



**SYMPHONY LIFE BERHAD** (5572-H)

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SYMPHONY LIFE      ANNUAL REPORT 2014



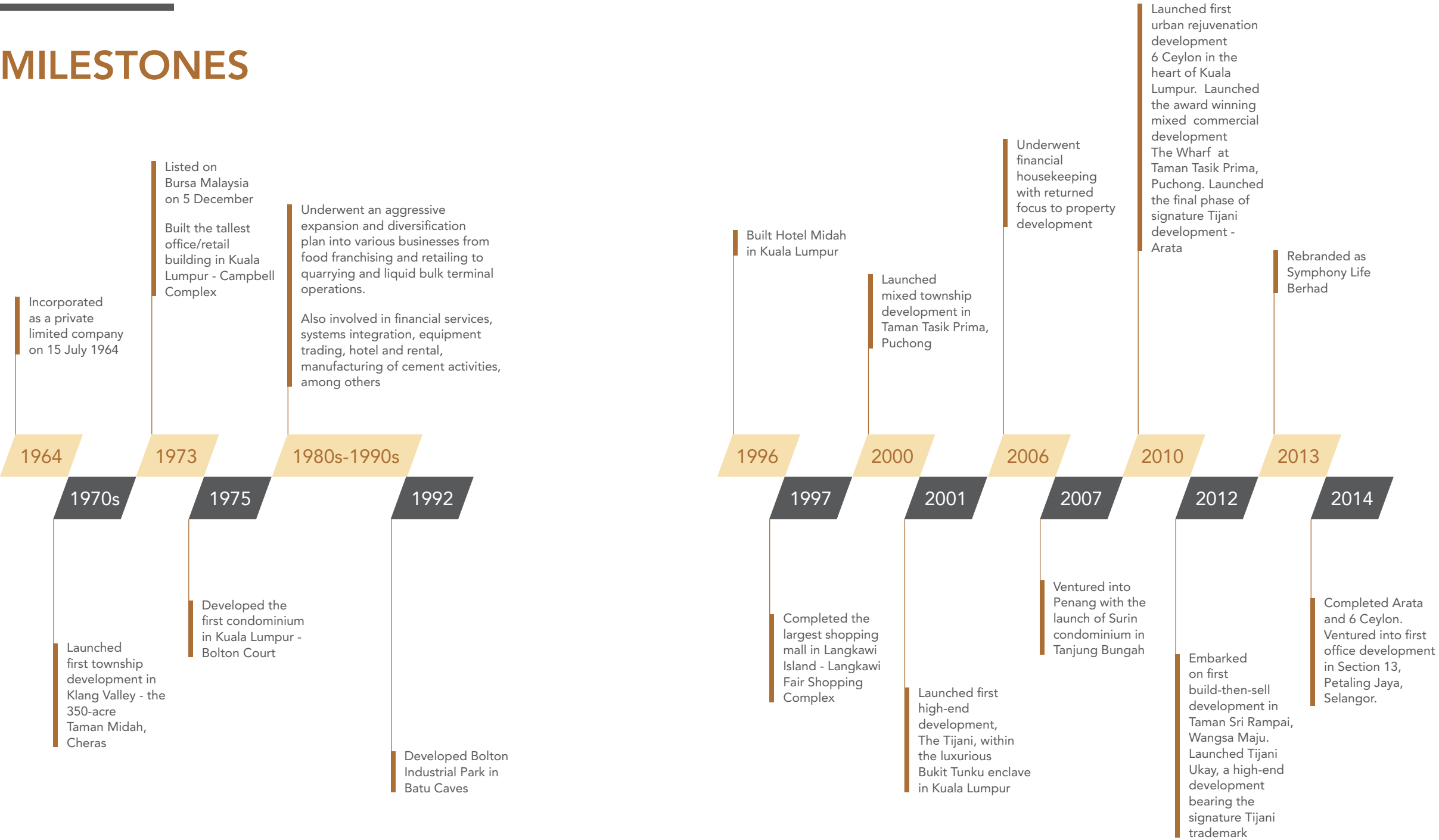
**ANNUAL  
REPORT  
2014**

## *Symphony Life*

The Symphony Life Group has entered into our 50<sup>th</sup> year since our incorporation in 1964 – truly a historic milestone for any company in Malaysia. We have weathered several economic downturns, survived remarkably and delivered more than 20,000 properties throughout the country.

As we continue to embark on programmes to revive and refresh ourselves in order to remain relevant in a competitive business environment, we have also redefined our vision, mission and core values in order to enhance our performance and upkeep our commitment to stakeholders.

# MILESTONES



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SIGNAL HILL





# OUR VISION, MISSION AND CORE VALUES

## VISION

A dynamic lifestyle brand creating better living by design

## MISSION

We build quality and innovative properties focusing on value creation and customer satisfaction



### COMMITMENT

We deliver on our promise to customers, partners, employees and stakeholders

### HIGH PERFORMANCE

We set high standards for people, processes, productivity and quality

### ORIGINALITY

We incorporate innovation in our delivery

### RESPONSIVENESS

We adapt to changes in customers' lifestyle needs

### UNITY

We practice teamwork, believe in respect and work in harmony

### SERVICE-FOCUSED

Our customers come first

COMMITMENT

THE  
ESSENCE  
OF LIFE  
IS TO CARE





# BOARD OF DIRECTORS

## SEATED (LEFT-RIGHT)

- 1 **CHIN JIT PYNG**  
Non-Independent  
Non-Executive Director
- 2 **DATO' ROBERT TEO KENG TUAN**  
Independent  
Non-Executive Director
- 3 **TAN SRI AZMAN YAHYA**  
Non-Independent  
Executive Chairman
- 4 **WING KWONG @  
CHAN WING KWONG**  
Non-Independent  
Executive Director

## STANDING (LEFT-RIGHT)

- 5 **LEE SIEW CHOONG**  
Independent  
Non-Executive Director
- 6 **TAN SRI NIK MOHAMED  
BIN NIK YAACOB**  
Independent  
Non-Executive Director







# BOARD OF DIRECTORS' PROFILES



**TAN SRI AZMAN YAHYA**  
Executive Chairman  
Non-Independent Executive Director  
Malaysian, Age 50

## JOINED THE BOARD

- 23 June 2005

## EDUCATION/QUALIFICATION

- First class honours degree in Economics from the London School of Economics and Political Science
- Member of the Institute of Chartered Accountants in England and Wales
- Member of the Malaysian Institute of Accountants
- Fellow of the Malaysian Institute of Banks

## EXPERIENCE/PREVIOUS CAREER APPOINTMENTS

- Appointed by the Government of Malaysia in 1998 to set-up and head Danaharta, the national asset management company and subsequently became its Chairman until 2003
- Chairman of the Corporate Debt Restructuring Committee (CDRC) which was set-up by Bank Negara Malaysia to mediate and assist in the debt restructuring of viable companies until its closure in 2002
- Auditing with KPMG in London
- Finance with the Island & Peninsular Group
- Investment banking with Amanah Merchant Bank

## OTHER OFFICES/MEMBERSHIPS

- Chairman of the Motorsports Association of Malaysia
- Director of Sepang International Circuit
- Member of Capital Market Advisory Group, Securities Commission
- Member of the Financial Reporting Foundation

## PUBLIC COMPANIES DIRECTORSHIPS

- Group Chief Executive of Symphony House Berhad
- Director of Scomi Group Berhad
- Director of Khazanah Nasional Berhad
- Director of PLUS Expressways International Berhad
- Director of Ekuiti Nasional Berhad
- Director of AIA Group Limited

## NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

- All the eight (8) meetings



**WING KWONG @ CHAN WING KWONG**  
Non-Independent Executive Director  
British/Permanent Resident of Malaysia,  
Age 58

## JOINED THE BOARD

- 1 December 2007

## EDUCATION/QUALIFICATION

- Bachelor of Science in Civil Engineering from University of Houston, Texas, U.S.A.

## EXPERIENCE/PREVIOUS CAREER APPOINTMENTS

- Started his career as design engineer in the oil and gas sector in U.S.A.
- Upon returning from U.S.A., joined the construction sector and worked on prestigious projects such as the prestigious thirty-eight (38) storey LUTH Building, Pusat Islam and Medan Mara
- Group Executive Director of Salcon Engineering Sdn. Bhd., a wholly-owned subsidiary of Kumpulan Emas Berhad, the leading water engineering company in Malaysia from 1994 to 1998
- Joined the Company as Chief Operating Officer ("COO") in November 2000
- On 1 January 2004, joined Kejora Harta Bhd. ("Kejora"), a then 32% associated company of the Company as COO
- Appointed to Kejora's Board as an Executive Director on 15 April 2004
- Re-appointed as the COO of the Company on 1 April 2007

## NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

- All the eight (8) meetings





#### **TAN SRI NIK MOHAMED BIN NIK YAACOB**

Independent Non-Executive Director  
Chairman of the Remuneration Committee  
Member of the Audit Committee  
Member of the Nominating Committee  
Malaysian, Age 65

#### **JOINED THE BOARD**

- 14 July 2005

#### **EDUCATION/QUALIFICATION**

- Diploma in mechanical engineering
- B.E. (Hons) Degree from Monash University
- Master in Business Management from the Asian Institute of Management
- Advanced Management Programme at Harvard University

#### **EXPERIENCE/PREVIOUS CAREER APPOINTMENTS**

- Served as the Group Chief Executive of Sime Darby Berhad and on the Boards of the Sime Darby group of companies from 1993 until his retirement in June 2004
- Served as a director of Supercomal Technologies Berhad until November 2007
- Previously the Chairman of the Advisory Council of National Science Centre and Chairman of the Board of UiTM
- Served as a member of the INSEAD East Asian Council, National Council for Scientific Research and Development, Coordinating Council for the Public-Private Sectors in the Agricultural Sector, National Coordinating Committee on Emerging Multilateral Trade Issues and the Industrial Coordinating Council
- Previously a representative for Malaysia in the Apec Business Advisory Council and the Asia-Europe Business Forum

#### **OTHER OFFICE**

- Executive Director of Yayasan Kepimpinan Perdana (Perdana Leadership Foundation)

#### **PUBLIC COMPANIES DIRECTORSHIPS**

- Director of Scomi Group Berhad
- Director of Scomi Energy Services Berhad
- Director of Guocoland (Malaysia) Berhad

#### **NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR**

Six (6) out of the eight (8) meetings



#### **DATO' ROBERT TEO KENG TUAN**

Independent Non-Executive Director  
Member of the Audit Committee  
Member of the Nominating Committee  
Member of the Remuneration Committee  
Malaysian, Age 64

#### **JOINED THE BOARD**

- 8 April 2004

#### **EDUCATION/QUALIFICATION**

- Chartered Accountant
- Member of the Malaysian Institute of Accountants
- Fellow member of the Institute of Chartered Accountants in England and Wales

#### **EXPERIENCE/PREVIOUS CAREER APPOINTMENTS**

- Presently the managing partner of RSM Robert Teo, Kuan & Co., a professional public accounting firm, which is a member of RSM International
- Approximately forty (40) years experience in taxation matters, specialised in corporate tax consultancy work in addition to audit and financial matters
- Undertaken Special Administrator appointments by Pengurusan Danaharta Nasional Berhad for certain public listed companies
- Involved in the restructuring of corporations including some of which are listed on the Bursa Malaysia Securities Berhad
- Served as a director on the Board of Kejora Harta Bhd. from 2004 until its delisting in 2006

#### **NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR**

- All the eight (8) meetings

## BOARD OF DIRECTORS' PROFILES



### CHIN JIT PYNG

Non-Independent Non-Executive Director  
Member of the Remuneration Committee  
Malaysian, Age 58

#### JOINED THE BOARD

- 28 March 2001

#### EDUCATION/QUALIFICATION

- Bachelor of Science degree majoring in Computer Studies from Brighton Polytechnic, U.K.

