1.2014 RM'000	Recognised in profit and loss (Note 12) RM'000	As at 31.12.2014 RM'000
Deferred tax liabilities:					
Property, plant and equipment	1,357	(52)	1,305	(68)	1,237
Deferred tax assets:					
Provisions	(53)	(1)	(54)	(10)	(64)
Unutilised tax losses and unabsorbed capital allowances	(732)	(23)	(755)	(4)	(759)
	(785)	(24)	(809)	(14)	(823)
	572	(76)	496	(82)	414

18. Deferred tax (continued)

Presented after offsetting as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Deferred tax assets	(211)	(429)	-	-
Deferred tax liabilities	1,937	2,517	414	496
	1,726	2,088	414	496

Unutilised tax losses, unabsorbed capital allowances and unabsorbed reinvestment allowances

At the reporting date, the Group has unutilised tax losses, unabsorbed capital allowances and unabsorbed reinvestment allowances of approximately RM181,597,000 (2013: RM181,338,000), RM14,004,000 (2013: RM13,857,000) and RM2,601,000 (2013: RM2,601,000) respectively that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability.

Section 44(5A) and Paragraph 75A of Schedule 3 of the Malaysia Income Tax Act 1967 which became effective in Year of Assessment 2006 restricts the utilisation of unutilised tax losses and unabsorbed capital allowances where there is a substantial change in the ordinary shareholder of a company. The test for determining whether there is a substantial change in shareholders is carried out by comparing the shareholders on the last day of the basis period in which the unabsorbed losses/capital allowances were ascertained with those on the first day of the basis period in which the unabsorbed losses/capital allowances are to be utilised.

Pursuant to guidelines issued by the Malaysian tax authorities in 2008, the Ministry of Finance has exempted all companies from the provision of Section 44(5A) and Paragraph 75A of Schedule 3 except dormant companies.

19. Investment securities

	Group 2014 RM'000	Group 2013 RM'000
Non-current		
Available-for-sale financial assets, at fair value		
Quoted in Malaysia		
- Equity instruments	6,720	7,697
- Unit trust		
Amanah Saham Darul Iman ("ASDI")	1,038	1,203
Total investment securities	7,758	8,900

None of these financial assets are impaired.

20. Inventories

	Group 2014 RM'000	Group 2013 RM'000
Cost		
Raw materials	11,862	17,448
Work-in-progress	305	296
Finished goods	232	350
Consumable materials	655	578
	13,054	18,672

During the year, the Group has made a provision for impairment of inventories amounting to RM33,000 (2013: RMNil).

21. Trade and other receivables

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade receivables				
Third parties	23,681	25,266	-	-
Less: Allowance for impairment				
Third parties	(11,994)	(11,440)	-	-
Trade receivables, net	11,687	13,826	-	-
Other receivables				
Amounts due from subsidiaries	-	-	79,301	79,878
Loans to subsidiaries	-	-	4,665	4,665
Amounts due from associates	5,113	5,487	-	-
Deposits	2,076	1,968	24	24
Sundry receivables	8,554	8,608	7,014	6,990
	15,743	16,063	91,004	91,557
Less: Allowance for impairment				
Amounts due from subsidiaries	-	-	(76,035)	(59,570)
Loans to subsidiaries	-	-	(4,665)	(4,665)
Amounts due from associates	(5,113)	(5,487)	-	-
Sundry receivables	(7,736)	(7,801)	(7,000)	(7,000)
	(12,849)	(13,288)	(87,700)	(71,235)
Other receivables, net	2,894	2,775	3,304	20,322
Total trade and other receivables	14,581	16,601	3,304	20,322
Add: Cash and bank balances (Note 22)	19,883	5,973	632	242
Total loans and receivables	34,464	22,574	3,936	20,564

21. Trade and other receivables (continued)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 day (2013: 30 to 90 day) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade receivables is an amount of RM4,995,000 (2013: RM4,995,000) due from affiliated companies. Affiliated companies refer to companies related to Golden Pharos Berhad's associates.

