SIN HENG CHAN (MALAYA) BERHAD (4690-V)
(Incorporated in Malaysia)

2014
ANNUAL REPORT

53RD ANNUAL GENERAL MEETING

FUNCTION ROOM 2 & 3, FIRST FLOOR,
KUALA LUMPUR GOLF & COUNTRY CLUB,
10, JALAN 1/70D, OFF JALAN BUKIT KIARA,
60000 KUALA LUMPUR.

23 APRIL 2015
THURSDAY

10:00
MORNING

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

TUAN SYED OMAR BIN SYED ABDULLAH
Chairman / Non-Independent Executive

DATO' CHOO KENG WENG
Managing Director / Non-Independent Executive

YBM TUNKU MAHMOOD BIN TUNKU MOHAMMED D.K.
Independent Non-Executive

MR. THOMAS TUAN KIT KWONG
Independent Non-Executive

MR. MAK HON WENG
Independent Non-Executive

AUDIT COMMITTEE

MR. THOMAS TUAN KIT KWONG
Chairman

YBM TUNKU MAHMOOD BIN TUNKU MOHAMMED D.K.
Member

MR. MAK HON WENG
Member

COMPANY SECRETARY

LIM SIEW TING (MAICSA 7029466)

REGISTERED OFFICE

Suite 2.02, Level 2
Wisma E & C
No. 2 Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel : 03-2094 7992
Fax : 03-2093 5571

BUSINESS OFFICE

Level 3, Wisma E & C
No. 2, Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel : 03-2094 7992
Fax : 03-2094 7996

SHARE REGISTRAR

Boardroom Corporate Services (KL) Sdn Bhd
Lot 6.05, Level 6, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7720 1188
Fax : 03-7720 1111

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
CIMB Bank Berhad

AUDITORS

Ecovis AHL

STOCK EXCHANGE LISTING

Main Board of Bursa Malaysia Securities Berhad
(Listed since 26 July 1973)

Stock Name : SHCHAN
Stock Code : 4316

WEBSITE

www.shcm.com.my

CORPORATE STRUCTURE

SIN HENG CHAN (MALAYA) BERHAD
(4690-V) (Incorporated in Malaysia)

100%
SHC Technopalm Plantation Services Sdn Bhd

100%
Urun Plantations Sdn Bhd

100%
SHC Tubau Plantation Sdn Bhd

100%
Tubau Corporation Sdn Bhd

100%
Goldkist (Malaysia) Sdn Bhd

100%
Goldkist (NS) Sdn Bhd

100%
Sin Heng Chan Feed Sdn Bhd

100%
SHC Realty Sdn Bhd

100%
Kuala Lumpur Feedmill Sdn Bhd ("KLFSB")

100%
Ayam Segar Sdn Bhd ("ASSB")

Note:

* KLFSB and ASSB, being dormant subsidiaries of the Companies, had on 12 December 2014 submitted an application to Companies Commission of Malaysia to strike-off the names of KLFSB and ASSB from the register pursuant to Section 308 of the Companies Act, 1965 on the basis that it has no intention to commence any business activities in the future.

PROFILE OF DIRECTORS

TUAN SYED OMAR BIN SYED ABDULLAH

Malaysian Age 59

Chairman /
Non-Independent Executive Director

Tuan Syed Omar Bin Syed Abdullah, aged 59, a Malaysian citizen, is the Chairman of the Company. He was appointed to the Board of Directors on 28 April 1995. He was a Press Secretary to the Chief Minister of Johor Darul Takzim, from 1986 to 1990 and the Political Secretary to the Minister of Law of the Prime Minister's Department from 1990 to 1994. He also sits on the boards of several private limited companies.

He does not have any family relationship with any Directors and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences over the past 10 years.

DATO' CHOO KENG WENG

Malaysian Age 65

Managing Director /
Non-Independent Executive Director

Dato' Choo Keng Weng, aged 65, a Malaysian citizen, is a businessman with varied interest and investments in Malaysia and overseas. He was appointed as Managing Director of Sin Heng Chan (Malaya) Berhad on 17 June 1995 and is a member of the Remuneration Committee of the Company. He holds degrees in Bachelor of Science and Master in Business Administration (MBA) in Finance (USA).

After graduation in 1978, he served in various corporate positions overseas and in Malaysia. He has vast experience in consumer food products, manufacturing and trading, property investment, plantation and timber manufacturing. Presently, Dato' Choo Keng Weng also serves on the board of several non-listed companies.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences over the past 10 years.

YBM TUNKU MAHMOOD BIN TUNKU MOHAMMED D.K.

Malaysian Age 70

Independent Non-Executive Director

YBM Tunku Mahmood Bin Tunku Mohammed D.K., aged 70, a Malaysian citizen, was appointed as Director of the Company in January 1999. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee of the Company.

YBM Tunku Mahmood Bin Tunku Mohammed D.K. served the military for many years. He is a businessman and is involved with plantation and hospitality business. He is also a Director of Java Berhad, a public company listed on the Bursa Malaysia Securities Berhad. He also serves on the board of several other private companies. In 2012, YBM Tunku Mahmood was appointed as "Jumaah Majlis Diraja Johor".

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences over the past 10 years.

PROFILE OF DIRECTORS

MR. THOMAS TUAN KIT KWONG

Malaysian | Age 51

Independent Non-Executive Director

Mr. Thomas Tuan Kit Kwong, aged 51, a Malaysian citizen, was appointed to the Board on 11 November 2011. He is a Chartered Accountant by profession and is a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. He started his accounting career with Azman, Wong, Salleh & Co. and subsequently joined KPMG Peat Marwick. In 1991, Mr. Thomas joined Syarikat Teratai KG Sdn Bhd as Financial Controller and later was with Kelanamas Industries Berhad. He was appointed as Director and CEO of Pakai Industries Berhad since 1995. He is also Chairman of Audit Committee and a member of Nominating Committee of the Company.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences over the past 10 years.

MR. MAK HON WENG

Malaysian | Age 62

Independent Non-Executive Director

Mr. Mak Hon Weng, aged 62, a Malaysian citizen, was appointed to the Board on 21 March 2014. He first qualified as an Accountant from the Association of Chartered Certified Accountants, UK (ACCA) in 1975 and admitted as a Fellow of the accounting body (FCCA) in 1984. Besides being a Fellow of ACCA, he is also an associate member of the Institute of Chartered Secretaries and Administrator (AICSA) since 1981. He was also admitted as a Chartered Accountant of the Malaysian Institute of Accountants (MIA) in the same year. In February 2015, Mr. Mak was appointed as Independent Non-Executive Director of Scanwolf Corporation Berhad.

He has more than 35 years of experience in senior managerial position, mostly in the banking industry. He had served with the Malaysian Industrial Development Finance Bhd (MIDF), OCBC, Public Bank Bhd and lastly with Alliance Bank Malaysia Bhd as its Senior Vice President of its Corporate and Commercial Banking, specialising in project financing for the real estate and contract sector.

He does not have any family relationship with any Director and/or major shareholder, nor any conflict of interest with the Company. He has no convictions for any offences over the past 10 years.

NOTES TO DIRECTORS' PROFILE:

1. **ATTENDANCE AT BOARD MEETINGS**
   The details of the Directors' attendance at Board Meetings are set out on pages 9 and 97 of this Annual Report.

2. **SHAREHOLDINGS**
   The details of the Directors' interest in the securities of the Company are set out on page 90 of this Annual Report.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present herewith the Annual Report and the Audited Financial Statements of Sin Heng Chan (Malaya) Berhad ("Company") and its group of companies ("Group") for the financial year ended 31 December 2014.

The Group registered an increase in revenue of

RM19.071million

compared to RM17.558 million in the FY 2013 due to an increase in the production of Fresh Fruit Bunches.

The Group's production of FFB increased from 38,716 mt in 2013 to 39,654 mt, representing an increase of

2.4%.

FINANCIAL REVIEW

During the Financial Year ("FY") 2014, the palm oil industry was challenged by weakening Crude Palm Oil ("CPO") prices. Average CPO prices dropped below RM2,200 per metric tonne during second half of the year when the production cycle was at its peak. Prices were negatively affected by the significant drop in crude oil prices, higher than expected production of other edible oils (including record US soybean supplies) and weaker demand from China and the rest of the world. Despite these challenges, the Group registered a marginal increase in revenue of RM19.071 million compared to RM17.558 million in the FY 2013 due to an increase in the production of Fresh Fruit Bunches ("FFB").

The Group registered a Loss After Tax ("LAT") of RM3.402 million during the FY 2014 compared to a Profit After Tax ("PAT") of RM0.463 million in FY 2013 despite the increase in the revenue of the Group in FY 2014. The profit recorded in FY 2013 was attributed to the gain recognised from the exchange of Melaka land with Melaka State Government and the Pejabat Daerah dan Tanah Melaka Tengah. The low CPO price has inevitably affected the profits of the Group in the FY 2014 but was mitigated by the management's cost cutting measures which has resulted in an overall lower cost of production of FFB.

As a result, the Group's Net Earnings Per Share from its operations reduced from 0.41 cent to a Net Loss Per Share of 2.96 cent in FY 2014. The Group's Total Shareholders' Funds has also decreased from RM82.6 to RM82.4 million in FY 2014.

OPERATIONS REVIEW

Plantation

During the year under review, the Group's production of FFB increased from 38,716 mt in 2013 to 39,654 mt, representing an increase of 2.4%. The increase in FFB production was the result of improvements in individual harvester productivity due to tighter management supervision of harvesting activities. A slight increase in the number of harvesters also allowed the management to access more areas for harvesting. The overall production increase occurred despite the estate being affected by recent floods in late December 2014. Although the estate' main and feeder roads were damaged by the floods, recent road repairs carried out by the management have improved delivery times of FFB to the palm oil mills.

The Group's intensified efforts during the financial year to improve workers' welfare through the construction of comfortable accommodation and common facilities such as community halls allow it to remain competitive in attracting workers to the estate. The Group continues to carry out efforts to engage with the local community to provide them with various jobs with the intention of improving their livelihood and to also complement with our existing workforce.

In 2014, CPO prices fluctuated between RM1,900 per tonne and RM2,800 per tonne. Average CPO prices dropped significantly in the latter part of the year due to a number of global factors beyond the Groups' control. The drastic drop in CPO prices during the year has affected the Group's plantation margins, requiring the Group to continue embarking on cost reduction initiatives in order to further reduce its FFB production cost. The Group's in-house capabilities in construction, road maintenance and infrastructure development enable the Group to have better control on maintenance costs and reduce dependency on external service providers.

To maximise oil extraction rate and to enhance profitability, constant dialogues continue to be held between plantation and mill management to ensure that good grades of FFB in terms of freshness and ripeness are sent to the mills for processing. The Group will continue to place great emphasis on adopting the industry's best estate management practices when developing new planting areas in order to meet the industry's standards of FFB yields.

PROSPECTS

CPO prices are expected to face a volatile year in 2015 and will be driven by global demand factors, including uncertainty in the market movements in crude and rival edible oils. With the implementation of Goods and Services Tax ("GST") on 1 April 2015, there will be an increase in the cost of production. The demand for oil palm globally would likely remain steady due to higher offtake by importing countries should CPO prices remain low.

The Group expects to increase its production of FFB due to the new planted areas coming into maturity and the assumption of normal weather. The Group would also provide more emphasis in improving the overall infrastructure of the estate to ensure efficient transportation of FFB to the mills and increasing the workforce at the estate to improve collection of harvest yield.

The Board and Management are fundamentally optimistic about the long term prospects of the palm oil business in view that global demand for palm oil productions would continue to grow as palm oil is one of the vital oils in meeting the world's dietary and energy requirements. However, caution needs to be given to the developments in the vegetable oil market especially with sun oil, rapeseed oil and soybean oil prices. The Group is also committed to increase new planting areas from its existing land bank.

Going forward, the Board and the Management aim to look out for new strategic investments and/or strategic joint ventures in order to further enhance the Group's overall competitiveness, particularly to improve operational efficiency. The Group will continue to work towards strengthening its market position and achieving greater economies of scale.

ACKNOWLEDGMENT

The Group's success to-date has been made possible by the efforts and sacrifices of our dedicated team of employees. On behalf of the Board of Directors, I wish to express our sincere gratitude to these hardworking individuals and ask that they continue to uphold their commitment to excellence. I would also like to extend our appreciation to all our valued shareholders, customers, business partners, bankers and government authorities for their invaluable support and confidence towards the Group as well as for the unwavering support and contributions made by my fellow Board members during the year.

TUAN SYED OMAR BIN SYED ABDULLAH
Chairman

STATEMENT OF CORPORATE GOVERNANCE

Corporate Governance describes the framework and process by which institutions, through their Board of Directors and senior management, regulate their business activities. These principles are to create balance, safe and sound business operations while complying with relevant laws and regulations.

The Board of Directors ("the Board") of the Sin Heng Chan (Malaya) Berhad Group ("Group") recognises that practices of good Corporate Governance form the cornerstone of a responsible, progressive and effective organisation. It also serves to maintain the trust, confidence and good relationship of the Group with its shareholders, employees, customers, suppliers, business associates, regulatory authorities, as well as the members of the communities in which it operates.

The Board is committed to ensuring and maintaining a high standard of corporate governance within the Group as it forms a fundamental part of discharging its responsibilities and the affairs of the Group are always conducted with integrity, transparency and professionalism with the objective of safeguarding the shareholders' investment and ultimately enhancing the shareholders' interest.

This report describes how the Company has applied its corporate governance framework and practices of the Group to comply with the relevant principles of the Malaysian Code on Corporate Governance 2012 ("Code"), Guidance Notes 2 on Corporate Governance and Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements").

BOARD OF DIRECTORS

Role of the Board of Directors

The Board assumes responsibility for stewardship of the Company and its subsidiaries and is primarily responsible for the protection and enhancement of long-term value and returns for the shareholders, and supervising its affairs to ensure its success within a framework of acceptable risks and effective control and in compliance with the relevant laws, regulations, guidelines and directives which governs the Group. It reviews management performance and affairs of the Group and ensures that the necessary financial and human resources are available to meet the Group's objectives. In addition, the Board is directly responsible for decision making in respect of the following matters:

(a) reviewing and adopting strategic plans for the Group;
(b) overseeing the conduct of the Group's businesses to evaluate whether the businesses are being properly managed;
(c) appointment of directors and key managerial personnel;
(d) announcements including approval and releases of financial results and annual reports;
(e) business strategy including significant acquisition and disposal of subsidiaries or assets or liabilities;
(f) operating budgets, significant investments and capital expenditures; and
(g) corporate policies in keeping with good corporate governance and business practices.

Board Composition and Balance

The strength of the Board lies in the composition of its members, who has a wide range of expertise, extensive experience and diverse background in business, finance and technical knowledge.

As at 31 December 2014, the Board consists of five (5) Directors of whom three (3) are independent. As at 31 December 2014, the composition of Independent Non-Executive Directors has met the minimum prescribed in the Code and Listing Requirements. The list of Directors is as follows:

Executive Directors

Tuan Syed Omar Bin Syed Abdullah - Chairman
Dato' Choo Keng Weng - Managing Director

Independent Non-Executive Directors
Mr. Thomas Tuan Kit Kwong
YBM Tunku Mahmood Bin Tunku Mohammed D.K.
Mr. Mak Hon Weng (Appointed on 21 March 2014)

The composition of the Board will be reviewed, when necessary, to ensure that the current Board size is appropriate and effective, taking into account the nature and scope of the Company's operations.

The Board comprises persons who as a group provide the relevant core competencies and mix of skills in the areas of financial, technical and business to meet the Company's requirements. The Directors' objectives judgement on corporate affairs and collective experience and knowledge are invaluable to the Group. Profiles of the members of the Board, as set out on pages 4 to 5 of this Annual Report.

The Board is led by Tuan Syed Omar Bin Syed Abdullah as the Chairman and the executive management of the Company is led by Dato' Choo Keng Weng, the Managing Director. There is a clear division of responsibilities between the Chairman and Managing Director to ensure that there is a balance of power and authority. The separation of the roles of the Chairman and the Managing Director was to ensure that considerable concentration of power does not lie with any one individual.

Independence of Directors

The Independent Directors play a pivotal role in corporate accountability, which is reflected in their membership of the various Board committees and their attendance of meetings as set out below. The Independent Directors provide unbiased views and impartiality to the Board's deliberations and decision-making process. In addition, the Non-Executive Directors ensure that matters and issues brought to the Board are fully discussed and examined, taking into account the interest of all stakeholders in the Group.

All the Independent Non-Executive Directors are independent of management and free from any business tie or other relationships that could materially interfere with the exercise of their independent judgement.

Tenure of Independent Director

YBM Tunku Mahmood Bin Tunku Mohammed D.K. was appointed as Independent Non-Executive Director of the Company on 11 January 1999 and has served as an Independent Director for a cumulative of more than nine (9) years as at the date of the notice of the Fifty-Third (53rd) Annual General Meeting ("AGM") which exceeded the tenure of an Independent Director as set out in the Recommendation 3.2 of the Code.

The Nomination Committee has assessed the independence of YBM Tunku Mahmood Bin Tunku Mohammed D.K.. Pursuant to the Recommendation 3.3 of the Code, the Board strongly recommends to the shareholders at the forthcoming AGM that YBM Tunku Mahmood Bin Tunku Mohammed D.K. continues to act as Independent Non-Executive Director for the purpose based on the following justifications:

- He fulfilled the criteria under the definition of Independent Director as set out in Chapter 1 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and thus he would be able to function as check and balance, provide broader view and brings an element of objectivity to the Board;
- His experience as a businessman enabled him to provide the Board with a diverse set of experience, expertise and independent judgement; and
- He has performed his duty diligently and in the best interest of the Company and provides a broader view, independent and balanced assessment of proposal from the management.