#### EXPERIENCE/PREVIOUS CAREER APPOINTMENTS

- Professionally engaged with IBM for more than thirteen (13) years and responsible for a number of strategic project implementations, including projects for the national telecommunications company as well as the biggest commercial bank in Malaysia gaining specifically, in-depth knowledge of electronic banking services and branch automation and generally, knowledge on the banking and finance applications software sector

#### PUBLIC COMPANY DIRECTORSHIP

- Director of PanGlobal Berhad

#### NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

- All the eight (8) meetings



### LEE SIEW CHOONG

Independent Non-Executive Director  
Chairman of the Audit Committee  
Chairman of the Nominating Committee  
Malaysian, Age 72

#### JOINED THE BOARD

- 23 June 2005

#### EDUCATION/QUALIFICATION

- Bachelor of Laws (Honours) Degree from Singapore
- Called to the Malaysian Bar in 1968

#### EXPERIENCE/PREVIOUS CAREER APPOINTMENTS

- From 1968 until 2007, practiced law under the name of Ariffin & Ooi, subsequently Rashid & Lee and finally as Shahrizat Rashid & Lee

#### PUBLIC COMPANIES DIRECTORSHIPS

- Director of KAF-Seagroatt & Campbell Berhad
- Director of KAF Trustee Berhad
- Director of KAF Investment Bank Berhad
- Director of Kumpulan Hartanah Selangor Berhad

#### NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR

- Six (6) out of the eight (8) meetings



HIGH  
PERFORMANCE

THE SPICE  
OF LIFE  
IS TO  
CONNECT



# CHAIRMAN'S MESSAGE

HAVING ENTERED INTO OUR 50TH YEAR OF EXISTENCE, I HAD A LONG HARD LOOK AT WHAT SYMPHONY LIFE BERHAD STOOD FOR AND WHAT I WOULD LIKE US TO BRING INTO OUR FUTURE FOR THE NEXT 50 YEARS. I BELIEVE IT IS INNOVATION.



ARATA



## 50 YEARS OF INNOVATION

Having entered into our 50<sup>th</sup> year of existence, I had a long hard look at what Symphony Life Berhad stood for and what I would like us to bring into our future for the next 50 years. I believe it is innovation.

From our humble beginning as a township developer of Taman Midah, which was seen as a new concept in 1960s Kuala Lumpur, SymLife has evolved into a developer of many innovative concepts. From the earliest shopping mall cum office tower development called Campbell Complex in Jalan Dang Wangi in early 1970s to the more contemporary award-winning integrated lakeside development of The Wharf in Puchong and the unique all-duplex TWY residence in Mont Kiara, SymLife has shown that it is in its DNA to deliver innovative products to its customers.

Truly innovation is not only about the products that we build but also in the locations that we transform into your homes and neighbourhoods. Our name is synonymous with many landmarks throughout the years including Taman Midah and Taman Bolton in Kuala Lumpur, Lavender Heights in Seremban, Tijani in Bukit Tunku and Taman Tasik Prima in Puchong. In Taman Tasik Prima for example, we created a successful upmarket lakeside township from an area which were under-developed in early 2000s. Early buyers of our development have enjoyed fantastic capital gains on their investments.

It is therefore fitting that innovation forms a major element in our new mission statement that will guide us for the next phase of our growth. Our new "Vision", "Mission Statement" and "Core Values" can be found on pages 002 of this annual report.

## REVIEW OF FY2014

For FY2014, the Group maintained its turnover level to register a marginally lower figure of RM391.2 million from FY2013's record of RM406.9 million. Excluding a one-of gain on land disposal recorded in 2013, Operating Profits increased by 21% to RM63.3 million. Similarly Profit After Tax increased slightly to RM50.9 million. The Group recorded a healthy earnings-per-share of 18.71 sen.

Cash and bank balances have improved further by RM33.3 million to RM146.0 million and shareholders' equity has strengthened to RM560.4 million from RM509.6 million at the beginning of the financial year. NTA per share is now at RM1.99.



## CHAIRMAN'S MESSAGE



### Projects Review

#### *Taman Tasik Prima, Puchong ("TTP")*

TTP continues to be the anchor project for the Group with another year of strong performance in FY2014. TTP registered sales of 206 units of residential properties worth RM93.8 million. As the project reached its final phase of development, TTP recorded a slight fall in revenue to RM168.7 million from RM169.8 million previously while PBT fell to RM30.13 million from RM31.3 million previously.

During FY2014 we completed and delivered vacant possession for the 32 units of our Bizwalk shophots, 64 units of Flexisuites and the Summer Homes townhouses.

The re-planning for the Wharf Retail Mall entails a neighbourhood mall which will be more suitable to this area. This is currently in the planning stages and we hope to launch and construct the mall in early 2015.

#### *Tijani Bukit Tunku, Kuala Lumpur*

The Arata, being the final offering from our award winning Tijani series in affluent Bukit Tunku, registered a lower revenue of RM32.9 million compared to RM61.2 million in the previous period while PBT came in slightly lower at RM11.9 million compared to RM13.1 million previously. The lower figures are due mainly to the 100-unit luxury condo project being at the tail-end of its construction and vacant possession delivered to its buyers.

#### *6Ceylon, Kuala Lumpur*

This city-centre project consists of 215 units luxury condominium built on the site of what was our first high rise apartment development called Bolton Court is another project at its tail-end. 6Ceylon registered higher revenue figures RM69.6 million compared to RM53.6 million previously. PBT decreased slightly to RM11.3 million from RM12.9 million previously. Moving forward, since this development is fully sold, and vacant possession delivered, no further revenues will be accruing for this development.



*Surin, Penang*

Surin, our only development in Penang todate, was a major success in terms of sales but was beset by delays in construction which was beyond our control including inclement weather and labour shortages.

Nevertheless the second tower (Tower A) comprising 190 units of condos has been completed and vacant possession delivered to the buyers. In the last financial year Surin registered its final revenue of RM7.9 million compared to RM40.5 million previously. Correspondingly, Surin registered a loss before tax of RM6.1 million from a PBT of RM6.8 million previously.

*Bandar Amanjaya, Sg. Petani*

Bandar Amanjaya is the 1500 acre project in Sungai Petani developed by our once-listed subsidiary Kejora Harta Berhad. Sungai Petani, Kedah in which Bandar Amanjaya is located is currently experiencing a mini renaissance where many small developers are buying up land to create their own developments and in doing so, rejuvenates a rather stagnant and lethargic property market. Thus our emphasis for the remaining landbank of approximately 450 acres will be to monetise it as quickly as possible by way of development and to sell parcels of land to these developers.

For FY2014, this project did not register meaningful numbers due to a temporary delay in launching of new phases of development brought about by ongoing negotiations with the local authority with regards to low-cost components. These issues have since been resolved and we are looking to launch the future phases of the popular single-storey terraces within the next few months.

In FY2014 this project registered a revenue of RM2.9 million from RM38.1 million previously and it also registered a loss before tax of RM2.3 million from a PBT of RM10.5 million previously.

*Tijani Ukay, Ulu Kelang, Selangor*

This high end project in Ulu Kelang has achieved fifty percent sales despite the softening property market and the stiff competition amongst developers in the vicinity offering almost similar products. We are confident of better sales after the completion of the clubhouse in the next few months.

For FY2014, TUK recorded a revenue of RM75.6 million compared to RM8.5 million previously and recorded a PBT of RM11.4 million compared to a loss before tax of RM2.4 million previously. We expect the revenue and PBT for this project to remain strong in the current financial year.

*Lavender Heights, Senawang*

This project in Negeri Sembilan has reached its tail-end after the launch of the final commercial offering being the 2-storey and 3-storey shoplots known as the Business Square and 188 units of single storey terrace houses.

For FY2014 this project generated a 14% increase in revenue to RM26.6 million from RM23.3 million previously, while showing a PBT of RM7.0 million from a loss before tax of RM0.1 million achieved in the last financial year.

*Others*

Our remaining property investment which is The Langkawi Fair Shopping Mall registered lower revenue of RM4.9 million from RM5.2 million previously due to the exit of several tenants during the previous financial year.

Subject to approval by the relevant authorities, we will be embarking on a redevelopment of the land on which Langkawi Fair Shopping Mall sits to include a major refurbishment of the ageing mall and the construction of two blocks of apartments to cater for the affluent locals and foreigners wanting to own a piece of Langkawi.





## HIGHLIGHTS OF THE YEAR

On the whole we had a decent year with several achievements worth mentioning:

- 1) We acquired, through a joint-venture agreement, a very good piece of commercial land along Jalan Semangat in Petaling Jaya to be developed into a mixed office and retail development. This location which is next to the current Jaya 33 complex will likely be turned into an investment property for us to house our new corporate office with rental income generated from the other office floors and the retail component.
- 2) We won a bid to purchase a 2.6-acre piece of land in Sunway South Quay which will be developed into a residential development with a small retail component. Early estimates shows this project will yield a GDV of close to RM300 million.
- 3) We have also recently inked a joint venture agreement to develop a 3.6-acre land along the Subang Airport road adjacent to the Rubber Research Institute land into a mixed residential and commercial development with an expected GDV of RM200 million.
- 4) During the financial year we successfully delivered vacant possession to the buyers of the Bizwalk shophots, Flexisuites and Summer Homes townhouses in TTP Puchong, Phase 1 of the Business Square in Lavender Heights Seremban, Tower A Surin in Penang and Arata in Kuala Lumpur. We are also in the process of delivering units in 6Ceylon.
- 5) We have also had very positive responses to our new projects in Mont Kiara (TWY), Taman Tasik Prima Puchong (Elevia) and KLCC area (Star Residences). The launching of these projects, which have been delayed pending final authority approvals, is expected before the end calendar year 2014.
- 6) Key appointments were made during the year for two new Chief Operating Officers to bolster our sales & marketing and project delivery. Their appointments were made to address several structural issues within the Group and to inject the necessary experience and knowledge to support our growth targets.

However, the year was not without its challenges:

- 1) The delay in the launching of TWY and Elevia has affected our sales performance. As a result of the delays, the Group's unbilled sales has fallen to below RM300 million for the first time in 3 years. However, we believe this is

only a temporary setback as the moment we launch the delayed projects the unbilled sales will increase significantly.

- 2) The delay in delivering vacant possession to our buyers in Surin in Penang, Arata in Kuala Lumpur and 6Ceylon has resulted in us having to pay late delivery charges (LAD) to some buyers, although most of these costs, if not all, are claimable from the main contractors.

### CORPORATE SOCIAL RESPONSIBILITY

The Group had a busy year in terms of CSR related activities which included financial contributions, fundraising, material donations, event sponsorship and training. Many of these initiatives are run either through the SymLife Sports Club or through specific training programmes run by our training department. A detailed statement of all our CSR initiatives can be found several pages after this Statement.

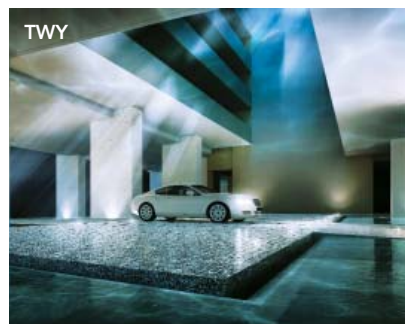
### WHAT THE FUTURE HOLDS

The local residential market is currently facing much uncertainty due to many external and internal factors. The property cooling measures imposed by the government coupled with the continued tightening of credit means that buyers have to be selective on their choice of products and may no longer be able to indulge in speculative buying. The credit crunch has also affected property developers especially those with limited track record and small balance sheets. We believe this is good for the industry in the long run as it limits the impulsive participation of landowners and newcomers into the industry.

The imminent introduction of the GST has also affected the property market with increased input cost to developers putting pressure on house prices directly and indirectly. We may see an upturn in property sales leading up to the GST implementation date as buyers lock in purchases before prices increase.

Having said that, I am optimistic that developments in specific locations within Klang Valley will remain popular with first time buyers and investors alike. As most of our developments are within these areas, we are cautiously confident our developments will do well.

