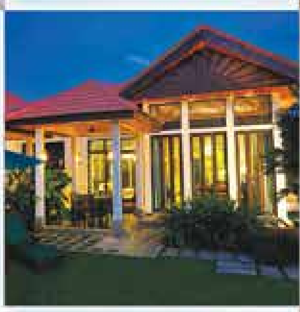
PETALING TIN BERHAD (324-H)

INCORPORATED IN MALAYSIA

ANNUAL
REPORT
2016



2016

CONTENTS

CORPORATE INFORMATION

PRESIDENT

Tan Sri Dr Chen Lip Keong

BOARD OF DIRECTORS

Datuk Haji Jaafar bin Abu Bakar
Chairman

Mr Chen Yiy Fon
Chief Executive Officer

Datuk Wan Kassim bin Ahmed

Dato' Nik Kamaruddin bin Ismail

Mr Lim Mun Kee

AUDIT COMMITTEE

Datuk Haji Jaafar bin Abu Bakar
Chairman

Datuk Wan Kassim bin Ahmed

Mr Lim Mun Kee

NOMINATION COMMITTEE

Datuk Haji Jaafar bin Abu Bakar
Chairman

Datuk Wan Kassim bin Ahmed

REMUNERATION COMMITTEE

Datuk Haji Jaafar bin Abu Bakar
Chairman

Datuk Wan Kassim bin Ahmed

Mr Lim Mun Kee

COMPANY SECRETARIES

Mr Lam Hoi Khong
MIA 18848

Ms Yew Nyuk Kwei
MACS 01247

AUDITORS

UHY Chartered Accountants
Suite 11.05, Level 11, The Gardens South Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur, Malaysia

SOLICITORS

Ben & Partners

Tan, Chua & Lawrence

Izral Partnership

PRINCIPAL PLACE OF BUSINESS

1st Floor, No. 118, Jalan Semangat
46300 Petaling Jaya, Selangor Darul Ehsan
Telephone : 603 7968 1222
Facsimile : 603 7954 1155

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

REGISTERED OFFICE

1st Floor, No. 118, Jalan Semangat
46300 Petaling Jaya, Selangor Darul Ehsan
Telephone : 603 7968 1222
Facsimile : 603 7954 1155

SHARE REGISTRAR

Semangat Corporate Resources Sdn Bhd
Ground Floor, No. 118, Jalan Semangat
46300 Petaling Jaya, Selangor Darul Ehsan
Telephone : 603 7968 1001
Facsimile : 603 7958 8013

CORPORATE STRUCTURE

PETALING TIN BERHAD

Property Development

Investment Holding

Management Services

PROPERTY INVESTMENT &/OR DEVELOPMENT

100%	Golden Domain Development Sdn Bhd
100%	Lembah Langat Development Sdn Bhd
100%	Magilds Park Sdn Bhd
100%	Majurama Developments Sdn Bhd
100%	PTB Development Sdn Bhd
100%	PTB Horticulture Farm Sdn Bhd

OTHERS

100%	Golden Domain Holdings Sdn Bhd
100%	Petaling Ventures Sdn Bhd
100%	PTB Clay Products Sdn Bhd
100%	Ukaylake Country Club Bhd

JOINT CHAIRMAN/CEO 'S STATEMENT

DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors, we are pleased to present the Annual Report and Audited Financial Statements of Petaling Tin Berhad ("PTB") for the financial period ended 31 March 2016.

ECONOMIC REVIEW

The global economy experienced a slowing growth in 2015 amidst an increasingly uncertain economic and financial environment brought about by falling global commodity prices, subdued demand conditions and volatile international financial markets as a result of changes in policies in major economies.

The Malaysian economy managed a growth of 5.0% (2014: 6.0%), supported mainly by domestic demand driven primarily by the private sector. Private sector consumption continued to expand but at a moderate pace due to households adjusting their spending due to higher living costs arising mainly from implementation of Goods and Services Tax (GST) and depreciation in the local currency.

FINANCIAL REVIEW

The Group changed its financial year end from 31 December to 31 March 2016 which covered a period of 15 months. For the 15 months financial period, the Group recorded a turnover of RM28.8 million compared to a turnover of RM17.5 million in the previous financial year, with a resultant profit after tax of RM8.1 million for the current period which was a marked improvement from the previous financial year loss after tax of RM6.1 million.

As at 31 March 2016, Group shareholders' funds stood at RM368.8 million as compared to RM359.9 million for the last financial year end. Group net tangible assets backing ("NTA") per share was RM1.07, which was higher than the previous year NTA of RM1.04.

OPERATIONAL REVIEW

Group revenue was mainly attributable to the sale of its development land measuring approximately 66.38 acres at Mukim Ulu Yam, District of Ulu Selangor of RM25.3 million during the financial period under review.

The remaining components of revenue comprised rental income of RM3.0 million from the Group's investment properties which were recurring in nature, and sale of property inventories of RM0.5 million recorded during the period.

JOINT CHAIRMAN/CEO 'S STATEMENT (CONT'D)

CORPORATE DEVELOPMENTS

On 28 April 2016, the Board of Directors of Petaling Tin Berhad (the "Company" or "PTB") announced through Bursa Malaysia Securities Berhad ("Bursa Securities") that the Company has on even date received a notice of unconditional mandatory take-over offer from Tan Sri Dr Chen Lip Keong ("TSCLK"), a substantial shareholder of the Company, to acquire all the remaining ordinary shares of the Company not already held by TSCLK at a cash consideration of RM0.24 per offer share.

On 30 May 2016, the Company had, vide the announcement in relation to TSCLK's take-over offer, informed that the percentage of public shareholding spread of the Company as at 30 May 2016 was less than 25% pursuant to the valid acceptances received from holders of PTB shares. Consequently, the Company is deemed not in compliance with the public shareholding spread requirement under Paragraph 8.02(1) of the Main Market Listing Requirements of Bursa Securities.

The take-over offer has closed on 9 June 2016.

DIVIDEND

No dividend was paid during the year and the Board does not recommend any dividend payment for the financial year under review.

FUTURE OUTLOOK

The Malaysian economy is likely to remain challenging in 2016, as its prospects hinge on the overall condition of the global economic and financial landscape. The local economy is expected to register an estimated growth rate of between 4.0% - 4.5% for 2016. Domestic demand being the key anchor growth will be driven mainly by private sector spending with support from Government measures to improve households' disposable income.

The property sector will remain soft and cautious amidst a challenging economic environment, lower ringgit value and continuing credit tightening measures by financial institutions. The Group shall continue to embark, albeit cautiously, on carefully planned future developments at its existing land banks located at Sungai Buloh, Taman Kelab Ukay, Ampang and Senawang emphasising on contemporary design, lifestyle, innovation, pricing and quality.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

As a responsible property developer, the Group adopts and promotes "Green Environmental" approaches and best practices in all its property development activities, management and recycling of wastes, disposals and pollutants.

The Group acknowledges and recognises the importance of its human resources and work force and their contributions and provides a safe, secure, healthy and conducive workplace environment for its employees.

ACKNOWLEDGEMENT

The Board would like to take this opportunity to express its gratitude and thanks to our valued shareholders, customers, business associates, bankers and relevant authorities for their confidence, contributions and continued support for the Group.

Our heartfelt thanks also extend to all our valued employees, and the management team for their unwavering commitment, diligence, dedication and continuous efforts towards bringing the Group to greater heights.

DATUK HAJI JAAFAR BIN ABU BAKAR
Chairman

CHEN YIY FON
Chief Executive Officer

Dated: 13 July 2016

PROFILE OF DIRECTORS/CEO

DATUK HAJI JAAFAR BIN ABU BAKAR

Chairman,
Independent Non-Executive Director

- Aged 69, Malaysian
- Appointed to the Board on 1 August 1997
- Appointed as Chairman on 26 September 2008
- Chairman of the Board, Audit, Nomination and Remuneration Committees
- Graduated with a Bachelor of Arts (Honours) from University of Malaya in 1969; obtained a Masters in Public Policy and Administration from University of Wisconsin, Madison, U.S.A. in 1980 and is a Fellow member of the Economic Development Institute of the World Bank, Washington D.C.
- Started his career as a Land Administrator in FELDA before joining the Malaysian civil service in 1970; has since served in various senior positions within the Government Departments which included State Development Officer in Penang, Pahang and Kelantan, Deputy General Manager of Central Terengganu Development Authority and South Kelantan Development Authority, Director of Kelantan Land Development Board, General Manager of Kelantan State Economic Development Corporation, Deputy Secretary General of the Ministry of Domestic Trade and Consumer Affairs and Council Member of Malaysian Industrial Development Authority; opted for early retirement from the civil service in 1991; joined Koperasi Usaha Bersatu as Group General Manager of KUB Holdings Berhad; subsequently took up a position as Executive Director of Damansara Realty Berhad and a year later, served as Managing Director; served as Executive Chairman of Cold Storage (Malaysia) Berhad from 1996 to 1998 and President / CEO of Uniphoenix Corp. Berhad until 2006

MR CHEN YIY FON

Chief Executive Officer,
Non-Independent Executive Director

- Aged 35, Malaysian
- Appointed to the Board on 1 August 2007
- Graduated with a Bachelor of Arts in Economics from University of Southern California, Los Angeles
- Previously worked in Morgan Stanley, Los Angeles, California and Credit Suisse First Boston, Singapore
- Currently, he serves as Chief Executive Officer, Executive Director of Karambunai Corp Bhd, Executive Director of FACB Industries Incorporated Berhad and subsidiaries of Petaling Tin Berhad

DATUK WAN KASSIM BIN AHMED

Independent Non-Executive Director

- Aged 66, Malaysian
- Appointed to the Board on 2 July 2001
- A member of the Audit, Nomination and Remuneration Committees
- Graduated with a Bachelor of Economics (Honours) from University of Malaya in 1973
- Began his career with Messrs Kassim Chan, an audit firm in 1973 before joining Bank Bumiputra Malaysia Berhad. Joined Shamelin Berhad for 10 years before starting his own management consultancy firm, United Kadila Sdn Bhd in 1984. Served as a Councillor for the Petaling Jaya Town Council between 1987 and 1991 and as a Board member of the Malaysian Tourist Development Board from 1992 to 1996
- Currently, he is also an Independent and Non-Executive Director of Karambunai Corp Berhad and FACB Industries Incorporated Berhad

DATO' NIK KAMARUDDIN BIN ISMAIL

Non-Independent Non-Executive Director

- Aged 63, Malaysian
- Appointed to the Board on 1 December 2004
- Graduated with a Bachelor of Science (Finance)
- Worked for a period of 14 years (1973-1987) in 3M Corporation. He served as a director of 3M Corporation from 1983 to 1987, being the first Malaysian appointed to its Board. He was also a director of TV 3 from 1987 to 1991, an Executive Director of Karambunai Corp Bhd from November 1994 to November 2004 and a Non-Executive Director of Tebrau Teguh Berhad from December 2002 to November 2004

MR LIM MUN KEE

Independent Non-Executive Director

- Aged 49, Malaysian
- Appointed to the Board on 1 August 2007
- A member of the Audit and Remuneration Committees
- A member of the Malaysian Institute of Accountants (MIA) and Certified Public Accountants and the Malaysian Institute of Chartered Accountants (MICPA)
- Started his career with KPMG Peat Marwick in 1989 and obtained his professional qualification in 1995. He has over 20 years of experience in auditing, finance and accountancy field where he worked in several listed companies as the Accountant, Financial Controller and Head of Internal Audit
- Currently, he is also an Independent and Non-Executive Director of FA CB Industries Incorporated Berhad and Karambunai Corp Berhad

Other Information

1 Mr Chen Yiy Fon is the son of Tan Sri Dr Chen Lip Keong, who is the President and Controlling Shareholder of Petaling Tin Berhad

2 Except for the following directors, the Directors do not have any conflict of interest with the Group:

   - Datuk Haji Jaafar Bin Abu Bakar by virtue of his interests in privately owned companies, of which some are also involved in property development. However, the said companies are not in direct competition with the business of the Group.

3. The President, Tan Sri Dr Chen Lip Keong by virtue of his interest in privately owned companies and in Karambunai Corp Berhad of which some of its subsidiaries are also involved in property development.

4 Neither the Directors nor Chief Executive Officer have been convicted for any offences within the past 10 years other than traffic offences.

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors of Petaling Tin Berhad is committed to its fiduciary responsibilities for sound corporate governance in its business management practices. Accordingly, the Board supports the Principles and Recommendations laid out in the Malaysian Code on Corporate Governance 2012 (the Code) wherein disclosures pursuant to the Code is mandated under paragraph 15.25 of the Bursa Securities Main Market Listing Requirements.

In particular, the Company has complied with the Recommendations of the Code save for the recommendation that the tenure of independent directors should not exceed acumulative term of nine years and the recommendation for individual disclosure of directors' remuneration packages (as detailed in Other Compliance Statements of this Annual Report), whereas the ensuing paragraphs narrates how the Company has applied the Principles of the Code.

BOARD OF DIRECTORS

Board Charter

The Company has in place a Board Charter which sets out the Board's strategic intent and outlines the Board's roles and responsibilities. The Board Charter is a source reference and primary induction literature, providing insights to prospective board members and senior management.

The Board Charter provides a basis for good governance for effective functioning and accountability of the Company. It also ensures that the Company and its subsidiaries are effectively led and controlled with the Board of Directors having the ultimate responsibility for maintaining the highest standards of integrity, accountability and corporate governance and acting in the interest of the Company as a whole. In particular, it includes the division of responsibilities and powers between the Board and management, the different committees established by the Board, and between the Chairman and the CEO.

Finally, the Board Charter is updated from time to time to reflect changes to the Company's policies, procedures and processes as well as the latest relevant legislations and regulations.

Board Responsibilities

The principal duties and responsibilities of the Board is to effectively lead and control the Company. The Board is to oversee the performance of management in a collegial relationship that is supportive yet vigilant. It is also responsible for the Company's strategies, objectives, succession plan and accountability to shareholders.

The Board has clear roles and responsibilities in discharging its fiduciary and leadership functions and has established clear functions reserved for the Board and those that were delegated to the management which are embodied in the Board Charter.

All directors are to act in the best interest of the Company and shall disclose to the Board of any interest or potential interest as soon as he becomes aware of such interest.

Code of Conduct

The Company has an established Code of Business Conduct in regulating employment and business administration, made available in an employee handbook. The Code of Business Conduct reflects the commitment of the Company to run a business that is ethical, fair, efficient and effective, aligned to its business standards. The Code of Business Conduct however, does not extend to a written policy on whistleblowing. The existing receptive organisational culture, anchored by a sound risk and internal control environment is deemed sufficient and proven to be effective in practice.

Board Meetings

The Company is led and controlled by an experienced Board with a wide range of expertise. Board members' judgement has a bearing on strategies, performances, resources and standards. Five (5) Board meetings were held during the financial period ended 31 March 2016 (with details of attendance presented under Other Compliances Statement of this Annual Report). In between scheduled meetings and where appropriate, Board decisions may be effected via circular resolutions.

Directors	Attendance
Datuk Haji Jaafar bin Abu Bakar	4/5
Datuk Wan Kassim bin Ahmed	5/5
Dato' Nik Kamaruddin bin Ismail	4/5
Mr Lim Mun Kee	5/5
Mr Chen Yiy Fon	5/5

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

Minutes of proceedings and decisions taken during the Board meetings are recorded by the Company Secretary and were circulated promptly to the Board members.