Ageing analysis of trade receivables

The ageing analysis of the Group’s trade receivables is as follows:

	Group	
	2014	2013
	RM'000	RM'000
Neither past due nor impaired	3,374	4,412
1 to 30 days past due not impaired	3,661	3,420
31 to 60 days past due not impaired	2,483	2,858
61 to 90 days past due not impaired	893	984
91 to 120 days past due not impaired	999	1,110
More than 121 days past due not impaired	277	1,042
	8,313	9,414
Impaired	11,994	11,440
	23,681	25,266

Receivables that are neither past due nor impaired

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

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

21. Trade and other receivables (continued)

(a) Trade receivables (continued)

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM8,313,000 (2013: RM9,414,000) that are past due at the reporting date but not impaired.

At the reporting date, trade receivables arising from export sales amounting to RM26,000 (2013: RM970,000) have been arranged to be settled via letters of credit issued by reputable banks in countries where the customers are based. The remaining balance of receivables that are past due but not impaired are unsecured in nature.

Based on past experience and no adverse information to date, the directors of the Group are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered fully recoverable.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group Individually impaired	
	2014 RM'000	2013 RM'000
Trade receivables-nominal amount	11,994	11,440
Less: Allowance for impairment	(11,994)	(11,440)
	-	-

Movement in allowance accounts:

	Group	
	2014 RM'000	2013 RM'000
At 1 January	11,440	11,754
Charge for the year (Note 9)	559	160
Written off	(5)	(443)
Reversal of impairment losses (Note 7)	-	(31)
At 31 December	11,994	11,440

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

21. Trade and other receivables (continued)

(b) Related party balances

Amounts due from subsidiaries are unsecured, non-interest bearing (2013: 3% per annum) and repayable on demand. Loans to subsidiaries are unsecured, non-interest bearing (2013: 2.5% - 4.0% per annum) and repayable on demand.

Amounts due from associates are unsecured, non-interest bearing and repayable on demand.

(c) Other receivables

Other receivables that are impaired

At the reporting date, the Group and the Company have provided allowances of RM12,849,000 (2013: RM13,288,000) and RM87,700,000 (2013: RM71,235,000) respectively, for other receivables.

Movement in allowance accounts:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
At 1 January	13,288	12,934	71,235	71,235
Charge for the year (Note 9)	23	354	16,465	-
Written off	(462)	-	-	-
At 31 December	12,849	13,288	87,700	71,235

22. Cash and bank balances

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Cash in hand and at banks	7,982	4,687	632	242
Deposits with licensed banks	11,901	1,286	-	-
	19,883	5,973	632	242

Cash at banks earn interest at floating rates based on daily bank deposit rates. Deposits are made for varying periods of between one day to 365 days depending on the immediate cash requirements of the Group, and earn interests at the respective deposit rates. The weighted average effective interest rate as at 31 December 2014 for the Group was 3.0% (2013: 3.0%) per annum.

Deposits with licensed banks of the Group amounting to RM600,000 (2013: RM600,000) are pledged as securities for borrowings (Note 23).

22. Cash and bank balances (continued)

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Cash and short-term deposits	19,883	5,973	632	242
Less:				
Bank overdrafts (Note 23)	(950)	(2,337)	-	-
Deposits in licensed banks	(1,034)	(1,238)	-	-
Cash and cash equivalents	17,899	2,398	632	242

23. Borrowings

	Maturity	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Current					
Secured:					
Bankers' acceptances	On demand	303	2,853	-	-
Obligations under finance leases (Note 30 (b))	2015/2014	565	423	88	93
Bank overdrafts (Note 22)	On demand				
- BLR + 1% per annum		-	235	-	-
- BFR + 1% per annum		950	1,753	-	-
- BFR + 2% per annum		-	349	-	-
		950	2,337	-	-
		1,818	5,613	88	93
Non-current					
Secured:					
Obligations under finance leases (Note 30 (b))	2016 - 2019	1,190	918	228	150
Total borrowings		3,008	6,531	316	243