On our efforts at landbanking, as mentioned above, we have been successful in securing 2 joint venture developments in Petaling Jaya and Subang and won a bid for a piece of land in Sunway. All these lands will be developed into mixed developments in the immediate future. Additionally we are also in the running for several bids to develop lands owned by government agencies and is optimistic of securing at least a couple of them. We will also continue to offer our experience and expertise to private landowners and state entities to jointly develop their lands and we shall bid to develop several of the tracts of government land identified for development.



### FUTURE LAUNCHES

Our priority in the near future is to launch those projects that we have already planned as soon as the final authority approvals have been obtained. Six of these developments are slated to be launched within the next 9 months with a total GDV of over RM1.8 billion.

- 1) Desiran Bayu is our first Build Then Sell ("BTS") project comprising 70 units of superlink terrace houses in the Sri Rampai area of Kuala Lumpur, with a GDV of about RM110 million. The jointly developed project is about 95% completed and we have recently opened it for sale. We are confident the limited number of units will be fully taken up within a short period of time.
- 2) The Star Residence in the KLCC area is a joint-venture development with an expected GDV of about RM2.0 billion consisting of 3 towers of luxury apartments and 5 blocks of boutique retail spaces. Phase 1 which consists of boutique retail and one residential tower with a GDV of RM900 million has had very good initial response from our registration drive. We are confident that the take-up rate will be very high once we officially launch this phase. This 6-year development will start to contribute positively to the Group's revenue and profits in FY2016.
- 3) TWY Residences in Mont Kiara is a highly anticipated project comprising 484 units of furnished all-duplex condominiums. The expected GDV for this project is RM400 million and based on registrations of interest, this project is expected to be fully taken up soon after launching which is targeted to be in the fourth quarter of 2014.



## CHAIRMAN'S MESSAGE

- 4) The Elevia Residence in TTP Puchong is targeted to be launched in the next few months consisting 34 units of 2 ½ storey villas and 128 units of apartments with a gross development value of RM120 million. Based on the registration of interest, the take-up rate for Elevia is also expected to be very good.
- 5) Tijani Signal Hill, our maiden project in Sabah, is expected to be launched in 2015 and will have an estimated GDV of RM570 million. This 10-acre project is located in the prestigious Signal Hill area of Kota Kinabalu, Sabah and will consist of two towers of condominiums of various sizes and 12 units of 3-storey landed luxury villas. We have tailor-made this product for the Sabah market and we are very confident of the take up rate once we launch Phase 1, with an expected GDV of RM260 million.
- 6) Tijani @ Raja Dewa, the 1st Phase of our joint-venture project in Kota Bharu will consist of 150 units of condominiums, 43 units of super-link terrace houses and 16 units of semi-detached houses with an estimated GDV of RM160 million. This project is located opposite the state administrative building on what was once government quarters for senior state civil servants and is known by the locals as the "Beverly Hills" of Kota Bharu. We hope to be able to launch this development in early 2015.

### A WORD OF APPRECIATION

I would like to record my appreciation to the Board of Directors whom, under the various functions and committees, has served and guided the Group in terms of corporate strategies, governance and risk management and in navigating the multitude of rules, regulations and guidelines from the various authorities we operate under. The Audit Committee has played an exceptional role not only as its traditional function of audit and assurance but also as an invaluable resource centre from where the management can count on intellectual and professional advice on issues faced by the Group.

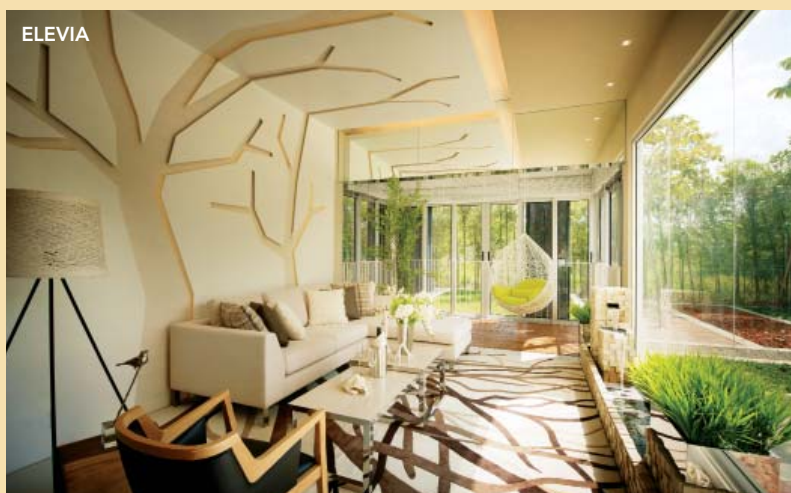
On behalf of all our staff I would also like to extend our condolences to the family of our former non-executive director Allahyarham Datuk Zakaria bin Dato' Ahmad who passed away recently and who served on our Board for 13 years until the end of the last financial year.

I also extend my appreciation to the hardworking staff of the Group whose dedication and perseverance has allowed us to maintain our operational numbers. I am committed to providing the staff with the most conducive working environment and competitive packages to ensure that the best are recruited and retained and continue making SymLife the "Employer of Choice".

Finally, to the shareholders of SymLife, we hope the proposed increased cash dividend payout we are putting for your approval is just reward for your trust and loyalty to the Board, Management and Employees of the SymLife Group. I believe and hope that the coming years will bring even more value to your trust in us.

Until next year, I humbly remain....

**AZMAN YAHYA**  
Executive Chairman  
31 July 2014



ORIGINALITY

THE SECRET  
OF LIFE  
IS TO DARE



# SENIOR MANAGEMENT



A	C
B	D

## GROUP A

**TAN SRI  
AZMAN YAHYA**  
Executive Chairman

## GROUP B

**AZLINA OZAIR**  
Corporate Services

**JOSEPHINE LIM**  
Company Secretary

**PAMELA TAN**  
Sales



**GROUP C**

**STEWART TEW**  
Chief Operating Officer

**HAZURIN HARUN**  
Chief Financial Officer

**MICHAEL BU**  
Chief Operating Officer

**GROUP D**

**CHAN WING KWONG**  
Executive Director

# SENIOR MANAGEMENT



E

F

## GROUP E

**TOMY GOH**  
Human Resources &  
Administration

**PETER CHEONG**  
Internal Auditor

**KOAY BENG HOCK**  
Financial Controller

**JAMES CHEAH**  
Business Development



**GROUP F**

**CHOW THAI HING**  
Project

**VERONICA FOONG**  
Project

**PAUL RICHARD**  
Property Management

**CHEW KIM SUN**  
Marketing

**YEOH TENG TATT**  
Project



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**TAN SRI MOHAMED AZMAN  
BIN YAHYA**

Non-Independent  
Executive Chairman

**WING KWONG @  
CHAN WING KWONG**

Non-Independent  
Executive Director

**TAN SRI NIK MOHAMED  
BIN NIK YAACOB**

Independent  
Non-Executive Director

**DATO' ROBERT TEO KENG TUAN**

Independent  
Non-Executive Director

**CHIN JIT PYNG**

Non-Independent  
Non-Executive Director

**LEE SIEW CHOONG**

Independent  
Non-Executive Director

## AUDIT COMMITTEE

Lee Siew Choong (Chairman)  
Tan Sri Nik Mohamed bin Nik Yaacob  
Dato' Robert Teo Keng Tuan

## SECRETARY

Lim Seng Yon (MAICSA 0815774)

## AUDITORS

**Messrs. Ernst & Young** (AF No.: 0039)  
**Chartered Accountants**

Level 23A, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
50490 Kuala Lumpur  
Tel : (03) 7495 8000  
Fax : (03) 2095 5332

## SHARE REGISTRAR

**Symphony Share Registrars  
Sdn. Bhd.** (378993-D)

Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46, 47301 Petaling Jaya  
Selangor Darul Ehsan  
Tel : (03) 7841 8000  
Fax : (03) 7841 8151/8152

## PRINCIPAL BANKERS

Affin Bank Berhad  
Bank Islam Malaysia Berhad  
OCBC Bank (Malaysia) Berhad  
CIMB Bank Berhad

## REGISTERED OFFICE

Level 9, Symphony House  
Dana 1 Commercial Centre  
Jalan PJU 1A/46, 47301 Petaling Jaya  
Selangor Darul Ehsan  
Tel : (03) 7844 6888  
Fax : (03) 7844 6868

## BUSINESS ADDRESS

Level 9, Symphony House  
Dana 1 Commercial Centre  
Jalan PJU 1A/46, 47301 Petaling Jaya  
Selangor Darul Ehsan  
Tel : (03) 7844 6888  
Fax : (03) 7844 6868  
Website : [www.symphonylife.my](http://www.symphonylife.my)

## STOCK EXCHANGE LISTING

**Main Market of Bursa Malaysia  
Securities Berhad**  
Stock Code : SYMLIFE  
Stock No. : 1538

# GROUP CORPORATE STRUCTURE

AS AT 31 MARCH 2014

## PROPERTY DEVELOPMENT

Brilliant Armada Sdn. Bhd.	51%
Dexview Sdn. Bhd.	50% + 1 SHARE
GLM Property Development Sdn. Bhd.	100%
Keat Ann Realty Sdn. Bhd.	100%
Kejora Harta Bhd.	100%
Kejora Harta Properties Sdn. Bhd.	100%
Ketapang Realty Sdn. Bhd.	100%
Midah Istimewa Sdn. Bhd.	100%
Prestige Capital Sdn. Bhd.	100%
Prima Nova Harta Development Sdn. Bhd.	100%
Senawang Mewah Sdn. Bhd.	100%
Tijani (Bukit Tunku) Sdn. Bhd.	100%
TWY Development Sdn. Bhd. (formerly known as Seni Buluh Sdn. Bhd.)	100%
Vistayu Sdn. Bhd.	55%
51G Development Sdn. Bhd.	50% + 1 SHARE
Alpine Return Sdn. Bhd.	50%
Continental Estates Sdn. Bhd.	15.81%

## PROPERTY MANAGEMENT

Goldenprop Management Sdn. Bhd.	100%
Langkawi Fair Sdn. Bhd.	100%
Midah Jaya Realty Sdn. Bhd.	100%
Symphony Sales & Marketing Sdn. Bhd.	100%
Symphony Assets Management Sdn. Bhd.	100%
Symphony Projects Management Sdn. Bhd.	100%

## INVESTMENT HOLDINGS

Symphony Estates Sdn. Bhd.	100%
Cahadinar Sdn. Bhd.	100%
Kenneison Brothers Sdn. Bhd.	100%
Majestic Focus Sdn. Bhd.	100%

## QUARRYING & CONSTRUCTION

Kenneison Brothers Construction Sdn. Bhd.	100%
-------------------------------------------	------