Board Meetings

The Board meets at least four (4) times during the financial year. The meeting attendance of the individual Directors are as follows:

Directors	No. of Meetings Attended
Tuan Syed Omar Bin Syed Abdullah	3/4
Dato' Choo Keng Weng	4/4
YBM Tunku Mahmood Bin Tunku Mohammed D.K.	4/4
Mr. Thomas Tuan Kit Kwong	4/4
Mr. Mak Hon Weng (Appointed on 21 March 2014)	3/3
Encik Mohd Shariff Bin Salleh (Resigned on 31 March 2014)	1/1

STATEMENT OF CORPORATE GOVERNANCE

Supply of Information

To assist the Board in fulfilling its responsibilities, the Directors are sent an agenda and a full set of Board papers providing complete, adequate and timely information prior to the Board meetings, to give Directors time to deliberate on the issues raised at the meetings. The Board has full and unrestricted access to all information pertaining to the businesses and affairs from Senior Management as well as services of the Company Secretary to enable them to discharge duties effectively. In addition to quantitative information, the Directors are also provided with updates on other areas such as market developments and risk management.

The Directors, whether as a group or individually, is entitled to obtain independent professional advice and when necessary in furtherance of their duties at the Company's expenses. The appointment of such professional advisor is subject to the approval of the Board.

Appointment and Re-election

New candidates for appointment as Directors will be reviewed based on the required mix of skills, expertise, experience and other qualities of individuals concerned to constitute an effective board. As an integral element of the process of appointing new Directors, the Board ensures that there is an orientation and education program for new Board Members.

In accordance with the Company's Articles of Association, one third of Directors shall retire from office and be eligible for re-election at each Annual General Meeting. Re-appointments are not automatic and all Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election by shareholders in the Annual General Meeting.

Pursuant to the Listing Requirements, each member of the Board holds not more than 5 (five) directorships in public listed companies. This ensures that the Board's commitment, resources and time are focused on the affairs of the Group to enable them to discharge their duties effectively.

Directors' Training

All the Directors have attended the Mandatory Accreditation Programme ("MAP") conducted by Bursa Malaysia Training Sdn Bhd, the training and education arm of Bursa Malaysia Securities Berhad.

All Executive Directors have been with the Company for several years and are familiar with their duties and responsibilities as directors. In addition, the newly appointed Directors will be given briefings and orientation by the Executive Director and top management of the Company on the business activities of the Group and its strategic directions, as well as their duties and responsibilities as directors.

The Directors are regularly updated on new statutory and regulatory requirements and the impact and implication to the Group and Directors in carrying out their duties and responsibilities. In addition, the Directors also receives briefings and updates on the Group's businesses and operations, risk management activities and technology initiatives on a regular basis. The Company provides internal programmes and other external programmes for its Directors during the financial year, amongst which include:

- 2014 Audit Committee Conference – Stepping Up for Better Governance
- Audit Committee – The Functions of the Audit Committee
- Audit Committee – Control Environment in Managing Risk
- Audit Committee – Oversight of Financial Report and Compliance
- Audit Committee – Enhancing Audit Quality: Role of Audit Committee
- Updates on the Main Market Listing Requirements of Bursa Malaysia

Board Committees

To ensure the effective discharge of the Board's fiduciary duties, the Board has delegated specific responsibilities to the following Board Committees. The Board Committees will deliberate in greater detail and examine the issues within their terms of reference as set out by the Board in compliance with the Code.

(i) Audit Committee
Composition of the Audit Committee, its terms of reference and a summary of its activities are set out on pages 13 to 15 of this Annual Report.

(ii) Nomination Committee
The Nomination Committee is comprised entirely of the Independent Non-Executive Directors. The members are:

- Mr. Thomas Tuan Kit Kwong - Chairman
- YBM Tunku Mahmood Bin Tunku Mohammed D.K. - Member

Among the primary duties of the Nominating Committee includes assessing and reviewing the composition of the Board to ensure that it has an appropriate balance of skills and experience among the Board members, as well as recommending to the Board, candidates for all directorship and on Board Committees.

The Nominating Committee shall review the criteria for evaluating the Board's performance. The performance criteria for the Board's evaluation includes an evaluation of the size and composition of the Board, the Board's access to information, accountability, Board's processes and Board's performance in relation to discharging its principal responsibilities, communication with management and standard of conduct of the Directors. Each Director assesses the Board's performance as a whole by providing feedback to the Nominating Committee. The Nominating Committee, when reviewing the Board's performance, shall take note of the feedback received from the Directors and act on the comments accordingly.

(iii) Remuneration Committee
The Remuneration Committee is comprised majority of Independent Non-Executive Directors. The members are:

- YBM Tunku Mahmood Bin Tunku Mohammed D.K. - Chairman
- Dato' Choo Keng Weng - Member
- Mr. Thomas Tuan Kit Kwong - Member

The Remuneration Committee is entrusted with responsibilities to set the policy framework and to make recommendations to the Board on the components of the remuneration packages, general employment terms and other benefits for the Executive Directors and Key Senior Management Officers so as to attract, retain and motivate individuals of high caliber and quality to serve the Group.

DIRECTORS' REMUNERATION

Level and Mix of Remuneration

In setting remuneration packages, the consideration is given on the pay and employment conditions within the industry and in comparable companies. As part of the review, the performance related elements and remuneration form a significant part of the total remuneration package of Executive Directors and is designed to align the Directors' interest with those of shareholder and link rewards to corporate and individual performance. The remuneration of Non-Executive Directors are also reviewed to ensure that the remuneration commensurate with the contributions and responsibilities of the directors. The Company submits the quantum of Directors' fees of each year, if any, to the shareholders for approval at each Annual General Meeting.

Disclosure on Remuneration

Remuneration of Non-Executive Directors is determined by the Board as a whole. Individual Directors do not participate in determining their own remuneration package. The Board, based on the sum to be authorised by the Company's shareholders, determines fees payable to Non-Executive Directors. Non-Executive Directors are also entitled to meeting allowances and reimbursement of expenses incurred in the course of their duties as Directors.

The aggregate remuneration of Directors for the financial year ended 31 December 2014 is categorised as follows:

	Executive Directors	Non-Executive Directors
Salaries (RM)	619,000	-
Other Emoluments (RM)	90,000	6,000
Fees (RM)	12,000	18,000
Total (RM)	721,000	24,000

The analysis of remuneration of Directors for the financial year ended 31 December 2014 is as follows:

	No. of Directors	
Range of Remuneration	**Executive**	**Non-Executive**
Below RM50,000	-	4
RM50,001 to RM100,000	-	-
RM100,001 to RM150,000	1	-
RM150,001 to RM200,000	-	-
RM200,001 to RM250,000	-	-
RM250,001 to RM300,000	-	-
RM300,001 to RM350,000	-	-
RM350,001 to RM400,000	-	-
RM400,001 to RM500,000	-	-
RM500,001 to RM550,000	-	-
RM550,001 to RM600,000	-	-
RM600,001 to RM650,000	1	-
RM650,001 to RM700,000	-	-
RM700,001 to RM750,000	-	-

STATEMENT OF CORPORATE GOVERNANCE

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible for presenting a clear, balanced and comprehensive assessment of the Group's financial position, performance and prospects each time it releases its quarterly and annual financial statements to its shareholders. The Board is responsible for ensuring that financial statements prepared give a true and fair view of the state of affairs of the Company and of the Group. The Board considers the presentation of the financial statements and that the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgments and estimates.

The statements of Directors' responsibilities for the preparation of the Financial Statements are set out in page 92 of this Annual Report.

Internal Control

The Statement on Risk Management and Internal Control provides an overview of the state of internal controls within the Group and is set out on pages 16 to 17 of this Annual Report.

Relationship with External Auditors

The Board ensures that there are formal and transparent arrangements for the achievement of objectives and maintenance of professional relationship with the External Auditors. The External Auditors have full access to the books and records of the Group at all time. They participate in the annual stock counts of the Group.

The Audit Committee meets the External Auditors to discuss their audit plan, audit findings and the financial statements. The Audit Committee also meets the External Auditors without the presence of the Executive Directors and any member of the Management at least twice in each financial year or whenever deemed necessary.

The Audit Committee's role with respect to Internal and External Auditors is described in the Audit Committee Report set out on pages 13 to 15 of this Annual Report.

SHAREHOLDERS AND INVESTORS

The Group recognises the importance of effective communication with the shareholders and investors through various appropriate channels. The Group regularly communicates with the investor community in conformity with disclosure requirements.

The Annual General Meeting is the primary forum for the Directors to communicate with shareholders. The Board provides opportunities for shareholders to raise questions pertaining to issues in the Annual Report, corporate developments in the Group, the resolutions being proposed and the business of the Group at every general meeting. The Board encourages other channels of communication with shareholders. For this purpose, the Board has identified YBM Tunku Mahmood Bin Tunku Mohammed D.K. as the Senior Independent Director to whom questions or concerns regarding the Group may be conveyed. YBM Tunku Mahmood Bin Tunku Mohammed D.K. can be contacted via the following channels:

Post : YBM Tunku Mahmood Bin Tunku Mohammed D.K.
Sin Heng Chan (Malaya) Berhad
Level 3, Wisma E & C
No. 2, Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur
Fax : (603) 2093 5571
Email : auditcom.shcm@gmail.com

Investors may also direct their queries to Investor Relations Manager at the above correspondence address and fax number or via email: ir@shcm.com.my.

The Company also maintains a website at www.shcm.com.my dedicated to provide information of the Group to the shareholders, investors and the general public who have an interest in the business and affairs of the Group.

Compliance with the Code

The Board has approved this statement and is of the opinion that the Company has, to its best ability complied with the relevant principles and best practices outlined in the Code for the financial year ended 31 December 2014.

AUDIT COMMITTEE REPORT

The Audit Committee reviews and monitors the integrity of the Group's financial reporting process, in addition to reviewing the Group's system of internal controls. It also reviews the Group's audit process, compliance with legal and regulatory requirements, code of business conduct and any other matters that are specially delegated by the Board.

1. Membership and Attendance

The Audit Committee members and details of attendance of each member of the Audit Committee meetings during the financial year are as follows:

Audit Committee	No. of Meetings attended
Mr. Thomas Tuan Kit Kwong (Chairman) Independent Non-Executive Director	4/4
YBM Tunku Mahmood Bin Tunku Mohammed D.K. (Member) Independent Non-Executive Director	4/4
Mr. Mak Hon Weng (Member) Independent Non-Executive Director (Appointed on 21 March 2014)	3/3
Encik Mohd Shariff Bin Salleh (Member) (Resigned on 31 March 2014)	1/1

The Audit Committee met four (4) times during the financial year ended 31 December 2014.

As at the reporting date, the criteria for composition of members has been met.

2. Summary of Activities of the Audit Committee

During the financial year ended 31 December 2014, the Audit Committee carried out its duties as set out in the terms of reference which included the following:

(a) Review of the quarterly financial reports before recommending to the Board for their approval and release of the Group's results to Bursa Malaysia Securities Berhad;
(b) Review of the Audit Planning Memorandum with the External Auditors;
(c) Review of the Audit Review Memorandum with the External Auditors;
(d) Review the Audit Fees of the External Auditors;
(e) Review of the internal audit findings and recommendations with the Internal Auditors;
(f) Review the Audit Committee Report and Statement on Risk Management and Internal Control; and
(g) Review the procedure established to monitor Recurrent Related Party Transactions and also any related party transactions.

3. Internal Audit Function

The Company has outsourced its internal audit function to an independent internal audit services provider for the financial year ended 31 December 2014. The Internal Audit function is to support the Audit Committee in discharging its duties with respect to the adequacy, integrity and effectiveness of the systems of internal control within the Group. The Internal Auditors independently carry out its reviews and reports to the Audit Committee.

During the financial year the Internal Auditors reviewed the system of internal control and the processes implemented by the management in the key subsidiary Companies and reported its results and findings to the Audit Committee.

The total cost incurred for the Group Internal Audit Function in respect of the financial year ended 31 December 2014 was RM16,000.

4. Terms of Reference

Composition

The Committee shall be appointed by the Board from amongst its Directors excluding alternate Directors and shall comprise no fewer than three (3) members, all of whom must be Non-Executive Directors with a majority of whom shall be Independent Directors. Alternate Director shall not be appointed as members of the Committee.

All members should be financially literate and at least one (1) member must be:

(a) a member of the Malaysian Institute of Accountants ("MIA");

AUDIT COMMITTEE REPORT

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

In the event a Member of the Committee resigns, dies, or for any reason ceases to be a member with the result the number of members is reduced to below three (3), or if the majority of the members become Non-Independent Directors, the Board of Directors shall within three (3) months of such vacancy, appoint such number of new members as may be required to make up the minimum number of three (3) members or the majority being Independent Directors. Therefore a member of the Audit Committee who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he leaves.

The Board of Directors of the Company must review the term of office and performance of an audit committee and each of its members at least once every (3) years to determine whether such audit committee and members have carried out their duties in accordance with their terms of reference.

Chairman

The Chairman, shall be elected from amongst their number, who shall be an Independent Director. In event of the Chairman's absence, the meeting shall be chaired by an Independent Director.

The Chairman should engage on a continuous basis with Senior Management, such as the Chairman of the Board, the Chief Executive Officer, the Finance Director, the Head of Internal Audit and the External Auditors in order to be kept informed of matters affecting the Company.

Secretary

The Company Secretary shall be the Secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.

The Secretary shall also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee Members. The Committee Members may inspect the minutes of the Audit Committee at the registered office or such other place as may be determined by the Audit Committee.

Meetings

The Committee shall meet at least four (4) times in each financial year and may regulate its own procedure in lieu of convening a formal meeting by means of video or teleconference. The quorum for a meeting shall be two (2) members, provided that the majority of the members present at the meeting shall be independent. In addition to its four meetings each financial year, the Committee may take action by unanimous written consent of its members.

The Committee may call for a meeting as and when required with reasonable notice as the Committee Members deem fit.

All decisions at such meeting shall be decided on a show of hands on a majority of votes.

The External Auditors and Internal Auditors have the right to appear at any meeting of the Audit Committee and shall appear before the Committee when required to do so by the Committee. The External Auditors may also request a meeting if they consider it necessary.

The other directors and employees of the Company may attend any particular Audit Committee meeting only at the Committee's invitation, specific to the relevant meeting.

Rights

The Audit Committee shall:

(a) have explicit authority to investigate any matter within its terms of reference;
(b) have the resources which are required to perform its duties;
(c) have full and unrestricted access to any information pertaining to the Group;
(d) have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity;
(e) have the right to obtain legal or independent professional or other advice at the Company's expense;
(f) have the right to convene meetings with the External Auditors, the Internal Auditors or both excluding the attendance of other directors and employees of the Company, whenever deemed necessary;

(g) promptly report to the Bursa Malaysia Securities Berhad ("Bursa Securities"), or such other name(s) as may be adopted by Bursa Securities, matters which have not been satisfactorily resolved by the Board of Directors resulting in a breach of the listing requirements;
(h) have the right to pass resolutions by a simple majority vote from the Committee and that the Chairman shall have the casting vote should a tie arise;
(i) meet as and when required on a reasonable notice; and
(j) the Chairman shall convene a meeting to consider any matter external auditor believes should be brought to the attention of the directors or shareholders, upon the request of the External Auditors.

Duties

(a) To review with the External Auditors on:

- the audit plan, its scope and nature;
- the audit report;
- the results of their evaluation of the accounting policies and systems of internal accounting controls within the Group; and
- the assistance given by the officers of the Company to External Auditors, including any difficulties or disputes with Management encountered during the audit.

(b) To 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.

(c) To recommend such measures as to be taken by the Board of Directors on the effectiveness of the system of internal control, management information and risk management practices of the Group.

(d) To review the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.

(e) To review any appraisal or assessment of the performance of members of the internal audit function.

(f) To review any appointment or termination of the Internal Auditors and take cognisance of resignations of Internal Auditors and provide the resigning Internal Auditors an opportunity to submit reasons for resigning.

(g) To review with management:

- audit reports and management letter issued by the External Auditors and the implementation of audit recommendations;
- interim financial information; and
- the assistance given by the officers of the Company to External Auditors.

(h) To review related party transactions entered into by the Company or the Group and to determine if such transactions are undertaken on an arm's length basis and normal commercial terms and on terms not more favourable to the related parties than those generally available to the public, and to ensure that the Directors report such transactions annually to shareholders via the annual report, and to review conflicts of interest that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity.

(i) To review the quarterly reports on consolidated results and year-end financial statements prior to submission to the Board of Directors, focusing particularly on:

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

(j) 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).

(k) To meet with the External Auditors without executive board members present at least twice a year.

(l) To consider the appointment and/ or re-appointment of auditors, the audit fee and any questions of resignation or dismissal including recommending the nomination of person or persons as External Auditors to the board.

(m) To verify the allocation of options pursuant to a share scheme for employees as being in compliance with the criteria for allocation of options under the share scheme, at the end of each financial year.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance 2012 and the Companies (Amendment) Act 2007 requires the Directors of listed companies to maintain a sound system of internal control to safeguard shareholders' investments and the Group's assets. The Board of Directors ("the Board") is pleased to present this Statement on Risk Management and Internal Control with respect to the state, nature and scope of the internal control of Sin Heng Chan (Malaya) Berhad Group ("the Group") for current financial year.

Board's Responsibility

The Board is responsible for the Group's system of internal control, which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. However, such a system is designed to manage the Group's risks within an acceptable risk profile, rather than to eliminate the risk of failure to achieve the policies and business objectives of the Group. Therefore, it should be noted that it can only provide reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Board has undertaken the appropriate initiatives to strengthen the transparency, accountability and efficiency of the operations. The Board recognises the importance of ensuring that a sound system of internal controls and effective risk management practices are in place in the organisation. It has therefore given due attention towards improving the effectiveness of internal control, risk management and governance process of the organisation.

The management assists the Board in the implementation of the Board's policies and procedures on risk and control, also in the design, operations and monitoring of suitable internal controls to mitigate and control these risks.

Risk Management Framework

The Board recognises the importance of identifying and managing principal risks of the Group's daily operations and that the identification and the management of such risk will affect the achievement of the Group's corporate objectives. As part of the integral process of risk management, the Group's risk management framework shall be structured in which the existence of significant risks of the Group has been identified and quantified. Priorities will be given for areas of high risks to assist the Board and Senior Management.

The functional management has been given a clear line of accountability and delegated authorities have been established as part of the internal control efforts through the standard operating practices. The Senior Management is responsible for identifying, managing and reporting on significant risks on an ongoing basis and any significant risk matters shall be brought to the attention of the Executive Director, and if necessary, are also raised for discussion at Board meetings.