23. Borrowings (continued)

The remaining maturities of the borrowings as at 31 December 2014 are as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
On demand or within one year	1,818	5,613	88	93
More than 1 year and less than 2 years	504	357	89	59
More than 2 years and less than 5 years	686	561	139	91
	3,008	6,531	316	243

Bank overdrafts
Secured:
- Base Lending Rate ("BLR") + 1% per annum
- Base Financing Rate ("BFR") + 1% per annum
- Base Financing Rate ("BFR") + 2% per annum

Bank overdrafts are denominated in RM and are secured by a floating charge over certain property, plant and equipment (Note 14), corporate guarantee provided by the Company (Note 25) and short-term deposits in licensed banks (Note 22).

Bankers' acceptances
The weighted average interest rates at the reporting date for bankers' acceptances was 5.16% (2013: 4.18%) per annum. The bankers' acceptances are secured by corporate guarantee issued by the holding company.

Obligations under finance leases
These obligations are secured by a charge over the leased assets (Note 14). The average discount rate implicit in the leases is 5.9% (2013: 7.3%) per annum.

24. Retirement benefit obligations

The Group operates an unfunded, defined benefit Retirement Benefit Scheme for eligible employees. The Group’s obligations under this Scheme are determined based on triennial actuarial valuation using the projected unit credit method.

The amounts recognised in the statements of comprehensive income are as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current service cost	308	323	23	22
Interest cost	322	333	11	10
Total included in employee benefits expense (Note 10)	630	656	34	32

24. Retirement benefit obligations (continued)

The amounts recognised in the statements of financial position are determined as follows:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Present value of unfunded defined benefit obligations	6,281	5,749	236	202

Changes in present value of defined benefit obligations are as follows:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
At 1 January	5,749	5,631	202	192
Amounts recognised in the:				
- profit and loss (Note 10)	630	656	34	32
Benefits paid	(98)	(538)	-	(22)
At 31 December	6,281	5,749	236	202

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Analysed as:				
Current	281	629	-	34
Non-current				
Later than 1 year but not later than 2 years	698	478	-	-
Later than 2 years but not later than 5 years	2,306	926	33	29
Later than 5 years	2,996	3,716	203	139
	6,000	5,120	236	168
	6,281	5,749	236	202

In calculating the defined benefit obligations and the related current service cost and past service cost using the Projected Unit Credit Method for the Group and the Company, the following assumptions were used. The assumptions were calculated on a weighted average basis.

	2014	2013
	%	%
Discount rate	5.8	5.8
Expected rate of salary increase	5.0	5.0

24. Retirement benefit obligations (continued)

The sensitivity of the defined benefit obligation to changes in the relevant actuarial assumptions is as follows:

	Group Defined benefit obligation		Company Defined benefit obligation	
	Increase RM'000	Decrease RM'000	Increase RM'000	Decrease RM'000
2015				
Discount rate (1% of movement)	(315)	301	(22)	11
Expected rate of salary increase (1% of movement)	485	(480)	18	(28)

25. Trade and other payables

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current				
Trade payables				
Third parties	4,096	3,981	-	-
Other payables				
Accruals	8,732	10,455	26	61
Sundry payables	2,929	2,358	775	695
Amount due to holding company	14,277	14,007	10,871	10,672
Amount due to a corporate shareholder	640	7,522	640	7,522
Amounts due to subsidiaries	-	-	17,321	17,586
	26,578	34,342	29,633	36,536
	30,674	38,323	29,633	36,536
Non-current				
Other payable				
Financial guarantee	-	-	1	1
Total trade and other payables	30,674	38,323	29,634	36,537
Add: Borrowings (Note 23)	3,008	6,531	316	243
Total financial liabilities carried at amortised cost	33,682	44,854	29,950	36,780

25. Trade and other payables (continued)

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 60 day (2013: 60 day) terms.