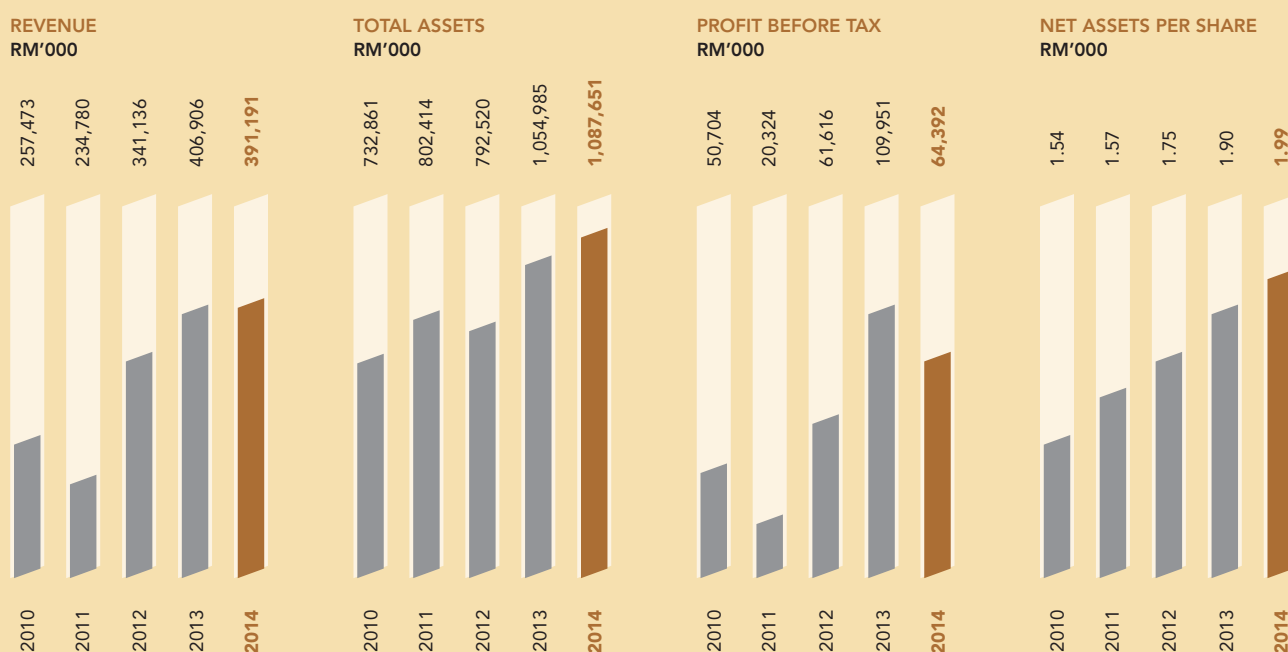
# FIVE-YEAR FINANCIAL PERFORMANCE

	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000
Revenue	257,473	243,780	341,136	406,906	<b>391,191</b>
Profit before tax	50,704	20,324	61,616	109,951	<b>64,392</b>
Profit after taxation attributable to shareholders of the company	27,726	12,359	47,435	86,591	<b>51,453</b>
Total assets	732,861	802,414	792,520	1,054,985	<b>1,087,651</b>
Shareholders' funds	423,062	429,401	450,945	509,603	<b>560,429</b>
Paid-up capital	320,815	320,815	310,000	310,000	<b>310,000</b>
Earning per share (sen)	10.12	4.51	18.27	32.61	<b>18.71</b>
Gross dividend per share (sen)					
- Interim	–	–	4.13 <sup>[1]</sup>	–	–
- Final	3.00	2.00	–	8.75 <sup>[2]</sup>	<b>4.00</b>
Net dividend proposed/paid	6,168	4,112	11,359	17,924 <sup>[3]</sup>	<b>12,385</b>
Return on shareholders' funds (%)	6.55	2.88	10.52	16.99	<b>9.18</b>
Dividend cover	4.50	3.01	4.18	4.83	<b>4.15</b>
Net assets per share (RM)	1.54	1.57	1.75	1.90	<b>1.99</b>

[1] Based on the interim dividend-in-specie of 1 treasury share for every 20 SymLife shares on 18 July 2012 (closing share price of the Company as at 18 July 2012 was RM0.825)

[2] Based on the final dividend of 3 sen and dividend-in-specie of 1 treasury share for every 20 SymLife shares (closing share price of the Company as at 31 July 2013 was RM1.15)

[3] Based on the final dividend of 3 sen (less 25% taxation) amounted to approximately RM6.045 million and the dividend-in-specie amounted to approximately RM11.879 million





R

RESPONSIVENESS



THE BEAUTY  
OF LIFE  
IS TO GIVE



# STATEMENT ON CORPORATE SOCIAL RESPONSIBILITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014



**SYMPHONY LIFE BERHAD ("SYMLIFE") SUBSCRIBES TO THE PRINCIPLES OF A SOCIALLY RESPONSIBLE CORPORATE CITIZEN AND IS COMMITTED TO SUPPORTING WORTHY SOCIAL CAUSES AS PART OF ITS CONTRIBUTION TO SOCIETY AND NATION BUILDING.**

We aim to be a responsible employer and subscribe to continuous education at the workplace so as to equip our employees with the necessary tools and skills to effectively support the organisation. We are also committed to the society, contributing in meaningful ways and aspire to make a difference in their lives.

## AT THE WORKPLACE

SymLife strives to become the employer of choice and we involve our staff in creating a work-life balanced workplace. We also believe that a sustainable organisation requires driven, motivated and loyal employees to ensure its continued growth and success. For the financial year ended 31 March 2014 ("FY2014"), the Group invested about RM170,000 on developing comprehensive training courses for all job levels to further enhance the skill sets and knowledge of the employees.

We provide equal opportunities for our employees to develop and realise their true potential and strengths through formal and informal training whether through participation in both internally and externally continuing education programmes. We are also committed to affording, developing and retaining a talent pool that can be nurtured into the Group's future leaders and towards this end, the Group implemented an 8-month long Symphony Life Leadership Development and Awesome Discovery Programme ("SymL.E.A.D.") during the financial year under review. Some of the activities organised under the SymL.E.A.D. programme include the Mindset of Excellence, a teambuilding programme called the E.D.G.E. (Equipping



Discipline to Grow & Excel), Strength-based Personal Leadership, 16 Paths to Leadership (MBTI Profiling), the M.A.D Project (Making An Awesome Difference), L.O.U.D. (Learning to be Outspoken, Undaunted & Distinguished) - a public speaking workshop, Strategic Influencing Using NLP and Project Management.

Some of the M.A.D. Projects include a graduation ceremony for the children of Sekolah Pendidikan Khas Pertuturan Kiu, which was officiated by Y.T.M. Raja Dato Seri Azureen Sultan Azlan Shah. Other projects include the donation of a motorized wheelchair and notebook to Siti Nor Aishah who suffers from an acute genetic disorder known as "Duchene Muscular Dystrophy" (DMD). A donation of 16 beds frames, 10 cartons of diapers and medical screening for the disabled and infirmed occupants of Taman Sinar Harapan and revival of the PSPK's (Pertubuhan Perkhidmatan Sosial and Pembangunan Komuniti) Young Generation Centre.





# STATEMENT ON CORPORATE SOCIAL RESPONSIBILITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014



The SymLife Sports Club actively promotes and supports the activities that improve employee relationship and boost team morale. The club also encourages staff participation in sporting activities, family day events and social gatherings. Some of the activities organised during the financial year under review include the quarterly staff birthday bash, makan-makan gatherings in conjunction with festivities, a bowling tournament, indoor games, a treasure hunt, a wellness talk, an excursion to Pulau Tioman, a futsal tournament, kickboxing and zumba classes.

Numerous activities were also carried out by the SymLife Safety and Health Committee to ensure a safe and healthy working environment is in place for all employees. Some of the activities organised in FY2014 included a blood donation drive, cardiopulmonary resuscitation classes and a fire drill and emergency evacuation exercise to equip and prepare our employees in times of emergency.

## COMMUNITY

SymLife believes in community service and involvement in community issues which enrich both the community and the Group through charities, donations and sponsorships. During the financial year under review, the Group has participated in the following activities.

The Group sponsored RM20,000 to Kuala Lumpur Youth Soccer, a high performance soccer academy for boys from age 7 to 19, to help bring the quality of football to the players and support the academy's community programmes with less fortunate children.

A Health Carnival was organised at our Taman Tasik Prima township in Puchong in efforts to promote a healthy living lifestyle to the community on 10 November 2013. Some of the activities included a health screening by National Kidney Foundation as well as talks by certified dietitians.

In December 2013, the Group participated in a food distribution event organised by Kechara Soup Kitchen, a non-religious community action group that distributes food, basic medical aid and counselling to the homeless and urban poor of Malaysia. In addition to a monetary contribution of RM12,000, a group of staff volunteered in the food packing and distribution to more than 100 needy folks from Kampung Bellamy.

UNITY

A photograph of two women in a professional setting. One woman, wearing a colorful striped hijab and a white top, is leaning over a laptop. The other woman, with long dark hair and wearing a black top, is sitting at the desk and looking at the laptop. They are both smiling and appear to be in a collaborative discussion. The background shows a window with greenery outside.

**THE ART OF  
PERFORMANCE  
IS TEAMWORK  
AND DEDICATION**



# GROUP CORPORATE CALENDAR

## APRIL 2013

- Symphony Estates Sdn. Bhd. entered into a joint venture agreement with Euro Saga Sdn. Bhd. as shareholders in a joint venture company Dexview Sdn. Bhd. on 15 April 2013 to develop four (4) pieces of leasehold land in Kota Bharu, Kelantan Darul Naim.



## MAY 2013

- A group of lucky customers enjoyed a relaxing and pampering spa session on 25 April 2013 at Energy Spa in Mont' Kiara. This forms a part of a series of events lined up for customers as part of the Group's appreciation for their support and trust in our products.
- More than 200 customers from our Taman Tasik Prima Puchong township were treated to a movie blockbuster screening of *Ironman 3* on 4 May 2013.
- Symphony Estates Sdn. Bhd. had subscribed for 50% + 1 ordinary share equity interest in Dexview Sdn. Bhd. on 21 May 2013. Dexview is now a subsidiary of Symphony Life.
- Symphony Estates Sdn. Bhd. entered into Share Sale Agreements on 15 July 2013 to dispose of its 100% interest in Vista-Prisma Sdn. Bhd. to Encik Asri bin Abu Zarin and Encik Azuan bin Awin for a total consideration of RM8.49 million.

## JULY 2013

- The Group also organised a movie screening outing for our northern-based customers on 6 July 2013. More than 100 customers turned up for the preview of *A Lone Ranger*.

## JUNE 2013

- A group of privileged customers enjoyed *A Tribute to Louis Armstrong: What A Wonderful World* at the Malaysian Philharmonic Orchestra on 15 June 2013.



- Symphony Life on 19 June 2013 announced the proposed distribution of the following first and final dividend for the financial year ended 31 March 2013:
  - » Dividend of 3.0 sen per share less 25% income tax; and
  - » Dividend-in-specie by way of distribution of share dividend on the basis of one (1) treasury share of the Company for every twenty (20) existing ordinary shares of RM1.00 each held in Symphony Life Berhad, fractional of a share arising from the dividend-in-specie will be disregarded.





## AUGUST 2013

- In conjunction with the Hari Raya celebrations, the Group organised Open Houses at two of our developments – Tijani Ukay in Ukay Perdana and Lavender Heights in Senawang on 24-25 August 2013.

## SEPTEMBER 2013

- Symphony Life's 50th Annual General Meeting and an Extraordinary General Meeting were held at Holiday Inn Glenmarie Kuala Lumpur on 24 September 2013. All resolutions were duly approved by the shareholders of the Company.



## NOVEMBER 2013

- A Health Carnival was held at Symphony Life Studio in *Taman Tasik Prima Puchong* in efforts to promote a healthy living lifestyle to the community on 10 November 2013.



## OCTOBER 2013

- Symphony Life unveiled the much-anticipated and unique 51G Kuala Lumpur development to the privileged few on 15 October 2013. More than 150 guests and members of the media turned up to witness the preview of one of Malaysia's most luxurious high-rise residences that features an en-suite car port that delivers each resident's vehicle to a private garage within their homes.



- Symphony Life completed the below mentioned issuance of Warrants, following the listing of and quotation for 107,407,888 Warrants on the Main Market of Bursa Malaysia Securities Berhad on 19 November 2013:

- » Bonus issue of Warrants to the shareholders on the basis of one (1) Warrant for every four (4) existing ordinary shares of RM1.00 each held in the Company;

- » Issuance of 12,500,000 free Warrants to the trustee of the Company's Employee Share Trust Scheme; and

- » Issuance of 17,500,000 free Warrants to the Directors of the Company.

- Symphony Estates Sdn. Bhd. entered into a Shareholders' Agreement with HTP Utama Sdn. Bhd. on 27 November 2013 to jointly develop two (2) pieces of leasehold land in Seksyen 13, Petaling Jaya, via a joint venture company, Vistayu Sdn. Bhd.

# GROUP CORPORATE CALENDAR

## DECEMBER 2013

- Symphony Life teamed up with Kechara Soup Kitchen to distribute food to the homeless and urban poor in Kuala Lumpur on 5 December 2013.



## MARCH 2014

- Another group of privileged customers had the opportunity to relive the nostalgia of mop top hairstyles at the Malaysian Philharmonic Orchestra during the *MPO Plays the Beatles* tribute on 8 March 2014.