Internal Audit Function

The Board acknowledges the importance of the internal audit function and has engaged an independent professional firm, to provide internal audit services to assist the Board in providing the assurance it requires on the effectiveness as well as the adequacy and integrity of the Group's systems of internal control.

During the year under review, the Internal Auditors carried out review on the effectiveness of the internal control systems and highlights to the Audit Committee any significant findings in respect of non-compliances and major control weaknesses of which the management is responsible for ensuring that corrective actions are taken on the reported weaknesses.

The internal audit reviews are carried out using risk-based approach and based on major operating cycles as recommended and agreed with the Senior Management and endorsed by the Audit Committee.

In the year under review, the following reviews on the Group's operations were undertaken by the Internal Auditors:

- Harvesting and Transporting Process
- Inventory Management

The findings arising from the above reviews have been reported to the management for their response and subsequently for the Audit Committee deliberation before they are reported to the Board. Where weaknesses were identified, recommended procedures have been or are being put in place to strengthen controls.

The Internal Control Processes

The following are the key processes that have been established as part of the Group's internal control effort:

(a) Internal control effort were done through standard operating practices and guidelines involving operational planning, capital expenditure, safeguarding of assets against unauthorised use or disposition, financial and accounting records, reporting system and monitoring of Group's businesses and performances.

(b) The Executive Directors through their daily involvement in the business operations and attendance at operational and management level meetings, monitors the Group's policies and procedures.

(c) The Audit Committee review internal control issues identified by the Internal Auditors and External Auditors and evaluate the adequacy and effectiveness of the risk management and internal control systems. They also review the Internal Audit functions with particular emphasis on the scope of audits and quality of internal audits.

(d) The Corporate Office at the holding company coordinates and monitors the monthly performance results of the independent operational units, based on actual against budgeted financial performances, key business indicators and highlights of the related happenings. The liquidity position of the Group is monitored daily through the online banking system and also through the weekly reporting of bank transactions of the business units.

The internal control system will continue to be reviewed, added on or updated in line with the changes in the operating environment.

Conclusion

For the financial year under review and up to the date of approval of this Statement for inclusion in the annual report, based on inquiry, information and assurance provided by the Managing Director and Finance Manager, the Board is of the opinion that the internal control system was generally satisfactory and adequate for their purpose. There will be continual focus on measures to protect and enhance shareholders' value and business sustainability.

Review of the Statement by External Auditors

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the External Auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Recommended Practice Guide ("RPG") 5 (Revised) issued by the Malaysian Institute of Accountants, which does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group. Based on procedures performed, the External Auditors have reported to the Board that nothing had come to their attention that caused them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in the review of the adequacy and integrity of internal control of the Group.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board of Directors dated 24 March 2015.

CORPORATE SOCIAL RESPONSIBILITY STATEMENT

The Bursa Malaysia Securites Berhad's Corporate Social Reponsibility ("CSR") Framework is basically a set of guidelines for Malaysian public listed companies to help them in the practice of CSR. CSR relates to open and transparent business practices that are based on ethical values and respect for the community, employees, the environment, shareholders and other stakeholders. It is designed to deliver sustainable value to society at large.

The Company is committed to operating in an economically, socially and environmentally sustainable manner whilst balancing the interest of the diverse stakeholders.

At Sin Heng Chan (Malaya) Berhad, we view CSR as a journey towards integrating the values of CSR initiatives which are translated into the practical aspects of how we run our business, from marketing and operations to human resources.

OUR EMPLOYEES

The Group firmly believes that caring for its employees will contribute positively to the Group's long term profitability of the business and success through improved efficiency of the work processes. The Group provides Hospitalisation and Surgical insurance coverage and Group Personnel Accident Insurance on top of the statutory SOCSO contribution for employees to mitigate medical and accidental contingencies. Our employees at the estates are residents in the housing estates which have developed into for our plantation employees to thrive. We ensure that our employees receive constant supply of clean water and electricity as well as our facilities such as canteen and surau.

We occasionally have social and recreational events such as sports competitions and other social programmes to encourage networking and socialising between colleagues and peers. We also conduct formal performance reviews on the competencies of our staff to identify their strengths and weaknesses. As part of our effort to provide growth and progression opportunities for our staff, on-the-job training, in-house programmes and external training courses are provided to improve their practical knowledge and field exposure.

The Group firmly believes that caring for its employees will contribute positively to the Group's long-term profitability of the business and success through improve efficiency of the work process.

OUR COMMUNITY

We engage with and respect the cultures of the communities where we live and work. We maintained effective, transparent and open communication with the local communities and would try our best during consultation and dialogues to accede to communities request for support that would help them lead more comfortable lives. We also provide them work opportunities at the estate to help them financially and to improve their livelihood.

The Group has undertaken the development of oil palm plantations on some parts of the Native Customary Rights land in Sarawak, with the aim at bringing social and economic benefits to the landowners as well as neighbouring community. We provided construction and maintenance of rural access roads and also bridges across the Urun Estate.

OUR ENVIRONMENT

The Group is working responsibly to reduce the environmental impact of our operations and firmly believes in continuing to adopt waste management and recycling programmes in our operational process. The Group has implemented the several key initiatives such as making available separate bins to collect waste and arranging for proper disposition on a periodic basis.

Our Board would continue to seek new and improved ways to enhance its CSR responsibilities and activities as well as its relationship with all stakeholders including shareholders, government and government agencies, the media, non-governmental organisations and interest groups.

FINANCIAL STATEMENTS

REPORT OF THE DIRECTORS

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities.

The principal activities of its subsidiaries are as disclosed in Note 15 to the financial statements.

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

FINANCIAL RESULTS

The results of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
Net loss for the financial year	(3,402,188)	(549,910)
Attributable to:		
Owners of the Company	(3,402,188)	(549,910)
Non-controlling interests	-	-
	(3,402,188)	(549,910)

DIVIDENDS

No dividend has been paid, proposed or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend payment in respect of financial year ended 31 December 2014.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS

Under the Company's Employees Share Option Scheme ("ESOS"), options to subscribe for unissued new ordinary shares in the Company were granted to eligible directors and employees of the Company and its subsidiaries. The salient features of the ESOS are set out in Note 22 to the financial statements.

The share options granted and exercised during the financial year are as follows:

	No. of options over ordinary shares of RM1 each				
Exercisable from	**Balance at 1.1.2014**	**Granted**	**Exercised**	**Expired**	**Balance at 31.12.2014**
13.7.2004	6,139,000	-	(3,400,000)	(2,739,000)	-

The Directors have on 22 May 2009 extended the ESOS which expired on 12 July 2009 for another five (5) years until 12 July 2014.

On 12 July 2014, the remaining unexercised ESOS of 2,739,000 has lapsed and expired.

DIRECTORS

The Directors who have held office since the date of the last report are as follows:

Dato' Choo Keng Weng
Tuan Syed Omar bin Syed Abdullah
YBM Tunku Mahmood bin Tunku Mohammed D.K.
Thomas Tuan Kit Kwong
Mak Hon Weng

In accordance with Article 94 of the Company's Articles of Association, Dato' Choo Keng Weng and Thomas Tuan Kit Kwong retire by rotation at the forthcoming Annual General Meeting of the Company and, being eligible, offer themselves for re-election.

REPORT OF THE DIRECTORS

DIRECTORS' INTERESTS

The interest in shares in the Company and its related corporations of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134, of the Companies Act, 1965, are as follows:

	No. of ordinary shares of RM1 each			
	Balance at 1.1.2014	**Bought**	**Sold**	**Balance at 31.12.2014**
Shares in the Company				
Direct interest				
Dato' Choo Keng Weng	15,785,793*	1,400,000	-	17,185,793
Tuan Syed Omar Bin Syed Abdullah	-	600,000	-	600,000
Deemed interest *(by virtue of his interest in Macronet Sdn Bhd)*				
Dato' Choo Keng Weng	2,925,000	-	-	2,925,000

Note : * Includes shares held by nominees

	No. of options over ordinary shares of RM1 each			
	Balance at 1.1.2014	**Granted**	**Exercised**	**Balance at 31.12.2014**
Share Options in the Company				
Direct interest				
Tuan Syed Omar bin Syed Abdullah	600,000	-	(600,000)	-
Dato' Choo Keng Weng	1,400,000	-	(1,400,000)	-

Save as disclosed above, none of the other Directors in office at the end of the financial year has interest in the shares of the Company and its related corporations during and as of the end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive any benefit (other than benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as disclosed in Note 8 (c) of 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 except for any benefit which may be deemed to have arisen by virtue of the transactions between the Company and certain companies in which certain Directors of the Company and/or its subsidiaries or persons connected to such Directors have interests as disclosed in Note 29 to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company was a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate except for options granted to certain Directors pursuant to the Company's ESOS as disclosed above.

OTHER STATUTORY INFORMATION

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

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

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

At the date of this report, the Directors are not aware of any circumstances:

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

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

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

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

REPORT OF THE DIRECTORS

OTHER STATUTORY INFORMATION (CONT'D)

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

In the opinion of the Directors:

(a) the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in the financial statements.

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

AUDITORS

The auditors, Messrs. ECOVIS AHL PLT, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors,

DATO' CHOO KENG WENG

THOMAS TUAN KIT KWONG

Kuala Lumpur
24 March 2015

INDEPENDENT AUDITORS' REPORT

To the Members of Sin Heng Chan (Malaya) Berhad
(Incorporated in Malaysia)(Company No. 4690-V)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Sin Heng Chan (Malaya) Berhad, which comprise statements of financial position of the Group and of the Company as at 31 December 2014 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 year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 27 to 84.

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 as necessary to enable the preparation of financial statements that are free from material misstatements, 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 whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal 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 that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

INDEPENDENT AUDITORS' REPORT

To the Members of Sin Heng Chan (Malaya) Berhad
(Incorporated in Malaysia)(Company No. 4690-V)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 32 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTER

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 towards any other person for the contents of this report.

ECOVIS AHL PLT
AF 001825
Chartered Accountants

CHUA KAH CHUN
Approval Number: 2696/09/15 (J)
Chartered Accountant

Kuala Lumpur
24 March 2015

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2014

		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
Revenue	5	19,017,037	17,558,455	-	-
Cost of sales		(14,023,967)	(14,618,754)	-	-
Gross profit		4,993,070	2,939,701	-	-
Other operating income		252,153	6,782,813	1,836,306	7,880,437
Administrative expenses		(5,420,322)	(6,252,963)	(1,587,590)	(1,879,448)
Other operating expenses		(1,185,602)	(1,321,553)	(771,334)	(839,195)
Finance costs	7	(2,259,341)	(1,903,086)	(27,292)	(21,011)
(Loss)/profit before tax	8	(3,620,042)	244,912	(549,910)	5,140,783
Tax credit	9	217,854	217,854	-	-
(Loss)/profit for the financial year		(3,402,188)	462,766	(549,910)	5,140,783
Other comprehensive income					
Revaluation adjustment of investment properties (Note 14)		-	4,768,558	-	4,768,558
Total comprehensive (loss)/ income for the financial year		(3,402,188)	5,231,324	(549,910)	9,909,341

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2014

	Note	Group 2014 RM	Group 2013 RM
Profit attributable to:			
Owners of the Company		(3,402,188)	462,766
Non-controlling interests		-	-
		(3,402,188)	462,766
Total comprehensive income attributable to:			
Owners of the Company		(3,402,188)	5,231,324
Non-controlling interests		-	-
		(3,402,188)	5,231,324
Earnings per share (sen)			
Basic	10	(2.96)	0.41
Diluted	10	(2.96)	0.39

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2014

	Note	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
ASSETS					
Non-current assets					
Property, plant and equipment	11	11,861,614	11,839,649	661,615	888,556
Plantation development expenditure	12	83,665,182	83,573,285	-	-
Prepaid lease payments	13	30,222,292	30,711,362	9,147,600	9,147,600
Investment properties	14	942,158	942,158	942,158	942,158
Investment in subsidiaries	15	-	-	61,265,640	61,370,199
Available-for-sale investment	16	3,245,969	3,245,969	2,800,000	2,800,000
Goodwill on consolidation	17	16,329,389	16,355,668	-	-
		146,266,604	146,668,091	74,817,013	75,148,513
Current assets					
Inventories	18	888,804	1,513,304	-	-
Trade receivables	19	984,523	1,085,997	-	-
Other receivables, deposits and prepayment	19	1,142,139	1,005,391	373,217	345,016
Tax recoverable		3,372	3,372	-	-
Amounts owing by other related companies	20	2,287,812	1,605,356	27,551	27,551
Amounts owing by subsidiaries	20	-	-	15,934,736	16,292,631
Fixed deposits, cash and bank balances	21	4,483,509	1,310,482	4,359,490	1,151,433
		9,790,159	6,523,902	20,694,994	17,816,631
Total assets		156,056,763	153,191,993	95,512,007	92,965,144

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2014

		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
EQUITY AND LIABILITIES					
Equity					
Share capital	22	115,066,787	111,666,787	115,066,787	111,666,787
Equity compensation reserve	22	-	225,369	-	225,369
Accumulated losses		(32,699,285)	(29,297,097)	(25,950,807)	(25,400,897)
Total equity		82,367,502	82,595,059	89,115,980	86,491,259
Non-current liabilities					
Hire purchase payables	24	794,155	1,142,181	436,145	534,093
Borrowings	25	700,484	740,988	-	-
Long-term loans	26	31,575,000	30,000,000	-	-
Deferred tax liabilities	27	9,645,932	9,863,786	-	-
		42,715,571	41,746,955	436,145	534,093
Current liabilities					
Trade payables	28	1,480,561	3,809,393	-	-
Other payables and accruals	28	6,245,042	7,106,832	5,771,540	5,735,304
Bank overdrafts	25	22,334,662	17,092,102	-	-
Amounts owing to subsidiaries	20	-	-	34,194	37,635
Amounts owing to other related companies	20	56,145	71,145	56,145	56,145
Hire purchase payables	24	783,530	697,772	98,003	110,708
Borrowings	25	40,150	39,135	-	-
Tax liabilities		33,600	33,600	-	-
		30,973,690	28,849,979	5,959,882	5,939,792
Total liabilities		73,689,261	70,596,934	6,396,027	6,473,885
Total equity and liabilities		156,056,763	153,191,993	95,512,007	92,965,144

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2014

Group	Issued capital RM	Accumulated losses RM	Revaluation reserve RM	Equity compensation reserve RM	Total equity RM
	← Attributable to Owners of the Company →		Non-distributable reserves		
Balance as at 1 January 2014	111,666,787	(29,297,097)	-	225,369	82,595,059
Total comprehensive loss for the year	-	(3,402,188)	-	-	(3,402,188)
Issue of shares under ESOS	3,400,000	-	-	-	3,400,000
ESOS expired during the year	-	-	-	(225,369)	(225,369)
Balance as at 31 December 2014	115,066,787	(32,699,285)	-	-	82,367,502

Group	Issued capital RM	Accumulated losses RM	Revaluation reserve RM	Equity compensation reserve RM	Total equity RM
	← Attributable to Owners of the Company →		Non-distributable reserves		
Balance as at 1 January 2013	111,666,787	(33,180,599)	4,768,558	232,122	83,486,868
Total comprehensive income for the year	-	462,766	-	-	462,766
Realisation of revaluation surplus upon disposal of investment properties	-	4,768,558	(4,768,558)	-	-
Remeasurement of ESOS	-	-	-	(6,753)	(6,753)
Acquisition of a subsidiary	-	(1,347,822)	-	-	(1,347,822)
Balance as at 31 December 2013	111,666,787	(29,297,097)	-	(225,369)	82,595,059

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2014

Company	Issued capital RM	Accumulated osses RM	Non-distributable reserves Revaluation reserve RM	Equity compensation reserve RM	Total Equity RM
At 1 January 2013	111,666,787	(35,310,238)	4,768,558	232,122	81,357,229
Total comprehensive income for the year	-	9,909,341	-	-	9,909,341
Realisation of revaluation surplus upon disposal of investment properties	-	-	(4,768,558)	-	(4,768,558)
Remeasurement of ESOS	-	-	-	(6,753)	(6,753)
At 31 December 2013/ 1 January 2014	111,666,787	(25,400,897)	-	225,369	86,491,259
Total comprehensive loss for the year	-	(549,910)	-	-	(549,910)
Issue of shares under ESOS	3,400,000	-	-	-	3,400,000
ESOS expired during the year	-	-	-	(225,369)	(225,369)
Balance as at 31 December 2014	115,066,787	(25,950,807)	-	-	89,115,980

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

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2014

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/profit before tax	(3,620,042)	244,912	(549,910)	5,140,783
Adjustments for:				
Amortisation of plantation development expenditure	2,360,496	2,230,645	-	-
Finance costs	2,235,281	1,576,884	27,292	21,011
Depreciation of property, plant and equipment	1,667,096	1,359,068	240,230	188,142
Amortisation of prepaid lease payments	489,070	489,070	-	-
Provision for interest payable to a former non-controlling interest:				
- Current year	24,060	326,202	-	-
Equity compensation benefits	(225,369)	(6,753)	(120,810)	(3,619)
Allowance for doubtful debts	-	-	19,880	13,516
Bad debt written off	329	-	-	-
Deposits and prepayments written off	948	-	-	-
Property, plant and equipment written off	13,816	-	-	-
Impairment loss on investment	26,279	-	-	-
Interest income	(63,411)	(39,180)	(440,707)	(514,892)
Gain on disposal of property, plant and equipment	(168,059)	(109,340)	-	(105,000)
Gain on disposal of investment properties	-	(5,251,968)	-	(5,251,968)
Waiver of debt by former shareholder of a subsidiary	-	(1,351,834)	-	-
Operating (loss)/profit before working capital changes	2,740,494	(532,294)	(824,025)	(512,027)
(Increase)/decrease in:				
Inventories	624,500	(962,598)	-	-
Trade receivables	101,144	288,140	-	-
Other receivables and prepaid expenses	(119,626)	(227,258)	(28,201)	3,713
Amount owing by subsidiaries	-	-	338,015	(946,472)
Amount owing by related companies	(682,456)	(769,588)	-	-
Increase/(decrease) in:				
Trade payables	(2,328,832)	1,629	-	-
Other payables and accrued expenses	(861,791)	(8,240,440)	36,235	(57,681)
Amount owing to other related companies	(15,000)	-	-	-
Amount owing to subsidiaries	-	-	(3,441)	(3,416)

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2014

		Group		Company	
	Note	2014 RM	2013 RM	2014 RM	2013 RM
Cash used in operations		(541,567)	(10,442,409)	(481,417)	(1,515,883)
Interest paid		(72)	(115)	(27,292)	(21,011)
Net cash used in operating activities		(541,639)	(10,442,524)	(508,709)	(1,536,894)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from disposal of investment properties		-	639,913	-	639,913
Addition of plantation development expenditure (Note (a))		(1,814,488)	(1,851,907)	-	-
Proceeds from issue of shares		3,400,000	-	3,400,000	-
Purchase of property, plant and equipment (Note (b))		(1,402,138)	(5,275,374)	(13,289)	(199,881)
Proceeds from disposal of property, plant and equipment		409,901	114,170	-	105,000
Interest received		63,411	39,180	440,707	514,892
Acquisition of a subsidiary company		-	2,731	-	-
Net cash from/(used in) investing activities		656,686	(6,331,287)	3,827,418	1,059,924
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from drawdown borrowings		1,575,000	1,972,766	-	-
Repayment of hire-purchase - net		(862,406)	(637,036)	(110,652)	(85,587)
Interest paid		(2,897,174)	(2,530,988)	-	-
Net cash used in financing activities		(2,184,580)	(1,195,258)	(110,652)	(85,587)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,069,533)	(17,969,069)	3,208,057	(562,557)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		(15,781,620)	2,187,449	1,151,433	1,713,990
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	21	(17,851,153)	(15,781,620)	4,359,490	1,151,433

Note (a): During the financial year, the Group's additions to plantation development expenditure amounted to RM2,452,393 (2013: RM2,479,924) of which RM637,905 (2013: RM628,017) represents borrowing costs capitalised. The remaining additions of RM1,814,488 (2013: RM1,851,907) was paid in cash.