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of three months (2013: average term of three months).

(c) Amount due to holding company

The amount due to holding company is unsecured, bear interest at 4% (2013: 4%) per annum and has no fixed terms of repayment.

(d) Amounts due to a corporate shareholder

The amount due to a corporate shareholder relates to advances for working capital purposes named as Al-Mudharabah.

These advances bear interest at 5% (2013: 5%) per annum, repayable within four (4) years (inclusive of one (1) year grace period) starting from 13 July 2012 and are secured by the corporate guarantee issued by the Company. In prior year, the Company has committed to an early settlement of these advances in 2014 and in return, it has obtained approval for a waiver of interest as disclosed in Note 27 to the financial statements.

(e) Amounts due to subsidiaries

The amounts due to subsidiaries are unsecured, non-interest bearing (2013: 3% per annum) and repayable on demand. The amounts due to subsidiaries are in relation to funds placed by certain subsidiaries in the Pool Fund Account managed by the Company. The Fund is to be used for working capital requirements by the companies within the Group.

(f) Financial guarantee

This amount relates to a corporate guarantee provided by the Company to banks for RM303,000 (2013: RM651,000) borrowings (Note 23) taken by subsidiaries.

26. Share capital and share premium

	Number of ordinary share of RM0.50 each		Amount	
	2014	2013	2014	2013
	'000	'000	RM'000	RM'000
Authorised share capital				
At 1 January/31 December	200,000	200,000	100,000	100,000

	Company			
	Number of ordinary share of RM0.50 each	I----------------- Amount	---------------I	
	Share capital (Issued and fully paid)	Share capital (Issued and fully paid)	Share premium	Total share capital and share premium
	'000	RM'000	RM'000	RM'000
At 1 January 2013/31 December 2014	134,546	67,273	625	67,898

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

27. Other reserves

	Equity contribution from a corporate shareholder RM'000	Fair value adjustment reserve RM'000	Reserve arising from merger RM'000	Total RM'000
Group				
At 1 January 2013	-	3,493	(22,718)	(19,225)
Other comprehensive income:				
Available-for-sale financial assets				
Loss on fair value changes	-	3,053	-	3,053
Transaction with sharehlders:				
-Waiver of amount due to a corporate shareholder	200	-	-	200
At 31 December 2013 and 1 January 2014	200	6,546	(22,718)	(15,972)
Other comprehensive income:				
Available-for-sale financial assets				
Gain on fair value changes	-	(1,230)	-	(1,230)
At 31 December 2014	200	5,316	(22,718)	(17,202)

Company

Equity contribution from a corporate shareholder

	2014 RM'000	2013 RM'000
At 1 January	200	-
Transaction with shareholders:		
-Waiver of amount due to a shareholder	-	200
At 31 December	200	200

(a) Equity contribution from a corporate shareholder

The amount represents waiver of amount due to a corporate shareholder.

(b) Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

27. Other reserves (continued)

(c) Reserve arising from merger

Reserve arising on merger represents the difference between the nominal value of the shares issued as consideration for the acquisition of Permint Timber Corporation Sdn. Bhd. and its subsidiary companies and the nominal value of the shares transferred for these investments.

28. Related party transactions

(a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place at terms agreed between the parties during the financial year:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Rental income from land and building charged to a subsidiary	-	-	(728)	(728)
Management fees charged to subsidiaries	-	-	(1,725)	(1,725)
Dividend income from subsidiaries	-	-	(8,726)	(1,239)
Interest expense on loans and advances:				
- holding company	263	381	199	284
- a corporate shareholder	118	662	118	662
Interest income on intercompany loans and advances	-	-	-	(498)
Building rental charged by a related company	-	-	48	48
Waiver of amount due to a corporate shareholder	-	200	-	200
Interest expense on amounts due to subsidiaries	-	-	1	263