Board Composition

The Board currently consists of five (5) members comprising one (1) Executive Director and four (4) Non-Executive Directors. Among the Non-Executive Directors, three (3) are independent, hence more than a third of the Board is independent. Meanwhile, the Board's composition reflects a commitment towards achieving a requisite mix of skills and experience in various business and financial competencies. Executive Directors have direct responsibilities for business operations whereas Non-Executive Directors are responsible for bringing independent objective judgement to bear on Board deliberations.

The Board annually examines its size and composition with a view to determine the impact of the number and make up on its effectiveness. The Board believes that the current size and composition is ideal to provide the necessary check and balance to the Board's decision-making process. The profiles of the Directors is set out under Board of Directors' Profile of this Annual Report.

To ensure balance of power and authority, the roles of Chairman and Chief Executive Officer are distinct and separate. The Board has formally identified Datuk Haji Jaafar bin Abu Bakar as the Senior Independent Non-Executive Director to whom concerns may be raised.

Board Independence

The Board conducts an annual assessment of the independence of its Independent Non–Executive Directors and is satisfied that they continue to bring independent and objective judgment to Board deliberations.

The Company's Independent Non–Executive Directors, namely, Datuk Haji Jaafar bin Abu Bakar and Datuk Wan Kassim bin Ahmed, having served more than 9 years, constitutes a departure from the Code recommendations. The Board is of the opinion that these Directors, as a result of their long tenure, possess valuable knowledge of the structure, controls and dynamics of the Company.

Consequently, pursuant to Recommendation 3.3 of the Code, the Board had sought shareholders' approval to retain their designation as independent directors. The length of their service on the Board does not in any way interfere with their exercise of independent judgement and ability to act in the best interests of the Company as they continue to be scrupulously independent in the discharge of their duties as constructive challengers of executive management.

At the AGM held on 23 June 2015, the shareholders of the Company had approved a resolution to enable Datuk Haji Jaafar bin Abu Bakar and Datuk Wan Kassim bin Ahmed to continue to serve as Independent Non-Executive Directors and to authorise the Board of Directors to determine on a year to year basis the continuation of such office until such time the authority is revoked at a general meeting.

Board Diversity

The Board acknowledges the importance of board diversity, including gender diversity, to the effective functioning of the Board. The Board endeavours to achieve diversification in terms of gender, ethnicity and age, underpinned by the overriding primary aim of selecting the best candidates to support the achievement of the Company's strategic objectives.

Continuing Education of Directors

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

Directors are required to attend the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad. During the financial period, the Directors attended a seminar titled "The New Companies Act 2015 – Challenges for Directors and Secretaries".

Apart from the above, Board members were regularly updated on global developments and trends in Corporate Governance principles and best practices besides local regulatory and capital market developments.

BOARD OF DIRECTORS (Cont'd)

Supply of Information

The Directors have full and unrestricted access to all information pertaining to the Company's business and affairs, whether as a full Board or in their individual capacity, to enable them to discharge their duties. Board meetings are held quarterly to deliberate inter-alia on the Company's corporate developments, financial results, business operations, risk management and internal audit reports with proceedings duly minuted and signed by the meeting Chairman.

During Board Meetings, management are required to furnish further details on any issues raised and to provide supplementary information at the Board's behest. The Board of Directors also have ready and unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duties effectively.

At least one week, prior to the Board meetings, the Directors are provided with the agenda together with Board papers containing reports and information relevant to the business of the meeting to enable sufficient time frame to consider any matters arising.

The Directors whether as a full Board or in their individual capacity, may obtain independent professional advice at the Company's expense, in furtherance of their duties.

Company Secretary

The Company Secretary plays a supporting role to the Board to ensure adherence to the Board policies and procedure and compliances with the Bursa Securities Main Market Listing Requirements and other compliance regulations.

In particular, the Company Secretary carries out the following tasks;

- attending Board and Board Committee meetings and ensuring that these meetings are properly convened and proceedings are properly recorded;
- ensuring that all appointments to the Board and Committees are properly made;
- maintaining records for the purposes of meeting statutory obligations;
- facilitating the ongoing provisions of information as may be requested by the Directors and supporting the Board in ensuring ongoing adherence to Board policies and procedures.

Board Committees

The Board has delegated specific responsibilities to Board Committees which comprise the Audit Committee, Nomination Committee and Remuneration Committee. These committees operate within defined terms of reference and are limited to making recommendations to the Board for final decision on matters discussed and deliberated.

Minutes of proceedings and decisions taken during the Board meetings are recorded by the Company Secretary and were circulated promptly to the members of Board Committees.

Appointments to the Board

The Board had established a Nomination Committee with appropriate terms of reference on 30 October 2001. The members of the Committee, currently comprising wholly of Independent Non-Executive Directors, are as follows :-

1. Datuk Haji Jaafar bin Abu Bakar (Chairman)
2. Datuk Wan Kassim bin Ahmed

The Nomination Committee is chaired by a Senior Independent Director identified by the Board, thereby enhancing the Committee's overall effectiveness.

The Nomination Committee established by the Board, is responsible for screening, evaluating and recommending suitable candidates to the Board for appointment as Directors, as well as filling the vacant seats of the Board Committees. In respect of the appointment of Directors, the Company practised a clear and transparent nomination process which involves the identification of candidates, evaluation of suitability of candidates, meeting up with candidates, final deliberation by the Nomination Committee and recommendation to the Board.

The Nomination Committee has a formal assessment mechanism in place to assess on an annual basis, the effectiveness of the Board as a whole and the contribution of each individual director, including the Independent Non-Executive Directors. The Committee shall meet at least once a year. Additional meetings are held as and when required. During the financial period, the Committee met one (1) time.

Re-election

In accordance with the Company's Articles of Association, all directors are subject to retirement from office at least once in every three (3) years, but shall be eligible for re-election. This provision is not only consistent with the underlying principles of the Code, but also, fully in line with paragraph 7.26 (2) of the Bursa Securities Main Market Listing Requirements. The Articles also provide that any Director appointed during the year is required to retire and seek re-election at the following Annual General Meeting immediately after such appointment.

The Directors who are subject to re-election at the AGM will be assessed by the Nomination Committee on their performance whereupon recommendations will be submitted to the Board for decision on the proposed re-election of the Directors concerned for shareholders' approval at the forthcoming AGM.

DIRECTORS' REMUNERATION

Procedure

The Board had established a Remuneration Committee with appropriate terms of reference on 30 October 2001. The primary objective of the Remuneration Committee is to assist the Board in developing and establishing competitive remuneration policies and packages in all its forms, while drawing advice from experts if deemed necessary. The Committee currently comprising a majority of Non-Executive Directors, are as follows :-

1. Datuk Haji Jaafar bin Abu Bakar (Chairman)
2. Datuk Wan Kassim bin Ahmed
3. Lim Mun Kee

The Committee shall meet at least once a year. Additional meetings shall be scheduled if considered necessary by the Committee or Chairman. During the financial period, the Committee met one (1) time.

The Level and Make-up of Remuneration

The Committee's duty is to, inter-alia, review the remuneration framework and packages of newly appointed and existing Executive Directors and make recommendations to the Board for approval, with the underlying objective of attracting, motivating and retaining Directors needed to run the Company successfully. In particular, the remuneration package is structured to commensurate with corporate and individual performance, business strategy and long term objective of the Company.

In respect of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken and is a matter for consideration by the Board as a whole. The Non-Executive Directors abstain from discussion pertaining to their own remuneration.

Disclosure

The details of Directors' Remuneration for the financial period are summarised under Other Compliance Statements of this Annual Report.

SHAREHOLDERS

Dialogue Between Company and Shareholders

The Company recognises the importance of keeping shareholders well informed of the Company's major corporate developments and events. The Board had directed the Company to disclose all relevant information to shareholders to enable them to exercise their rights. Such information are duly and promptly announced via appropriate communication channels.

In particular, dissemination of information includes the distribution of Annual Reports, announcement of quarterly financial performance, issuance of circulars, press releases and holding of press conferences.

To further enhance transparency to all shareholders and stakeholders of the Company, the Company has established a website at www.petalingtin.com where shareholders can access information encompassing corporate information, financial highlights, annual reports, Bursa Malaysia Securities Berhad's announcements and media updates.

The Annual General Meeting ('AGM')

The AGM is the principal platform for dialogue with shareholders, wherein, the Board presents the operations and performance of the Company. During the meeting, shareholders are given every opportunity to enquire and comment on matters relating to the Company's business.

The Company has taken active steps to encourage shareholder participation at general meetings such as serving notices for meetings earlier than the minimum notice period. The Chairman and members of the Board are available to respond to shareholders' queries during the meeting.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible for ensuring a balanced and understandable assessment of the Company's position and prospects in its quarterly announcements and annual reports. The Audit Committee assists the Board by reviewing the disclosure information to ensure completeness, accuracy and validity. A full Directors' Responsibility Statement is also included in this Annual Report.

Internal Control

The Statement on Risk Management and Internal Control set out in this Annual Report provides an overview of the Company's approach in maintaining a sound system of internal control to safeguard shareholders' investment and the Company's assets.

Relationship with the Auditors

The Board via the establishment of an Audit Committee, maintains a formal and transparent relationship with the Company's auditors and place great emphasis on the objectivity and independence of the Company's external auditor.

The roles of the Audit Committee in relation to the auditors in particular, and corporate governance in general, are detailed in the Audit Committee Report of this Annual Report.

This statement is made in accordance with a resolution of the Board of Directors dated 13 July 2016.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

PREAMBLE

Pursuant to paragraph 15.26(b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the Board of Directors of listed companies is required to include in its Annual Report, a statement on the state of internal control of the Company. In making this Statement on Internal Control, it is essential to specifically address the Principles and Best Practices in the Malaysian Code on Corporate Governance ("the code") which relates to internal control.

RESPONSIBILITY

The Board of Directors has overall stewardship responsibility for the Company's system of internal control and for reviewing its adequacy and integrity to safeguard shareholders' investment and the Company's assets. However, it should be noted that such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The associated companies have not been dealt with as part of the Company for the purpose of this statement.

INTERNAL CONTROL SYSTEM

The embedded control system is designed to facilitate achievement of the Company's business objectives. It comprises the underlying control environment, control procedures, communication and monitoring processes which manifest as follows: -

- Organizational structure defining lines of responsibility, delegation of authority, segregation of duties and information flow. Besides the predominantly non-executive standing committees such as the Audit, Nomination and Remuneration Committees, the Board is supported by executive management operationally. These committees convene periodically to meet its strategic business agenda thus ensuring that the Board, properly apprised, maintains effective supervision over the entire operations.

- Policies, procedures and standards have been established, periodically reviewed and updated in accordance with changes in the operating environment.

- Comprehensive budgeting process for major operating units with periodical monitoring of performance so that major variances are followed up and management action taken.

- Functional limits of authority in respect of revenue and capital expenditure for all operating units. These commitment authority thresholds, working in tandem with budgetary controls and payment controls, serve to facilitate the approval process whilst keeping potential exposure in check.

- Detailed justification and approval process for major projects and acquisitions imposed, to ensure congruence with the Company's strategic objectives.

- Independent appraisals by internal auditors to ensure ongoing compliance with policies, procedures, standards and legislations whilst assessing the effectiveness of the Company's system of financial, compliance and operational controls.

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

RISK MANAGEMENT FRAMEWORK

Besides primary ownership over effectiveness of the Company's internal control systems, the Company regards risk management as an integral part of the business operations. The Company recognizes its responsibility over the principal risks of various aspects of the Company's business. For long term viability of the Company, the Board acknowledges that, it is crucial to achieve a critical balance between risks incurred and potential returns.

In response to the above challenge, the Company confirms that there is an on-going process of identifying, evaluating, monitoring, managing and reporting significant risks affecting the achievement of the Company's business objectives via the establishment of an in-house structured risk management framework.

A Risk Advisory Committee (RAC) comprising senior management personnel responsible, inter alia, for internal policy communications, acquiring risk management skills, developing skills through education and training, and ensuring adequate scale of recognition, rewards and sanctions has been operating since 26 March,2002.

In particular, the Company's risk management process is focused on the following objectives:-

- risks arising from business strategies and activities are identified and prioritized by functional heads;
- management and the Board have determined the Company's risk appetite vis-à-vis the accomplishment of the Company's strategic plans;
- risk mitigation activities are designed and implemented to manage risks at an acceptable level sanctioned by management and the Board.

During the financial period, the RAC convened quarterly to monitor the Company's significant risks and recommended appropriate treatments. The Audit Committee facilitated by the internal audit function, establishes the adequacy and effectiveness of the Company's Risk Management Framework by regularly reviewing the resultant RAC risk registers.

INTERNAL AUDIT

An in-house Internal Audit function supports the Audit Committee, and by extension, the Board, by providing reasonable independent assurance on the effectiveness of the Company's system of internal control.

In particular, Internal Audit appraise and contribute towards improving the Company's risk management and control system and reports to the Audit Committee on a quarterly basis. The internal audit work plan which reflects the risk profile of the Company's major business sectors is routinely reviewed and approved by the Audit Committee.

Quarterly, the Board of Directors, through its Audit Committee, has reviewed the adequacy and effectiveness of the Company's risk management process and internal control systems and relevant actions have been or are being taken as the case may be, to remedy the internal control weaknesses identified from the reviews, which was largely based on the outcome of observations raised by internal auditors directly to the Audit Committee

INTERNAL CONTROL ISSUES

Management maintains an ongoing commitment to strengthen the Company's control environment and processes. The Chief Executive Officer and the Chief Financial Officer have provided assurance to the Board that the Company's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control frameworks of the Company. The management will continue and take measures to ensure the ongoing effectiveness and adequacy of the system of risk management and internal controls, so as to safeguard shareholders' investment and the Company's assets. During the year, there were no material losses caused by breakdown in internal control.

This statement is made in accordance with a resolution of the Board of Directors dated 13 July 2016 and has been duly reviewed by the external auditors, pursuant to paragraph 15.23 of the Bursa Malaysia Securities Listing Requirements.

AUDIT COMMITTEE REPORT

PREAMBLE

Pursuant to paragraph 15.15 of the Bursa Malaysia Securities Listing Requirements, the Board is required to prepare an Audit Committee Report for inclusion in its Annual Report.

COMPOSITION

The Company has an established Audit Committee since 1998. For the financial period, the members of the Audit Committee, their respective designations and directorships are as follows:-

- Datuk Haji Jaafar bin Abu Bakar
  Chairman, Independent Non-Executive Director
- Datuk Wan Kassim bin Ahmed
  Member, Independent Non-Executive Director
- Mr Lim Mun Kee
  Member, Independent Non-Executive Director

TERMS OF REFERENCE

Purpose

The primary objective of the Audit Committee (as a standing-committee of the Board) is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting and internal control.

Chairman of the Audit Committee

The members of an Audit Committee shall elect a chairman from among their number who shall be an independent director.

Reporting Responsibilities

The Audit Committee will report to the Board on the nature and extent of the functions performed by it and may make such recommendations to the Board on any audit and financial reporting matters as it may think fit.

Attendance at Meetings

The Head of Finance, the Head of Internal Audit and a representative of the External Auditors should normally attend meetings. The Company Secretary shall be the secretary of the Committee. Other officers may be invited to brief the Committee on issues that are incorporated into the agenda. The Committee should meet with the external auditors, the internal auditors or both without executive board members and employees of the Company present, whenever deemed necessary.

Frequency of Meetings

The Committee will meet as frequently as the Chairman shall decide, with due notice of issues to be discussed and should record its conclusions whilst discharging its duties and responsibilities. The Chairman of the Audit Committee should engage on a continuous basis with senior management, the head of internal audit and the external auditors in order to be kept informed of matters affecting the Company.