## FEBRUARY 2014

- The annual Lion Dance performance took place at the Symphony Life headquarters in Ara Damansara on 5 February 2014. Directors, employees and members of the public attended the magnificent display of gravity-defying feats by the award winning Kun Seng Keng Dragon and Lion Dance Association.

- In conjunction with the Lunar New Year festivities, the Group organised Chinese New Year Open Houses at two of our developments – Taman Tasik Prima Puchong and Lavender Heights in Senawang on 22-23 February 2014.



S  
SERVICE-FOCUSED

A photograph of two women shaking hands in a modern interior setting. The woman on the left is wearing a black cardigan over a colorful floral dress and carrying a large black quilted handbag. The woman on the right is wearing a light blue button-down shirt with 'Symphony' written on it and dark jeans. They are both smiling. In the background, there is a wooden wall with a poster titled 'Jailhouse Rock' and track lighting on the ceiling.

THE  
OPPORTUNITY  
OF LIFE  
IS TO SERVE



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# STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("**the Board**") of Symphony Life Berhad ("**the Company**" or "**SymLife**") remains firmly committed to upholding the highest standards of corporate governance practice throughout the Company and its group of companies ("**the Group**") as a fundamental part of discharging its responsibilities to safeguard shareholders' investment and ultimately enhance shareholders' value and raise the performance of the Group.

In implementing its governance system and ensuring compliance with the Main Market Listing Requirements ("**the MMLR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the Board has been guided by the recommendations of the Malaysian Code on Corporate Governance 2012 ("**the Code**").

This statement explains the Company's application of the principles and compliance with the recommendations as set out in the Code for the financial year under review, except otherwise stated.

## A. BOARD OF DIRECTORS

### Principal responsibilities of the Board

SymLife is helmed and managed by an experienced Board with a wide range of expertise to address and manage the complexities of the Group's operations. This broad spectrum of skills and experience ensures the Group is under the guidance of an accountable and competent Board. The Directors recognise the key roles they play in charting the strategic direction, development and control of the Group. In discharging their duties, the Board has assumed the following principal responsibilities:

- i) Review and approve annual corporate plan, which includes the overall corporate strategy, operational plan, marketing plan, human resources plan, financial plan and budget, and risk management plan;
- ii) Oversees the conduct of the business and to evaluate whether the business is being properly managed;
- iii) Identify principal risks affecting the Group business and ensure the implementation of appropriate systems to monitor and manage these risks;
- iv) Review the adequacy and integrity of internal control systems including systems for compliance with applicable laws, regulations, rules, directives and guidelines; and
- v) Review and approve financial statements.

### Board Composition and Balance

The Board comprises of six (6) members, out of which, two (2) members are Executive Directors, including the Executive Chairman, one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors.

This composition is within the prescribed minimum of one-third of the membership of the Board to be Independent Board Members as stipulated in Paragraph 15.02 of the MMLR.

However, since the Executive Chairman is also an Executive Director, the Code recommends that the Board must comprise a majority of independent Directors. In view of this, the Board is still in the process of identifying suitably qualified individuals to join the Board as Independent Directors.

### Board Roles and Responsibilities

In order to ensure a balance of authority and accountability, the roles of the Executive Chairman and the Executive Director are separate and distinct, and these positions are held by separate members of the Board. In terms of how the Board operates, there is a clear division of responsibilities in the Group. The Executive Chairman represents the Board to shareholders and investors and provides Board leadership and direction on policy formation and decision making. He is assisted by the Executive Director who is responsible for implementing the policies and decisions of the Board in the day-to-day operations of the Group.

Whilst the Code recommends that the Chairman should be a non-executive member, the Board is of the view that its existing measures, including the delineation of the roles and duties of the Executive Chairman and Executive Director, and the presence of independent oversight by the Independent Non-Executive Directors, are sufficient to ensure the balance of accountability and authority within the Board.

The role of Independent Non-Executive Directors is crucial in upholding the principles of good corporate governance. The current Independent Non-Executive Directors are of varied experience and technical background including from the legal and accounting fraternities and multinational stewardship at the highest levels. The breadth of experience and knowledge provides not only the necessary balance of power and authority to the Board as part of a good governance structure but also strengthens the Board with unbiased and independent views and insights, valuable advice and unwavering judgement, taking into consideration the interests of all stakeholders.

The Board has delegated specific responsibilities to various Board committees, including the Audit, Nominating and Remuneration Committees, which operates within their respective approved terms of reference. These committees assist the Board in making informed decisions through proper evaluations and in-depth deliberations on selected issues. However, the ultimate responsibility for the final decision on all matters, lies with the Board after considering the recommendations by the committees. For the day to day operations of the Company to be run smoothly, the Board has also delegated some of its authority to certain level of Management.

A brief write-up of the background of the members of the Board as at the date of this statement is represented from pages 006 to 008 of this Annual Report.

### Board Meetings

The Board meets at least five (5) times a year with additional meetings convened as and when necessary. Board meetings for each financial year are scheduled in advance to facilitate the Directors to plan ahead and fit the Board meetings into their respective schedules.

The Board has formal schedule of matters reserved at Board Meetings which includes corporate plans, annual budgets, operational and financial performance reviews, major investments and financial decisions, changes to the management and corporate structure within the Group, including key policies and procedures and delegated authority limits. All proceedings of Board meetings are duly recorded in the minutes of each meeting and signed minutes of each Board meeting are properly kept by the Company Secretaries.

During the financial year ended 31 March 2014, the Board met a total of eight (8) times respectively. Details of the attendance of each Director at these meetings are as follows:

DIRECTORS	DESIGNATION	NO OF BOARD MEETINGS ATTENDED
Tan Sri Mohamed Azman bin Yahya	Executive Chairman	8 out of 8
Mr. Wing Kwong @ Chan Wing Kwong	Executive Director	8 out of 8
Tan Sri Nik Mohamed bin Nik Yaacob	Independent Non-Executive Director	6 out of 8
Mr. Chin Jit Pyng	Non-Independent Non-Executive Director	8 out of 8
Dato' Robert Teo Keng Tuan	Independent Non-Executive Director	8 out of 8
Mr. Peter Lee Siew Choong	Independent Non-Executive Director	6 out of 8

### Supply of Information

The Board has full and timely access to complete information pertaining to the Group's state of affairs, with all relevant supporting financial and non-financial information.

All Directors are given ample notice for each Board meeting and are provided with the agendas and a set of Board papers that contains relevant and material information prior to each meeting so that the Board is accorded sufficient time to appraise the proposals or information. The Board is able to seek further information and clarification from the Management at all times in order to make informed decisions.

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## STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

The Management conducts detailed briefings at the meetings and where necessary, professional and independent opinions are also made available to the Directors either in the form of written opinions or the physical presence of the professionals, by invitation, at the meetings to field queries by the Directors. This ensures that the Directors have comprehensive understanding of the issues deliberated at the meetings.

Minutes of every Board's meeting are circulated to each Director prior to the confirmation of the minutes at the following Board meeting. The Board also receives minutes of all sub-committees' meetings and are briefed on the issues raised at the respective Committees' meetings to ensure that all Directors are kept informed of the Committees' activities.

In performing their duties, all Directors also have full access to the advice and services of the Company Secretaries. The Company Secretaries attend all Board meetings and advise the Board on regulatory procedure and update on the latest regulatory and compliance matters.

### Appointment to the Board

The Nominating Committee has been entrusted with the responsibilities for proposing and recommending the right candidates to the Board for appointments. In evaluating the appointment of a director to the Board, the Nominating Committee will review the skills, experience and core competencies of the candidate that is required by the Board. The Nominating Committee will source for the candidate and evaluate a suitable candidate with the required credentials before recommending for appointment to the Board.

There was no appointment of director to the Board during the financial year ended 31 March 2014.

In addition, the Nominating Committee also has the function of assessing the effectiveness of the Board, reviewing the skills and competencies of individual Directors and the composition of the various Committees of the Board. The objective is to improve the Board's effectiveness, identify gaps, maximise strengths and address weaknesses of the Board.

The terms of reference and composition of the Nominating Committee are detailed on page 039 in this statement.

### Retirement and Re-election of Directors

In accordance with the Company's Articles of Association, all Directors who are appointed by the Board during the financial year may only hold office until the next Annual General Meeting ("AGM") subsequent to their appointment and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at the AGM. The Articles also provide that one-third of the Directors are subject to retirement by rotation at every AGM but are eligible for re-election provided always that all Directors including the Executive Directors shall retire from office at least once in every three years.

The retiring Directors who are seeking re-election would be subject to a performance assessment carried out by the Nominating Committee, which would then submit its recommendations to the Board for deliberations and approval.

In accordance with Section 129(6) of the Companies Act, 1965, Directors over the age of seventy (70) years old are also required to submit themselves for re-appointment annually. Pursuant to this section, Mr. Peter Lee Siew Choong, being eligible, will seek for re-appointment at the coming AGM.

At the 51st AGM, Tan Sri Nik Mohamed bin Nik Yaacob and Mr Wing Kwong @ Chan Wing Kwong will retire and being eligible, will offer themselves for re-election in accordance with Article 83 of the Company's Articles of Association.

### Assessment of Independent Directors

The Board recognises the importance of independence and objectivity in the decision-making process. The Board and its Nominating Committee have upon their annual assessment, concluded that each of the three Independent Non-Executive Directors continue to demonstrate conduct and behaviour that are essential indicators of independence, and that each of them continues to fulfil the definition and criteria of independence as set out in MMLR.



### Tenure of Independent Directors

The Board noted the Code recommends that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. The Board and the Nominating Committee have deliberated on the said recommendation and hold the view that a Director's independence cannot be determined solely with reference to tenure of service. Board composition should reflect a balance between effectiveness on the one hand, and the need for renewal and fresh perspectives on the other.

The Board and the Nominating Committee have also determined that Tan Sri Nik Mohamed bin Nik Yaacob and Mr. Peter Lee Siew Choong, who have served on the Board as Independent Directors, each exceeding a cumulating term of nine (9) years, remain unbiased, objective and independent in expressing their opinions and in participating in decision making of the Board. The length of their service on the Board has not in any way interfered with their objective and independent judgement in carrying out their roles as members of the Board and Board Committees.

Furthermore, their pertinent expertise, skills and detailed knowledge of the Group's businesses and operations have enabled them to make significant contributions actively and effectively to the Company's decision making during deliberations or discussions.

For the financial year ended 31 March 2014, each of the Independent Non-Executive Directors had provided confirmation of their independence to the Board based on its policy on criteria of assessing independence in line with the definition of "independent directors" prescribed by the MMLR.

In this respect, the Board has approved the continuation of Tan Sri Nik Mohamed bin Nik Yaacob and Mr. Peter Lee Siew Choong as Independent Directors of the Company. The Board believes that it is in the best position to identify, evaluate and determine whether an Independent Director can continue acting in the best interests of the Company and bringing independent judgement and professional judgement to board deliberations.

Dato' Robert Teo Keng Tuan was re-designated from Independent Non-Executive Director to Non Independent Non-Executive Director on 1 April 2012 as prescribed under Recommendation 3.2 of the Code.

Although he was re-designated to Non-Independent Non-Executive Director, Dato' Robert Teo Keng Tuan has continued to be objective and independent-minded in his participation in deliberations and decision making of the Board and the Board Committees and also demonstrated conduct and behaviour that are essential indicators of independence as defined under the MMLR of Bursa Securities.

In view of the above, Dato' Robert Teo Keng Tuan was re-designated from Non-Independent Non-Executive Director to Independent Non-Executive Director on 25 March 2014, giving undertaking to Bursa Securities confirming and declaring that he is independent as defined under Paragraph 1.01 of the MMLR of Bursa Securities and will continue to serve as independent director on the Board, notwithstanding serving for more than nine years.