(b) Compensation of key management personnel

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Short-term employee benefits	2,639	2,626	995	1,122
Defined contribution plan	357	392	116	154
Defined benefit plan	126	95	11	10
	3,122	3,113	1,122	1,286

28. Related party transactions (continued)

(b) Compensation of key management personnel (continued)

Included in compensation of key management personnel is:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Directors' remuneration (Note 11)	958	1,055	495	473

29. Commitments

(a) Capital commitments

Capital expenditure as at reporting date is as follows:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Capital expenditure				
Approved and contracted for:				
Plant and machinery	-	397	-	-
Motor vehicles	-	226	-	-
Approved but not contracted for:				
Plant and machinery	1,991	2,355	-	-
Motor vehicles	890	2,060	-	-
	2,881	5,038	-	-

(b) Finance lease commitments

The Group and the Company have finance leases for certain items of plant and equipment and motor vehicles (Note 14). These leases do not have terms of renewal, but have purchase options at nominal values at the end of the lease term.

29. Commitments (continued)

(b) Finance lease commitments (continued)

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Minimum lease payments:				
Not later than 1 year	655	488	101	93
More than 1 year and less than 2 years	567	419	98	65
More than 2 years and less than 5 years	755	618	144	105
Total minimum lease payments	1,977	1,525	343	263
Less: Amounts representing finance charges	(222)	(184)	(27)	(20)
Present value of minimum lease payments	1,755	1,341	316	243

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Present value of payments:				
Not later than 1 year	565	423	88	93
More than 1 year and less than 2 years	503	361	89	59
More than 2 years and less than 5 years	687	557	139	91
Present value of minimum lease payments	1,755	1,341	316	243
Less: Amount due within 12 months (Note 23)	(565)	(423)	(88)	(93)
Amount due after 12 months (Note 23)	1,190	918	228	150

The hire purchase and lease liabilities bore an average interest rate at the reporting date of 5.9% (2013: 7.3%) per annum. The Group and the Company have finance leases and hire purchase contracts for certain items of plant and equipment and motor vehicles (see Note 23).

30. Contingent liabilities

Legal claim

One (1) lawsuit had been filed in prior years by third parties against the Company for compensation claim amounting to RM38,985 for alleged breach of contract.

31. Fair value of financial instruments

(a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value.

	Note	Group 2014 Carrying amount RM'000	Group 2014 Fair value RM'000	Company 2014 Carrying amount RM'000	Company 2014 Fair value RM'000
Financial liabilities:					
Borrowings (Non-current)					
- Obligations under finance leases	29 (b)	1,190	1,121	228	234

	Note	Group 2013 Carrying amount RM'000	Group 2013 Fair value RM'000	Company 2013 Carrying amount RM'000	Company 2013 Fair value RM'000
Financial liabilities:					
Borrowings (Non-current)					
- Obligations under finance leases	29 (b)	918	1,024	150	162

31. Fair value of financial instruments (continued)

(b) Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	21
Borrowings (current)	23
Trade and other payables (current)	25

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values due to their short-term nature.

The carrying amounts of the current portion of borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

Amounts due from/to subsidiaries and associates and loans to/from subsidiaries

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

Quoted equity instruments

Fair value is determined directly by reference to their published market bid price at the reporting date.

Financial guarantee

Fair value is determined based on probability weighted discounted cash flow method. The probability has been estimated and assigned for the following key assumptions:

- The likelihood of the guaranteed party defaulting within the guaranteed period;
- The exposure on the portion that is not expected to be recovered due to the guaranteed party's default;
- The estimated loss exposure if the party guaranteed were to default.

31. Fair value of financial instruments (continued)

(c) Valuation of financial instruments

The table below analyses financial instrument, measured at fair value at the end of the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Note	Level 1 RM'000
Group		
31 December 2014		
Financial asset:		
Investment securities : Available-for-sale	19	7,758
31 December 2013		
Financial asset:		
Investment securities : Available-for-sale	19	8,900

32. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

32. Financial risk management objectives and policies (continued)

(a) Credit risk (continued)

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concertration of credit risk related to any financial instruments.