Quorum

The quorum for a meeting shall be two (2) members of whom a majority shall be Independent Directors.

Authority

The Audit Committee is authorised by the Board to investigate any activity within its terms of reference. The Committee shall have unrestricted access to both the internal and external auditors and to all employees of the Company. The Committee may, with the approval of the Board, consult legal or other professionals where they consider it necessary to discharge their duties.

Duties

The duties of the Audit Committee include the following:-

- To consider the appointment of the external auditor, the audit fee and any questions on resignation or dismissal.
- To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- To review the quarterly and period-end financial statements of the company, focusing on:-
  - any changes in accounting policies and practices;
  - major judgmental areas;
  - significant adjustments arising from the audit;
  - the going concern assumption;
  - compliance with accounting standards and other legal requirements;
- To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management, where necessary);
- To review the external auditor's management letter and management's response;

Duties (Cont'd)

- To do the following, in relation to the internal audit function:-
  - review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
  - review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
  - review any appraisal or assessment of the performance of members of the internal audit function;
  - approve any appointments or termination of senior staff members of the internal audit function; and
  - take cognisance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning;
- To consider any related party transactions and conflict of interest situation that may arise within the Company;
- To consider the major findings of internal investigations and management's response; and
- To consider other topics as defined by the Board.

DETAILS OF MEETINGS

The Audit Committee met five (5) times during the financial period and details of attendances are as follows :-

Datuk Haji Jaafar Bin Abu Bakar	4/5
Datuk Wan Kassim bin Ahmed	5/5
Mr Lim Mun Kee	5/5

During the financial period, relevant training attended by the above directors are detailed in the Corporate Governance Statement of this Annual Report.

SUMMARY OF AUDIT COMMITTEE ACTIVITIES

In discharging its responsibilities for the financial period, the Audit Committee, in particular:-

- Reviewed the quarterly and period end financial statements and made recommendations to the Board.
- Deliberated over the internal audit and compliance reports, ensuring recommendations are carried out.
- Reviewed and assisted in the development and implementation of sound and effective internal controls and business systems within the Company.
- Reviewed the Risk Advisory Committee report, ensuring adequacy and effectiveness of the Group's Risk Management Framework.
- Discussed and reviewed with the external auditors the results of their examination, their reports and management letters in relation to the audit and accounting issues arising from the audit.
- Conducted an annual assessment of the suitability and independence of the external auditors and thereafter made recommendations to the Board for their reappointment and subsequently sought shareholders' approval at the forthcoming Annual General Meeting.
- Reviewed the Company's compliance with regards to the Bursa Malaysia Securities Main Market Listing Requirements and compliance with accounting standards issued by the Malaysian Accounting Standards Board.

SUMMARY OF INTERNAL AUDIT ACTIVITIES

The Audit Committee is supported by an Internal Audit Department which reports directly to the Committee and is independent of the activities they audit. The cost incurred on this function which includes risk management and corporate governance was approximately RM59,340. During the financial year, the Internal Audit Department conducted, inter alia, the following activities:

- Formulated and agreed with the Audit Committee on the audit plan, strategy and scope of work.
- Reviewed compliance with internal policies, procedures and standards, relevant external rules and regulations, as well as assessing the adequacy and effectiveness of the Company's internal control system.
- Analysed and assessed key business processes, report findings and made recommendations to improve effectiveness and efficiency.
- Followed up on internal audit recommendations to ensure adequate implementation.
- Advised on the implementation of the Malaysian Code on Corporate Governance, Bursa Malaysia Securities Main Market Listing Requirements and other regulatory requirements.
- Performed investigations and special reviews as requested by the Board and Management.
- Facilitated and reviewed the Company's risk management framework for adequacy and effectiveness in tandem with the business environment.

This report is made in accordance with a resolution of the Board of Directors dated 13 July 2016.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Paragraph 15.26(a) of the Bursa Securities Main Market Listing Requirements

The Directors are required by Malaysian company law to prepare for each accounting period financial statements which give a true and fair view of the state of affairs of the Group and the Company as at the end of the accounting period and of the results of their operations and cash-flows for that period.

In preparing the financial statements the Directors are required to select and apply consistently suitable accounting policies and make reasonable and prudent judgments and estimates. Applicable accounting standards also have to be followed and a statement made to that effect in the financial statements, subject to any material departures being disclosed and explained in the notes to the financial statements. The Directors are required to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group will continue in business. The Directors are responsible for ensuring proper accounting records are kept which discloses with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1965.

They are also responsible for taking reasonable steps to safeguard the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 13 July 2016.

OTHER COMPLIANCE STATEMENTS

1 DIRECTORS' ATTENDANCE AT BOARD MEETINGS

During the financial period ended 31 March 2016, the Board held five (5) meetings, the attendance of which is presented below :-

	Directors	Attendance
1	Datuk Haji Jaafar bin Abu Bakar	4/5
2	Datuk Wan Kassim bin Ahmed	5/5
3	Dato' Nik Kamaruddin bin Ismail	4/5
4	Mr Lim Mun Kee	5/5
5	Mr Chen Yiy Fon	5/5

2 DIRECTORS REMUNERATION

The aggregate remuneration of Directors' for the financial period is categorised as follows:-

RM	Fees	Salaries	Others	Total
Executive	-	445,875	54,280	500,155
Non-executive	345,000	-	-	345,000
Total	**345,000**	**445,875**	**54,280**	**845,155**

The number of directors whose remuneration falls in each successive band of RM50,000 are as follows :-

Range of remuneration (RM)	Executive	Non-executive
0 - 50,000	-	1
50,001 - 100,000	-	2
101,000 - 150,000	-	1
151,000 - 200,000	-	-
201,000 - 250,000	-	-
251,000 - 300,000	-	-
301,000 - 350,000	-	-
351,000 - 400,000	-	-
Above 400,000	1	-
Total	**1**	**4**

The above disclosure is in compliance with the Bursa Securities Main Market Listing Requirements. Nevertheless, it represents a departure from the Principles of Corporate Governance which prescribes individual disclosure of directors' remuneration packages. The Board is of the opinion that individual disclosure would impinge upon the Directors' reasonable right to privacy whilst not significantly enhancing shareholders' information.

3 UTILISATION OF PROCEEDS

During the financial period, the Company did not raise funds from any corporate exercises.

4 SHARE BUY-BACK

During the financial period, the Company did not exercise any share buy-back.

As at 31 March 2016, a total of 271,700 of the Company's shares were held as treasury shares. None of the treasury shares held were resold or cancelled during the financial year.

5 OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

During the financial period, the Company did not issue any options, warrants or convertible securities.

6 AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR")

During the financial period, the Company did not sponsor any ADR or GDR programme.

7 SANCTIONS AND/OR PENALTIES

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies.

8 NON-AUDIT FEES

Non-audit fees payable to the external auditors for the financial period amounts to RM5,000.

9 VARIATION IN RESULTS

There were no material variance between the results for the financial period and the unaudited results previously announced.

10 PROFIT GUARANTEE

During the financial period, there was no profit guarantee given by the Company.

11 MATERIAL CONTRACTS INVOLVING DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

There were no material contracts entered by the Company and its subsidiaries involving directors' and major shareholders' interests other than those disclosed in the financial statements.

12 REVALUATION POLICY

The Company does not have a policy of regular revaluation of its landed properties.

13 RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE NATURE

There were no material recurrent related party transactions of a revenue nature during the financial period other than those disclosed in the financial statements.

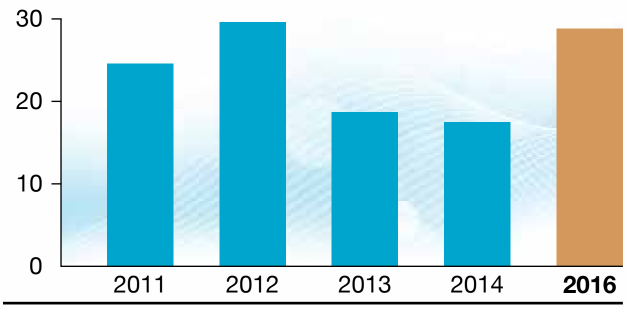
This statement is made in accordance with a resolution of the Board of Directors dated 13 July 2016.

FIVE YEARS' COMPARATIVE RESULTS

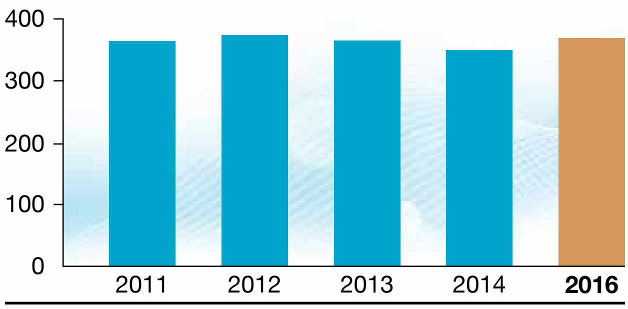
	2016 *	2014	2013	2012	2011
Operating revenue (RM'000)	**28,799**	17,471	18,726	29,681	24,577
Profit/(Loss) before taxation (RM'000)	**10,687**	(6,237)	(7,485)	(484)	1,452
Profit/(Loss) after taxation (RM'000)	**8,077**	(6,068)	(7,031)	8,531	1,474
Shareholders' funds (RM'000)	**368,784**	359,918	365,986	373,017	364,486
Total assets employed (RM'000)	**436,668**	427,116	433,080	438,204	440,055
Net tangible assets (RM'000)	**368,784**	359,918	365,986	373,017	364,486
Gearing ratio (times)	*******	***	***	***	***
Net tangible assets per share (RM)	**1.07**	1.04	1.06	1.08	1.05
Earnings/(Loss) per share (sen)					
Basic	**2.34**	(1.75)	(2.03)	2.47	0.43
Fully diluted	**-**	-	-	-	-

* 15 months financial period due to change of financial year end from 31 December to 31 March
** Calculated based on bank borrowings over shareholders' funds
*** Negligible

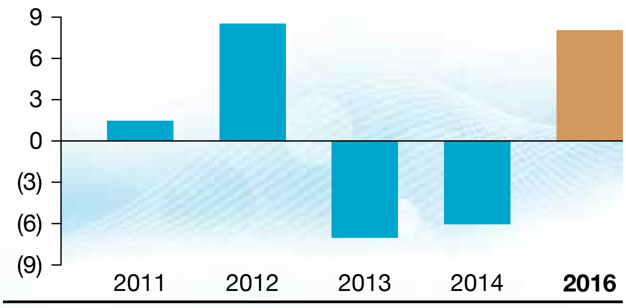
OPERATING REVENUE
(RM'000)



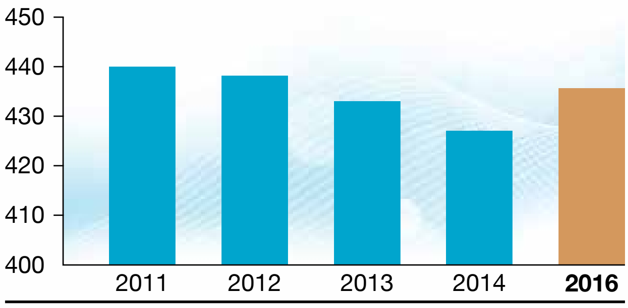
SHAREHOLDERS' FUNDS
(RM'000)



PROFIT/(LOSS) AFTER TAXATION
(RM'000)



TOTAL ASSETS EMPLOYED
(RM'000)



FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial period ended 31 March 2016.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of property development, investment holding and providing management services. The principal activities of the subsidiary companies are disclosed in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities during the financial period.

CHANGE IN FINANCIAL YEAR END

The Company changed its financial year end from 31 December to 31 March, the Directors are of the opinion that there are administrative conveniences in closing the annual financial year on 31 March. Accordingly, the current financial statements are prepared for fifteen months from 1 January 2015 to 31 March 2016. As a result the comparative information stated in the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows and the related notes are not comparable.

FINANCIAL RESULTS

	Group RM	Company RM
Net profit/(loss) for the fianancial period attributable to the owners	8,076,801	(2,652,342)

RESERVES AND PROVISIONS

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

DIVIDENDS

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

ISSUE OF SHARES AND DEBENTURES

There were no issuance of debentures during the financial period.

TREASURY SHARES

As at 31 March 2016, the Company held 271,700 treasury shares out of its issued ordinary shares. Further relevant details are disclosed in Note 17 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial period.

DIRECTORS

The Directors in office since the date of the last report are as follows:

Datuk Haji Jaafar Bin Abu Bakar
Datuk Wan Kassim Bin Ahmed
Dato' Nik Kamaruddin Bin Ismail
Lim Mun Kee
Chen Yiy Fon

DIRECTORS' INTERESTS

The interests and deemed interests in the shares and options over shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of Ordinary Shares of RM1.00 each			
	At 1.1.2015	Acquired	Disposed	At 31.3.2016
Direct Interest				
Datuk Haji Jaafar bin Abu Bakar	5,000	-	-	5,000
Indirect Interest				
Chen Yiy Fon*	117,859,622	-	-	117,859,622

* Deemed interest by virtue of shares held by his father, Tan Sri Dr. Chen Lip Keong.

None of the other Directors in office at the end of the financial period had any interest in shares in the Company or its related corporations during the financial period.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company 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 Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 31 to the financial statements.

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

OTHER STATUTORY INFORMATION

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

(i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves there were no bad debts to be written off and no allowance for doubtful debts was required; and

(ii) to ensure that any current assets which were unlikely to realise their values 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:

(i) which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in the financial statements of the Group and of the Company; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) 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; or

(iv) 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.

c 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 period which secures the liability 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 period.

d In the opinion of the Directors:

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

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

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

SIGNIFICANT EVENTS

The significant events are disclosed in Note 34 to the financial statements.

SUBSEQUENT EVENTS

The subsequent event is disclosed in Note 35 to the financial statements.

AUDITORS

The Auditors, Messrs UHY, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 13 July 2016

Datuk Haji Jaafar bin Abu Bakar **Chen Yiy Fon**

Kuala Lumpur

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 22 to 79 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and of their financial performance and cash flows for the financial period then ended.