Note (b): During the financial year, the Group's and the Company's additions to property, plant and equipment amounted to RM1,962,788 (2013: RM5,925,373) and RM13,289 (2013: RM849,881) of which RM560,650 (2013: RM650,000) and RM Nil (2013: RM650,000) respectively was financed through hire-purchase arrangements. The remaining additions of RM1,402,138 (2013: RM5,275,374) and RM13,289 (2013: RM199,881) were paid in cash by the Group and the Company respectively.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

1. GENERAL INFORMATION

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

The Company is principally an investment holding company. The principal activities of the subsidiaries are disclosed in Note 15.

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

The registered office of the Company is located at Suite 2.02, Level 2, Wisma E & C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur.

The principal place of business of the Company is located at Level 3, Wisma E & C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur.

The financial statements of the Group and of the Company have been approved by the Board of Directors for issuance on 24 March 2015.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with the Financial Reporting Standards ("FRSs") and the provisions of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared on the historical cost convention, except as disclosed in this summary of significant accounting policies. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The preparation of financial statements in conformity with the Companies Act, 1965 and Financial Reporting Standards in Malaysia requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates.

2. BASIS OF PREPARATION (CONT'D)

2.1 Standards issued but not yet effective

The following are Standards, Amendments and Annual improvements of the FRS that have been issued by the Malaysia Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group and the Company:

Effective for financial periods beginning on or after 1 July 2014

• Amendments to FRS 119	*Defined Benefit Plans: Employee Contributions*
• Annual improvements to FRSs 2010 - 2012 Cycle	
• Annual improvements to FRSs 2011 - 2013 Cycle	

Effective for financial periods beginning on or after 1 January 2016

• FRS 14	*Regulatory Deferral Accounts*
• Amendments to FRS 11	*Accounting for Acquisitions of Interests in Joint Operations*
• Amendments to FRS 127	*Equity Method in Separate Financial Statements*
• Amendments to FRS 10 and FRS 128	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
• Amendments to FRS 116 and FRS 138	*Clarification of Acceptable Methods of Depreciation and Amortisation*
• Amendments to FRS 116 and FRS 141	*Agriculture: Bearer Plants*
• Annual improvements to FRSs 2012 - 2014 Cycle	

Effective for financial periods beginning on or after 1 January 2018

• FRS 9	*Financial Instruments (IFRS 9 as issued by International Accounting Standards Board ("IASB") in July 2014)*

The Group and the Company will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group and of the Company upon their initial application, except as described below:

FRS 9 Financial Instruments

In November 2014, the MASB issued the final version of FRS 9 Financial Instruments, replacing FRS 139. This Standard made changes to the requirements for classification and measurement, impairment, and hedge accounting. The adoption of this Standard will have an effect on the classification and measurement of the Group's and of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities.

FRS 9 Financial Instruments also requires impairment assessments to be based on an expected loss model, replacing the FRS 139 incurred loss model. Finally, FRS 9 Financial Instruments aligns hedge accounting more closely with risk management, establish a more principle-based approach to hedge accounting and address inconsistencies and weaknesses in the previous model.

This Standard will come into effect on or after 1 January 2018 with early adoption permitted. Retrospective application is required, but comparative information is not compulsory. The Group and Company is currently assessing the impact of the adoption of this Standard in relation to the new requirements for classification and measurement and impairment, but the requirements for hedge accounting is not relevant to the Group and the Company.

2. BASIS OF PREPARATION (CONT'D)

2.2 Malaysian Financial Reporting Standards ("MFRSs Framework") that have been issued, but have yet to be adopted

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new approved accounting framework, i.e. Malaysian Financial Reporting Standards ("MFRSs Framework").

The MFRSs 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/or IC Interpretation 15 Agreements for Construction of Real Estate, including the entities' parent, significant investor and venture (referred to as "Transitioning Entities" collectively).

On 2 September 2014, MASB announced that Transitioning Entities shall be required to adopt the MFRSs framework and prepare their first MFRSs financial statements for annual periods beginning on or after 1 January 2017.

The Group and the Company falls within the scope definition of Transitioning Entities and accordingly, will prepare its first set of MFRSs financial statements for the financial year ending 31 December 2017. In presenting its first set of MFRSs financial statements, the Group and the Company will quantify the financial effects arising from the differences between MFRSs and the currently applied FRSs. The majority of the adjustments required on transition are expected to be made, retrospectively, against opening retained earnings of the Group and the Company.

The Group and the Company has commenced transitioning its accounting policies and financial reporting from the current Financial Reporting Standards to the MFRSs Framework by establishing a project team to plan and manage the adoption of the MFRSs Framework.

The Group and the Company has not completed its quantification of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRSs Framework due to the ongoing assessment by the project team. Accordingly, the financial performance and financial position as presented in these financial statements for the year ended 31 December 2014 could be different if prepared under the MFRSs Framework.

The Group and the Company will achieve its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRSs Framework for the financial year ending 31 December 2017.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and the subsidiaries controlled by the Group made up to 31 December 2013. Control is achieved where the Group is exposed to, or has the rights to, variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

The results of subsidiaries acquired or disposed of during the financial year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

(ii) Changes in ownership interests in subsidiaries without change of control

Changes in the Group's interests in subsidiaries that do not result in the Group losing control are accounted for as equity transactions, that is, as transactions with the owners in their capacity as owners. The carrying amounts of the Group's interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Goodwill is initially measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that make strategic decisions.

(c) Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

(d) Revenue Recognition

Revenue is measured at the fair value consideration received and receivable in the normal course of business. The revenue recognition policies of the Group's entities are as follows:

(i) Sale of goods

Revenue from sales of goods is recognised upon delivery of products and when the risks and rewards of ownership have passed to the customers. Revenue represents gross invoiced value of goods sold net of trade discounts.

(ii) Plantation management fees

Revenue from plantation management services is recognised when the services are rendered.

(iii) Dividend income

Dividend income is recognised when the shareholders' right to receive the dividend has been established.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Foreign Currency

(i) Functional and presentation currency

The financial statements of the Group's entities are presented in Ringgit Malaysia, the currency of the primary economic environment in which the Group's entities operate (the functional currency).

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

(f) Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

(i) Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The liability for current tax of the Group's entities is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

(ii) Deferred Tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Income Tax (Cont'd)

(ii) Deferred Tax (Cont'd)

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle their current tax assets and liabilities on a net basis.

(g) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Construction in progress is not depreciated. Depreciation of other property, plant and equipment is computed on the straight-line method at the following rates based on the estimated useful lives of the various assets or their lease periods of assets they are attached to. The annual depreciation rates are as follows:

Buildings	1.64 - 2%
Plant and machinery	20%
Renovations, furniture, fixtures and equipment	10 - 50%
Motor vehicles	20%

Gain or loss arising from the disposal of an asset is determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset, and is recognised in the profit or loss.

The residual value, useful life and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of future economic benefits embodied in the property, plant and equipment. The effects of any revision of the residual values and useful lives are included in profit or loss for the financial year in which the changes arise.

At the end of the reporting period, the Group assesses whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3(h) on impairment of non-financial assets.

Property, plant and equipment acquired under hire-purchase arrangements are capitalised as property, plant and equipment and the corresponding obligations treated as liabilities in the financial statements. These assets are depreciated according to the basis set out above. Finance costs are allocated to profit or loss to give a constant periodic rate of interest on the remaining hire-purchase liabilities.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment of Non-Financial Assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or when events or circumstances occur indicating that impairment may exist. Property, plant and equipment and other non-current non-financial assets, including intangible assets with definite useful lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The impairment loss is charged to profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Impaired assets are reviewed for possible reversal of impairment at each reporting date.

(i) Plantation Development Expenditure

New planting expenditure incurred on land clearing, upkeep of immature palms, administrative expenses and interest incurred during the pre-maturing period (pre-cropping costs) is capitalised under the capital maintenance method. Under the capital maintenance method, development expenditure incurred up to the maturity period of 0 to 3 years are capitalized and not amortised, and are shown as non-current assets net of accumulated impairment losses. Upon maturity, all subsequent maintenance expenditure is charged to profit or loss in the year in which they are incurred. Capitalised plantation development expenditure is amortised on the straight-line basis over 30 years or remaining lease period of oil palm plantation land.

(j) Borrowings

(i) Classification

Borrowings are initially recognised based on the proceeds received, net of repayments during the period. Portions repayable after 12 months are disclosed as non-current liabilities.

Borrowings are classified as current liabilities unless the Group's entities have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(ii) Capitalisation of Borrowing Costs

Borrowing costs directly attributable to plantation development expenditure during pre-maturing period (pre-cropping costs) are capitalised as part of the cost of those assets, until maturity. The amount of borrowing costs eligible for capitalisation is capitalised based on the total immature area over the total plantable area.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Leases

(i) Finance leases

Assets under leases which in substance transfer the risks and benefits of ownership of the assets are capitalised under property, plant and equipment. The assets and the corresponding lease obligations are recorded at the fair value of the lease assets which approximates the present value of the minimum lease payments, at the beginning of the respective lease terms.

Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to profit or loss over the term of the relevant lease period so as to give a constant periodic rate of charge on the remaining balance of the obligations for each reporting period. All other leases which do not meet such criteria are classified as operating leases and the related rentals are charged to profit or loss as incurred.

(ii) Operating leases

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

(l) Prepaid Lease Payments on Leasehold Land

Lease of land with title not expected to pass to the lessee by the end of the lease term is treated as operating lease as land normally has an indefinite economic life. The upfront payments made on entering into a lease or acquiring a leasehold land that is accounted for as an operating lease are accounted for as prepaid lease payments and are amortised over the lease term on the straight-line basis and charged to profit or loss.

(m) Investment Properties

Investment properties which consist of freehold land, leasehold land and building are properties held to earn rentals and/or for capital appreciation and are not occupied by the Group and the Company. Investment property is measured initially at cost including related transaction costs if the investment property meets the definition of qualifying asset.

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

After initial recognition, investment property is stated at cost less any accumulated depreciation and impairment losses. Leasehold land is amortised in equal instalments over the lease period of between 48 and 99 years.

Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are included in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Investment in Subsidiaries

Investment in unquoted shares of subsidiaries, which is eliminated on consolidation, is stated at cost. Where there is an indication of impairment in the value of the assets, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy note 3(h) on impairment of non-financial assets.

(o) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average method. The cost of inventories comprises the original purchase price plus cost of bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

(p) Provisions

Provisions are made when the Group's entities have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be recognised to settle the obligation, and when a reliable estimate of the amount can be made.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(q) Employee Benefits

(i) Short-term employee benefits

Salaries, wages, annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group's entities.

(ii) Defined contribution plan

The Group's entities are required by law to make monthly contributions to Employees Provident Fund ("EPF"), a statutory defined contribution plan for all their eligible employees. The Group's entities and their employees are required to make monthly contributions to EPF calculated at certain prescribed rates of the employees' salaries. The Group's entities' contributions to EPF are disclosed separately, included in salaries and wages and shown under staff costs.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Employee Benefits (Cont'd)

(iii) Share-based Compensation

The Group's Employees Share Options Scheme ("ESOS") allows the employees to acquire shares of the Company. The total fair value of share options granted to eligible employees is recognised as an employee cost in profit or loss with a corresponding increase in the equity compensation reserve within equity over the vesting period and taking into account the probability that the options will vest.

The fair value of the share options is measured at grant date taking into account, if any, the market vesting conditions upon which the options were granted but exceeding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At the end of the each reporting period, the Group revises its estimates of the number of share options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the equity compensation reserve until the option is exercised, upon which it will be transferred to share premium, or until the option expires, upon which it will be transferred directly to capital reserve.

The proceeds received net of any directly attributable transactions costs are credited to equity when the options are exercised.

(r) Financial Instruments

Financial instruments are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contract provisions of the financial instruments.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised at fair value through profit or loss. The host contract, the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

The Group categorise the financial instruments as follows:

(i) Financial Assets

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss if they are held for trading, including derivatives, or are designated as such upon initial recognition.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised as other gains or losses in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

Loans and receivables

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

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

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity that are quoted in an active market and the Group have the positive intention and ability to hold the investment to maturity is classified as held-to-maturity.

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

Available-for-sale financial assets

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

After initial recognition, available-for-sale financial assets are measured at fair value with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

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

(ii) Financial Liabilities

All financial liabilities are subsequently measured at amortised cost other than those categorised as fair value through profit or loss.

Fair value through profit or loss comprises financial liabilities that are held for trading, derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities that are specifically designated as fair value through profit or loss upon initial recognition.

Derivative that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Other financial liabilities categorised as fair value through profit or loss is subsequently measured at their fair values with the gain or loss recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Financial Instruments (Cont'd)

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention the marketplace concerned.

A regular way purchase or sale of financial asset is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:

(i) the recognition of an asset to be received and the liability to pay for it on the trade date, and

(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(iv) Derecognition

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

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

(s) Impairment of Financial Assets

Assets carried at amortised cost

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

The Group first assesses whether objective evidence of impairment exists. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The asset's carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contact. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Impairment of Financial Assets (Cont'd)

Assets carried at amortised cost (Cont'd)

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

Assets classified as available-for-sale financial assets

The Group assesses at the end of the reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

The Group uses criteria and measurement of impairment loss applicable for 'asset carried at amortised cost' above. If, in a subsequent period, the fair value of an instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

In addition to the criteria for 'asset carried at amortised cost' above, a significant or prolonged decline in the fair value of the security below its cost is also considered as an indicator that the assets are impaired. If any such evidence exists for available for sale financial assets, the cumulative loss that had been recognised directly in the available-for-sale reserve is removed and recognised in profit or loss.

The amount cumulative loss that is reclassified to profit or loss is the difference between acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss.

(t) Cash and Cash Equivalents

Cash equivalents are short-term, highly liquid investments with maturities of three months or less from the date of acquisition and are readily convertible to cash with insignificant risks of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents, included cash in hand, cash at bank and deposit held at call with banks net of bank overdrafts.

(u) Contingent Liabilities

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Equity Instruments

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

The transaction costs of an equity transaction are accounted for as a deduction for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transactions which would otherwise have been avoided.

(w) Dividends

Interim dividends are recognised as a liability in the period in which they are declared. Final dividends are recognised in the period approval of shareholders' is obtained.

(x) Earnings Per Share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated based on the consolidated profit after taxation attributable to equity shareholders of the Company and divided by the weighted number of ordinary shares in issue. Diluted EPS is calculated based on the consolidated profit after taxation attributable to equity shareholders of the Company and divided by the weighted number of ordinary shares in issue, assuming exercise of existing outstanding ESOS into ordinary shares of RM1 each.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimates and judgments are continually evaluated by the Group based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of 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 except as follows:

(a) Impairment of Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. Determining whether goodwill is impaired required an estimation of the value in use of the cash-generating-units to which goodwill has been allocated.

The value-in-use calculation requires the Directors to estimate the future cash flows expected to arise from the cash-generating-unit and a suitable discount rate in order to calculate present value.

(b) Allowance for Doubtful Debts

The Group makes allowance for doubtful debts based on an assessment of the recoverability of receivables. Allowances are applied to receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the receivables and doubtful debts expenses in the financial year in which such estimate has changed.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

5. REVENUE

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Sales of fresh fruit bunches ("FFB")	18,350,059	16,799,013	-	-
Plantation management fees receivable from other related companies (Note 29)	666,978	759,442	-	-
	19,017,037	17,558,455	-	-

6. SEGMENT REPORTING

The Board of Directors' is the Group's chief operating decision maker.

The Board assesses the performance of the operating segments based on profit before tax.

For management reporting purposes, the Group is organised into the following operating divisions according to the internal reporting structure:

- Plantation
- Plantation management fees
- Investment holding
- Others (consist of subsidiaries which are dormant and pre-operating)

Inter-segment sales are charged at cost plus a percentage profit mark-up.

Other segment activities comprise mainly expenses incurred by certain subsidiaries which are not directly attributable to any significant segment.

Segmental information by geographical location has not been disclosed as the Group operates only in Malaysia.