Exposure to credit risk

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group			
	2014		2013	
	RM'000	% of total	RM'000	% of total
By industry sectors:				
Harvesting, sawmilling and kiln drying of timber	2,199	19%	2,317	17%
Manufacturing	9,415	81%	10,836	78%
Others	73	1%	673	5%
	11,687	100%	13,826	100%

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 21. Deposits with banks and other financial institutions, and investment securities that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 21.

(b) Liquidity risk

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

32. Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

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

	2014 RM'000		
	On demand or within one year	One to five years	Total
Group			
Financial liabilities:			
Trade and other payables	30,674	-	30,674
Borrowings	1,908	1,322	3,230
Total undiscounted financial liabilities	32,582	1,322	33,904
Company			
Trade and other payables	29,633	1	29,634
Borrowings	101	242	343
Total undiscounted financial liabilities	29,734	243	29,977

	2013 RM'000		
	On demand or within one year	One to five years	Total
Group			
Financial liabilities:			
Trade and other payables	38,323	-	38,323
Borrowings	5,678	1,037	6,715
Total undiscounted financial liabilities	44,001	1,037	45,038
Company			
Trade and other payables	36,536	1	36,537
Borrowings	93	170	263
Total undiscounted financial liabilities	36,629	171	36,800

32. Financial risk management objectives and policies (continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market interest rates. As the Group and Company have no significant interest-bearing financial assets, the Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's and the Company's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

Sensitivity analysis for interest rate risk

At the end of the reporting year, if Ringgit Malaysia ("RM") interest rates had been 10 (2013: 10) basis points higher with all other variables held constant, the Group's profit net of tax would have been RM1,000 (2013: RM2,000) lower, arising mainly as a result of higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposure arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily RM. The foreign currencies in which these transactions are denominated are mainly United States Dollars ("USD").

32. Financial risk management objectives and policies (continued)

(d) Foreign currency risk (continued)

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

	2014 RM	2013 RM
Financial assets		
Trade and other receivables	613,279	679,423

(e) Market price risk

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

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments in Malaysia are listed on the Bursa Malaysia Securities Berhad. These instruments are classified as available-for-sale financial assets. The Group does not have exposure to commodity price risk, other than timber price.

33. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2014 and 31 December 2013.

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

		Group		Company	
	Note	**2014 RM'000**	**2013 RM'000**	**2014 RM'000**	**2013 RM'000**
Borrowings	23	3,008	6,531	316	243
Trade and other payables	25	30,674	38,323	29,634	36,537
Less: Cash and bank balances	22	(19,883)	(5,973)	(632)	(242)
Net debt		13,799	38,881	29,318	36,538
Equity attributable to the owners of the parent		86,784	73,168	27,089	36,455
Less: Fair value adjustment reserve	27	(5,316)	(6,546)	-	-
Total capital		81,468	66,622	27,089	36,455
Capital and net debt		95,267	105,503	56,407	72,993
Gearing ratio		14%	37%	52%	50%

34. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

(i) Harvesting, sawmilling and kiln drying of timber;

(ii) Manufacturing - manufacturing and trading of glass; and

(iii) Others - include investment holding, marketing and distribution agent and trading of wooden doors, none of which are of a sufficient size to be reported separately.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