The supplementary information set out in Note 38 to the financial statements on page 80 have been compiled in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

Signed on behalf of the board of Directors in accordance with a resolution of the Directors dated 13 July 2016

Datuk Haji Jaafar bin Abu Bakar **Chen Yiy Fon**

Kuala Lumpur

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

I, Lam Hoi Khong, being the officer primarily responsible for the financial management of Petaling Tin Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 22 to 79 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provision of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed)
at Kuala Lumpur on 13 July 2016)

Lam Hoi Khong

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PETALING TIN BERHAD

(Company No. : 324-H)
(Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Petaling Tin Berhad, which comprise statements of financial position as at 31 March 2016 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 22 to 79.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2016 and of their financial performance and cash flows for the financial period then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PETALING TIN BERHAD (CONT'D)

(Company No. : 324-H)
(Incorporated in Malaysia)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

b We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes; and

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

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 38 on page 80 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 Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

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

UHY
Firm Number: AF 1411
Chartered Accountants

CHAN JEE PENG
Approved Number: 3068/08/18 (J)
Chartered Accountant

Kuala Lumpur
13 July 2016

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Note	Group 31.3.2016 RM	Group 31.12.2014 RM	Company 31.3.2016 RM	Company 31.12.2014 RM
Non-Current Assets					
Property, plant and equipment	4	**628,809**	872,283	**223,311**	300,287
Investment in subsidiary companies	5	**-**	-	**465,827,660**	465,827,660
Investment properties	6	**155,579,174**	155,527,174	**4,026,020**	4,026,020
Land held for property development	7	**229,738,839**	226,315,940	**38,631,942**	38,631,942
Total Non-Current Assets		**385,946,822**	382,715,397	**508,708,933**	508,785,909
Current Assets					
Property development costs	8	**-**	13,058,082	**-**	-
Accrued billings in respect of property development costs		**1,128,428**	6,740,985	**-**	-
Trade receivables	9	**38,736,708**	19,561,546	**-**	-
Other receivables	10	**1,760,150**	1,673,586	**127,748**	80,777
Amount owing by subsidiary companies	11	**-**	-	**83,374,971**	83,785,968
Tax recoverable		**875**	140,412	**875**	875
Fixed deposits with financial institutions	12	**1,075,044**	1,184,872	**50,000**	50,000
Cash and bank balances	13	**1,318,806**	2,041,499	**305,693**	59,937
		44,020,011	44,400,982	**83,859,287**	83,977,557
Non-current Assets classfied as held for sale	14	**6,701,442**	-	**-**	-
Total Assets		**436,668,275**	427,116,379	**592,568,220**	592,763,466
Equity					
Share capital	15	**346,102,679**	346,102,679	**346,102,679**	346,102,679
Reserves	16	**22,749,848**	13,883,765	**(7,375,816)**	(4,723,474)
Treasury shares	17	**(68,236)**	(68,236)	**(68,236)**	(68,236)
Total Equity		**368,784,291**	359,918,208	**338,658,627**	341,310,969
Non-Current Liabilities					
Finance lease liabilities	18	**-**	3,868	**-**	3,868
Deferred taxation	19	**31,524,143**	33,975,809	**-**	-
Total Non-Current Liabilities		**31,524,143**	33,979,677	**-**	3,868
Current Liabilities					
Trade payables	20	**8,186,969**	9,806,365	**-**	-
Other payables	21	**10,832,164**	8,057,947	**7,411,355**	4,947,113
Provisions	22	**2,315,391**	2,344,914	**-**	-
Amount owing to subsidiary companies	11	**-**	-	**246,498,238**	246,478,897
Finance lease liabilities	18	**-**	22,619	**-**	22,619
Bank borrowings	23	**-**	1,312,154	**-**	-
Tax payable		**15,025,317**	11,674,495	**-**	-
		36,359,841	33,218,494	**253,909,593**	251,448,629
Total Liabilities		**67,883,984**	67,198,171	**253,909,593**	251,452,497
Total Equity and Liabilities		**436,668,275**	427,116,379	**592,568,220**	592,763,466

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

		Group		Company	
	Note	1.1.2015 to 31.3.2016 RM	1.1.2014 to 31.12.2014 RM	1.1.2015 to 31.3.2016 RM	1.1.2014 to 31.12.2014 RM
Revenue	24	**28,799,150**	17,471,341	**2,040,195**	3,550,451
Direct costs	25	**(9,193,092)**	(11,996,314)	**-**	-
Gross profit		**19,606,058**	5,475,027	**2,040,195**	3,550,451
Other incomes		**1,083,335**	350,033	**3,371**	31,424
Administrative costs		**(9,303,535)**	(11,421,164)	**(4,647,106)**	(4,494,943)
Other costs		**(628,496)**	(469,201)	**(22,315)**	(108,727)
		(9,932,031)	(11,890,365)	**(4,669,421)**	(4,603,670)
Profit/(loss) from operations		**10,757,362**	(6,065,305)	**(2,625,855)**	(1,021,795)
Finance costs	26	**(70,163)**	(171,493)	**(26,487)**	(1,038)
Profit/(loss) before taxation	27	**10,687,199**	(6,236,798)	**(2,652,342)**	(1,022,833)
Taxation	28	**(2,610,398)**	169,128	**-**	-
Profit/(loss) from continuing operations, representing total comprehensive income/(expense) for the financial period/year		**8,076,801**	(6,067,670)	**(2,652,342)**	(1,022,833)
Other Comprehensive Income					
Income tax relating to items of other comprehensive income that will not be reclassified to profit or loss	28	**789,310**	-	**-**	-
Earnings per share attributable to owners of the parent (sen)					
Basic diluted profit/(loss) per share	29	**2.34**	(1.75)		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

		Attributable to owners of the Parent						
				Non-distributable				
		Share Capital	Treasury Shares	Share Premium	Revaluation Reserves	Other Reserves	Accumulated Losses	Total Equity
Group	**Note**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
At 1.1.2014		346,102,679	(68,236)	43,953,998	1,621,861	3,526,514	(29,150,938)	365,985,878
Net loss for the financial year representing total comprehensive expense for the financial year		-	-	-	-	-	(6,067,670)	(6,067,670)
Realisation of revaluation surplus on sale of development properties		-	-	-	(51,414)	-	51,414	-
At 31.12.2014		346,102,679	(68,236)	43,953,998	1,570,447	3,526,514	(35,167,194)	359,918,208
At 1.1.2015		**346,102,679**	**(68,236)**	**43,953,998**	**1,570,447**	**3,526,514**	**(35,167,194)**	**359,918,208**
Net profit for the financial year representing total comprehensive income for the financial period		**-**	**-**	**-**	**-**	**-**	**8,076,801**	**8,076,801**
Realisation of revaluation deficit on sale of development properties		**-**	**-**	**-**	**1,400,020**	**-**	**(610,738)**	**789,282**
At 31.3.2016	16	**346,102,679**	**(68,236)**	**43,953,998**	**2,970,467**	**3,526,514**	**(27,701,131)**	**368,784,291**

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

STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

Company	Share Capital RM	Treasury Shares RM	Share Premium RM	Other Reserves RM	Accumulated Losses RM	Total Equity RM
	Non-distributable					
At 1.1.2014	346,102,679	(68,236)	43,953,998	4,519,264	(52,173,903)	342,333,802
Net loss for the financial year representing total comprehensive loss for the financial year	-	-	-	-	(1,022,833)	(1,022,833)
At 31.12.2014	346,102,679	(68,236)	43,953,998	4,519,264	(53,196,736)	341,310,969
At 1.1.2015	346,102,679	(68,236)	43,953,998	4,519,264	(53,196,736)	341,310,969
Net loss for the financial period Fair value adjustment representing total comprehensive expenses for the financial period	-	-	-	-	(2,652,342)	(2,652,342)
At 31.3.2016	**346,102,679**	**(68,236)**	**43,953,998**	**4,519,264**	**(55,849,078)**	**338,658,627**

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

	Note	Group 1.1.2015 to 31.3.2016 RM	Group 1.1.2014 to 31.12.2014 RM	Company 1.1.2015 to 31.3.2016 RM	Company 1.1.2014 to 31.12.2014 RM
Cash Flows From Operating Activities					
Profit/(loss) before tax		**10,687,199**	(6,236,798)	**(2,652,342)**	(1,022,833)
Adjustments for:					
Depreciation of property, plant and equipment		**277,388**	154,045	**105,390**	60,598
Gain on disposal of investment in associate		**-**	(27,593)	**-**	(27,593)
Reversal of impairment losses of receivables		**-**	7,803,100	**-**	-
Interest expenses		**70,163**	171,493	**2,608**	2,433
Interest income		**(348,570)**	(79,983)	**(2,709)**	(3,831)
Operating profit/(loss) before working capital changes		**10,686,180**	1,784,264	**(2,547,053)**	(991,226)
Changes in working capital:					
Land and property development costs		**2,936,028**	4,853,631	**-**	-
Accrued billing		**5,612,557**	-	**-**	-
Inventories		**-**	1,788,018	**-**	-
Receivables		**(19,261,726)**	(10,498,622)	**(46,971)**	(3,692)
Payables		**1,131,099**	2,526,280	**2,464,243**	3,897,916
Amount owing by subsidiary companies		**-**	-	**391,656**	704,570
		(9,582,042)	(1,330,693)	**2,808,928**	4,598,794
Cash generated from operations		**1,104,138**	453,571	**261,875**	3,607,568
Interest paid		**(70,163)**	(171,493)	**(2,608)**	(2,433)
Interest received		**348,570**	79,983	**2,709**	3,831
Tax refund		**38,681**	-	**38,681**	-
Tax paid		**(800,291)**	(934,021)	**-**	(32,270)
		(483,203)	(1,025,531)	**38,782**	(30,872)
Net cash from/(used in) Operating Activities		**620,935**	(571,960)	**300,657**	3,576,696
Cash Flows From Investing Activities					
Purchase of property, plant and equipment	4	**(33,914)**	(120,824)	**(28,414)**	(118,374)
Addition in investment properties	6	**(52,000)**	-	**-**	-
Advance to subsidiary companies		**-**	-	**-**	(4,766,287)
Increase in land held for property development		**(28,901)**	-	**-**	-
Proceeds from disposal of investment in associate		**-**	27,593	**-**	27,593
Net cash used in investing activities carried forward		**(114,815)**	(93,231)	**(28,414)**	(4,857,068)

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2016

	Note	Group 1.1.2015 to 31.3.2016 RM	Group 1.1.2014 to 31.12.2014 RM	Company 1.1.2015 to 31.3.2016 RM	Company 1.1.2014 to 31.12.2014 RM
Net cash used in investing activities brought forward		**(114,815)**	(93,231)	**(28,414)**	(4,857,068)
Cash Flows From Financing Activities					
Advances from subsidiary company		**-**	-	**-**	704,570
Withdrawal/(placement) of fixed deposit pledged		**109,828**	(31,094)	**-**	-
Repayment of finance lease liabilities		**(26,487)**	(21,195)	**(26,487)**	(21,195)
Repayment of term loans		**(1,312,154)**	(1,189,259)	**-**	-
Net cash (used in)/ generated from financing activities		**(1,228,813)**	(1,241,548)	**(26,487)**	683,375
Net (decrease)/increase in cash and cash equivalents		**(722,693)**	(1,906,739)	**245,756**	(596,997)
Cash and cash equivalents at the beginning of the financial period/year		**2,041,499**	3,948,238	**59,937**	656,934
Cash and cash equivalents at the end of the financial period/year		**1,318,806**	2,041,499	**305,693**	59,937
Cash and cash equivalents at the end of the financial year/period comprise:					
Cash and bank balances		**655,221**	1,128,974	**305,693**	59,503
Fixed deposits pledged with license bank		**1,075,044**	1,184,872	**50,000**	50,000
Cash held under housing development accounts	13	**659,646**	907,668	**-**	-
Short term funds		**3,939**	4,857	**-**	434
		2,393,850	3,226,371	**355,693**	109,937
Less: Fixed deposits pledged with license bank		**(1,075,044)**	(1,184,872)	**(50,000)**	(50,000)
		1,318,806	2,041,499	**305,693**	59,937

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

NOTES TO 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 and principal place of business of the Company is located at 1st Floor, No.118, Jalan Semangat, 46300 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are property development, investment holding and providing management services. The principal activities of its subsidiary companies are disclosed in Note 5 to the financial statements. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial period.

2 BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the requirements of the Companies Act, 1965 in Malaysia. The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of new and amended standards

During the financial period, the Group and the Company have adopted the following Amendments to FRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for the current financial period:

Amendments to FRS 119	Defined Benefits Plans: Employee Contributions
Annual Improvements to	FRSs 2010 – 2012 Cycle
Annual Improvements to	FRSs 2011 – 2013 Cycle

The adoption of the above amendments to FRSs did not have any significant impact on the financial statements of the Group and of the Company.

2 BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following new FRSs and amendments to FRSs that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
FRS 14	Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to FRS 101	Disclosure Initiative	1 January 2016
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 127	Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to FRSs 2012–2014 Cycle		1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to FRS 112	Recognition of Deferred Tax for Unrealised Losses	1 January 2017
Amendments to FRS 107	Disclosure Initiative	1 January 2017
FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
Amendments to FRS 10, FRS 12 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be announced

The Group and the Company intend to adopt the above FRSs when they become effective.

2 BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The initial application of the abovementioned FRSs are not expected to have any significant impact on the financial statements of the Group and of the Company except as mentioned below:

FRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)

FRS 9 (IFRS 9 issued by IASB in July 2014) replaces earlier versions of FRS 9 and introduces a package of improvements which includes a classification and measurement model, a single forward looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. FRS 9 when effective will replace FRS 139 Financial Instruments: Recognition and Measurement.

FRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial assets. Investment in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income without subsequent recycling to profit or loss. There is now a new expected credit losses model that replaces the incurred loss impairment model used in FRS 139. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. FRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under FRS 139.

The adoption of FRS 9 will result in a change in accounting policy. The Group and the Company are currently examining the financial impact of adopting FRS 9.

New Malaysian Financial Reporting Standards ("MFRS Framework") issued but not yet effective

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework"). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture and IC Interpretation 15 Agreements for Construction of Real Estate, including its parent, significant investor and venturer (hereinafter called "Transitioning Entities").

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework and continue to use the existing FRS Framework. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group and the Company fall within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in their first MFRS financial statements for the financial year ending 31 March 2019. In presenting their first MFRS financial statements, the Group and the Company will be required to restate the comparative financial statements to amounts reflecting the application of the MFRS Framework. The majority of the adjustments required on transition will be made, retro spectively, against opening retained earnings.

The Group and the Company have not completed its assessment of the financial effects of the differences between FRSs and accounting standards under the MFRS Framework. Accordingly, the consolidated and separate financial performance and financial position as disclosed in these financial statements for the financial period ended 31 March 2016 could be different if prepared under the MFRS Framework.

2 BASIS OF PREPARATION (CONT'D)

(b) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM") which is the Group's and the Company's functional currency and all values have been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

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 amounts of the assets or liabilities affected in the future.

Judgements

There are no significant areas of critical judgement in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

(i) Useful lives of property, plant and equipment

The Group regularly review the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment and investment properties. The carrying amount at the reporting date for property, plant and equipment and in vestment properties are disclosed in Notes 4.

(ii) Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. Land and buildings were valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of property. In addition, the fair value also determined by considering the aggregate of the present value of the estimated cash flows expected to be received from renting out the properties.

The key assumptions used to determine the fair value of properties are provided in Note 6.

(iii) Property development costs

The Group recognises property development revenue and expenses in the statements of profit or loss and other comprehensive income by using the stage of completion method. The stage of completion is deter mined by the proportion that property development costs incurred, for work performed to date bear to the estimated total property development costs. Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred the estimated total property development revenue and costs, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists. The carrying amount of the Group's property development costs at the reporting date is disclosed in Notes 7 and 8.

2 BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

(iv) Deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences 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 of the carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 19.

(v) Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Details of income taxes expense are disclosed in Note 28.

3 SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

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

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interests in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

If the business combination is achieved in stages, previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classify as an asset or liability is a financial instrument and within the scope of FRS 139 Financial Instruments: Recognition and Measurement, is measured at fair value with the change in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(i) to the financial statements on impairment of non-financial assets

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(i) to the financial statements on impairment of non-financial assets.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy for the recognition and measurement of impairment is in accordance with Note 3(i).

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use.

For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Buildings	50 years
Plant and equipment	3 - 10 years
Motor vehicles	5 years
Renovations	5 years

The residual values, useful lives and depreciation method are reviewed at each reporting period end to en sure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Development properties

Development properties are classified under two categories, i.e. land held for property development and property development costs.