### Training and Development of Directors

Recognising the demands of their role as Directors, the Directors of the Company continued to equip themselves with relevant professional advancement, particularly in the corporate regulatory developments and current developments of the industry. All the Directors have attended the Mandatory Accreditation Programme and fulfilled the Continuing Education Programme requirements as prescribed by the MMLR.

The Directors are also encouraged to attend courses and seminars conducted by professionals that are relevant to the company's operations and businesses.

The Directors are regularly updated on the Group's businesses and the competitive and regulatory environment in which the Group operates. Seminars were conducted in-house by external consultants on various topics for the Board and these sessions are held together with Senior Management in order to encourage open discussions and comments.

The Board, through its assessment process, will continue to evaluate and determine the training needs of its Directors on an ongoing basis, by determining areas that would best strengthen their contributions to the Board.

During the financial year, the Directors attended seminar on "Strata Title", "Implementation and impact of the Personal Data Protection Act 2010 (PDPA)" and "Impact of GST on property developers" organised by the Company. Apart from that, the Directors also individually attended various other courses and seminars as listed below:

# STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

## CONFERENCE/SEMINAR/WORKSHOP

Perdana Discourse Series 16 on "Malaysia's Higher Education: In Need of Radical Transformation?"
Enterprise Risk Management
Audit Committee Seminar 2013
Khazanah's Strategic Planning Group Talk by Tan Sri Dato'Seri Nor Mohamed Yakcop
CEO Forum titled "Better Times Ahead for Malaysia? Trends, Predictions and Outlook for 2013-2020"
National Tax Conference 2013
Nomination Committee Programme
South East Asia Motorsports Business Forum 2013
Perdana Discourse Series 17 on "Current Political Trends and their impact on the economic and social direction of Malaysia"
2014 RSM RKT Tax Seminar
Inspiration & Innovation for Quantum Growth
2014 Malaysia Budget Proposals
Luncheon Talk by Tan Sri Andrew Sheng on Global Economic Outlook
Oil & Gas Industry Overview, QHSE and Personal Data Protection Act Compliance
International Roundtable "Surviving The Next Global Financial Crisis" chaired by Tun Dr Mahathir Mohamad

## Board Effectiveness Assessment

The Nominating Committee facilitates and organises the yearly Board Effectiveness Assessment and evaluation of the Board of Directors and Board Committees. The objective is to improve the Board's effectiveness, identify gaps, maximise strengths and address weaknesses of the Board. The chairman of the Board oversees the overall evaluation process and results are analysed by the Nominating Committee, before being constructively tabled and communicated to the Board.

Performance indicators for the Boards' effectiveness evaluation include Board's Committees composition, Board's roles and responsibilities, performance which comprises strategy planning and performance, Board communications and conduct of the Board and Board Committees.

The Board's Committee effectiveness was evaluated on roles and scope, frequency of meetings, supply of sufficient and timely information and also overall effectiveness and efficiency of the Board Committees.

During the year, the Board of Directors and Board Committees were assessed by the Nominating Committee and the Board.

## Board Charter

The Board Charter which was established and approved by the Board on 17 November 2012, clearly sets out the roles, functions, composition, operation and processes of the Board.

The objectives of the Board Charter are to ensure that all Board members are aware of their duties and responsibilities as Board members, the various legislations and regulations affecting their conduct and that the highest standards of Corporate Governance are applied in all dealings by the Board Members individually and/or on behalf of the Company.

The Board Charter will be reviewed periodically to ensure that any updates on the relevant laws and regulations are duly incorporated.

Please visit the website on Board Charter at [www.symphonylife.my](http://www.symphonylife.my).

## Board Committees

The Board delegates certain responsibilities to the respective Committees of the Board which operates with specific terms of references to support and assist the Board in discharging its fiduciary responsibilities. These Committees have been accorded with the necessary authority to analyse the relevant issues and report to the Board with their proceedings and deliberations. Where Committees have no authority to make decisions on matters reserved for the Board, recommendations would be highlighted to the Board for approval.

### (1) Audit Committee

The Board is assisted by the Audit Committee, whose composition, roles and functions and summary of its activities during the financial year are set out in the Audit Committee Report on pages 048 to 052 of this Annual Report.

During the financial year, the Committee held six (6) meetings. The details of attendance of the Committee members are as follows:

NO.	AUDIT COMMITTEE MEMBERS	MEETING ATTENDANCE
1	Mr Peter Lee Siew Choong (Chairman)	6/6
2	Tan Sri Nik Mohamed bin Nik Yaacob	6/6
3	Dato' Robert Teo Keng Tuan	6/6

The Board also reviewed the term of office and performance of the Audit Committee and each of the members and was satisfied that the Audit Committee and members have carried out their duties in accordance with their terms of reference.

### (2) Nominating Committee

#### Composition of the Nominating Committee

The Nominating Committee shall be appointed by the Board of Directors from among their number and shall be composed of not fewer than two (2) members of whom:

- (a) all are Non-Executive Directors; and
- (b) majority are Independent Directors.

The members of the Committee shall elect a Chairman from among their number and the quorum for any meeting of the Committee shall be two (2).

If a member of the Committee resigns, dies or for any other reason ceases to be a member, resulting in Independent Directors comprising less than the majority of the members or the number of members being reduced to below two (2), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to comply with the requirement that Independent Directors constitute a majority of the members or to make up the minimum number of two (2) members, as the case may be.

#### Duties and responsibilities of the Nominating Committee

- (i) To consider and recommend to the Board, suitably qualified candidates for directorships proposed by any Directors or shareholder for appointment and the re-appointment/re-election of Directors to the Board;
- (ii) To assess and recommend to the Board, Directors to fill the seats on Board's Committees;
- (iii) To annually assess the effectiveness of the Board as a whole, the Committees of the Board, and for assessing the contribution of each individual Director, including Independent Non-Executive Directors;
- (iv) To review annually and recommend to the Board with regard to the structure, size, tenure, directorships, balance and composition of the Board and Committees including the required mix of skills and experience, core competencies and gender diversity which the directors should bring to the Board and other qualities to function effectively and efficiently; and
- (v) To ensure that all directors receive orientation and appropriate continuous training programmes in order to broaden their perspective and to keep abreast with developments in the market place and with changes in new statutory and regulatory requirements.



## STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

### Nominating Committee Meetings

- (i) The Committee may regulate its own procedure and in particular the calling of meetings, the notice to be given of such meetings, the proceedings thereat, the keeping of minutes and the custody, production and inspection of such minutes.
- (ii) A resolution in writing signed by all members in lieu of convening a formal meeting shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held. Any such resolutions may consist of several documents in like form, each signed by one or more members.

The Nominating Committee meets as and when necessary.

### Nominating Committee members

The current Nominating Committee members are as follows:

Mr Peter Lee Siew Choong (Chairman)	Independent Non-Executive Director
Tan Sri Nik Mohamed bin Nik Yaacob	Independent Non-Executive Director
Dato' Robert Teo Keng Tuan	Independent Non-Executive Director

### Statement on Activities

During the financial year under review, the Nominating Committee met once and all the members of the Committee attended the meeting. The Committee has carried out an assessment on the effectiveness of the Board as a whole, the Committees of the Board, the Executive Chairman and the individual Director.

The assessment on the individual Director was based on the contribution and performance of Directors on their competency, time commitment, integrity and experience in meeting the needs of the Group and suggestions to enhance Board effectiveness. This assessment is jointly conducted by the Executive Chairman and the Nominating Committee. The evaluation process on individual director also includes self-review assessment on their independence status.

The Group strictly adhered to the practice of non-discrimination of any form, whether based on age, gender, race or religion, throughout the organisation. This included the selection of Board members. In addition, the Group believed it is of utmost important that the Board is composed of the best-qualified individuals who possess the requisite knowledge, experience, independence, foresight and good judgement to ensure the Company has an effective composition of the Board that is confident in its ability to discharge their duties effectively in the best interests of the Company and shareholders.

From the assessments, the Nominating Committee believe that the Board reflects a good mix of skills with different professional backgrounds, knowledge, financial and business expertise, experience and qualifications to enable the Board to provide clear and effective leadership to the Group.

### (3) Remuneration Committee

#### Composition of the Remuneration Committee

The Remuneration Committee shall be appointed by the Board of Directors from among their number and shall be composed of not fewer than two (2) members, all or a majority of whom are Non-Executive.

The members of the Committee shall elect a Chairman from among their number and the quorum for any meeting of the Committee shall be two (2).

### (3) Remuneration Committee (cont'd)

If a member of the Remuneration Committee resigns, dies or for any other reason ceases to be a member, resulting in Independent Directors comprising less than the majority of the members or the number of members being reduced to below two (2), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to comply with the requirement that Independent Directors constitute a majority of the members or to make up the minimum number of two (2) members, as the case may be.

#### Duties and responsibilities of the Remuneration Committee

- (i) to establish and recommend to the Board, the remuneration structure and policy for Executive Director including the terms of employment or contract of employment/service, benefits, pension or incentive scheme entitlement; bonuses, fees and expenses and any compensation payable on the termination of the service contract by the Company and/or Group and to review changes to the policy, as necessary;
- (ii) to review Executive Directors' goals and objectives and to assess their performance against these objectives as well as contributions to the corporate strategy;
- (iii) to recommend the engagement of external professional advisors to assist and/or advise the Committee on remuneration matters, where necessary; and
- (iv) to keep abreast of the remuneration packages for members of Board Committees to ensure that they commensurate with the scope of responsibilities held and reviews and recommends changes to the Board whenever necessary.

#### Remuneration Committee Meetings

- (i) The Committee may regulate its own procedure and in particular the calling of meetings, the notice to be given of such meetings, the proceedings thereat, the keeping of minutes and the custody, production and inspection of such minutes.
- (ii) A resolution in writing signed by all members in lieu of convening a formal meeting shall be as valid and effectual as if it had been passed at a meeting of the Committee duly convened and held. Any such resolutions may consist of several documents in like form, each signed by one or more members.

The Remuneration Committee meets as and when necessary.

#### Remuneration Committee members

The current Remuneration Committee members are as follows:

Tan Sri Nik Mohamed bin Nik Yaacob (Chairman)	Independent Non-Executive Director
Dato' Robert Teo Keng Tuan	Independent Non-Executive Director
Mr. Chin Jit Pyng	Non-Independent Non-Executive Director

The Committee is responsible for recommending to the Board the appropriate remuneration of the Executive and Non-Executive Directors.

Individual Directors do not participate in discussions or decisions concerning his remuneration packages.

#### Statement on Activities

During the financial year under review, the Remuneration Committee met once and all the members of the Committee attended the meeting. The Committee has reviewed the performance and recommended the remuneration of the Executive Directors.

## STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

### B. DIRECTORS' REMUNERATION

#### Remuneration Procedure

The Remuneration Committee is responsible for the recommendation of the salary and other benefit packages - policy and framework of Directors, including Executive Directors. However, it is nevertheless the responsibility of the Board to approve the remuneration packages of these Directors.

The remuneration packages of Executive Directors are linked to their individual performance and of the Group and include salaries, benefits and performance-related/incentive pay which is subject to the Group's financial performance. Any salary reviews would take into account of market salary ranges as well as being broadly comparable and competitively in line with those awarded by similar companies.

As for the Non-Executive Directors, the Board considers their responsibility and time commitments, taking into account the number of Board meetings, membership of Board Committees and all additional work and contribution towards the Group.

#### Details of Directors' Remuneration

The aggregate and range of remuneration the Executive and Non-Executive Directors received and will receive from the Company for the financial year ended 31 March 2014 are in the following tables:-

AGGREGATE REMUNERATION	FEES & ALLOWANCES (RM)	SALARIES & OTHER EMOLUMENTS (RM)	WARRANTS (RM)	TOTAL (RM)
Executive Directors	–	3,512,475	2,015,000	5,527,475
Non-Executive Directors	303,000	–	260,000	563,000
<b>Total</b>	<b>303,000</b>	<b>3,512,475</b>	<b>2,275,000</b>	<b>6,090,475</b>

The number of Directors whose total remuneration falls within the following bands is as follows:

RANGE OF REMUNERATION (RM)	EXECUTIVE	NON-EXECUTIVE
100,001 – 150,000	–	4
1,250,001 – 1,300,000	1	–
4,250,001 – 4,300,000	1	–
<b>Total</b>	<b>2</b>	<b>4</b>

### C. SHAREHOLDERS

#### Shareholders and Investor Relations

The Board acknowledges the importance of maintaining transparency and accountability to its shareholders and its investors and to timely disseminate material information, the Group's performance and any significant developments affecting the Group. The public announcement via Bursa Securities, namely the Quarterly and Annual financial results provide an overview of the Group's financial performance and operations to its shareholders, institutional shareholders and investors.