34. Segment information (continued)

	Harvesting, sawmilling and kiln drying of timber		Manufacturing		Others		Adjustments and eliminations			Per consolidated financial statements	
	2014	2013	2014	2013	2014	2013	2014	2013		2014	2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	Notes	RM'000	RM'000
Revenue											
External customers	74,830	47,971	31,317	30,937	207	232	-	-		106,354	79,140
Inter-segment	20,356	24,127	-	-	19,748	6,242	(40,104)	(30,369)	A	-	-
Total revenue	95,186	72,098	31,317	30,937	19,955	6,474	(40,104)	(30,369)		106,354	79,140
Results											
Interest income	237	71	52	27	34	8	-	-		323	106
Dividend income	169	409	-	-	17,247	3,740	(17,247)	(3,740)	A	169	409
Depreciation and										-	-
amortisation	1,995	1,784	1,779	1,943	776	750	-	-		4,550	4,477
Other non-cash										-	-
expenses	572	626	421	259	16,781	371	(16,465)	-	B	1,309	1,256
Segment profit/										-	-
(loss)	22,322	1,385	379	511	(1,955)	3,613	(351)	(7,364)	C	20,395	(1,855)
Assets											
Additions to											
non-current assets	2,500	1,363	1,118	1,195	430	31	-	-	D	4,048	2,589
Segment assets	121,179	119,216	22,303	23,182	110,865	128,439	(125,629)	(144,345)	E	128,718	126,492
Segment liabilities	47,914	53,069	7,352	8,268	166,352	173,531	(179,684)	(181,544)	F	41,934	53,324

34. Segment information (continued)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

A Inter-segment revenues and expenses are eliminated on consolidation.

B Other non-cash expenses consist of the following items as presented in the respective notes to the financial statements:

	Note	2014 RM'000	2013 RM'000
Impairment loss on trade and other receivables	9	582	514
Provision for short-term accumulating compensated absences	10	97	86
Provision for retirement benefits	10	630	656
		1,309	1,256

C The following items are (deducted from)/added to segment profit to arrive at "profit/(loss) before tax" presented in the consolidated statement of profit or loss and other comprehensive income:

	2014 RM'000	2013 RM'000
Dividend	(17,247)	(3,740)
Interest income on intercompany loan and advances	-	(1)
Impairment loss on trade and other receivables	16,465	-
Reversal of allowance for impairment of loss in a subsidiary	-	(3,305)
Share of results of associate	263	-
Loss/(profit) from intercompany sales	168	(318)
	(351)	(7,364)

D Additions to non-current assets consist of :

	2014 RM'000	2013 RM'000
Property, plant and equipment (Note 14)	4,048	2,589

E The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2014 RM'000	2013 RM'000
Inter-segment assets	(125,629)	(144,345)

34. Segment information (continued)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements (continued)

F The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2014 RM'000	2013 RM'000
Deferred tax liabilities	37	80
Inter-segment liabilities	(179,721)	(181,624)
	(179,684)	(181,544)

Geographical information

Revenue based on the geographical location of customers is as follows:

	Revenue	
	2014 RM'000	2013 RM'000
Malaysia	102,992	75,324
United Kingdom	949	839
East Asia	-	1,396
Other regions	2,413	1,581
	106,354	79,140

35. Significant event

During the financial year, the Group has opened a tender to extract logs from 6 compartments covering 2,076 hectares in its concession area for a total logs sales proceeds of RM27.29 million. These 6 compartments were part of 2,553 hectares land area from the Group's concession that was awarded to Lembaga Tabung Amanah Warisan Negeri Terengganu ("LTAWNT") by the Terengganu State Land Office for mining purposes. In return, the Group was given the right to extract and sell the logs therein.

36. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on 15 April 2015.

37. Supplementary information - Breakdown of realised and unrealised profits or losses

The breakdown of the retained earnings/(accumulated losses) of the Group and of the Company as at 31 December 2014 and 31 December 2013 into realised and unrealised losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and and 20 December 2010, prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Total accumulated losses of the Company and its subsidiaries				
- Realised	(189,696)	(187,047)	(40,595)	(31,147)
- Unrealised	(1,678)	(2,056)	(414)	(496)
	(191,374)	(189,103)	(41,009)	(31,643)
Total accumulated losses from associates				
- Realised	(11,482)	(11,745)	-	-
	(202,856)	(200,848)	(41,009)	(31,643)
Less: Consolidation adjustments	(238,944)	(222,090)	-	-
Total retained earnings/(accumulated losses) as per financial statements	36,088	21,242	(41,009)	(31,643)