(i) Land held for property development

Land held for property development consists of land held for future development activities where no development activities has been undertaken or where development activities are not expected to be completed within normal operating cycle. Such land is classified as non-current asset and is stated at cost less any accumulated impairment losses. The policy of recognition and measurement of impairment is in accordance with Note 3(i).

Land held for property development is reclassified as current asset when the development activities have commenced or development activities are expected to commence within the period of twelve months after the end of the reporting period and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

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

(ii) Property development costs

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

Property development costs shall be classified as non-current asset where no development activities have been carried out or development activities are not expected to commence within the period of twelve months after the end of the reporting period or where development activities are not expected to be completed within the normal operating cycle.

Property development costs shall be reclassified to current asset when the development activities have been commenced or development activities are expected to commence within the period of twelve months after the end of financial year or where the activities are expected to be completed within the normal operating cycle.

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

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

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

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

When the revenue recognised in the profit or loss exceeds billings to purchasers, the balance is shown as accrued billings under current assets. When the billings to purchasers exceed the revenue recognised in the profit or loss, the balance is shown as progress billings under current liabilities.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Inventories

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

The cost of completed properties includes costs of land and related development cost or its purchase costs and incidental cost of acquisition.

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

(e) Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost and subsequently at fair value with any changes therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly at tributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Investment properties are derecognised when either they are disposed of or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in the profit or loss in the reporting period of retirement or disposal.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(f) Financial assets

Financial assets are recognised on 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 assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in profit or loss.

The Group and the Company classify their financial assets depends on the purpose for which the financial assets were acquired at initial recognition, into the following categories:

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing later than 12 months after the end of the reporting period which are classified as non-current assets

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial assets (Cont'd)

(i) Loans and receivables (cont'd)

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

A financial asset is derecognised when the contractual rights to receive cash flows from the financial assets has expired or have been transferred and the Group and the Company has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received and any cumulative gains or loss that had been recognised in equity is recognised in the profit or loss.

(g) Non-current assets held for sale and discontinued operation

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short term highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(i) Construction costs

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

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of contract as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion method is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract cost.

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

Irrespective whether the outcome of a construction contract can be estimated reliably, when it is probable that contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Construction costs (Cont'd)

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the year end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is presented as amounts due from contract customers. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is presented as amounts due to contract customers.

(j) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for deferred tax assets and non-current assets classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill that have indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating units is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows 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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An 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. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Impairment of assets (Cont'd)

(ii) Financial assets

All financial assets, other than those categorised as fair value through profit or loss and investment in subsidiary companies, are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

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 considers factors such as the probability of insolvency or significant financial difficulties of the receivable 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 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 defaults on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of impairment loss is recognised in the profit or loss. Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery.

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 (such as an improvement in the receivable's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

(k) Share capital

(i) Ordinary shares

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 nominal value of shares issued. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

(ii) Treasury shares

When issued share of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares in the statement of changes in equity. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of the treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is applied as a reduction of the share premium account or the distributable retained earnings or both.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Financial liabilities

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

Financial liabilities are recognised on 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.

The Group and the Company classify their financial liabilities at initial recognition, into the following categories:

(i) Financial liabilities measured at amortised cost

The Group's and the Company's other financial liabilities comprise trade and other payables and loans 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.

Loans and 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.

Gains and losses on financial liabilities measured at amortised cost are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

(ii) Finance 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 of a specified debtor fails to make payment when due in accordance with the original or modified terms of debt instruments.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

A financial liability is derecognised when, and only when, the obligation specified in the contract is dis charged or cancelled or expires. 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.

(m) Offsetting of financial instruments

A financial asset and a financial liability is offset and the net amount reported in the 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) 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.

(o) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between 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 recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as a property, plant and equipment.

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised in the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property and measured using fair value model.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which is substance is an operating lease is classified as prepaid land lease payments.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Revenue recognition

(i) Property development

Revenue derived from property development activities is recognised based on the percentage of completion method. The stage of completion is determined based on the total actual costs incurred to date over the estimated total property development costs.

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

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

(ii) Revenue from sale of developed land and completed landed properties

Revenue from sale of developed land and completed landed properties are measured at the fair value of the consideration receivable and are recognised in the profit or loss when the significant risk and reward of ownership have been transferred to the buyer.

(iii) Construction contracts

Revenue from construction contracts is accounted in accordance to the accounting policies as described in Note 3(h) to the financial statements.

(iv) 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.

(v) Interest income

Interest income are recognised on an accruals basis using the effective interest method.

(vi) Management fee

Management fee is recognised on accrual basis when services are rendered.

(q) Contingencies

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

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

(s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(t) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Income taxes (Cont'd)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(u) Employee benefits

(i) Short term employee 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 Group. 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. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur. The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Some of the Group's foreign subsidiary companies also make contributions to their respective countries' statutory pension schemes. Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

4 PROPERTY, PLANT AND EQUIPMENT

	Buildings RM	Plant and equipment RM	Motor Vehicles RM	Renovations RM	Total RM
Group					
Cost					
At 1 January 2015	201,757	1,740,974	1,401,478	419,383	3,763,592
Additions	-	33,914	-	-	33,914
At 31 March 2016	201,757	1,774,888	1,401,478	419,383	3,797,506
Accumulated depreciation					
At 1 January 2015	201,754	1,580,911	689,261	419,383	2,891,309
Charge for the financial period	-	99,308	178,080	-	277,388
At 31 March 2016	201,754	1,680,219	867,341	419,383	3,168,697
Carrying amount					
At 31 March 2016	3	94,669	534,137	-	628,809
Cost					
At 1 January 2014	201,757	1,620,150	1,401,478	419,383	3,642,768
Additions	-	120,824	-	-	120,824
At 31 December 2014	201,757	1,740,974	1,401,478	419,383	3,763,592
Accumulated depreciation					
At 1 January 2014	201,754	1,526,313	589,814	419,383	2,737,264
Charge for the financial year	-	54,598	99,447	-	154,045
At 31 December 2014	201,754	1,580,911	689,261	419,383	2,891,309
Carrying amount					
At 31 December 2014	3	160,063	712,217	-	872,283

4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Buildings RM	Plant and equipment RM	Motor Vehicles RM	Renovations RM	Total RM
Company					
Cost					
At 1 January 2015	201,757	1,696,271	542,383	419,383	2,859,794
Additions	-	28,414	-	-	28,414
At 31 March 2016	201,757	1,724,685	542,383	419,383	2,888,208
Accumulated depreciation					
At 1 January 2015	201,754	1,538,263	400,107	419,383	2,559,507
Charge for the financial period	-	97,140	8,250	-	105,390
At 31 March 2016	201,754	1,635,403	408,357	419,383	2,664,897
Carrying amount					
At 31 March 2016	3	89,282	134,026	-	223,311
Cost					
At 1 January 2014	201,757	1,577,897	542,383	419,383	2,741,420
Additions	-	118,374	-	-	118,374
At 31 December 2014	201,757	1,696,271	542,383	419,383	2,859,794
Accumulated depreciation					
At 1 January 2014	201,754	1,484,265	393,507	419,383	2,498,909
Charge for the financial year	-	53,998	6,600	-	60,598
At 31 December 2014	201,754	1,538,263	400,107	419,383	2,559,507
Carrying amount					
At 31 December 2014	3	158,008	142,276	-	300,287

As at 31 March 2016, the leased motor vehicles of the Group was fully settled (31.12.2014:at carrying amount RM142,276).

5 INVESTMENT IN SUBSIDIARY COMPANIES

	Company 31.3.2016 RM	Company 31.12.2014 RM
Unquoted shares, at cost		
In Malaysia	**467,845,004**	467,845,004
Less: Accumulated impairment losses	**(2,017,344)**	(2,017,344)
	465,827,660	465,827,660

Movements in impairment of investment in subsidiary companies are as follows:

	Company 31.3.2016 RM	Company 31.12.2014 RM
At the beginning/end of financial period/year	**2,017,344**	2,017,344

The particulars of the subsidiaries are as follows:

		Effective Equity Interest 31.3.2016	Effective Equity Interest 31.12.2014	Principal Activities
PTB Clay Products Sdn. Bhd.	Malaysia	100%	100%	Dormant
Ukaylake Country Club Bhd	Malaysia	100%	100%	Dormant
Golden Domain Holdings Sdn. Bhd.	Malaysia	100%	100%	Investment holding
Petaling Ventures Sdn. Bhd.	Malaysia	100%	100%	Property investment and development
Lembah Langat Development Sdn. Bhd.	Malaysia	100%	100%	Property investment and development
PTB Development Sdn. Bhd.	Malaysia	100%	100%	Property development
PTB Horticulture Farm Sdn. Bhd.	Malaysia	100%	100%	Property investment and development
Golden Domain Development Sdn. Bhd.	Malaysia	100%	100%	Investment holding, property investment and development
Majurama Developments Sdn. Bhd.	Malaysia	100%	100%	Property development
Magilds Park Sdn. Bhd.	Malaysia	100%	100%	Property development

6 INVESTMENT PROPERTIES

	Group		Company	
	31.3.2016 RM	**31.12.2014 RM**	**31.3.2016 RM**	**31.12.2014 RM**
At Fair value				
At 1 January	**155,527,174**	155,527,174	**4,026,020**	4,026,020
Addition	**52,000**	-	**-**	-
At 31 March/31 December	**155,579,174**	155,579,174	**4,026,020**	4,026,020
Included in the above are:				
At fair value				
Leasehold land	**116,041,154**	116,041,154	**-**	-
Land and buildings	**39,538,020**	39,486,020	**4,026,020**	4,026,020
	155,579,174	155,527,174	**4,026,020**	4,026,020

(a) Long term leasehold land

The long term leasehold land has an unexpired lease period of more than 50 years. The long term leasehold land is held under a master title jointly with other land owners which include certain director related companies.

(b) Fair value basis of investment properties

The leasehold land is valued annually at fair value based on market values determined by independent qualified valuers amounting to RM116,041,154 (31.12.2014: RM116,041,154).

Land and buildings are determined by considering the aggregate of the present value of the estimated cash flows expected to be received from renting out the property using yield rates ranging from 4% to 10% (31.12.2014: 4% to 10%).

The fair values are within level 2 of the fair value hierarchy.

(c) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of the investment properties:

	Group	
	31.3.2016 RM	**31.12.2014 RM**
Rental income	(2,998,500)	(2,398,800)
Direct operating expenses		
-Income generating investment properties	247,010	162,440

(d) Investment properties pledged as security to financial institution amounting to RM22,052,000 (31.12.2014: RM22,000,000). This banking facility was fully settled by the Group during the financial period, and currently the security is in the process of discharged.

7 LAND HELD FOR PROPERTY DEVELOPMENT

	Group		Company	
	31.3.2016 RM	31.12.2014 RM	31.3.2016 RM	31.12.2014 RM
Freehold land, at cost				
At 1 January	**29,588,108**	34,850,107	**-**	-
Disposals	**-**	(5,261,999)	**-**	-
At 31 March/31 December	**29,588,108**	29,588,108	**-**	-
Long term leasehold land, at cost				
At 1 January	**180,860,583**	172,256,660	**38,631,942**	38,631,942
Disposals	**(8,946,082)**	(1,070,503)	**-**	-
Reclassification	**-**	9,674,426	**-**	-
Transfer to non-current assets held for sale (Note 14)	**(6,553,918)**	-	**-**	-
Transfer from property development costs (Note 8)	**6,948,655**	-	**-**	-
At 31 March/31 December	**172,309,238**	180,860,583	**38,631,942**	38,631,942
Property development cost				
At 1 January	**15,867,249**	25,560,605	**-**	-
Additions	**547,019**	361,049	**-**	-
Transfer from property development costs (Note 8)	**11,574,749**	-	**-**	-
Disposal of land	**-**	(379,979)	**-**	-
Reclassification	**-**	(9,674,426)	**-**	-
Transfer to non-current assets held for sale (Note 14)	**(147,524)**	-	**-**	-
At 31 March/31 December	**27,841,493**	15,867,249	**-**	-
Total non-current land and property development costs	**229,738,839**	226,315,940	**38,631,942**	38,631,942

The master land title to certain freehold land which the Group has beneficial interest is still held under the name of the previous proprietor.

The long term leasehold land with a carrying amount of RM153,599,153 (31.12.2014:RM153,525,244) is held under a master title jointly with other land owners which include certain director related companies.

8 PROPERTY DEVELOPMENT COSTS

	Note	Group 31.3.2016 RM	31.12.2014 RM
Freehold land, at cost			
At beginning/end of the financial period/year		**3,961,858**	3,961,858
Long term leasehold land, at cost			
At beginning of the financial period/year		**16,725,794**	16,600,728
Addition		**-**	125,066
Less: Transfer to/(from) land held for property development (Note 7)		**(6,948,655)**	-
At end of the financial period/year		**9,777,139**	16,725,794
Total land costs		**13,738,997**	20,687,652
Development costs			
At beginning of the financial period/year		**71,533,343**	69,450,262
Additions		**25,747**	2,083,081
Less: Transfer to land held for property development (Note 7)		**(11,574,749)**	-
At end of the financial period/year		**59,984,341**	71,533,343
Total property and development costs		**73,723,338**	92,220,995
Less: Cost recognised as an expense in profit or loss			
At beginning of the financial period/year		**79,162,913**	78,452,567
Current period/year	(a)	**(5,439,575)**	710,346
At end of financial period/year		**73,723,338**	79,162,913
		-	13,058,082

The leasehold land carried at the Group cost is based on independent valuation on open market value basis carried out in 1999. The long term leasehold lands have unexpired lease period of more than 50 years.

The master land title to certain freehold land which the Group has beneficial interest is still held under the name of the previous proprietor.

(a) The cost amounted to RM5,439,575 is in respect of rescission of sales for 32 units of commercial development due to change in development project planning in a subsidiary company. The settlement has been agreed between the subsidiary and the purchasers during the current financial period.

9 TRADE RECEIVABLES

	Group	
	31.3.2016 RM	31.12.2014 RM
Trade receivables (Note (a))	**38,758,414**	19,583,252
Less: Accumulated impairment losses	**(105,016)**	(105,016)
	38,653,398	19,478,236
Amount due from contract customers (Note (b))	**83,310**	83,310
At 31 March/31 December	**38,736,708**	19,561,546

(a) Trade receivables are non-interest bearing and are generally on 14 to 90 days (31.12.2014: 14 to 90 days) term. They are recognised at their original invoices amounts which represent their fair values on initial recognition.

There was no movement in the allowance account.

Analysis of the trade receivables aging as at the end of the financial period/year is as follows:

	Group	
	31.3.2016 RM	31.12.2014 RM
Neither past due nor impaired	**38,599,097**	19,361,798
Past due not impaired		
Less than 30 days	**13,722**	16,688
31 to 60 days	**13,450**	16,709
61 to 90 days	**9,540**	16,806
More than 90 days	**17,589**	66,235
	54,301	116,438
	38,653,398	19,478,236
Accumulated impairment losses	**105,016**	105,016
	38,758,414	19,583,252

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

As at 31 March 2016, trade receivables of RM54,301 (31.12.2014:RM116,438) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

9 TRADE RECEIVABLES (CONT'D)

The trade receivables of the Group that are individually assessed to be impaired amounting to RM105,016 (31.12.2014: RM105,016) respectively, related to customers that are in financial difficulties, have defaulted on payments and/or have disputed on the billings. These balances are expected to be recovered through the debts recovery process.