6. SEGMENT REPORTING (CONT'D)

Segment information provided to the Board for reportable segments for the financial year:

Group 2014	Plantation RM	Plantation management fees RM	Investment holding RM	Others RM	Inter-company eliminations RM	Consolidated RM
Revenue						
External sales	18,350,059	666,978	-	-	-	19,017,037
Inter-segment sales	-	1,928,988	-	-	(1,928,988)	-
Total revenue	18,350,059	2,595,966	-	-	(1,928,988)	(1,928,988)
Results						
Segment results	362,887	154,542	(522,618)	(28,647)	(1,326,865)	(1,360,701)
Profit from operations						(1,360,701)
Finance costs						(2,259,341)
Profit before tax						(3,620,042)
Tax credit						217,854
Net profit for the financial year						(3,402,188)

Group 2014	Plantation RM	Plantation Management Fees RM	Investment Holding RM	Others RM	Consolidated RM
Other information					
Additions to property, plant and equipment and plantation development expenditure	4,292,922	108,970	13,289	-	4,415,181
Depreciation and amortisation	4,265,616	7,289	240,231	3,526	4,516,662
Statement of Financial Position					
Assets					
Segment assets	134,748,093	2,523,370	18,757,601	24,327	156,053,391
Unallocated corporate assets	-	-	-	3,372	3,372
Consolidated total assets					156,056,763
Liabilities					
Segment liabilities	57,566,821	69,075	6,361,833	12,000	64,009,729
Unallocated corporate liabilities	9,645,932	-	-	33,600	9,679,532
Consolidated total liabilities					73,689,261

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

6. SEGMENT REPORTING (CONT'D)

Segment information provided to the Board for reportable segments for the financial year: (Cont'd)

Group 2013	Plantation RM	Plantation management fees RM	Investment holding RM	Others RM	Inter-company eliminations RM	Consolidated RM
Revenue						
External sales	16,799,013	759,442	-	-	-	17,558,455
Inter-segment sales	-	2,326,607	-	-	(2,326,607)	-
Total revenue	16,799,013	3,086,049	-	-	(2,326,607)	17,558,455
Results						
Segment results	(2,763,068)	(142,416)	5,161,795	1,331,538	(1,439,851)	2,147,998
Profit from operations						2,147,998
Finance costs						(1,903,086)
Profit before tax						244,912
Tax credit						217,854
Net profit for the financial year						462,766

Group 2013	Plantation RM	Plantation Management Fees RM	Investment Holding RM	Others RM	Consolidated RM
Other information					
Additions to property, plant and equipment and plantation development expenditure	7,555,415	-	849,881	-	8,405,296
Depreciation and amortisation	3,878,463	7,219	188,142	4,959	4,078,783
Statement of Financial Position					
Assets					
Segment assets	135,651,447	1,759,850	15,750,568	26,756	153,188,621
Unallocated corporate assets	-	-	-	3,372	3,372
Consolidated total assets					153,191,993
Liabilities					
Segment liabilities	54,162,128	86,228	6,436,251	14,941	60,699,548
Unallocated corporate liabilities	9,863,786	-	-	33,600	9,897,386
Consolidated total liabilities					70,596,934

Revenue of approximately RM18,297,637 (2013: RM16,781,777) is derived from 2 major customers. The revenue is attributable to plantation segment.

7. FINANCE COSTS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Interest expense on:				
Term loans	1,645,114	1,619,614	-	-
Less: Interest expense recognised in plantation development expenditure (Note 12)	(637,905)	(628,017)	-	-
	1,007,209	991,597	-	-
Bank overdrafts	1,087,011	468,842	-	-
Hire-purchase	106,684	116,330	27,220	20,896
Late-payment interest	72	115	72	115
Borrowing interest	34,305	-	-	-
Provision for interest payable to a former minority shareholder	24,060	326,202	-	-
	2,259,341	1,903,086	27,292	21,011

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

8. (LOSS)/PROFIT BEFORE TAX

(a) (Loss)/profit before tax has been arrived at after (charging)/crediting the following:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Interest income:				
- Fixed deposits with licensed banks	63,411	39,180	63,411	32,961
- Subsidiaries	-	-	377,296	481,931
Gain on disposal of property, plant and equipment	168,059	109,340	-	105,000
Gain on disposal of investment properties	-	5,251,968	-	5,251,968
Management fees receivable from subsidiaries (Note 29)	-	-	1,393,672	1,946,473
Rental income receivable from subsidiaries (Note 29)	-	-	-	61,510
Allowance for doubtful debts	-	-	(19,880)	(13,516)
Amortisation of plantation development expenditure	(2,360,496)	(2,230,645)	-	-
Amortisation of prepaid lease payments	(489,070)	(489,070)	-	-
Auditors' remuneration:				
- Current year	(47,500)	(60,000)	(18,000)	(25,000)
- Over /(under) provision in prior year	12,500	(8,696)	7,000	(2,996)
Bad debts written off	(329)	-	-	-
Deposit and prepayment written off	(948)	-	-	-
Depreciation of property, plant and equipment (Note 11)	(1,667,096)	(1,359,068)	(240,230)	(188,142)
Rental of premises payable to other related companies (Note 29)	(171,523)	(137,429)	(81,691)	(89,264)
Waiver of debt by former shareholder of a subsidiary	-	(1,351,834)	-	-

8. (LOSS)/PROFIT BEFORE TAX (CONT'D)

(b) Operating costs applicable to revenue:

	Group	
	2014 RM	2013 RM
Inventories recognised in expense	5,522,635	3,907,483

(c) Directors' remuneration:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Executive directors:				
Fees	12,000	12,000	12,000	12,000
Other emoluments	709,380	845,523	709,380	845,523
Non-executive directors:				
Fees	38,000	38,000	18,000	18,000
Other emoluments	5,500	6,000	5,500	6,000
	764,880	901,523	744,880	881,523

Included in directors' remuneration are contributions to EPF made by the Group and the Company for the current year amounting to RM90,180 (2013: RM105,939).

(d) Staff costs

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Salaries, allowances and others	4,741,015	5,882,153	723,289	812,006
Equity compensation benefits	-	156,670	-	52,109
	4,741,015	5,882,153	723,289	864,115

Staff costs include salaries, contributions to EPF, bonuses and all other staff related expenses. Included in staff costs are contributions to EPF made by the Group and by the Company for the current year amounting to RM315,110 and RM66,179 (2013: RM353,750 and RM74,807) respectively.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

9. TAX CREDIT

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Tax credit comprises				
Deferred tax (Note 27):				
Current year	217,854	217,854	-	-
Total tax credit	217,854	217,854	-	-

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
(Loss)/profit before tax	(3,620,042)	244,912	(549,910)	5,140,783
Tax expense at income tax rate of 25%	(905,011)	(61,228)	(137,477)	(1,285,196)
Tax effect of income/(expenses) not chargeable/(deductible) in determining tax	802,300	(37,099)	95,146	1,252,413
Tax effect on allowable plantation development expenditure	278,234	283,398	-	-
Utilisation of deferred tax asset previously not recognised	42,331	32,783	42,331	32,783
Tax credit	217,854	217,854	-	-

Tax savings from utilisation of unused tax losses and unabsorbed capital allowances brought forward not recognised as deferred tax assets amounted to RM42,331 and RM42,331 (2013: RM32,783 and RM32,783) of the Group and of the Company respectively.

10. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per ordinary share is calculated by dividing the (loss)/profit for the financial year by the weighted average number of ordinary shares in issue as at financial year end as follows:

	Group	
	2014 RM	**2013 RM**
(Loss)/profit attributable to owners of the Company	(3,402,188)	462,766
	Units	**Units**
Number of shares in issue as of 1 January/31 December	115,066,787	111,666,787
Basic earnings per share (sen)	(2.96)	0.41

Diluted earnings per share

Diluted earnings per ordinary share is calculated by dividing net (loss)/profit for the financial year by the weighted average number of ordinary shares in issue after adjustment for the effects of dilution by potential ordinary shares as at financial year end as follows:

	Group	
	2014 RM	**2013 RM**
Net (loss)/profit attributable to owners of the Company	(3,402,188)	462,766
	Units	**Units**
Number of shares in issue as of 1 January/31 December	111,666,787	111,666,787
Exercise of ESOS/Effect of ESOS	3,400,000	6,561,000
	115,066,787	118,227,787
Diluted earnings per share (sen)	(2.96)	0.39

11. PROPERTY, PLANT AND EQUIPMENT

Group 2014	At beginning of year RM	Additions RM	Disposal RM	Reclassification RM	At end of year RM
Cost					
Buildings	6,434,510	-	(261,062)	-	6,173,448
Plant and machinery	9,387,180	226,145	(16,380)	-	9,596,945
Renovations, furniture, fixtures and equipment	3,040,960	265,944	-	-	3,306,904
Motor vehicles	3,293,816	20,520	-	(221,439)	3,092,897
Motor vehicles under hire-purchase	2,943,731	194,000	-	203,369	3,341,100
Construction-in-progress	1,013,950	1,256,179	-	-	2,270,129
	26,114,147	1,962,788	(387,600)	(18,070)	27,781,423

2014	At beginning of year RM	Charge for the year RM	Disposal RM	Reclassification RM	At end of year RM	Net book value RM
Accumulated Depreciation						
Buildings	251,648	86,945	(11,410)	-	327,183	5,846,265
Plant and machinery	7,731,042	498,323	(10,375)	-	8,246,872	1,350,073
Renovations, furniture, fixtures and equipment	2,550,117	230,632	-	-	2,752,867	554,037
Motor vehicles	2,239,024	291,711	-	53,642	2,584,377	508,520
Motor vehicles under hire-purchase	1,502,667	559,485	-	(53,642)	2,008,510	1,332,590
Construction-in-progress	-	-	-	-	-	2,270,129
	14,274,498	1,667,096	(21,785)	-	15,919,809	11,861,614

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

Group 2013	At beginning of year RM	Additions RM	Disposal RM	Reclassification RM	At end of year RM
Cost					
Buildings	3,002,735	998,800	-	2,432,975	6,434,510
Plant and machinery	8,711,247	625,640	-	50,293	9,387,180
Renovations, furniture, fixtures and equipment	2,787,302	253,658	-	-	3,040,960
Motor vehicles	2,844,724	575,555	(387,600)	261,137	3,293,816
Motor vehicles under hire-purchase	2,417,328	787,540	-	(261,137)	2,943,731
Construction-in-progress	813,037	2,684,181	-	(2,483,268)	1,013,950
	20,576,373	5,925,374	(387,600)	-	26,114,147

2013	At beginning of year RM	Charge for the year RM	Disposal RM	Reclassification RM	At end of year RM	Net book value RM
Accumulated Depreciation						
Buildings	176,633	75,015	-	-	251,648	6,182,862
Plant and machinery	7,345,182	385,860	-	-	7,731,042	1,656,138
Renovations, furniture, fixtures and equipment	2,424,985	125,132	-	-	2,550,117	490,843
Motor vehicles	2,318,048	213,435	(382,770)	90,311	2,239,024	1,054,792
Motor vehicles under hire-purchase	1,033,352	559,626	-	(90,311)	1,502,667	1,441,064
Construction-in-progress	-	-	-	-	-	1,013,950
	13,298,200	1,359,068	(382,770)	-	14,274,498	11,839,649

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

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

Company 2014	At beginning of year RM	Additions RM	Reclassification RM	At end of year RM
Cost				
Renovations, furniture, fixtures and equipment	1,011,944	13,289	-	1,025,233
Motor vehicles	169,286	-	143,631	312,917
Motor vehicles under hire-purchase	985,744	-	(143,631)	842,113
	2,166,974	13,289	-	2,180,263

	At beginning of year RM	Charge for the year RM	Reclassification RM	At end of year RM	Net book value RM
Accumulated Depreciation					
Renovations, furniture, fixtures and equipment	847,406	55,446	-	902,852	122,381
Motor vehicles	162,565	1,999	143,630	164,564	4,722
Motor vehicles under hire-purchase	268,447	182,785	(143,630)	451,232	534,512
	1,278,418	240,230	-	1,518,648	661,615

Company 2013	At beginning of year RM	Additions RM	Disposal RM	At end of year RM
Cost				
Renovations, furniture, fixtures and equipment	949,603	62,341	-	1,011,944
Motor vehicles	544,286	-	(375,000)	169,286
Motor vehicles under hire-purchase	198,204	787,540	-	985,744
	1,692,093	849,881	(375,000)	2,166,974

	At beginning of year RM	Charge for the year RM	Disposal RM	At end of year RM	Net book value RM
Accumulated Depreciation					
Renovations, furniture, fixtures and equipment	804,479	42,927	-	847,406	164,538
Motor vehicles	537,203	362	(375,000)	162,565	6,721
Motor vehicles under hire-purchase	123,594	144,853	-	268,447	717,297
	1,465,276	188,142	(375,000)	1,278,418	888,556

Property, plant and equipment of the Group with net book value of RM5,508,401 (2013: RM5,839,180) are charged to a licensed bank in respect of credit facilities granted to the Group as disclosed in Note 25 and Note 26.

Included in property, plant and equipment of the Group and the Company are fully depreciated property, plant and equipment which are still in use, with an aggregate cost of approximately RM11,082,000 (2013: RM11,235,000) and RM1,002,988 (2013: RM1,184,000) respectively.

12. PLANTATION DEVELOPMENT EXPENDITURE

	Group	
	2014 RM	2013 RM
Cost:		
At beginning of year	97,578,993	95,099,069
Additions	2,452,393	2,479,924
At end of year	100,031,386	97,578,993
Accumulated amortisation:		
At beginning of year	(14,005,708)	(11,775,063)
Amortisation for the year	(2,360,496)	(2,230,645)
At end of year	(16,366,204)	(14,005,708)
Net book value	83,665,182	83,573,285

Plantation development expenditure of the Group with carrying amount of RM81,162,556 (2013: RM81,295,871) is charged to a licensed bank for credit facilities granted to the Group as disclosed in Note 26.

Included in additions during the year is interest capitalised amounting to RM637,905 (2013: RM628,017), as disclosed in Note 7.

13. PREPAID LEASE PAYMENTS

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Cost:				
At beginning of year	36,531,127	27,383,527	9,147,600	-
Addition	-	9,147,600	-	9,147,600
At end of year	36,531,127	36,531,127	9,147,600	9,147,600
Accumulated amortisation:				
At beginning of year	(5,819,765)	(5,330,696)	-	-
Amortisation for the year	(489,070)	(489,069)	-	-
At end of year	(6,308,835)	(5,819,765)	-	-
Net book value	30,222,292	30,711,362	9,147,600	9,147,600

13. PREPAID LEASE PAYMENTS (CONT'D)

The unexpired lease period of leasehold land and buildings of the Group and of the Company are as follows:

	Net book value Group		Net book value Company	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
43 years (44 years in 2013)	18,548,163	18,989,786	-	-
54 years (55 years in 2013)	2,526,529	2,573,976	-	-
98 years (99 years in 2013)	9,147,600	9,147,600	9,147,600	9,147,600
	30,222,292	30,711,362	9,147,600	9,147,600

Certain leasehold land and buildings with carrying amounts of RM18,548,163 (2013: RM18,989,786) are pledged to a licensed bank for credit facilities granted to the Group as disclosed in Note 26.

Included in leasehold land and buildings with carrying amount of RM9,147,600 represent lands exchange in Pantai Klebang with Melaka State Government on 5 December 2013. However, the land title and agreements are still in progress of transfer and execution as at the date of this report.

14. INVESTMENT PROPERTIES

Group and Company 2014	**Freehold land RM**	**Leasehold land RM**	**Total RM**
Cost:			
At beginning of year	544,000	418,129	962,129
Addition	-	-	-
At end of year	544,000	418,129	962,129
Accumulated depreciation:			
At beginning of the year	-	19,971	19,971
Addition	-	-	-
At end of the year	-	19,971	19,971
Net book value	544,000	398,158	942,158

14. INVESTMENT PROPERTIES (CONT'D)

Group and Company 2013	Freehold land RM	Leasehold land RM	Total RM
Cost:			
At beginning of year	544,000	5,203,820	5,747,820
Disposal	-	(4,785,691)	(4,785,691)
At end of year	544,000	418,129	962,129
Accumulated depreciation:			
At beginning of the year	-	270,117	270,117
Disposal	-	(250,146)	(250,146)
At end of the year	-	19,971	19,971
Net book value	544,000	398,158	942,158

The fair value of the investment properties as at 31 December 2014 is estimated at RM1,414,521 has been arrived at by the Directors based on reference to market evidence of transaction prices for similar properties. As at 31 December 2014, the Directors assessed the fair value of its investment properties based on the current prices in the market of properties of similar conditions and locations.

Investment properties of the Group and of the Company did not generate rental income during the financial year. Direct operating expenses incurred by the Group and the Company for investment properties during the financial year amounted to RM42,977 (2013: RM49,099).

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2014 RM	2013 RM
Unquoted shares in subsidiaries – at cost	61,351,836	61,456,395
Impairment loss	(86,196)	(86,196)
At end of year	61,265,640	61,370,199

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

The subsidiaries (all incorporated in Malaysia) are as follows:

	Effective Equity Interest		
Direct Subsidiaries	**2014**	**2013**	**Principal Activities**
Ayam Segar Sdn Bhd*	100%	100%	Pre-operating.
Goldkist (Malaysia) Sdn Bhd	100%	100%	Dormant.
Goldkist (NS) Sdn Bhd	100%	100%	Dormant.
Kuala Lumpur Feedmill Sdn Bhd*	100%	100%	Pre-operating.
SHC Technopalm Plantation Services Sdn Bhd	100%	100%	Provision of management services.
SHC Realty Sdn Bhd	100%	100%	Dormant.
Sin Heng Chan Feed Sdn Bhd	100%	100%	Dormant.
Urun Plantations Sdn Bhd	100%	100%	Cultivation of palm oil.
SHC Tubau Plantation Sdn Bhd	100%	100%	Cultivation of palm oil.
Subsidiary of SHC Tubau Plantation Sdn Bhd			
Tubau Corporation Sdn Bhd	100%	100%	Property holding.

Note: * Company in the process of striking off.

16. AVAILABLE-FOR-SALE INVESTMENT

Available-for-sale investments consist of:

	Group		Company	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Unquoted shares:				
At cost	3,245,969	3,245,969	2,800,000	2,800,000

The details of the available-for-sale investments (all incorporated in Malaysia) are as follows:

	Effective Equity Interest		
	2014	**2013**	**Principal Activities**
PTS Goldkist Industries Sdn Bhd	20%	20%	Manufacturing and trading of formulated animal feeds.
Subsidiary of PTS Goldkist Industries Sdn Bhd			
LKPP – Goldkist Sdn Bhd	12%	12%	Broiler breeding and the planting of fragrant coconut trees.