The Executive Chairman and the Executive Director also from time to time conduct briefings for business analysts, large shareholders, corporate partners and financial institutions to keep them informed of the various activities and initiatives undertaken by the Group. Exclusive and adhoc interviews are also given to the media to disseminate information to the public through the printed press.



The Company actively updates its website ([www.symphonymylife.my](http://www.symphonymylife.my)) with the latest information on the corporate and business aspects of the Group. Press releases, announcements to Bursa Securities, analysts' briefings and quarterly results of the Group are also made available on the website and this helps to promote accessibility of information to the Company's shareholders and all other market participants.

Details of the Senior Independent Non-Executive Director to whom concerns regarding the Group may be conveyed are as follows:-

Post : Mr. Peter Lee Siew Choong  
c/o Secretarial Department  
Level 9, Symphony House  
Dana 1 Commercial Centre,  
Jalan PJU 1A/46  
47301 Petaling Jaya,  
Selangor Darul Ehsan  
Fax : (603) 7844 6886

### **Annual General Meeting (AGM)**

The AGM is the principal forum for dialogue with all shareholders who are encouraged and are given sufficient opportunity to enquire about the Group's activities and prospects as well as to communicate their expectations and concerns. Shareholders are encouraged to participate in the Question and Answer sessions on the resolutions being proposed or about the Group's operations in general. Shareholders who are unable to attend are allowed to appoint proxies in accordance with the Company's Articles of Association to attend and vote on their behalf. The members of the Board, Senior Management as well as the External Auditors of the Company are also present to respond to any questions raised during the meeting.

### **Whistle Blowing Policy**

As part of its commitment to uphold the highest standards of ethics, integrity and accountability, the Group also has in place a Whistle Blowing Policy. This is essentially a mechanism to enable the employees and members of the Board to disclose internally any serious malpractice or misconduct without fear of reprisal. This policy provides a safe and acceptable platform for employees and other members of the Group to channel their concerns about illegal, unethical or improper business conduct affecting the Group and its employees.

## **D. CODE OF CONDUCT**

The Group has in place a Code of Conduct that is applicable to all staff and Directors of the Group. The Code of Conduct is essentially a set of rules to govern the standards of good conduct and ethics within the Group and in the Group's relationship with external parties in upholding and preserving the good name of the Group.

## **E. ACCOUNTABILITY AND AUDIT**

### **Financial Reporting**

The Board seeks to present a balanced, clear and understandable assessment of the Group's financial position and prospects. In presenting the annual financial statements and quarterly announcements of the Group's financial performance to shareholders, the Board is primarily responsible for ensuring that all applicable accounting and regulatory standards have been complied with. The Directors also have the responsibility to take steps that are reasonably available to them to safeguard the assets of the Group and prevent any fraud or irregularities.

The Statement by Directors pursuant to Section 169(15) of the Companies Act, 1965 is set out on page 055 of this Annual Report.

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## STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

### Related Party Transactions

An internal compliance framework exists to ensure the Company meets its obligations under the MMLR, including obligations relating to related party transactions and recurrent related party transactions.

The Board of Directors, through its Audit Committee, reviews all related party transactions and conflict of interest situations, if any, on quarterly basis. A Director who has an interest in a transaction, must abstain from deliberating and voting on the relevant resolution, in respect of such transaction at the meeting of the Board of Directors and at the Annual General Meeting or Extraordinary General Meeting convened to consider the said matter.

### Relationship with Auditors

The Audit Committee supports the Board in its responsibility to oversee the financial reporting and the effectiveness of the internal control of the Company.

The Company through the Audit Committee, has an appropriate and transparent relationship with the external auditors. In the course of audit of the Group's financial statements, the external auditors have highlighted to the Audit Committee and the Board, matters that require the Board's attention. Audit Committee meetings are attended by the external auditors for purposes of presenting their audit plan and report, and for presenting their comments on the audited financial statements.

The Audit Committee had reviewed the suitability and independence of external auditors and recommended their re-appointment for the financial year ending 31 March 2015. The external auditors had provided a confirmation of their independence to the Audit Committee that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of relevant professional and regulatory requirements.

Key features for the relationship of the Audit Committee with both the internal and external auditors and summary of the activities of the Audit Committee during the financial year are set out in the Audit Committee Report on pages 048 to 052 of this Annual Report.

### Internal Control

The Board has overall responsibilities for corporate governance and the development of sound internal control system for the Group to achieve its objectives within the acceptable risk profile as well as safeguarding shareholders' interest and the Group's assets.

The Group's Statement on Risk Management and Internal Control is set out on pages 045 to 047 of this Annual Report.

### F. STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE

The Board is satisfied that the Company has, in all material aspects, complied with the principles and recommendations of the Code for the financial year ended 31 March 2014.

The Statement on Corporate Governance is made in accordance with the resolution of the Board of Directors dated 19 June 2014.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FOR THE YEAR ENDED 31 MARCH 2014

## INTRODUCTION

In this rapidly changing environment, the Board of Directors (Board) recognises that both the internal and external environment within which the Group operates has become more complex and demands strong corporate governance.

The Board is committed to nurture and preserve throughout the Group a sound system of risk management and internal controls and good corporate governance practices as set out in this Statement on Risk Management and Internal Control made in compliance with Paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

The Malaysian Code of Corporate Governance 2012 ("MCCG 2012") requires public listed companies to maintain a sound system of internal control to safeguard its shareholders' investments and the Group's assets.

In this Statement, the Group refers the Company and its subsidiary companies but exclude associated companies and jointly-controlled entities whereby the Board does not have any direct control over their operations.

## RESPONSIBILITY OF THE BOARD

The Board acknowledges its responsibility for maintaining a sound system of risk management and internal control to safeguard the shareholders' investments and the Group's assets, as well as to discharge its stewardship responsibility in identifying principal risks and ensuring the implementation of an appropriate risk management and internal control system to manage those risks in accordance with Principle 6 of the MCCG 2012.

The Board has undertaken a review on the adequacy and effectiveness of the Group's risk management and internal control system in all aspects of the Group's activities and assessed for reasonable assurance that risks have been managed within the Group's risk appetite and tolerable ranges.

Due to the limitations inherent in any such system, this is designed to manage rather than eliminate risk and to provide reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Management is accountable for providing assurance to the Board that risk management practice and internal control systems are implemented and monitored.

The Board has received assurance from the Executive Chairman and the Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control of the Group.

During the financial year under review, the Board has actively reviewed the risk management processes and responsibilities and also assessed the extent of reasonable assurance that all the identified risks were monitored and managed within a tolerable level.

The Board is responsible for reviewing the effectiveness of these control mechanisms. Management assisted the Board in the implementation of the approved policies and procedures on risk management and internal controls. Management identifies and evaluates the risks faced and then designs, implements, and monitor appropriate internal controls to manage and mitigate the risks.

## RISK MANAGEMENT FRAMEWORK AND INTERNAL CONTROL SYSTEM

The Board maintains the control over risk management and internal control. The Risk Management Committee (RMC) was established by the Board which is empowered by its terms of reference on the implementation of risk management and internal control within an established framework to assist the Board to oversee the overall compliance with applicable laws and regulations, internal policies and approved limits.

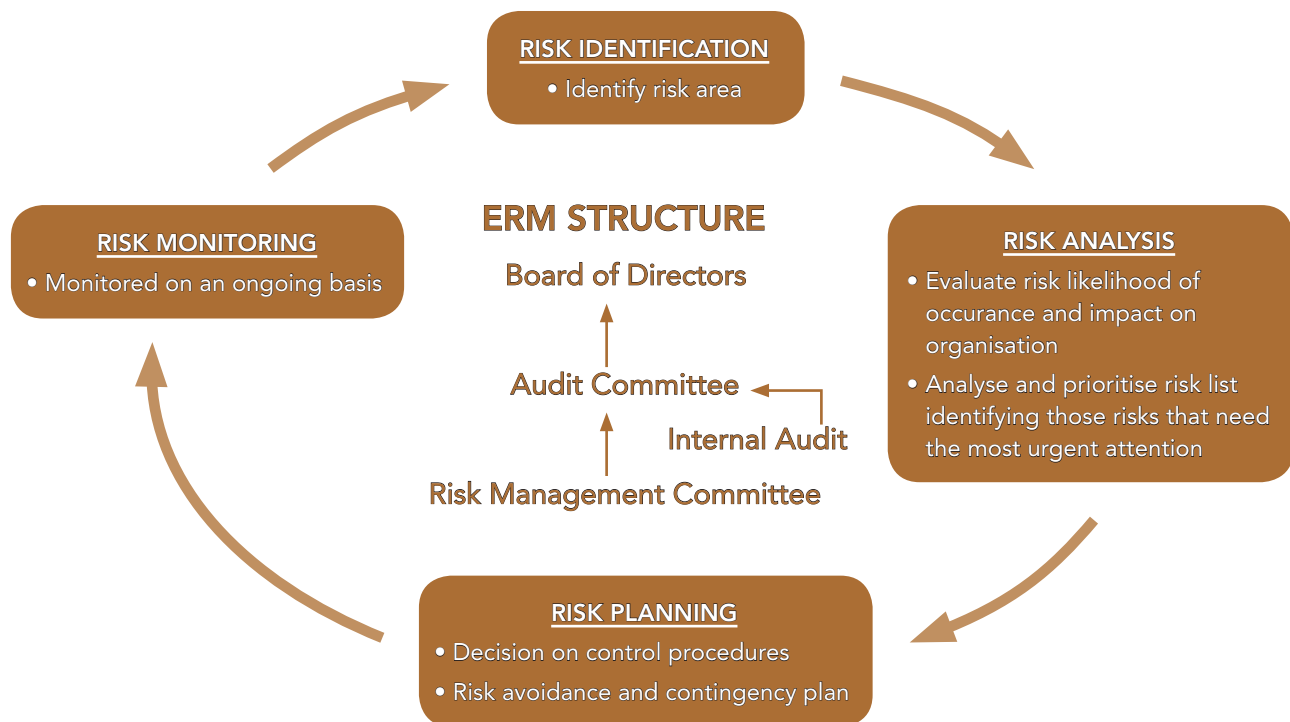


# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FOR THE YEAR ENDED 31 MARCH 2014 (CONT'D)

The risk management processes are prepared based on the concept of Enterprise Risk Management (ERM) which incorporates the process of assessing, reporting, monitoring and reviewing the risks within the Group. This risk management framework also provides for regular reviews and reporting including the presentation of a summary of significant risk to the Audit Committee on a quarterly basis. Risk management is a continuous process and through the Audit Committee, regularly monitors and reviews the effectiveness of the risk management process of the Group. The Board oversees the risk management processes design and implementation by the Management that are in accordance with the Group's strategic vision, objectives and overall risk appetite.

Risk management and internal control processes are embedded into the culture to create risk-awareness and greater understanding of the importance of risk management and ensures that its principles are embedded in key operational processes and structures of the Group to achieve a sound system of risk management and effective management of potential opportunities and adverse effects.



## CONTROL ENVIRONMENT AND STRUCTURE

The Group has established a process of enhancing the system of internal controls as and when there are changes to the business environment or regulatory guidelines. The following sets out the principal elements of the Group's control environment:

### 1. Organisational Structure

Management led by the Executive Chairman is responsible for the execution of the Group's strategies and day-to-day business. There is a defined organisational structure within the Group. Each unit has clearly defined roles and responsibilities, levels of authority and lines of accountability.