(b) Amount due from contract customers

	Group	
	31.3.2016 RM	31.12.2014 RM
Contract cost incurred to date	**3,020,336**	3,020,336
Attributable profits	**83,310**	83,310
	3,103,646	3,103,646
Less: Progress billings	**(3,020,336)**	(3,020,336)
	83,310	83,310
Represented by:		
Amount due from contract customers	**83,310**	83,310
Retention sum on contract (included in trade receivables)	**2,482,036**	2,482,036

10 OTHER RECEIVABLES

	Group		Company	
	31.3.2016 RM	31.12.2014 RM	31.3.2016 RM	31.12.2014 RM
Current				
Other receivables	**818,567**	619,288	**-**	3,500
Less: Accumulated impairment losses	**(202,789)**	(202,789)	**-**	-
	615,778	416,499	**-**	3,500
Deposits	**573,647**	470,597	**74,559**	74,559
Prepayments	**570,725**	786,490	**53,189**	2,718
	1,760,150	1,673,586	**127,748**	80,777

Included in deposits are infrastructure and utilities deposits.

Movements in the allowance for impairment losses of other receivables are as follows:

	Group	
	31.3.2016 RM	31.12.2014 RM
At 1 January	**202,789**	8,005,889
Reversal of impairment loss	**-**	(7,803,100)
At 31 March/31 December	**202,789**	202,789

11 AMOUNT OWING BY/(TO) SUBSIDIARY COMPANIES

Amounts owing by/(to) subsidiary companies are unsecured, interest-free and repayable upon demand.

12 FIXED DEPOSITS WITH FINANCIAL INSTITUTIONS

	Group		Company	
	31.3.2016 RM	31.12.2014 RM	31.3.2016 RM	31.12.2014 RM
Fixed deposits placed with licensed banks	**1,075,044**	1,184,872	**50,000**	50,000

The fixed deposits are pledged as security for bank guarantee facilities granted to the Group and to the Company and hence, are not freely available for use.

The effective interest rates of the fixed deposits with financial institutions at 2.68% to 3.30% (31.12.2014: 2.75% to 3.20%) per annum at the end of the reporting period/year.

Deposits of the Group and Company have maturity of 12 months (2014:12 months).

13 CASH AND BANK BALANCES

Included in cash and bank balances of the Group is an amount of RM659,646 (31.12.2014: RM907,668) deposited into the Housing Development Accounts in accordance with Section 7A of the Housing Development (Control and Licensing) Act, 1966.

Cash held under Housing Development Account represents monies received from purchasers of residential properties less payments or withdrawals in accordance with the Housing Development (Control and Licensing) Act, 1966, which are restricted for certain usage as prescribed by the relevant authorities.

The interest rates of cash held under Housing Development Accounts at the reporting date are 2.20 % (31.12.2014: 2.75%) per annum.

14 NON CURRENT ASSETS HELD FOR SALE

	Group	
	31.3.2016 RM	31.12.2014 RM
At 1 January	**-**	-
Transfer from land held for property development (Note 7)	**6,701,442**	-
At 31 March / 31 December	**6,701,442**	-

Land held for development in property development segment is expected to be recovered primarily through sale rather than through continuing use is classified as held for sale.

The wholly-owned subsidiary company, PTB Development Sdn. Bhd. would completely disposed the land to third party in July 2016.

15 SHARE CAPITAL

	Group/Company			
	Number of Shares		Amount	
	31.3.2016 Unit	31.12.2014 Unit	31.3.2016 RM	31.12.2014 RM
Ordinary shares of RM1.00 each				
Authorised	**500,000,000**	500,000,000	**500,000,000**	500,000,000
Issued and Fully Paid	**346,102,679**	346,102,679	**346,102,679**	346,102,679

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.

16 RESERVES

	Note	Group		Company	
		31.3.2016 RM	31.12.2014 RM	31.3.2016 RM	31.12.2014 RM
Accumulated Loss		**(27,701,131)**	(35,167,194)	**(55,849,078)**	(53,196,736)
Non-distributable					
Revaluation reserve	a	**2,970,467**	1,570,447	**-**	-
Share premium	b	**43,953,998**	43,953,998	**43,953,998**	43,953,998
Other reserve		**3,526,514**	3,526,514	**4,519,264**	4,519,264
		50,450,979	49,050,959	**48,473,262**	48,473,262
		22,749,848	13,883,765	**(7,375,816)**	(4,723,474)

Note a
The revaluation reserve relates to the revaluation of land held for property development prior to the adoption of FRS 201 Property Development Activities.

Note b
This reserve comprises premium paid on subscription of shares of the Company above par value of the shares.

17 TREASURY SHARES

The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

	Group/Company			
	Number of shares		Amount	
	31.3.2016 Unit	31.12.2014 Unit	31.3.2016 RM	31.12.2014 RM
At beginning/ end of period/year	**271,700**	271,700	**(68,236)**	(68,236)

There were no resale, cancellation or distribution of treasury shares during the financial period.

18 FINANCE LEASE LIABILITIES

	Group		Company	
	31.3.2016 RM	31.12.2014 RM	31.3.2016 RM	31.12.2014 RM
Gross instalment payments	**26,487**	27,525	**26,487**	27,525
Less: Future finance charges	**(26,487)**	(1,038)	**(26,487)**	(1,038)
Present value of finance lease liabilities	**-**	26,487	**-**	26,487
Payable within 1 year				
Gross instalment payments	**22,619**	23,628	**22,619**	23,628
Less: Future finance charges	**(22,619)**	(1,009)	**(22,619)**	(1,009)
Present value of finance lease liabilities	**-**	22,619	**-**	22,619
Payable after 1 year but not later than 2 years				
Gross instalment payments	**3,868**	3,898	**3,868**	3,898
Less: Future finance charges	**(3,868)**	(30)	**(3,868)**	(30)
Present value of finance lease liabilities	**-**	3,868	**-**	3,868
Total present value of finance lease liabilities	**-**	26,487	**-**	26,487

The maturity profile of the finance lease liabilities is as follow:

	Group		Company	
	31.3.2016 RM	31.12.2014 RM	31.3.2016 RM	31.12.2014 RM
Present value of finance lease liabilities	**-**	22,619	**-**	22,619
Payable within 1 year	**-**	3,868	**-**	3,868
Payable after 1 year but not later than 2 years	**3,868**	26,487	**-**	26,487

The finance lease liabilities of the Group and of the Company bear effective interest at rate Nil (31.12.2014: 4.87% to 6.76%) and Nil (31.12.2014: 4.87% to 6.76%) per annum respectively.

19 DEFERRED TAXATION

	Group	
	31.3.2016 RM	**31.12.2014 RM**
Deferred tax liabilities		
At beginning of the period/year	**33,975,809**	34,314,994
Recognised in profit or loss (Note 28)	**(1,662,356)**	(339,185)
Recognised in other comprehensive income	**(789,310)**	-
At end of the period/year	**31,524,143**	33,975,809

The net deferred tax assets and liabilities shown on the statement of financial position after appropriate offsetting are as follows:

	31.3.2016 RM	**31.12.2014 RM**
Group		
Deferred tax liabilities	**32,239,265**	33,975,931
Deferred tax assets	**(715,122)**	(122)
	31,524,143	33,975,809

The components and movements of deferred tax liabilities and assets are as follows:

	Fair value adjustment on investment properties RM	**Revaluation surplus on development properties RM**	**Others RM**	**Total RM**
Deferred tax liabilities				
At 1 January 2015	10,717,256	23,258,675	-	33,975,931
Recognised in profit or loss	-	437,068	-	437,068
Recognised in other comprehensive income	-	(789,310)	-	(789,310)
Change in tax rate	(1,125,190)	(259,234)	-	(1,384,424)
At 31 March 2016	9,592,066	22,647,199	-	32,239,265
At 1 January 2014	10,717,256	23,597,860	13,750	34,328,866
Recognised in profit or loss	-	(339,185)	(13,750)	(352,935)
At 31 December 2014	10,717,256	23,258,675	-	33,975,931

19 DEFERRED TAXATION (CONT'D)

The components and movements of deferred tax liabilities and assets are as follows: (cont'd)

	Unutilised tax losses and capital allowances RM	Total RM
Deferred tax assets		
At 1 January 2015	(122)	(122)
Recognised in profit or loss	(715,000)	(715,000)
At 31 March 2016	(715,122)	(715,122)
At 1 January 2014	(13,872)	(13,872)
Recognised in profit or loss	13,750	13,750
At 31 December 2014	(122)	(122)

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

	Group		Company	
	31.3.2016 RM	31.12.2014 RM	31.3.2016 RM	31.12.2014 RM
Unutilised tax losses	**24,079,900**	19,432,869	**13,897,086**	12,042,188
Unabsorbed capital allowance	**93,973**	393,000	**-**	454,013
	24,173,873	19,825,869	**13,897,086**	12,496,201

20 TRADE PAYABLES

	Group	
	31.3.2016 RM	31.12.2014 RM
Trade payables - third parties	**8,186,969**	9,806,365

Credit terms of trade payables of the Group ranged from 30 to 60 days (31.12.2014: 30 to 60 days) depending on the terms of the contracts.

21 OTHER PAYABLES

	Group		Company	
	31.3.2016 RM	**31.12.2014 RM**	**31.3.2016 RM**	**31.12.2014 RM**
Other payables	**8,897,459**	5,888,683	**6,754,303**	4,803,681
Accruals	**1,069,377**	1,249,696	**614,630**	101,010
Deposit received	**865,328**	919,568	**42,422**	42,422
	10,832,164	8,057,947	**7,411,355**	4,947,113

Included in other payables of the Group and the Company is an amount of RM4,400,000 (31.12.2014:RM4,400,000) owing to a shareholder. These amounts are non-trade in nature, unsecured, interest free, repayable on demand and expected to be settles in cash.

Included in deposits refundable of the Group is a deposit received from a director's related company amounting to RM41,400 (31.12.2014: RM41,400).

22 PROVISIONS

	Liquidated Ascertained Damages RM	**Infrastructure and Development Costs RM**	**Total RM**
Group			
At 1 January 2015	-	2,344,914	2,344,914
Provision used during the financial period	-	(29,523)	(29,523)
At 31 March 2016	-	2,315,391	2,315,391
At 1 January 2014	3,006,921	2,366,913	5,373,834
Provision used during the financial year	(3,006,921)	(21,999)	(3,028,920)
At 31 December 2014	-	2,344,914	2,344,914
At 31 March 2016			
Current	-	2,315,391	2,315,391
At 31 December 2014			
Current	-	2,344,914	2,344,914

(a) Liquidated Ascertained Damages

The provision for liquidated ascertained damages is made based on management's best estimate on the expected liquidated damages claims in accordance with the terms of the applicable sales and purchase agreement. The Company has contractual obligation to incur the said expenses.

(b) Infrastructure and Development Costs

The provision for infrastructure and development costs is made based on the management's best estimate in respect of development properties sold of which the Group has either constructive or contracture obligation to incur the said expenses. These expenses are expected to be incurred within the normal operating cycles of the relevant developments.

23 BANK BORROWINGS

	Group	
	31.3.2016 RM	31.12.2014 RM
Secured		
Term loan	-	1,312,154
Analysed as:		
Repayable within twelve months	-	1,312,154

The term loan of the Group is secured and supported as follows:-

(i) third party lien-holder's caveat over the investment property of a subsidiary company; and

(ii) deed of assignment over the monthly rental proceeds from the investment property of the subsidiary company.

In the previous financial year, the term loan bears effective interest at a rate 8.3% per annum.

24 REVENUE

	Group		Company	
	1.1.2015 to 31.3.2016 RM	1.1.2014 to 31.12.2014 RM	1.1.2015 to 31.3.2016 RM	1.1.2014 to 31.12.2014 RM
Attributable property development revenue	-	1,068,717	-	-
Attributable contract revenue	-	2,777,000	-	-
Sales of land held for property development	**25,301,880**	7,695,374	-	-
Sales of completed properties	-	3,531,450	-	-
Rental income from investment properties	**2,998,500**	2,398,800	-	-
Management fees	-	-	**2,040,195**	3,550,451
Other	**498,770**	-	-	-
	28,799,150	17,471,341	**2,040,195**	3,550,451

25 DIRECT COSTS

	Group	
	1.1.2015 to 31.3.2016 RM	1.1.2014 to 31.12.2014 RM
Attributable property development costs	-	710,346
Attributable contract costs	-	2,693,692
Cost of land held for property development sold	**8,946,082**	6,712,481
Cost of completed properties sold	-	1,717,355
Direct operating costs from revenue generating investment properties	**247,010**	162,440
	9,193,092	11,996,314

26 FINANCE COSTS

	Group		Company	
	1.1.2015 to 31.3.2016 RM	1.1.2014 to 31.12.2014 RM	1.1.2015 to 31.3.2016 RM	1.1.2014 to 31.12.2014 RM
Interest expenses on:				
Term loans	**43,676**	170,455	**-**	-
Finance lease	**26,487**	1,038	**26,487**	1,038
	70,163	171,493	**26,487**	1,038

27 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is derived after charging/(crediting):

	Group		Company	
	1.1.2015 to 31.3.2016 RM	1.1.2014 to 31.12.2014 RM	1.1.2015 to 31.3.2016 RM	1.1.2014 to 31.12.2014 RM
Auditors' remuneration				
- current year	**86,000**	82,000	**43,000**	46,000
- underprovision in prior years	**5,075**	-	**5,000**	-
Director remuneration	**845,155**	986,160	**845,155**	986,160
Depreciation of property plant and equipment	**277,388**	154,045	**105,390**	60,598
Rental of office equipment	**6,536**	14,610	**6,536**	14,610
Rental of premises	**9,000**	7,200	**-**	-
Gain on disposal of investment in associate	**-**	(27,593)	**-**	(27,593)
Personnel expenses				
-contribution to defined contribution plan	**304,947**	284,671	**304,947**	284,671
-salaries, wages and others	**2,828,039**	2,621,987	**2,828,039**	2,621,987
Provision for liquidated ascertained damges	**-**	2,398,937	**-**	-
Interest income	**(348,570)**	(79,982)	**(2,709)**	(3,831)
Interest expense	**70,163**	171,493	**2,608**	2,433
Reversal of impairment losses of receivables	**-**	(7,803,100)	**-**	-
Rental income	**(90,150)**	(73,041)	**-**	-

27 PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

Information regarding compensation of key management personnel is as follows:

	Group		Company	
	1.1.2015 to 31.3.2016 RM	1.1.2014 to 31.12.2014 RM	1.1.2015 to 31.3.2016 RM	1.1.2014 to 31.12.2014 RM
Executive Directors				
- Salaries, and other emoluments	**500,155**	710,160	**500,155**	710,160
Non Executive Directors				
- Fees	**345,000**	276,000	**345,000**	276,000
	845,155	986,160	**845,155**	986,160

28 TAXATION

	Group		Company	
	1.1.2015 to 31.3.2016 RM	1.1.2014 to 31.12.2014 RM	1.1.2015 to 31.3.2016 RM	1.1.2014 to 31.12.2014 RM
Current Tax				
Malaysian tax				
- Current period/year	**4,091,831**	169,782	**-**	-
Underprovision in prior years	**180,923**	275	**-**	-
	4,272,754	170,057	**-**	-
Deferred Tax (Note 19)				
Relating to origination and reversal of temporary differences	**(277,932)**	(339,185)	**-**	-
Changes in tax rate	**(1,384,424)**	-	**-**	-
	(1,662,356)	(339,185)	**-**	-
Taxation	**2,610,398**	(169,128)	**-**	-

Income tax relating to items of other comprehensive income that will not be reclassified to profit or loss.