17. GOODWILL ON CONSOLIDATION

	Group	
	2014 RM	2013 RM
At beginning of financial year	16,355,668	16,354,080
Add: goodwill arising from acquisition of a subsidiary	-	1,588
Less: impairment of goodwill from subsidiaries	(26,279)	-
At end of financial year	16,329,389	16,355,668

Goodwill on consolidation arose mainly from acquisition of a subsidiary which is principally involved in the cultivation of oil palm. Goodwill on consolidation has been allocated to the Group's cash-generating-unit ("CGU") namely, cultivation of oil palm.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired.

Impairment testing for cash-generated units containing goodwill

For the purpose of impairment testing, carrying amount of goodwill is allocated to the Group's CGU identified as oil palm plantation.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on internally approved financial budgets covering a five-year period which reflect management's expectations of revenue and EBITDA margin based on past experience and future expectations of business performance.

The key assumptions used in the value in use calculations are as follows:

(a) basis for budgeted gross margin is the average gross margin achieved in the financial year immediately before the budgeted financial year, adjusted for expected efficiency improvements; and

(b) Group's pre-tax discount rate of 9.0% derived in accordance with the requirements of FRS 136 'Impairment of Assets' reflect specific risks relating to the Group.

The key assumptions represent management's assessment of future trends in the oil palm industry and are based on both external sources and internal sources.

Sensitivity to changes in assumption

Based on the sensitivity analysis performed, a 10% decrease in crude palm oil ("CPO") price and a further 30% decrease in the fresh fruit bunch production would result in a RM1.4 million increase in the impairment charges.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

18. INVENTORIES

	Group 2014 RM	Group 2013 RM
At cost:		
Consumables	840,688	1,513,304
Oil palm seeds	48,116	-
	888,804	1,513,304

19. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

(a) Trade receivables

	Group 2014 RM	Group 2013 RM
Not past due and not impaired	984,523	1,085,668
Impaired receivables	1,406,238	1,406,238
Less: Allowance for doubtful debts	(1,405,909)	(1,405,909)
Less: Bad debts written off	(329)	-
	-	329
At end of financial year	984,523	1,085,997

Trade receivables of the Group comprise amounts receivable for the sales of goods. The credit period granted on sales of goods ranges from 10 to 30 days (2013: 10 to 30 days). As at 31 December 2014, there are no receivables of the Group that were past due but not impaired. All trade receivables are denominated in Ringgit Malaysia.

As of 31 December 2014, an allowance of RM1,405,909 (2013: RM1,405,909) and bad debts written off of RM329 (2013: RM Nil) had been made for estimated irrecoverable amounts from the sales of goods of the Group in prior years, based on individual assessment of the payment history of the trade debtors.

19. TRADE RECEIVABLES, OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

(b) Other receivables and prepaid expenses consist of:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Other receivables	2,063,840	8,694,434	140,487	6,833,738
Less: Allowance for doubtful debts	(1,860,850)	(8,553,380)	(135,129)	(6,828,380)
	202,990	141,054	5,358	5,328
Refundable deposits	424,696	298,102	329,830	229,830
Deposits paid for acquisitions of property, plant and equipment	-	48,817	-	-
Prepayments	514,453	517,418	38,029	109,828
	1,142,139	1,005,391	373,217	345,016

All other receivables and prepaid expenses are denominated in Ringgit Malaysia.

(i) Past due but not impaired

As at 31 December 2014, RM202,990 (2013: RM141,054) of other receivables of the Group and RM5,328 (2013: RM5,328) of other receivables of the Company were past due but not impaired.

(ii) Impaired and provided for

Movement of the Group's allowance for doubtful debts is as follows:

	Group	
	2014 RM	2013 RM
At beginning of financial year	8,553,380	8,553,380
Written off	(6,692,530)	-
At end of financial year	1,860,850	8,553,380

Included in other receivables, deposits and prepayments of the Group and of the Company are rental deposits and advance rental of RM230,062 (2013: RM198,028) paid to Desa Samudra Sdn Bhd, a company in which Dato' Choo Keng Weng is also a Director. Transactions with related parties are disclosed in Note 29.

As of the end of the reporting period, there was significant concentration of credit risk arising from amount owing by two (2) major customers which accounted for 46% (2013: 52%) of total trade and other receivables of the Group. The extension of credit to and repayments from these customers are closely monitored by the management to ensure that they adhere to the agreed credit term and policies. There is no material credit risk of the Company.

20. AMOUNTS OWING BY/(TO) SUBSIDIARIES AND OTHER RELATED COMPANIES

Amounts owing by/(to) subsidiaries and other related companies are unsecured, interest-free and repayable on demand.

All amounts owing by/(to) subsidiaries and other related companies are denominated in Ringgit Malaysia, as follows:

	Company	
	2014 RM	2013 RM
Amounts owing by subsidiaries		
- net of allowance for doubtful debts RM13,348,641 (2013: RM13,328,761)	15,934,736	16,292,631
Amounts owing to subsidiaries	(34,194)	(37,635)

Amounts owing by/(to) subsidiaries arose mainly from trade transactions and interest-free advances and is repayable on demand.

(i) Past due but not impaired

As at 31 December 2014, RM15,934,736 (2013: RM16,292,631) of amounts owing from subsidiaries were past due but not impaired.

(ii) Impaired and provided for

Movement of the Company's allowance for doubtful debts is as follows:

	Company	
	2014 RM	2013 RM
At beginning of financial year	13,328,761	13,315,245
Movement	19,880	13,516
At end of financial year	13,348,641	13,328,761

21. FIXED DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Fixed deposits with licensed banks	4,250,000	1,050,000	4,250,000	1,050,000
Cash and bank balances	233,509	260,482	109,490	101,433
Fixed deposits, cash and bank balances	4,483,509	1,310,482	4,359,490	1,151,433
Less : Bank overdraft (Note 25)	(22,334,662)	(17,092,102)	-	-
Cash and cash equivalents	(17,851,153)	(15,781,620)	4,359,490	1,151,433

Fixed deposits, cash and bank balances are denominated in Ringgit Malaysia.

21. FIXED DEPOSITS, CASH AND BANK BALANCES (CONT'D)

The maturity periods of the deposits as at the end of the financial year are as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
Fixed deposits with licensed banks	7 to 180 days	7 to 30 days	7 to 180 days	7 to 30 days

The weighted average interest rates per annum are as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
Fixed deposits with licensed banks	3.00% to 3.68%	2.95% to 3.25%	3.00% to 3.68%	2.95% to 3.25%

22. SHARE CAPITAL

	Group & Company	
	2014	**2013**
Ordinary shares of RM1 each	**RM**	**RM**
Authorised	500,000,000	500,000,000
Issued and fully paid		
At 1 January	111,666,787	111,666,787
Issued during the financial year	3,400,000	-
At 31 December	115,066,787	111,666,787

Share Options

On 12 July 2014, the remaining unexercised employees share option scheme ("ESOS") of 2,739,000 for eligible employees of the Group has lapsed and expired.

The number and movements in the Company's ESOS options are as follows:

	Number of options over ordinary shares of RM1 each	
	2014	**2013**
	Unit'000	**Unit'000**
At beginning of financial year	6,139	6,561
Exercise	(3,400)	-
Expired	(2,739)	(422)
At end of financial year	-	6,139

22. SHARE CAPITAL (CONT'D)

The salient features of the ESOS are as follows:

(a) the total number of shares which may be made available shall not exceed ten percent (10%) of the issued and paid-up share capital of the Company at any point of time during the existence of the ESOS.

(b) any employee (including the executive directors) of the Group shall be eligible to participate in the ESOS if, as at the date of offer, the employee:

  (i) is employed by and on the payroll of a company within the Group;

  (ii) must have attained the age of eighteen (18) years;

  (iii) is not an executive director who represents the government or a government institution/agency; and

  (iv) is not a government employee serving in the public service scheme as defined under Article 132 of the Federal Constitution.

(c) no option shall be granted for less than 100 shares.

(d) option shall be granted at the discretion of the ESOS committee based on job ranking, length of services, contribution and performance of the selected employee provided that:

  (i) not more than ten percent (10%) of the shares available under the ESOS shall be allocated to any individual executive director or selected employee who, either singly or collectively through his/her associates, holds twenty percent (20%) or more in the issued and paid-up share capital of the Company; and

  (ii) not more than fifty percent (50%) of the shares available under the ESOS shall be allocated, in aggregate, to the executive directors and senior management.

(e) the option price shall be determined based on a discount of not more than ten percent (10%) from the average of the mean market quotation of the ordinary shares of the Company as quoted and shown in the Daily Official List issued by Bursa Malaysia Securities Berhad for the five (5) preceding market days prior to the date of offer or at par value of the ordinary shares of the Company, whichever is higher.

(f) the options granted may be exercised at anytime within a period of five (5) years from the date of offer of the option or extended to not more than another five (5) years commencing from the day after the expiry of the original five (5) years period.

(g) the persons to whom the options are granted have no right to participate by virtue of the options in any other share options of any other company within the Group.

Equity compensation reserve

Equity compensation reserve, which relates to the equity-settled share options granted to eligible employees by the Company, is made up of the cumulative value of services received from employees recorded on grant of share options.

23. REVALUATION SURPLUS

Revaluation surplus arises on the revaluation of land and buildings. When revalued land or buildings are sold, the portion of the revaluation surplus that relates to that asset, and that is effectively realised, is recognised in other comprehensive income.

24. HIRE PURCHASE PAYABLES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Total installments outstanding	1,696,310	2,011,519	599,003	736,876
Less: Interest-in-suspense	(118,625)	(171,566)	(64,855)	(92,075)
Principal outstanding	1,577,685	1,839,953	534,148	644,801
Less: Portion due within one year	(783,530)	(697,772)	(98,003)	(110,708)
Non-current portion	794,155	1,142,181	436,145	534,093

The non-current portion is repayable as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Due in:				
More than one year but less than two years	394,344	599,896	93,006	97,947
More than two years but less than three years	152,090	199,145	95,418	93,006
More than three years	247,721	343,140	247,721	343,140
	794,155	1,142,181	436,145	534,093

The interest rates implicit in the hire-purchase payables of the Group and of the Company range from 2.36% to 4.25% (2013: 2.36% to 4.25%) per annum. The Group's and the Company's hire-purchase payables are secured by financial institutions charge over the assets under hire-purchase.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

25. BORROWINGS

	Group	
	2014 RM	**2013 RM**
Current:		
Bank overdraft (Note 21)	22,334,662	17,092,102
Term loan	40,150	39,135
	22,374,812	17,131,237
Non-current:		
Term loan	700,484	740,988
Total borrowings		
Bank overdraft	22,334,662	17,092,102
Term loan	740,634	780,123
	23,075,296	17,872,225
Less: Repayable after more than one year	(700,484)	(740,988)
	22,374,812	17,131,237
The maturity profile of borrowings is as follows:		
Less than 1 year	22,374,812	17,131,237
Between 1 and 3 years	86,242	83,745
Between 3 and 5 years	94,818	91,616
More than 5 years	519,424	565,627
	23,075,296	17,872,225

Borrowings are denominated in Ringgit Malaysia.

Interest rate for borrowings is on floating basis. Effective interest rate as at 31 December 2014 is 4.75% and 5.85% per annum for term loan and bank overdrafts respectively.

26. LONG-TERM LOANS

	Group	
	2014 RM	2013 RM
Non-current portion:		
Principal outstanding loan	31,575,000	30,000,000

The non-current portion is repayable as follows:

	Group	
	2014 RM	2013 RM
Due in:		
More than one year but less than two years	3,000,000	3,000,000
More than two years but less than three years	3,000,000	3,000,000
More than three years	25,575,000	24,000,000
	31,575,000	30,000,000

The term loans are obtained by a subsidiary from licensed banks.

The term loan facilities amounted to RM60,000,000, with a drawdown of RM31,575,000 as at 31 December 2014, bear interest at 5.35% per annum, and are repayable over 120 monthly installments commencing January 2016.

The term loan facilities are secured by:

(a) First party first legal charge over 2 adjoining pieces of oil palm land held by the subsidiary of the Company.

(b) A specific debenture over the oil palm plantation of a subsidiary of the Company.

(c) Corporate Guarantee of the Company for RM85,000,000.

27. DEFERRED TAX LIABILITIES

Group 2014	At beginning of year RM	Recognised in profit or loss (Note 9) RM	At end of year RM
Deferred tax liabilities			
Temporary differences arising from:			
- Revaluation of property, plant and equipment, and prepaid lease payments	(9,863,786)	217,854	(9,645,932)
- Property, plant and equipment, and plantation development expenditure	(6,783,000)	(348,000)	(7,131,000)
	(16,646,786)	(130,146)	(16,776,932)
Deferred tax assets			
Unabsorbed capital allowances	5,137,000	130,000	5,267,000
Unused tax losses	1,564,000	218,000	1,782,000
Temporary differences arising from other payables and accrued expenses	82,000	-	82,000
	6,783,000	348,000	7,131,000
	(9,863,786)	217,854	(9,645,932)
2013			
Deferred tax liabilities			
Temporary differences arising from			
- Revaluation of property, plant and equipment, and prepaid lease payments	(10,081,640)	217,854	(9,863,786)
- Property, plant and equipment, and plantation development expenditure	(6,718,000)	(65,000)	(6,783,000)
	(16,799,640)	152,854	(16,646,786)
Deferred tax assets			
Unabsorbed capital allowances	4,560,000	577,000	5,137,000
Unused tax losses	1,665,000	(101,000)	1,564,000
Temporary differences arising from other payables and accrued expenses	493,000	(411,000)	82,000
	6,718,000	65,000	6,783,000
	(10,081,640)	217,854	(9,863,786)

27. DEFERRED TAX LIABILITIES (CONT'D)

As mentioned in Note 3(f), deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unutilised tax losses and unused tax credits can be utilised. As at 31 December 2014, the amount of unabsorbed capital allowances and unutilised tax losses for which no deferred tax asset have been recognised in the financial statements due to uncertainty of realisation, are as follows:

	Group		Company	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Unabsorbed capital allowances	6,548,000	4,952,138	1,605,072	1,545,000
Unused tax losses	77,468,000	78,151,186	32,310,431	32,139,000
	84,016,000	83,103,324	33,915,503	33,684,000

The unabsorbed capital allowances and unused tax losses are subject to agreement by the tax authorities.

28. TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

Trade and other payables comprise amounts outstanding for trade purchases and on-going costs. The credit period granted to the Group for trade purchases ranges from 15 to 90 days (2013: 15 to 90 days).

Other payables and accrued expenses consist of:

	Group		Company	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Other payables	5,957,714	6,657,248	5,753,092	5,706,364
Provision for interest payable to a former non-controlling interest	24,060	326,201	-	-
Accruals	263,268	123,383	18,448	28,940
	6,245,042	7,106,832	5,771,540	5,735,304

Included in other payables and accruals of the Group and the Company are amounts of RM5,657,288 (2013: RM6,455,059) and RM5,600,000 (2013: RM5,600,000) respectively owing to a former non-controlling interest of a subsidiary. The amount owing by the Company arose from additional acquisition of shares in a subsidiary in prior years, whereas the amount owing by the subsidiary arose from payments on behalf in prior years, which is unsecured and repayable on demand. These amounts owing are interest-free except for an amount of RM57,288 (2013: RM840,172) owing by the subsidiary which bears interest at rate of 8% (2013: 8%) per annum.

29. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party relationships and transactions.

The related parties and their relationship with the Company and the Group are as follows:

Name of related party	Relationship
Anika Desiran Sdn Bhd	A company in which Dato' Choo Keng Weng and Mr. Sy Choon Yen are also directors and persons connected to them.
Desa Samudra Sdn Bhd	A company in which Dato' Choo Keng Weng is also a director and shareholder.
Eco-Plantations Sdn Bhd	A company in which Dato' Choo Keng Weng and Mr. Sy Choon Yen are also directors and persons connected to them.
Java Berhad	A company in which Dato' Choo Keng Weng and Mr. Sy Choon Yen are also shareholders and Mr. Sy Choon Yen is also a director.
Ladang Bunga Tanjong Sdn Bhd	A company in which Dato' Choo Keng Weng and Mr. Sy Choon Yen are also directors.
Ratus Awansari Sdn Bhd	A company in which Dato' Choo Keng Weng and Mr. Sy Choon Yen are also directors and persons connected to them.
Sg. Kalabakan Estate Sdn Bhd	A company in which Dato' Choo Keng Weng and Mr. Sy Choon Yen are also directors and persons connected to them.
SPR Energy (M) Sdn Bhd	A company in which Mr. Sy Choon Yen is also director.

Transactions with companies outside of the Group but related to the Directors are presented in the financial statements and notes to the financial statements as transactions with other related companies.

During the financial year, significant related party transactions are as follows:

(a) Group

	2014 RM	2013 RM
Provision of plantation management services to other related companies		
- Ladang Bunga Tanjong Sdn Bhd	333,210	363,895
- Sg. Kalabakan Estate Sdn Bhd	154,557	172,916
- Eco-Plantations Sdn Bhd	83,752	103,784
- Anika Desiran Sdn Bhd	122,819	118,847
	694,338	759,442
Rental of property from other related company		
- Desa Samudra Sdn Bhd	171,524	137,429

29. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) Company

	2014 RM	2013 RM
Rental of property from a related company		
- Desa Samudra Sdn Bhd	81,692	89,264
Provision of management services to subsidiaries		
- Urun Plantations Sdn Bhd	1,143,686	1,529,212
- SHC Technopalm Plantation Services Sdn Bhd	249,986	417,261
	1,393,672	1,946,473
Rental of premises to subsidiaries		
- Urun Plantations Sdn Bhd	-	40,317
- SHC Technopalm Plantation Services Sdn Bhd	-	21,193
	-	61,510

Compensation of key management personnel

The remuneration of key management personnel during the year is as follows:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Short-term employee benefits	1,169,143	1,128,383	619,200	739,584
Equity compensation benefits	-	225,369	-	120,809
EPF contributions	131,316	130,179	90,180	105,939
	1,300,459	1,483,931	709,380	966,332

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

30. CAPITAL COMMITMENT

As at 31 December 2014, the Group and the Company have the following capital commitment:

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Approved and contracted for arising from:				
Purchase of property, plant and equipment	335,000	689,000	-	-

31. FINANCIAL RISK MANAGEMENT

(a) Capital Risk Management Policies

The objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern while maximising the return to shareholders through the optimisation of debt and equity balances. The Group's overall strategy remains unchanged since 2011.

The capital structure of the Group consists of net debts (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital and reserves). The Group monitors capital using a gearing ratio, which is net debt divided by total equity attributable to owners of the Company.

The Group reviews its capital structure on a semi-annual basis. As part of this review, the Group considers the cost of capital and the risks associated with each class of capital.

Gearing Ratio

The gearing ratio analysis at end of the reporting period is disclosed as follows:

	Group	
	2014 RM	**2013 RM**
Debt (i)	56,227,981	49,712,178
Less: Cash and cash equivalents	(4,483,509)	(1,310,482)
Net debt	(51,744,472)	(48,401,696)
Equity (ii)	82,367,502	82,595,059
Gearing ratio	63%	59%

(i) Debt is defined as hire-purchase obligations and long-term loans as disclosed in Notes 24, 25 and 26.

(ii) Equity includes issued capital, reserve and non-controlling interests.

(b) Financial Risk Management Policies

The operations of the Group are subject to a variety of financial risks, including market risk, credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise the Group's exposure to risks and/or costs associated with the financing, investing and operating activities.

Various risk management policies are formulated for observation in the day-to-day operations for controlling and managing the risks associated with financial instruments.

Market risk

(i) Commodity price risk

The Group is exposed to commodity price risk since the price of oil palm fresh fruit bunches ("FFB") is subject to fluctuations due to unpredictable factors such as weather, change of global demand, global production, crude oil prices and global production of similar and completive crops.

Revenue of the Group is therefore subject to price fluctuations in the commodity market.

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial Risk Management Policies (Cont'd)

(i) Commodity price risk (Cont'd)

As at 31 December 2014, a sensitivity analysis has been performed based on the Group's exposure to commodity prices. A 10% increase or decrease in FFB prices with all other variables being held constant, would increase or decrease the Group's (loss)/profit before tax, by approximately RM1,835,006.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group is exposed to interest rate risk mainly through the impact of rate changes on bank borrowings. The interest rates for the said bank borrowings are disclosed in Note 25 and 26.

The interest rates for hire-purchase payables and amount owing to non-controlling interest and, which are fixed at the inception of the financing arrangements are disclosed in Notes 24 and 28.

The Group's interest bearing financial asset is mainly its fixed deposits with licensed banks. The deposits placements as at the end of the reporting period, which bear interest fixed at initiation as disclosed in Note 21, are short term and therefore their exposure to the effects of future changes in prevailing level of interest rates are limited.

The Group's exposures to interest rates on financial liabilities are detailed below. The sensitivity analysis below has been determined based on the exposure to interest rates for financial liabilities at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liabilities at the end of the reporting period will remain unchanged for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in the interest rates.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profit for the financial year would be increased or decreased as follows:

	2014 RM	2013 RM
Floating rate liability Long-term loans	273,251	239,361

Other financial assets and financial liabilities are non-interest bearing and therefore are not affected by changes in interest rates.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and assigns credit limits to these counterparties by using its own trading records and the counterparties' financial information. The Group's exposure and the creditworthiness of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial Risk Management Policies (Cont'd)

Credit risk (Cont'd)

The Group's exposure to significant concentration of credit risk to any single counterparty or any company of counterparties having similar characteristics is disclosed in Note 19. The Group defines counterparties as having similar characteristics if they are related entities.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by local credit-rating agencies.

The carrying amount of financial assets recognised in the financial statements represents the Group's maximum exposure to credit risk without taking into account collateral or other credit enhancements held.

Liquidity risk management

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations due to shortage of funds.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-term, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The tables below summarise the maturity profile of the Group's financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations at the statement of financial position date. The tables include both interest and principal cash flows:

Group 2014	Contractual interest rate	Less than 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	More than 5 years RM'000	Total RM'000
Financial liabilities						
Non-interest bearing:						
Trade payables		1,481	-	-	-	1,481
Other payables and accrued expenses		6,188	-	-	-	6,188
Amount owing to other related companies		56	-	-	-	56
Interest bearing:						
Other payables	8.0%	57	-	-	-	57
Hire-purchase payables	2.36% - 4.25%	784	394	400	-	1,578
Long-term loans	5.35%	-	3,000	9,000	19,575	31,575
Bank overdrafts	5.85%	22,335	-	-	-	22,335
Borrowings	4.75%	40	42	139	520	741
		30,941	3,436	9,539	20,095	64,011

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial Risk Management Policies (Cont'd)

Group 2013	Contractual interest rate	Less than 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	More than 5 years RM'000	Total RM'000
Financial liabilities						
Non-interest bearing:						
Trade payables		3,809	-	-	-	3,809
Other payables and accrued expenses		6,252	-	-	-	6,252
Amount owing to other related companies		71	-	-	-	71
Interest bearing:						
Other payables	8.0%	855	-	-	-	855
Hire-purchase payables	2.36% - 4.25%	698	600	199	343	1,840
Long-term loans	5.1%	-	3,000	9,000	18,000	30,000
Bank overdrafts	5.6%	17,092	-	-	-	17,092
Borrowings	4.5%	39	41	43	657	780
		28,816	3,641	9,242	19,000	60,699

Company 2014	Contractual interest rate	Less than 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	Total RM'000
Financial liabilities					
Non-interest bearing:					
Other payables and accruals		5,772	-	-	5,772
Amount owing to subsidiaries		34	-	-	34
Amount owing to other related companies		56	-	-	56
Interest bearing:					
Hire-purchase payables	2.36% - 3.25%	98	93	343	534
		5,960	93	343	6,396

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Financial Risk Management Policies (Cont'd)

Company 2013	Contractual interest rate	Less than 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	Total RM'000
Financial					
Non-interest bearing:					
Other payables and accrued expenses		5,735	-	-	5,735
Amount owing to subsidiaries		38	-	-	38
Amount owing to other related companies		56	-	-	56
Interest bearing:					
Hire-purchase payables	2.36% - 3.25%	111	98	436	645
		5,940	98	436	6,474

(c) Fair Value of Financial Instruments

Except as detailed in the following table, the Directors consider that the carrying amounts of financial assets and liabilities carried at amortised cost in the financial statements approximate their fair values due to short maturities of the financial instruments.

	2014		2013	
	Carrying amount RM	Fair Value RM	Carrying amount RM	Fair Value RM
Group				
Hire-purchase payables	1,577,685	1,577,685	1,839,953	1,839,953
Long-term loan	31,575,000	24,622,366	30,000,000	23,577,771
Bank overdrafts	22,334,662	22,334,662	17,092,102	17,092,102
Borrowings	740,634	740,634	780,123	780,123
Company				
Hire-purchase payables	534,148	534,148	644,801	644,801

31. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Fair Value of Financial Instruments (Cont'd)

The fair values of long-term loans and hire-purchase payables are estimated using discounted cash flow analysis based on the prevailing borrowing rates of similar borrowings obtainable by the Group and the Company.

No disclosure is made for balances with related companies and other related companies as it is impractical to determine their fair values with sufficient reliability given these balances are repayable on demand.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: Quoted (unadjusted) prices in active markets for identical assets.
Level 2: Valuation inputs (other than Level 1 input) that are based on observable market data for the asset or liability, whether directly or indirectly.
Level 3: Valuation that are not based on observable market data for the asset or liability.

As at the reporting date, the Group and the Company held the following financial instruments carried at fair values in the statements of financial position:

	Group	
	2014 RM	2013 RM
Level 3		
Available-for-sale financial assets:		
Available-for-sale investments	3,245,969	3,245,969

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

32. SUPPLEMENTARY INFORMATION

On 25 March 2011, Bursa Malaysia Securities Berhad ("Bursa Malaysia") issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of the Bursa Securities Main Market Listing Requirements which requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as of the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2011, Bursa Malaysia further issued guidance on the disclosure and the prescribed format of disclosure.

The breakdown of the accumulated losses of the Group and of the Company as of 31 December 2014 into realised and unrealised losses, pursuant to the directive, is as follows:

	Group	
	2014 RM	**2013 RM (Restated)**
Total accumulated losses of the Company and its subsidiaries		
Realised	(44,542,318)	(41,919,291)
Unrealised	(9,645,932)	(9,645,932)
	(54,188,250)	(51,565,223)
Less: Consolidation adjustments	21,488,965	22,268,126
Total accumulated losses as per statements of financial position	(32,699,285)	(29,297,097)

The determination of realised and unrealised profits or losses is based on Guidance of Special Matter No. 1 Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements as issued by the Malaysian Institute of Accountants on 20 December 2011. A charge or credit to the profit or loss of a legal entity is deemed realised when it resulted from the consumption of resources of all types and form, regardless of whether it is consumed in the ordinary course of business or otherwise. A resource may be consumed through sale or use. Where a credit or a charge to the profit or loss upon initial recognition or subsequent measurement of an asset or a liability is not attributed to consumption of resource, such credit or charge should not be deemed as realised until the consumption of resource could be demonstrated.

This supplementary information have been made solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia and is not made for any other purposes.

STATEMENT BY DIRECTORS

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

We, **Dato' Choo Keng Weng** and **Thomas Tuan Kit Kwong**, two of the Directors of **Sin Heng Chan (Malaya) Berhad** state that, in the opinion of the Directors, the financial statements set out on pages 27 to 84 are drawn up in accordance with the Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

The supplementary information set out in Note 32 on page 84, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1 Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Directors,

Dato' Choo Keng Weng
Director

Thomas Tuan Kit Kwong
Director

Kuala Lumpur,
24 March 2015

STATUTORY DECLARATION

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

I, **Dato' Choo Keng Weng**, being the Director primarily responsible for the financial management of **Sin Heng Chan (Malaya) Berhad**, do solemnly and sincerely declare that the financial statements set out on pages 27 to 84 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Dato' Choo Keng Weng

Subscribed and solemnly declared by the abovenamed **Dato' Choo Keng Weng** at **Kuala Lumpur** on 24 March 2015.

Before me,

Leong See Keong
Commissioner for Oaths
W494

LIST OF PROPERTIES HELD

As at 31 December 2014

Landed properties in the Group consist of:

	Location	Description	Area	Tenure (Year Expiring)	Age of Building	Net Book Value (RM)
A.	**Freehold**					
1	Holding 2058, 2060 & 2062 Mukim Tanjong Kling 76400 Melaka	Vacant Land	127,576 sq. ft.	-	-	544,000
B.	**Leasehold**					
1	129A Jalan Mutahir 75300 Melaka	Vacant Land	9,440 sq. ft.	2061	53 years	398,158
2	Provisional Lease Lot 4, Punan Land District, Sarawak	Oil Palm Plantation with Office/Store/ Worker Quarters	10,730 hectares	2057	14 years	18,548,163
	Provisional Lease Lot 7, Dulit Land District, Sarawak	Oil Palm Plantation	267 hectares	2057	N/A	
3	Lot 10 Rasan Land Jalan Bintulu-Bakun Tubau Bintulu	Oil Palm Plantation	257.9 hectares	2068	N/A	2,526,528
	Lot 8 Rasan Land Jalan Bintulu-Bakun Tubau Bintulu	Oil Palm Plantation	13.951 hectares	2068	N/A	
4	Klebang Land, Melaka	Vacant Land	261,360 sq.ft.	2113	N/A	9,147,600
	GRAND TOTAL					**31,164,449**

ANALYSIS OF SHAREHOLDINGS

As at 12 March 2015

Authorised Share Capital	:	RM500,000,000 divided into 500,000,000 ordinary shares of RM1.00 each
Paid-up Share Capital	:	RM115,066,787
Class of Share	:	Ordinary Shares of RM1.00 each
Voting Rights	:	1 vote per ordinary share

DISTRIBUTION OF SHAREHOLDING

Size of Shareholdings	No. of Holders	%	Total Holdings	%
1 – 99	118	3.71	3,344	0.00
100 – 1,000	1,020	32.10	918,489	0.80
1,001 – 10,000	1,562	49.15	6,929,896	6.02
10,001 – 100,000	412	12.96	12,631,410	10.98
100,001 – 5,583,338	62	1.95	44,850,834	38.98
5,583,339 and above	4	0.13	49,732,814	43.22
	3,178	100.00	115,066,787	100.00

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct		Indirect	
Name of Substantial Shareholder	No. of Shares	%	No. of Shares	%
Wan Jin Resources Sdn Bhd	19,182,125	16.67	-	-
Tan Sri Dato' Sri Haji Esa Bin Haji Mohamed	16,738,989	14.55	-	-
Dato' Choo Keng Weng	17,185,793[(1)]	14.94	2,925,000[(2)]	2.54
Samudera Sentosa Sdn Bhd	8,000,000	6.95	-	-

Notes:

[1] Includes shares held by nominees.

[2] Deemed interest in shares held by Macronet Sdn Bhd by virtue of Section 6A of the Companies Act, 1965.

ANALYSIS OF SHAREHOLDINGS
As at 12 March 2015

THIRTY LARGEST ORDINARY SHAREHOLDERS

No.	Shareholders	No. of Shares Held	%
1	Sabah Development Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Wan Jin Resources Sdn Bhd*	19,182,125	16.67
2	Esa Bin Mohamed	12,580,689	10.93
3	Affin Hwang Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Choo Keng Weng (M09)*	9,970,000	8.66
4	Sabah Development Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Samudera Sentosa Sdn Bhd*	8,000,000	6.95
5	Choo Keng Weng	5,113,793	4.44
6	Niaga Serimas Sdn Bhd	5,001,000	4.35
7	RHB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for J.V. Avenue Sdn Bhd*	4,828,162	4.20
8	Affin Hwang Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Esa Bin Mohamed*	4,158,300	3.61
9	Macronet Sdn Bhd	2,925,000	2.54
10	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Su Ming Ming*	2,052,000	1.78
11	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Soh Boon Chen (8122981)*	1,979,700	1.72
12	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Mohd Salleh Bin Yeop Abdul Rahman*	1,560,000	1.36
13	Maybank Nominees (Tempatan) Sdn Bhd *Maybank Private Wealth Management for Sy Choon Yen (PW-M00099) (749560)*	1,560,000	1.36
14	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Choo Keng Weng*	1,400,000	1.22
15	Asraman Sdn Bhd	1,283,900	1.12
16	Chu Siew Fei	842,700	0.73
17	Maybank Securities Nominess (Tempatan) Sdn Bhd *Maybank Kim Eng Securities Pte Ltd for Eng Holdings Sdn Bhd*	838,553	0.73
18	Citigroup Nominees (Asing) Sdn Bhd *Exempt An for OCBC Securities Private Limited (Client A/C-NR)*	799,671	0.69
19	Lee Lai Leng	695,600	0.60
20	Syed Omar Bin Syed Abdullah	600,000	0.52
21	TA Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Choo Keng Weng*	600,000	0.52
22	HLB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ang Poh Eng*	483,300	0.42
23	TA Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Cheng Teck Loong*	430,800	0.37
24	Teh Sen Siew	410,800	0.36
25	CIMSEC Nominees (Tempatan) Sdn Bhd *CIMB Bank for Chong Lee Fong (MQ0269)*	402,000	0.35
26	Tan Soon Chai	310,000	0.27
27	Sy Ban Lee	267,000	0.23
28	Leong Sze Eam	251,400	0.22
29	Ho Ching Yeu	250,000	0.22
30	Ong Tuann Foo	250,000	0.22
	Total	**89,026,493**	**77.36**

ANALYSIS OF SHAREHOLDINGS
As at 12 March 2015

DIRECTORS' INTEREST IN SHARES (Based on the Register of Directors' Shareholdings)

	Direct		Indirect	
	No. of Shares	**%**	**No. of Shares**	**%**
Tuan Syed Omar Bin Syed Abdullah	600,000	0.52	-	-
Dato' Choo Keng Weng	17,185,793[(1)]	14.94	2,925,000[(2)]	2.54
YBM Tunku Mahmood Bin Tunku Mohammed D.K.	-	-	-	-
Mr. Thomas Tuan Kit Kwong	-	-	-	-
Mr. Mak Hon Weng	-	-	-	-

Notes:
[1] Includes shares held by nominees.
[2] Deemed interest in shares held by Macronet Sdn Bhd by virtue of Section 6A of the Companies Act, 1965.

RELATED PARTY TRANSACTIONS

At the Annual General Meeting held on 8 May 2014, the Company obtained its shareholders' mandate to allow the Group to enter into recurrent related party transactions ("RRPTs") of a revenue or trading nature.

In accordance with the Listing Requirements of the Bursa Malaysia Securities Berhad, the details of RRPTs conducted during the financial year ended 31 December 2014 pursuant to the shareholders' mandate are as follows:

No	Group Involved in the Transaction	Transacting Party	Nature of Transaction	Related Party	Actual amount transacted from 8 May 2014 to 31 December 2014 (RM)	2014 Mandate (RM)
1	Sin Heng Chan (Malaya) Berhad ("SHCMB")	Desa Samudra Sdn Bhd ("DSSB")	Rental of office premises and car park facilities	Dato' Choo Keng Weng ("DCKW")	(59, 253)	(120, 000)
2	SHC Technopalm Plantation Services Sdn Bhd ("SHCTPS")	DSSB	Rental of office premises and car park facilities	DCKW	(81, 008)	(130, 000)
3	SHCTPS	Ladang Bunga Tanjong Sdn Bhd ("LBTSB")	Provision of consulting and management services to LBTSB	DCKW & Sy Choon Yen ("SCY")	178, 719	450, 000
4	SHCTPS	Sg Kalabakan Estate Sdn Bhd ("SKESB")	Provision of consulting and management services to SKESB	DCKW & SCY	91, 443	100, 000
5	SHCTPS	Eco-Plantations Sdn Bhd ("EPSB")	Provision of consulting and management services to EPSB	DCKW & SCY	42, 492	150, 000
6	SHCTPS	Anika Desiran Sdn Bhd ("ADSB")	Provision of consulting and management services to ADSB	DCKW & SCY	76, 664	200, 000

ADDITIONAL COMPLIANCE DISCLOSURES

Directors' Responsibility Statement

The Directors are responsible for ensuring that the financial statements of the Company and of the Group are drawn up in accordance with the applicable approved accounting standards in Malaysia and provisions of the Companies Act 1965 so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014 and of the results and cashflows of the Company and of the Group for the financial year ended on that date.