	Group		Company	
	1.1.2015 to 31.3.2016 RM	1.1.2014 to 31.12.2014 RM	1.1.2015 to 31.3.2016 RM	1.1.2014 to 31.12.2014 RM
Deferred tax related to net surplus on revaluation of land and buildings	**789,310**	-	**-**	-

Income tax is calculated at the statutory tax rate of 24% (31.12.2014: 25%) of the estimated assessable profit for the financial year. The statutory tax rate will be reduced to 24% from the current year 25% effective year of assessment 2016. The computation of deferred tax as at 31 March 2016 has reflected the change.

28 TAXATION (CONT'D)

A reconciliation of income tax expense applicable to profit/ (loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	1.1.2015 to 31.3.2016 RM	1.1.2014 to 31.12.2014 RM	1.1.2015 to 31.3.2016 RM	1.1.2014 to 31.12.2014 RM
Profit/ (Loss) before taxation	**10,687,199**	(6,236,798)	**(2,652,342)**	(1,022,833)
At Malaysia statutory rate of 24% (31.12.2014: 25%)	**2,564,928**	(1,559,200)	**(636,562)**	(255,700)
Reduction in tax rate	**(1,384,424)**	-	**-**	-
Income not subject to income tax	**(117,983)**	-	**-**	-
Expenses not deductible for tax purposes	**482,101**	438,497	**71,508**	52,000
Utilisation of previously unrecognised deferred tax assets	**119,264**	1,069,000	**119,878**	-
Tax effect on fair value changes of investment properties	**(277,932)**	(117,700)	**-**	203,700
Under provision in prior years	**180,923**	275	**-**	-
Deferred tax assets not recognised during the period	**1,043,521**	-	**445,176**	-
	2,610,398	(169,128)	**-**	-

The Group and the Company have estimated unutilised tax losses of RM24,079,900 (31.12.2014: RM19,432,869) and RM13,897,086 (31.12.2014: RM12,042,188) and unabsorbed capital allowances of RM93,973 (31.12.2014: RM393,000) and Nil (31.12.2014: RM454,013) carried forward respectively, available for off-set against future taxable profits of the Group and of the Company.

29 EARNINGS/ (LOSS) PER SHARE

The basic earnings/(loss) per share has been calculated by dividing the consolidated profit for the financial year/ period attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial year/ period as follows:

	Group	
	31.3.2016 RM	31.12.2014 RM
Net profit/ (loss) for the financial period/year attributable to owners of the parent	**8,076,801**	(6,067,670)
Weighted average number of ordinary shares in issue (in thousand of shares)		
Issued ordinary shares at 1 January	**346,102**	346,102
Effect of treasury shares held	**(271)**	(271)
Weighted average number of ordinary shares at 31 March/31 December	**345,831**	345,831
Basic earnings/ (loss) per share (sen)	**2.34**	(1.75)

* As at the financial period/year, the Company has no potential ordinary shares which are dilutive in nature. Accordingly, diluted earnings/ (loss) per share is equivalent to the basic earnings/ (loss) per share.

30 SEGMENT INFORMATION

Segment information is presented in respect of the Group's operating segments.

Segment revenue, expenses, assets and liabilities are those amounts from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment.

The Directors are of the opinion that all inter-segment transactions have been entered into normal course of business and have been established under negotiated terms.

Operating Segments

The Group comprises the following two major operating segments:

(i) Property development - property development, contract works and investment property business

(ii) Other operations - investment holding, provision of management and secretarial services and others

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segments performance is evaluated based on operating profit or loss before taxation.

	Property development RM	Other operations RM	Adjustment and eliminations RM	Consolidated RM
2016				
Revenue				
External revenue	25,800,650	2,998,500	-	28,799,150
Inter-segment revenue (Note 30 (a))	-	2,040,195	(2,040,195)	-
Total revenue	25,800,650	5,038,695	(2,040,195)	28,799,150
Results				
Segement profit/ (loss) before taxation	13,023,288	(2,336,089)	-	10,687,199
Interest income	-	348,570	-	348,570
Interest expenses	-	(70,163)	-	(70,163)
Depreciation	-	(277,388)	-	(277,388)
Assets				
Segment assets	807,437,146	430,300,243	(801,069,114)	436,668,275
Addition to non-current assets other than financial assets and deferred tax assets (Note 30 (b))	547,019	85,914	-	632,933
Liabilities				
(Note 30 (c))	7,422,590	14,909,888	45,551,506	67,883,984

30 SEGMENT INFORMATION (CONT'D)

	Property development RM	Other operations RM	Adjustment and eliminations RM	Consolidated RM
2014				
Revenue				
External revenue	7,894,769	9,576,572	-	17,471,341
Inter-segment revenue (Note 30 (a))	-	3,550,451	(3,550,451)	-
Total revenue	7,894,769	13,127,023	(3,550,451)	17,471,341
Result				
Segement loss before taxation	(6,097,873)	(138,925)	-	(6,236,798)
Interest income	71,970	8,013	-	79,983
Interest expenses	-	(171,493)	-	(171,493)
Depreciation	-	(154,045)	-	(154,045)
Assets				
Segment assets	306,426,350	120,690,029	-	427,116,379
Addition to non-current assets other than financial assets and deferred tax assets (Note 30 (b))	-	120,824	-	120,824
Liabilities (Note 30 (c))	11,075,687	9,133,539	46,988,945	67,198,171

(a) Inter-segment revenue are eliminated on consolidation.

(b) Addition to non-current assets other than financial assets and deferred tax assets consist of:-

	31.3.2016 RM	31.12.2014 RM
Property, plany & equipment	**33,914**	120,824
Investment property	**52,000**	-
Land held for property development	**547,019**	-
	632,933	120,824

(c) The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:-

	31.3.2016 RM	31.12.2014 RM
Deferred taxation	**31,524,143**	33,975,809
Tax payable	**15,025,317**	11,674,495
Borrowings	**-**	1,312,154
Finance lease liabilities	**-**	26,487
	46,549,460	46,988,945

Geographical Information

External customer and non-current assets of the Group are all located in Malaysia.

31 RELATED PARTY DISCLOSURES

(a) Identity of related parties

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include the Directors and certain members of senior management of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group activities directly or indirectly.

The Group and the Company have related party relationship with its subsidiary companies, key management personnel and Directors' related companies.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. In addition to the related party balances disclosed elsewhere in the financial statements to the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	1.1.2015 to 31.3.2016 RM	**1.1.2014 to 31.12.2014 RM**	**1.1.2015 to 31.3.2016 RM**	**1.1.2014 to 31.12.2014 RM**
(i) Transactions with subsidiary companies				
Management Fee Income	**-**	-	**(2,040,195)**	(3,550,451)
(ii) Transactions with companies in which Directors of the Company have substantial financial interest				
Office rental	**207,000**	165,600	**-**	-

(c) Key management personnel's compensation

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

Key management personnel compensation is disclosed in Note 27.

32 FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Loans and Receivables RM
Group	
Financial assets	
31.3.2016	
Trade receivables	38,653,398
Other receivables	1,189,425
Fixed deposits with financial institutions	1,075,044
Cash and bank balances	1,318,806
	42,236,673
31.12.2014	
Trade receivables	19,478,236
Other receivables	887,096
Fixed deposits with financial institutions	1,184,872
Cash and bank balances	2,041,499
	23,591,703
Company	
Financial assets	
31.3.2016	
Other receivables	74,559
Amount owing by subsidiary company	83,374,971
Fixed deposits with financial institutions	50,000
Cash and bank balances	305,693
	83,805,223
31.12.2014	
Other receivables	78,059
Amount owing by subsidiary company	83,785,968
Fixed deposits with financial institutions	50,000
Cash and bank balances	59,937
	83,973,964

32 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its financial risks, including foreign currency exchange risk, interest rate risk, credit risk, liquidity risk and cash flows risk. The Group operate within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from its trade and other receivables, fixed deposits with licensed bank, cash held under Housing Development Accounts and cash at bank. Fixed deposits with licensed banks, Cash held under Housing Development Account and cash at banks are placed with credit worthy financial institutions.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Receivables are monitored on an ongoing basis via Company's management reporting procedures and action will be taken for long outstanding debts. Majority of the receivables are from property development segment. The credit risk is limited as the ownership and rights to the properties revert to the Group in the event of default.

The Company provides unsecured loans and advances to subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

As the reporting date, the Group has significant concentration of credit risk in the form of outstanding balance owing by 2 (31.12.2014: 1) customer represents 100% (31.12.2014: 46%) of the total receivables.

The Groups' historical experience in collection of trade and other receivables falls within the recorded allowances. Due to these factors, the Directors believe that no additional credit risk beyond amount provided for doubtful debts inherent in the Group's trade and other receivables.

32 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, bank borrowings, amount owing to subsidiary companies.

The Group's and the Company's funding requirements and liquidity risks is managed with the objective of meeting business obliga0tions on a timely basis. The Group and the Company monitors its cash flows and ensures that sufficient funding is in place to meet the obligations as and when they fall due.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

	On demand or within 1 year RM	1 - 2 years RM	Total Contractual cash flows RM	Total Carrying amount RM
Group				
31.3.2016				
Trade payables	8,186,969	-	8,186,969	8,186,969
Other payables	10,832,164	-	10,832,164	10,832,164
	19,019,133	-	19,019,133	19,019,133
31.12.2014				
Trade payables	9,806,365	-	9,806,365	9,806,365
Other payables	8,057,947	-	8,057,947	8,057,947
Finance lease liabilities	23,628	3,898	27,526	26,487
Bank borrowings	1,371,814	-	1,371,814	1,312,154
	19,259,754	3,898	19,263,652	19,202,953
Company				
31.3.2016				
Other payables	7,411,355	-	7,411,355	7,411,355
Amount owing to subsidiary companies	246,498,238	-	246,498,238	246,498,238
	253,909,593	-	253,909,593	253,909,593
31.12.2014				
Other payables	4,947,113	-	4,947,113	4,947,113
Finance lease liabilities	23,628	3,898	27,526	26,487
Amount owing to subsidiary companies	246,478,897	-	246,478,897	246,478,897
	251,449,638	3,898	251,453,536	251,452,497

32 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk

Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The carrying amounts of the Group's and of the Company's financial instruments that are exposed to interest rate risk are as follows:

	31.3.2016 RM	31.12.2014 RM
Group		
Fixed rate instruments		
Financial Assets	**1,734,690**	2,092,540
Financial Liability	**-**	1,312,154
	1,734,690	3,404,694
Company		
Fixed rate instruments		
Financial Assets	**50,000**	50,000

The Group and the Company are exposed to interest rate risk arising from its short and long term debts obligations, and its fixed deposits. Fixed deposits interest rate is insignificant and any fluctuations in the rate would have no material impact on the results of the Group and of the Company.

Interest rate risk sensitivity

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

A change in 1% interest rate at the end of the reporting period would have increased or decreased the Group's and the Company's profit before tax by RM17,347 and RM500 (2014: RM7,804 and RM500) respectively, arising mainly as a result of lower or higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

32 FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair values of financial assets and financial liabilities

The carrying amounts of short term receivables and payables, cash and cash equivalents and short term borrowings approximate their fair value due to the relatively short term nature of these financial instruments and/or insignificant impact of discounting.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value Level 2 RM	Total fair value RM	Carrying amount RM
31.3.2016			
Group			
Financial asset			
Investment properties	155,579,174	155,579,174	155,579,174
Company			
Financial asset			
Investment properties	4,026,020	4,026,020	4,026,020
31.12.2014			
Group			
Financial asset			
Investment properties	155,527,174	155,527,174	155,527,174
Financial liability			
Finance lease liabilities	3,868	3,868	3,868
Company			
Financial asset			
Investment properties	4,026,020	4,026,020	4,026,020
Financial liability			
Finance lease liabilities	3,868	3,868	3,868

32 FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair values of financial assets and financial liabilities (Cont'd)

(i) Policy on transfer between levels

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

There were no transfers between levels during current and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

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

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

33 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants.

The Group's and the Company's gearing ratio are measured using total external borrowings over shareholders' equity. As at reporting date, the Group's gearing ratio are as follow:

	Group	
	31.3.2016	**31.12.2014**
	RM	**RM**
Total borrowings and finance lease liabiilities	**-**	1,338,641
Less: Fixed deposit with financial institutions	**(1,075,044)**	(1,184,872)
Less: cash and bank balances	**(1,318,806)**	(2,041,499)
Net debt	**(2,393,850)**	(1,887,730)
Total equity	**368,784,291**	359,918,208
Gearing ratio	**N/A**	-1%

There were no changes in the Group's approach to capital management during the financial year.

The Group maintains a debt to equity ratio that complies with debt covenant and regulatory requirements in countries where the Group operates. This includes minimum capital requirements and the requirements to maintain legal reserves which are non-distributable.

34 SIGNIFICANT EVENTS

During the financial period, the following significant events took place for the Company and its subsidiary companies:

(a) On 22 December 2015, the Company change its financial year end of 31 December to 31 March. As a result, the audited financial statements shall be for a period for 15 months from 1 January 2015 to 31 March 2016.

(b) On 29 December 2015, the wholly-owned subsidiary company, PTB Development Sdn Bhd has entered into two separate sale and purchase agreements with Ringgit Muhibbah Sdn. Bhd. for the sale of its development land located at Mukim Ulu Yam, District of Ulu Selangor, Selangor with total consideration of RM45,594,273.

35 SUBSEQUENT EVENT

On 28 April 2016, the Board of Directors of Petaling Tin Berhad (the "Company" or "PTB") announced through Bursa Malaysia Securities Berhad (" Bursa Securities") that the Company has on even date received a notice of unconditional mandatory take-over offer from Tan Sri Dr Chen Lip Keong ("TSCLK"), a substantial shareholder of the Company, to acquire all the remaining ordinary shares of the Company not already held by TSCLK at a cash consideration of RM0.24 per offer share.

On 30 May 2016, the Company had, vide the announcement in relation to TSCLK's take-over offer, informed that the percentage of public shareholding spread of the Company as at 30 May 2016 was less than 25% pursuant to the valid acceptances received from holders of PTB shares. Consequently, the Company is deemed not in compliance with the public shareholding spread requirement under Paragraph 8.02(1) of the Main Market Listing Requirements of Bursa Securities.

The take-over offer has closed on 9 June 2016.

36 COMPARATIVE FIGURES

Certain comparative figures have been reclassified where necessary to conform to the current financial period presentation.

	As previously stated RM	Amount reclassified RM	As reclassified RM
Statement of Financial Position			
Company			
31.12.2014			
Other receivables	83,785,968	(83,785,968)	-
Amount due from subsidiary company	-	83,785,968	83,785,968
Other payables	(246,478,897)	246,478,897	-
Amount owing to subsidiary company	-	(246,478,897)	(246,478,897)

The Group and the Company changed its financial year end from 31 December to 31 March. Accordingly, the comparative information stated in the statements of profit or loss and other comprehensive income, statements of changes in equity an statements of cash flows and the relate notes are not comparative.

37 DATE OF AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company for the financial period ended 31 March 2016 were authorised for issue in accordance with a resolution of the board of Directors on 13 July 2016.