In preparing the financial statements, the Directors have:

- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- ensured the adoption of applicable approved accounting standards; and
- used the going concern basis for the preparation of the financial statements.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy the financial position of the Group and of the Company, and are kept in accordance with the Companies Act, 1965. The Directors are also responsible for safeguarding the assets of the Group and of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Utilisation of Proceeds

Proceeds from the disposal of the 80% equity interest in PTS Goldkist Industries Sdn Bhd have been utilised as at 31 December 2014:

	Proposed utilisation (RM'000)	Utilised as at 31 December 2014 (RM'000)	Balance (RM'000)
Staff cost	2,400	1,400	1,000
Other working capital	7,310	7,310	-
Estimated expenses relating to the corporate exercise	390	327	63
To acquire strategic investment/strategic ventures	12,300	12,300	-
Capital expenditure related to plantation business	2,100	2,100	-
Total	24,500	23,437	1,063

Share Buy-Backs

The Company did not enter into any share buy-back transactions during the financial year.

Options, Warrants or Convertible Securities

No Warrants and Convertible Securities were issued during the financial year ended 31 December 2014.

Employees' Share Options Scheme ("ESOS")

The Company's ESOS was extended for another five (5) years effective from 12 July 2009 and had expired on 12 July 2014.

The number of ESOS exercised during the year up to the expiry date are as follows:

No. of ESOS Granted	No. of ESOS Exercise	No. of ESOS Lapsed/Remaining
6,139,000	3,400,000	2,739,000

The remaining of 2,739,000 ESOS that were unexercised have lapsed on 12 July 2014.

American Depository Receipt ("ADR") or Global Depository Receipt ("GDR")

The Company did not sponsor any ADR or GDR during the financial year ended 31 December 2014.

Sanctions and/or Penalties

There were no material sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant authorities during the financial year.

Non-Audit Fees

During the financial year, there were no non-audit fees incurred by companies affiliated to the External Auditors' firm for services rendered to the Company and its subsidiaries.

Variation in Results

There were no variances of 10% or more between the results for the financial year and the unaudited results. The Company did not make any release on the profit estimate, forecast or projection for the financial year.

Profit Guarantee

The Company did not grant any profit guarantee during the financial year.

Material Contracts or Loans Involving Directors and Major Shareholders

There were no material contracts or loan entered into between the Company and a director or a major shareholder during the financial year.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-Third (53rd) Annual General Meeting of the Company will be held at Function Room 2 & 3, First Floor, Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 23 April 2015 at 10:00 a.m. for the following purposes:

AGENDA

Ordinary Businesses

1. To receive the Audited Financial Statements for the financial year ended 31 December 2014 together with the Reports of the Directors and the Auditors thereon.

2. To re-elect the Directors who retire in accordance with Article 94 of the Articles of Association of the Company:

   (a) Dato' Choo Keng Weng — Ordinary Resolution 1
   (b) Mr. Thomas Tuan Kit Kwong — Ordinary Resolution 2

3. To approve the payment of Directors' fees amounting to RM30,000 for the financial year ended 31 December 2014. — Ordinary Resolution 3

4. To re-appoint Messrs. Ecovis AHL as Auditors and to authorise the Directors to fix their remuneration. — Ordinary Resolution 4

Special Businesses

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

   - **Re-Appointment of Director pursuant to Section 129 of the Companies Act, 1965** — Ordinary Resolution 5
     "THAT YBM Tunku Mahmood Bin Tunku Mohammed D.K. who is of the age of seventy years and retiring in accordance with Section 129(2) of the Companies Act, 1965 be and is hereby reappointed as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company."

   - **Retention of Independent Non–Executive Director** — Ordinary Resolution 6
     "THAT subject to passing of Ordinary Resolution 5, approval be and is hereby given to YBM Tunku Mahmood Bin Tunku Mohammed D.K. who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2012."

   - **Authority to Allot Shares Pursuant to Section 132D of the Companies Act, 1965** — Ordinary Resolution 7
     "THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby empowered to allot and to issue shares in the share capital of the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being.

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

- **Proposed Amendments to the Articles of Association of the Company** — Special Resolution
  "THAT the amendments to the existing Articles of Association of the Company as proposed and set forth in Appendix I of the Annual Report be and are hereby approved."

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

BY ORDER OF THE BOARD

LIM SIEW TING
(MAICSA 7029466)
Company Secretary

Kuala Lumpur
1 April 2015

Explanatory Notes to Special Businesses

(i) Re-Appointment of Director pursuant to Section 129 of the Companies Act, 1965 — Resolution 5
The re-appointment of YBM Tunku Mahmood Bin Tunku Mohammed D.K., a person of the age of seventy years, as Director of the Company to hold office until the conclusion of the next Annual General Meeting of the Company shall take effect if the Proposed Resolution is passed by a majority of not less than three-fourth (¾) of such members as being entitled so to do to vote in person or, where proxies are allowed, by proxy, at a general meeting of which not less than 21 days' notice specifying the intention to propose the resolution has been duly given.

(ii) Retention of Independent Non-Executive Director — Resolution 6
The Nomination Committee has assessed the independence of YBM Tunku Mahmood Bin Tunku Mohammed D.K., who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, and recommended him to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:

(i) He fulfilled the criteria under the definition of an Independent Director, as stipulated in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and thus, he would be able to function as check and balance, provide a broader view and brings an element of objectivity to the Board;
(ii) His years of experience as a businessman enabled him to provide the Board with a diverse set of experience, expertise and independent judgment; and
(iii) He has performed his duty diligently and in the best interest of the Company and provides a broader view, independent and balanced assessment of proposal from the Management.

NOTICE OF
ANNUAL GENERAL MEETING

(iii) Authority to Allot Shares Pursuant to Section 132D of the Companies Act, 1965 — Resolution 7

The Proposed Ordinary Resolution 5, if passed, will empower the Directors from the date of the Fifty-Third (53rd) Annual General Meeting ("AGM") to allot and issue up to a maximum of 10% of the issued share capital of the Company for the time being (other than bonus or rights issue) for such purposes as they consider would be in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

As at the date of this notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 8 May 2014 and which will lapse at the conclusion of the Fifty-Third AGM of the Company.

The General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/ or acquisitions.

(iv) Proposed Amendments to the Articles of Association of the Company — Special Resolution

The Proposed Special Resolution is to amend the Company's Articles of Association to be in line with the recent amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The details of the Proposed Amendments to the Articles of Association of the Company is set out under Appendix I of the Annual Report.

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(a), (b), (c) and (d) of the Act shall not apply to the Company.

2. Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, which holds ordinary shares for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies it may appoint in respect of each Omnibus Account.

3. In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of an officer or attorney, duly authorised in writing.

4. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.

5. To be valid, the original Form of Proxy, must be completed and deposited at the Registered Office of the Company at Suite 2.02, Level 2, Wisma E&C, No. 2, Jalan Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.

6. The lodging of a completed Form of Proxy will not preclude a member from attending and voting in person at the meeting should the member subsequently wish to do so, however such attendance would be an automatic revocation of the proxy's authority unless an intimation in writing has been made to the Company at the registered office.

7. For the purposes of determining a member entitled to attend the meeting, the Company will request Bursa Malaysia Depository Sdn Bhd (in accordance with Article 66(b) of the Company's Articles of Association), to issue the Record of Depositors ("ROD") as at 17 April 2015 for determining the depositors who shall be deemed to be the registered holders of the shares of the Company eligible to be present and vote at the meeting. Only a depositor whose name appears on the ROD as at 17 April 2015 shall be entitled to attend the meeting.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. DIRECTORS WHO ARE STANDING FOR RE-ELECTION/RE-APPOINTMENT

Under Article 94 of the Company's Articles of Association
Dato' Choo Keng Weng
Mr. Thomas Tuan Kit Kwong

Under Section 129 of the Companies Act, 1965
YBM Tunku Mahmood Bin Tunku Mohammed D.K.

The profiles of the above Directors are set out in the Section entitled "Profile of Directors" on pages 4 and 5 of this Annual Report. The details of their securities holding in the Company and Subsidiaries are stated on page 90 of this Annual Report.

2. DETAILS OF ATTENDANCE OF DIRECTORS

A total of four (4) Board Meetings were held during the financial year ended 31 December 2014.

Details of the Directors' attendance during the financial year are as follows:

Directors	No. of Meetings Attended
Tuan Syed Omar Bin Syed Abdullah	3/4
Dato' Choo Keng Weng	4/4
YBM Tunku Mahmood Bin Tunku Mohammed D.K.	4/4
Mr. Thomas Tuan Kit Kwong	4/4
Mr. Mak Hon Weng (Appointed on 21 March 2014)	3/3
Encik Mohd Shariff Bin Salleh (Resigned on 31 March 2014)	1/1

All four (4) meetings were held at Board Room, Level 3, Wisma E & C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur on the following dates and time:

Date	24.02.2014	23.05.2014	25.08.2014	06.11.2014
Time	11.00 a.m.	11.00 a.m.	11.00 a.m.	11.00 a.m

3. DATE, TIME AND PLACE OF THE ANNUAL GENERAL MEETING

The Fifty-Third (53rd) Annual General Meeting of SIN HENG CHAN (MALAYA) BERHAD will be held as follows:

Date : Thursday, 23 April 2015
Time : 10:00 a.m.
Place : Function Room 2 & 3, First Floor, Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur.

APPENDIX I

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

Existing Articles	Proposed Articles
2. Interpretation	2. Interpretation
WORDS **MEANINGS**	**WORDS** **MEANINGS**
CD-ROM - Compact disc read-only memory	***Deleted***
New	**Electronic Format - Issuance in CD-ROM, USB thumb drive, USB flash drive or USB pen drive**
64. Notice of Meetings Subject to the provisions of the Act and other agreements for shorter notice to these Articles, every notices convening meetings shall specify the place, day and hour of the meeting, <u>and shall</u> be given to all Members at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least one nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each Stock Exchange upon which the company is listed.	64. Notice of Meetings Subject to the provisions of the Act and other agreements for shorter notice to these Articles, every notices convening meetings shall specify the place, day and hour of the meeting. **The notices must also include the date of the Record of Depositors, as at the latest date which is reasonably practical and in any event shall not be less than three (3) market days before the meeting for the purpose of determining whether a depositor shall be registered as a Member entitled to attend, speak and vote at the meeting. The notices shall** be given to all Members at least fourteen (14) days before the meeting or at least twenty-one (21) days before the meeting where any special resolution is to be proposed or where it is an annual general meeting. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. At least fourteen (14) days' notice or twenty-one (21) days' notice in the case where any special resolution is proposed or where it is the annual general meeting, of every such meeting shall be given by advertisement in at least one nationally circulated Bahasa Malaysia or English daily newspaper and in writing to each Stock Exchange upon which the company is listed.
151. Copy to be sent to Members A copy of every balance sheet and profit and loss account which is to be laid before the Company in general meeting (including every document required by law to be annexed thereto) together with a copy of the auditors' report relating therefore and of the Directors' report as well as the annual report relating to it shall not more than <u>six (6)</u> months after the close of the financial year end in printed forms or <u>CD-ROM or in such other form of electronic media</u> not less than twenty-one (21) days before	151. Copy to be sent to Members A copy of every balance sheet and profit and loss account which is to be laid before the Company in general meeting (including every document required by law to be annexed thereto) together with a copy of the auditors' report relating therefore and of the Directors' report as well as the annual report relating to it shall not more than **four (4)** months after the close of the financial year end in printed forms or **in electronic format** not less than twenty-one (21) days before the date of the

the date of the meeting (or such shorter period as may be agreed in any year of the receipt of notice of the meeting pursuant to Article), be send to every Member of, every holder of debentures of, and trustees for every debenture holder, the Company and to every other person who is entitled to received notice of general meetings from the Company under the provisions of the Act, or of the Articles. Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy, free of charge on application at the Company's Office. The requisite number of copies of such documents as may be required shall be the same time likewise sent to the Exchange upon which the Company's shares are listed.

In the event the Company issues a <u>CD-ROM annual report</u>, the Company must issue hard copies of the notice of the annual general meeting, the proxy form and the following documents to its Members:

(i) a note containing the following statement or information:

 (a) the Company shall forward a printed copy of the annual report to the Member within four (4) market days from the date of receipt of the verbal or written request; and

 (b) the Company's website and email address, name(s) of the designated person(s) attending to the Members' request and queries and contact number(s); and

(ii) a request form to enable the Member to request for the annual report in printed form, with particular of the Company's facsimile number and mailing address.

meeting (or such shorter period as may be agreed in any year of the receipt of notice of the meeting pursuant to Article), be send to every Member of, every holder of debentures of, and trustees for every debenture holder, the Company and to every other person who is entitled to received notice of general meetings from the Company under the provisions of the Act, or of the Articles. Provided that this Article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy, free of charge on application at the Company's Office. The requisite number of copies of such documents as may be required shall be the same time likewise sent to the Exchange upon which the Company's shares are listed.

In the event the Company issues **the annual report in electronic format**, the Company must issue hard copies of the notice of the annual general meeting, the proxy form and the following documents to its Members:

(i) a note containing the following statement or information:

 (a) the Company shall forward a printed copy of the annual report to the Member within four (4) market days from the date of receipt of the verbal or written request; and

 (b) the Company's website and email address, name(s) of the designated person(s) attending to the Members' request and queries and contact number(s); and

(ii) a request form to enable the Member to request for the annual report in printed form, with particular of the Company's facsimile number and mailing address.

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PROXY FORM

SIN HENG CHAN (MALAYA) BERHAD (4690-V)
(Incorporated in Malaysia)

CDS Account No.	
No. of Shares Held	

I/We, ...
(FULL NAME IN BLOCK LETTERS)

of..
(ADDRESS IN FULL)

being a member/members of **SIN HENG CHAN (MALAYA) BERHAD**, hereby appoint..

....
(FULL NAME IN BLOCK LETTERS)

of..
(ADDRESS IN FULL)

or failing him/her, the CHAIRMAN OF MEETING, as my/our proxy to vote for me/us and on my/our behalf at the **Fifty-Third (53rd) Annual General Meeting** of the Company to be held at **Function Room 2 & 3, First Floor, Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur** on **Thursday, 23 April 2015** at **10:00 a.m.** and at any adjournment thereof, on the following resolutions as indicated below:

RESOLUTION	FOR	AGAINST
1. To re-elect Dato' Choo Keng Weng, a Director who retires by rotation in accordance with Article 94 of the Articles of Association of the Company. (Ordinary Resolution 1)		
2. To re-elect Mr. Thomas Tuan Kit Kwong, a Director who retires by rotation in accordance with Article 94 of the Articles of Association of the Company. (Ordinary Resolution 2)		
3. To approve the payment of Directors' fees amounting to RM30,000 for the financial year ended 31 December 2014. (Ordinary Resolution 3)		
4. To re-appoint Messrs. Ecovis AHL as Auditors and to authorise the Directors to fix their remuneration. (Ordinary Resolution 4)		
5. ***Special Businesses:*** Re-appointment of YBM Tunku Mahmood Bin Tunku Mohammed D.K. as Director pursuant to Section 129 of the Companies Act, 1965. (Ordinary Resolution 5)		
6. To retain YBM Tunku Mahmood Bin Tunku Mohammed D.K. as Independent Non-Executive Director. (Ordinary Resolution 6)		
7. To authorise the Directors to issue shares pursuant to Section 132D of the Companies Act, 1965. (Ordinary Resolution 7)		
8. To approve the Proposed Amendments to the Articles of Association of the Company. (Special Resolution)		

(Please indicate with an "x" on how you wish your vote to be cast. In the absence of specific directions, your proxy may vote or abstain at his/ her discretion.)
**Delete the words "the Chairman of the Meeting" if you wish to appoint some other person(s) to be your proxy.*

Dated this .... day of 2015

....
Signature or Common Seal of Shareholder (s)

Notes:

1. *A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(a), (b), (c) and (d) of the Act shall not apply to the Company.*
2. *Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, which holds ordinary shares for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies it may appoint in respect of each Omnibus Account.*
3. *In the case of a corporate member, the instrument appointing a proxy shall be under its Common Seal or under the hand of an officer or attorney, duly authorised in writing.*
4. *Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.*
5. *To be valid, the original Form of Proxy, must be completed and deposited at the Registered Office of the Company at Suite 2.02, Level 2, Wisma E&C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the Meeting or any adjournment thereof.*
6. *The lodging of a completed Form of Proxy will not preclude a member from attending and voting in person at the meeting should the member subsequently wish to do so, however such attendance would be an automatic revocation of the proxy's authority unless an intimation in writing has been made to the Company at the registered office.*
7. *For the purposes of determining a member entitled to attend the meeting, the Company will request Bursa Malaysia Depository Sdn Bhd (in accordance with Article 66(b) of the Company's Articles of Association), to issue the Record of Depositors ("ROD") as at 17 April 2015 for determining the depositors who shall be deemed to be the registered holders of the shares of the Company eligible to be present and vote at the meeting. Only a depositor whose name appears on the ROD as at 17 April 2015 shall be entitled to attend the meeting.*

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Affix Stamp
Here

THE COMPANY SECRETARY
SIN HENG CHAN (MALAYA) BERHAD
SUITE 2.02, LEVEL 2
WISMA E & C
NO. 2, LORONG DUNGUN KIRI
DAMANSARA HEIGHTS
50490 KUALA LUMPUR
MALAYSIA

1st fold here

SIN HENG CHAN (MALAYA) BERHAD (4690-v)
(Incorporated In Malaysia)

Level 3, Wisma E & C,
No. 2, Jalan Dungun Kiri,
Damansara Heights,
50490 Kuala Lumpur,
Malaysia.

Tel : 603 - 2094 7992
Fax : 603 - 2094 7996