38 SUPPLEMENTARY INFORMATION ON THE DISCLOSURE OF REALISED AND UNREALISED PROFITS OR LOSSES

The following analysis of realised and unrealised accumulated losses of the Group and of the Company at 31 March 2016 is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad ("Bursa Securities") and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

The accumulated losses of the Group and of the Company as at 31 March 2016 is analysed as follows:

	Group		Company	
	31.3.2016 RM	31.12.2014 RM	31.3.2016 RM	31.12.2014 RM
(Accumulated losses)/ Retained profits				
- Realised	282,373,169	282,763,773	(55,849,078)	(53,196,736)
- Unrealised	33,961,972	32,299,616	-	-
	316,335,141	315,063,389	(55,849,078)	(53,196,736)
Less: Consolidation adjustment	(344,036,272)	(350,230,583)	-	-
Total accumulated losses	(27,701,131)	(35,167,194)	(55,849,078)	(53,196,736)

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

LIST OF GROUP PROPERTIES
AS AT 31 MARCH 2016

	LOCATION	DESCRIPTION	YEAR OF EXPIRY	AREA (HECTARES)	AGE OF BUILDING	EXISTING USE	NET BOOK VALUE (RM'000)
1	H.S. (M) Title No. 2375, 2376 & 2377 Lot P.T. 546, 547 & 548 Mukim Tanjong Dua Belas, District of Kuala Langat, Selangor Darul Ehsan	Leasehold land & building	2076	4.5	19	Factory premise	4,026
2	H.S. (D) Title No. 39909 Lot P.T. 19694, Mukim Batu, District of Gombak, Selangor Darul Ehsan	Leasehold land	2064	9.1	-	Under development	39,601
3	Title No. PN 32177, 34701, 34702, 34703, 34704, 34705 & 34706 Mukim Pekan Senawang, District of Seremban, Negeri Sembilan Darul Khusus	Leasehold land	2088	2.8	-	Under development	4,825
4	Part of Master Title No. Country Lease 045091174 Mukim Menggatal, District of Tuaran, Kota Kinabalu, Sabah	Leasehold land	2093	607.0	-	Development land	231,008
5	Parcel 28, being approved subdivision parcel of Master Title No. Country Lease 045091174, Mukim Menggatal, District of Tuaran, Kota Kinabalu, Sabah	Leasehold land	2093	25.1	-	Development land	38,632
6	Part of Parent Lot No. 7125 Seksyen 2, Geran 247699 Mukim Bandar Ulu Kelang, District of Gombak, Selangor Darul Ehsan	Freehold land	-	5.2	-	Under development	31,714
7	Part of Parent Lot No. 7125 Seksyen 2, Geran 247699 Mukim Bandar Ulu Kelang, District of Gombak, Selangor Darul Ehsan	Freehold land & building	-	1.1	16	Clubhouse	13,460
8	Lot P.T. 698, 700 & 701 Mukim Ulu Yam, District of Ulu Selangor, Selangor Darul Ehsan	Leasehold land	2083	20.1	-	Development land	6,701
9	Lot No. 4, Section 36 Town of Petaling Jaya, Selangor Darul Ehsan	Leasehold land and building	2060	0.8	17	Four storey office/ showroom building and annexed warehouse	22,052
							392,019

SHAREHOLDERS' STATISTICS
AS AT 30 JUNE 2016

Authorised Share Capital	:	RM500,000,000
Issued & Paid-up Share Capital	:	RM346,102,679
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	Every member present in person or by proxy has one (1) vote on a show of hands or on a poll, every member present in person or by proxy has one (1) vote for each share he/she holds.

Size of Holdings	No. of Holders	Total Holdings *	% *
Less than 100	50	1,642	0.01
100 to 1,000	735	700,536	0.20
1,001 to 10,000	1,757	8,694,670	2.51
10,001 to 100,000	625	20,406,446	5.90
100,001 to less than 5% of issued shares	78	29,055,762	8.40
5% and above of issued shares	1	286,971,923	82.98
TOTAL	**3,246**	**345,830,979**	**100.00**

* Excluding a total of 271,700 Petaling Tin Berhad ("PTB") shares bought back by PTB and retained as treasury share as of 30 June 2016

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	% *
1	Chen Lip Keong	286,971,923	82.98
2	Lee Vui Lan @ Lee Sam Chit	3,200,000	0.93
3	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Yu Kuan Chon*	2,615,900	0.76
4	Teo Kwee Hock	2,594,600	0.75
5	Jin Fu	2,332,700	0.67
6	Quantum Symbol Sdn Bhd	1,770,500	0.51
7	Yu Kuan Chon	821,800	0.24
8	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged securities account for Phoa Boon Ting*	730,000	0.21
9	Lim Ming Lang @ Lim Ming Ann	554,100	0.16
10	RHB Capital Nominees (Tempatan) Sdn Bhd *Bien Sam Yuen*	500,000	0.14
11	RHB Capital Nominees (Tempatan) Sdn Bhd *Bien Chin Hwa*	500,000	0.14
12	Lim Cheng Hai	500,000	0.14
13	Sim Chong Wan @ Sim Tan Beg	400,000	0.12
14	Sua Foong Yuen	397,900	0.12
15	Beh Weng Chai	370,000	0.11
16	Ngo Seh Tee	350,000	0.10
17	Affin Hwang Investment Bank Berhad	350,000	0.10
18	Maybank Nominees (Tempatan) Sdn Bhd *H'ng Siew Tuan*	339,800	0.10
19	Alliance Group Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Gan Boon Siew*	328,000	0.09
20	Yap Chee Kuan	320,900	0.09

No.	Name of Shareholders	No. of Shares	% *
21	Mohd Jamel Bin Abdul Munin	293,200	0.09
22	Maybank Securities Nominees (Asing) Sdn Bhd *Maybank Lim Eng Securities Pte Ltd for Wong Cheong Shek*	280,000	0.08
23	Tee Jin Gee Enterprise Sdn Bhd	275,800	0.08
24	Tan Kay Chuan	273,500	0.08
25	Malaysia Nominees (Tempatan) Sdn Bhd *Lee Foundation, State of Malaya*	264,562	0.08
26	Carmen Quah	259,000	0.08
27	Ooi Kok Beng	255,000	0.07
28	Yap Soon Teck	250,000	0.07
29	AMSEC Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lee Sheng Chow*	242,600	0.07
30	Tan Sin Chee	240,000	0.07
TOTAL		**308,581,785**	**89.23**

* Excluding a total of 271,700 Petaling Tin Berhad ("PTB") shares bought back by PTB and retained as treasury share as of 30 June 2016

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Number of Ordinary Shares of RM1.00 each held			
Name	Direct Interest	% *	Deemed Interest	% *
Tan Sri Dr Chen Lip Keong	286,971,923	82.98	-	-

* Excluding a total of 271,700 Petaling Tin Berhad ("PTB") shares bought back by PTB and retained as treasury share as of 30 June 2016

DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S INTERESTS IN THE COMPANY AND RELATED CORPORATIONS

	Number of Ordinary Shares of RM1.00 each held					
Name	Direct Interest	% *	Deemed Interest	% *	Total Interest	% *
Datuk Haji Jaafar bin Abu Bakar	5,000	**	-	-	5,000	**
Datuk Wan Kassim bin Ahmed	-	-		-		-
Dato' Nik Kamaruddin bin Ismail	-	-		-		-
Lim Mun Kee	-	-		-		-
Chen Yiy Fon	-	-		-		-

* Excluding a total of 271,700 Petaling Tin Berhad ("PTB") shares bought back by PTB and retained as treasury share as of 30 June 2016

Notes

(a) Save as disclosed, none of the directors have any interests in the shares of the Company or its related corporations as at 30 June 2016.

** Negligible

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninetieth Annual General Meeting of Petaling Tin Berhad will be held at Nexus Resort & Spa Karambunai, Sigunting Conference Room of No.1, Nexus Drive West, Karambunai, off Jalan Sepangar, Menggatal, 88450 Kota Kinabalu, Sabah, Malaysia on Friday, 26 August 2016 at 11:00 a.m. for the following purposes:

AGENDA

As Ordinary Business:

1. To receive the Audited Financial Statements of the Company for the financial period ended 31 March 2016 together with the Reports of Directors and Auditors thereon. **(Please refer to Note (a) of the Explanatory Notes)**

2. To approve the payment of Directors' fees of RM345,000/- for the financial period ended 31 March 2016. **Resolution 1**

3. To re-elect the following directors who are retiring pursuant to Article 80 of the Company's Articles of Association, and being eligible, offer themselves for re-election:

   (a) Mr Lim Mun Kee **Resolution 2**

   (b) Mr Chen Yiy Fon **Resolution 3**

4. To appoint Auditors of the Company and to authorise the Directors to fix their remuneration.

   "**THAT** UHY Chartered Accountants be and are hereby re-appointed Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting and that the Directors be authorized to determine their remuneration." **Resolution 4**

As Special Business:

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

5. **Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965** **Resolution 5**

   "**THAT** the Directors of the Company be and are hereby authorised, pursuant to Section 132D of the Companies Act, 1965, to issue shares in the Company at any time subject to Section 132D(3) and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed 10% of the issued capital of the Company for the time being."

6. Retention of Independent Directors

   6.1 That Datuk Haji Jaafar Bin Abu Bakar be retained as Independent Director, in accordance with the Malaysian Code on Corporate Governance 2012 until the conclusion of the next Annual General Meeting. **Resolution 6**

   6.2 That Datuk Wan Kassim Bin Ahmed be retained as Independent Director, in accordance with the Malaysian Code on Corporate Governance 2012 until the conclusion of the next Annual General Meeting. **Resolution 7**

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

By Order of the Board

LAM HOI KHONG (MIA 18848)
YEW NYUK KWEI (MACS 01247)
Company Secretaries

Petaling Jaya
29 July 2016

Notes:-

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.

2. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.

3. The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, either under its common seal, or the hand of an officer or attorney duly authorised.

4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which the instrument is signed or a notarily certified copy of that power of authority, shall be deposited at the Share Registrar of the Company at Ground Floor, No.118, Jalan Semangat, 46300 Petaling Jaya, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting or any adjourned meeting.

5. Please note that in order to attend and vote at the Meeting, a member must be registered in the Record of Depositors at 4.00 p.m. on 18 August 2016 in accordance with Article 51(e) of the Company's Articles of Association. Any changes in the entries on the Record of Depositors after the above mentioned date and time shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

6. Shareholders' attention is hereby drawn to the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, which allows a member of the Company which is an exempt authorized nominee, as defined under the Securities Industry (Central Depositories) Act, 1991, who holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus") to appoint multiple proxies in respect of each omnibus account it holds.

7. The 2016 Annual Report is in CD-ROM format. Printed copies of the Annual Report shall be provided to the shareholders upon request. Shareholders who wish to receive a printed copy of the Annual Report and who require assistance with viewing the CD-ROM, kindly contact Mr Goh Chin Khoon at Tel: 03-79681001 & Fax: 03-79588013 or Ms Joanne Yew at Tel: 088–480870 & Fax: 088-480899 or e-mail to comsec@petalingtin.com.

Explanatory Note:-

(a) Agenda item no. 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

(b) Ordinary Resolution 5 – Authority to Allot and Issue Shares pursuant to Section 132D of the Companies Act, 1965

The proposed resolution, if passed, will empower the Directors to issue shares up to 10% of the issued capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority unless revoked or varied by the Company in a general meeting, will expire at the next Annual General Meeting of the Company. No proceeds were raised from the previous mandate. The renewed mandate will provide flexibility to the Company for any possible fund raising activities, including placement of shares, for the purpose of funding further investment project(s), working capital and/or acquisitions.

(c) Ordinary Resolution 6 and 7 - Retention of Independent Directors

i Datuk Haji Jaafar Bin Abu Bakar

Datuk Haji Jaafar Bin Abu Bakar was appointed Independent Director on 1 August 1997. Datuk Haji Jaafar Bin Abu Bakar has served the Company for more than seventeen years (17) as at the date of the notice of the AGM and has met the independence guidelines as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board, therefore, considers Datuk Haji Jaafar Bin Abu Bakar to be independent and recommends Datuk Haji Jaafar Bin Abu Bakar to remain as an Independent Director.

ii Datuk Wan Kassim Bin Ahmed

Datuk Wan Kassim Bin Ahmed was appointed an Independent Director on 2 July 2001. Datuk Wan Kassim Bin Ahmed has served the Company for more than thirteen (13) years as at the date of the notice of the AGM and has met the independence guidelines as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Board, therefore, considers Datuk Wan Kassim Bin Ahmed to be independent and recommends Datuk Wan Kassim Bin Ahmed to remain as an Independent Director.

Statement Accompanying Notice of Annual General Meeting

1. The name of the Directors who are standing for re-election:

   (a) Mr Lim Mun Kee

   (b) Mr Chen Yiy Fon

   Information about the Directors standing for re-election are set out under Profile of Directors/CEO section of the Annual Report, and the details of their attendance of Board Meetings held during the financial period ended 31 March 2016 are set out under Other Compliance Statements section of the Annual Report.

PROXY FORM

PETALING TIN BERHAD (324-H)
INCORPORATED IN MALAYSIA

No. of Shares: ____________ CDS Account No.: ____________

I/We ____
(Full Name of Shareholder)

of ____
(Full Name of Shareholder)

being a member of Petaling Tin Berhad, hereby appoint ______________________________
(Full Name of Proxy)

of ____
(Full Address of Proxy)

or failing him/her, ____
(Full Name of Proxy)

of ____
(Full Address of Proxy)

or failing him, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Ninetieth Annual General Meeting of the Company to be held at Nexus Resort & Spa Karambunai, Sigunting Conference Room of No.1, Nexus Drive West, Karambunai, off Jalan Sepangar, Menggatal, 88450 Kota Kinabalu, Sabah, Malaysia on Friday, 26 August 2016 at 11:00 a.m. and at any adjournment thereof.

No.	Resolutions	For	Against
1.	Approval of the payment of Directors' fees		
2.	Re-election of Mr Lim Mun Kee		
3.	Re-election of Mr Chen Yiy Fon		
4.	Appointment of UHY Chartered Accountants as Auditors		
5.	Authority pursuant to Section 132D of the Companies Act, 1965		
6.	Retention of Datuk Haji Jaafar Bin Abu Bakar as Independent Non-Executive Director		
7.	Retention of Datuk Wan Kassim Bin Ahmed as Independent Non-Executive Director		

(Please indicate with an "x" in the appropriate box how you wish your vote to be cast. If this Proxy Form is returned without any indication as how the proxy shall vote, the proxy will vote or abstain from voting as he thinks fit.)

Signed this ____________ day of ____________, 2016

Signature/Seal of Shareholder : ____________ Telephone No. (during office hours) : ____________

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy or proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply.
2. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
3. The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, either under its common seal, or the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which the instrument is signed or a notarily certified copy of that power of authority, shall be deposited at the Share Registrar of the Company at Ground Floor, No.118, Jalan Semangat, 46300 Petaling Jaya, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting or any adjourned meeting.
5. Please note that in order to attend and vote at the Meeting, a member must be registered in the Record of Depositors at 4.00 p.m. on 18 August 2016 in accordance with Article 51(e) of the Company's Articles of Association. Any changes in the entries on the Record of Depositors after the above mentioned date and time shall be disregarded in determining the rights of any person to attend and vote at the Meeting.
6. Shareholders' attention is hereby drawn to the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, which allows a member of the Company which is an exempt authorized nominee, as defined under the Securities Industry (Central Depositories) Act, 1991, who holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus") to appoint multiple proxies in respect of each omnibus account it holds.

Affix Stamp

The Share Registrar of Petaling Tin Berhad (324-H)

Semangat Corporate Resources Sdn Bhd
Ground Floor, No. 118, Jalan Semangat
46300 Petaling Jaya, Selangor Darul Ehsan
Malaysia

www.petalingtin.com

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