**2. Audit Committee (AC)**

The Board has assigned the AC with the duty of reviewing and monitoring the effectiveness of the Group's risk management and internal control system. The AC comprises only non-executive directors with a majority of independent directors. The AC reviews the Group's financial reporting process, risk management, internal controls system, audit process and the Group's process of monitoring the compliance with internal and external regulations.

**3. Internal Audit (IA)**

The IA Department continues to independently, objectively and regularly review key processes, check compliance with policies and procedures and evaluates the adequacy and effectiveness of the risk management, internal control and governance process. It highlights significant findings and corrective measures in respect of any non-compliance to management and AC on a timely basis. The annual internal audit plan established primarily on a risk based approach is reviewed and approved by the AC annually.

**4. Delegated Authority Limit**

The Group has adopted the Delegated Authority Limit matrix that provides a sound system for authority and accountability within the Group and facilitates timely decision making. The limits are regularly reviewed and approved by the Management or the Board in accordance with their limits of authority to ensure alignment with business, operational and structural changes.

**5. Formalised Policies, Processes and Procedures**

Clear and formalised standard operating policies, processes and procedures are in place to ensure compliance with internal controls and the relevant laws and regulations. Regular reviews are conducted to ensure documentation and processes are updated to align with evolving business and operational needs.

**6. Secretarial including Legal**

Secretarial, including Legal Department, plays a pivotal role in advising Management on secretarial and legal matters as and when requested, so that the interests of the Group are protected. The Board is briefed through reports on material litigation and any changes in law affecting the Group's operations including the Personal Data Protection Act 2010 (PDPA 2010). We have implemented awareness initiatives to ensure privacy of the Group's customer personal data including privacy notice uploaded in our website, sent to existing customers and also incorporated into customer satisfaction survey forms.

**7. Financial and Operational Information**

The Group has an established budgeting and reporting process. Budgets are prepared and presented to the Board for approval. Upon approval of the budget, the Group's performance is tracked and measured against the approved budget on a monthly basis. Variances in financial and operational performance against plan are reported and tracked in the monthly management reports.

**CONCLUSION**

For the financial year under review, based on the above, the Board is of the view that the Group's system of risk management and internal controls is operating adequately and effectively in all material aspects, sufficient to safeguard shareholders' investments and the Group's assets. No significant control failures or weaknesses that would result in material losses and required disclosure in the Group's Annual Report were identified during the review. The Board together with the Management will continue to review and strengthen the current system of risk management and internal control of the Group.

**REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS**

The External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the annual report of the Group for the financial year ended 31 March 2014 and reported to the Board that nothing has come to their attention that causes them to believe the statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and integrity of the system of risk management and internal control within the Group.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board of Directors' meeting held on 19 June 2014.

# AUDIT COMMITTEE REPORT

The Board of Directors of Symphony Life Berhad is pleased to present the Audit Committee Report for the financial year ended 31 March 2014.

The Audit Committee Report is prepared in accordance with Paragraph 15.15 of Bursa Malaysia Securities Berhad Listing Requirements ("Listing Requirements").

## MEMBERSHIP

The Audit Committee members were made up of the following:

- Lee Siew Choong (Chairman)
- Dato' Robert Teo Keng Tuan
- Tan Sri Nik Mohamed bin Nik Yaacob (appointed on 1 April 2013)
- Datuk Zakaria bin Dato' Ahmad (retired on 1 April 2013)
- Abdul Sani bin Busu (retired on 1 April 2013)

## COMPOSITION

The Audit Committee was established by the Board of Directors and comprises three (3) members, all of them are Independent Non-Executive Directors. The Company has complied with Paragraph 15.09 of the Listing Requirements; which requires the majority of the Audit Committee members to be Independent Directors.

Dato' Robert Teo Keng Tuan, an Audit Committee member is a Chartered Accountant by profession and a member of the Malaysian Institute of Accountants. The requirement of paragraph 15.09(1)(c)(i) of the Listing Requirements which stipulates that at least one (1) member of Audit Committee must be a member of the Malaysian Institute of Accountants has been met.

The detailed profiles of all the Audit Committee members are shown in the Board of Directors profile.

## MEETINGS

The Audit Committee meetings are appropriately structured based on agendas and Committee papers that are distributed to the members with sufficient notification. The Audit Committee held a total of six (6) meetings during the financial year ended 31 March 2014. The details of their attendance are as follows:

NAME OF MEMBERS	DESIGNATION	DIRECTORSHIP	NUMBER OF MEETINGS	
			Held	Attended
Lee Siew Choong	Chairman	Independent Non-Executive Director	6	6
Tan Sri Nik Mohamed bin Nik Yaacob	Member	Independent Non-Executive Director	6	6
Dato' Robert Teo Keng Tuan	Member	Independent Non-Executive Director	6	6

During the meetings, the Company Secretary acted as Secretary to the Audit Committee and was present by invitation together with representatives of the External Auditors, the Head of Internal Audit, the Head of Finance and certain members of the Management. The Executive Chairman and Executive Director were also invited to attend to facilitate direct communication as well as to provide clarifications on audit and operations issues being raised on the Group.

In addition to the above meetings, the Committee also held two (2) meetings with the External Auditors without the presence of Management including the Company Secretary and Executive Directors. The External Auditors were given unrestricted access to information in the course of the audit. The Management has also given full support and cooperation to External Auditors to perform their duties.

Deliberations during the Audit Committee meetings on issues tabled, rationale adopted and decisions were recorded. The minutes of the meetings were tabled for confirmation at the following Audit Committee meeting.



The Audit Committee Chairman conveyed to the Board on significant matters concerned as and when raised by the External Auditors or Internal Auditors.

The Chairman of the Audit Committee engages on a continuous basis with Senior Management, Head of Internal Audit and External Auditors, in order to keep abreast of matters and issues affecting the Group.

## **TERMS OF REFERENCE**

The Committee is governed by its written terms of reference, which spells out its authorities and duties in accordance with Paragraph 15.11 of the Listing Requirements and are as detailed below:-

### **1. Membership**

The Audit Committee shall be appointed by the Board from amongst the Directors and shall consist of not less than three (3) members, a majority of whom shall be Independent Directors. All members of the Committee must be Non-Executive Directors and at least one (1) member of the Committee must be a member of the Malaysian Institute of Accountants or possesses such other qualifications and experience as prescribed or approved by the Bursa Securities.

The Chairman of the Committee shall be an Independent Director appointed by the Board. He shall report on each meeting of the Committee to the Board.

The quorum shall consist of two (2) members and a majority of the members present must be Independent Directors.

If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

### **2. Reporting Procedure**

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

The Secretary shall also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee members and to the other members of the Board.

### **3. Frequency of Meetings**

Meetings shall be held not less than four (4) times a year and the Head of Finance and representatives of the Internal and External Auditors shall normally attend such meetings. Other members of the Board and employees may also attend upon the invitation of the Committee. At least twice a year, the Committee shall meet the External Auditors without the presence of the executive Board members and employees.

### **4. Authority**

The Committee is authorised by the Board to investigate any activity within its terms of reference and shall have unrestricted access to both the Internal and External Auditors and to all employees of the Group. The Committee is also authorised by the Board to obtain external legal or other independent professional advice as necessary.

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## AUDIT COMMITTEE REPORT (CONT'D)

### 5. Functions

The functions of the Committee are:-

- i) To consider the appointment or re-appointment of the External Auditors, the audit fees and any questions of resignation or dismissal.
- ii) To review and discuss with the External Auditors:-
  - the nature and scope of the audit;
  - the External Auditors' evaluation of the system of internal controls, their management letter and audit report;
  - problems and reservations arising from the interim and final audits and any matter the External Auditors may wish to discuss (in the absence of Management, where necessary); and
  - the External Auditors' management letter and Management's response.
- iii) To review and discuss with the Internal Auditors:-
  - the adequacy of the scope, functions, competency and resources of the internal audit functions, and that it has the necessary authority to carry out its work; and
  - the internal audit programme process, the results of the internal audit process, process of investigations undertaken and, where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function.
- iv) To review and assess the performance of the internal audit function as a whole.
- v) To approve the appointment or termination of senior internal audit staff members, and review any appraisal or assessment of the performance of members, of the internal audit function and to keep itself informed of any resignation of internal audit staff members and provide the resigning staff member an opportunity to submit his reason for resigning.
- vi) To review the quarterly and year-end financial statements, prior to the approval by the Board, focusing particularly on:
  - changes in or implementation of major accounting policy changes;
  - significant and unusual events;
  - the going concern concept; and
  - compliance with accounting standards and other legal requirements.
- vii) To review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of Management integrity.
- viii) To report to the Bursa Securities where the Committee is of the view that a matter reported by it to the Board of Directors of the Company has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Securities.

## SUMMARY OF ACTIVITIES

During the financial year ended 31 March 2014, the Audit Committee carried out the following activities in discharging its functions and duties:

### a) Internal Audit

- i) Reviewed the annual internal audit plan; the adequacy of the scope, competency, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work.
- ii) Reviewed internal audit programme and the results of the internal audit processes and reports, and where necessary, ensure that appropriate and prompt corrective actions are taken on the recommendations of the Internal Audit Department and follow up on previous unresolved audit issues.
- iii) Reviewed the performance of the Internal Audit Function including that of the Head of the Internal Audit Department.

### b) Financial Reporting and Annual Report

- i) Reviewed the quarterly unaudited financial results and annual audited financial statements of the Group before recommending them for approval to the Board. The review was to ensure compliance with:-
  - Provisions of the Companies Act, 1965;
  - Listing Requirements;
  - Applicable approved accounting standards as per the Malaysian Accounting Standards Board ["MASB"] and
  - Other legal and regulatory requirements.
- ii) Reviewed the Audit Committee Report and Statement of Risk Management and Internal Control prior to inclusion in the Annual Report.

### c) External Audit

- i) Reviewed the external auditors' report on their audit plan, scope of work, the audit procedures, audit results, audit reports and management letter, including Management's response to be utilized in the annual audit.
- ii) Considered and recommended to the Board for approval the audit fees payable to the External Auditors and their reappointment of service.
- iii) Discussed audit and accounting issues arising from the audit and other matters that the External Auditors raised in the absence of Management.
- iv) Reviewed the External Auditors' management letter and Management's response.

### d) Risk Management

Reviewed the findings, reports and status of the risk assessments prepared on a quarterly basis by the Risk Management Committee.

### e) Related Party Transactions

Reviewed the internal audit reports on related party transactions and conflict of interest situation that arise including any transaction, procedure or course of conduct that raises questions of management integrity.

## TRAINING

During the year, all members of the Audit Committee have attended trainings relevant to their functions. These trainings are detailed under the Statement on Corporate Governance on pages 037 and 038 of this Annual Report.



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## AUDIT COMMITTEE REPORT (CONT'D)

### INTERNAL AUDIT FUNCTION

The Internal Audit functions as an integral part of the assurance framework within the Group. Internal Audit function forms an intermediary role to assist in discharging the oversight function which is delegated by the Board to the Audit Committee.

The Audit Committee is supported by an in-house Internal Audit Department (IAD) in the discharge of its duties through independent scheduled audits to ensure there are effective risk monitoring, internal controls, governance process and compliance procedures to provide the level of assurance required by the Board.

The Internal Audit Charter of IAD which includes objective, scope and authority was approved by the Board, empowered it with unrestricted access to all records of the Group. The Head of Internal Audit reports directly to the Audit Committee. The Head of Internal Audit is a professional member of the Institute of Internal Auditors Malaysia.

The main role of IAD is to conduct independent and objective reports on the adequacy and effectiveness of the system of internal control, risk management, governance processes and compliance with established procedures. The Audit Committee discussed the internal audit reports to ensure recommendations from the internal audit reports are duly acted upon by management. Risk based internal audits are performed related to operations and compliance that are aligned with the risks of the Group to ensure that the relevant controls addressing those risks are reviewed. IAD also carries out an advisory and consulting role, if the needs arise.

During the year, IAD conducts independent reviews of Group's operational activities to evaluate the adequacy and effectiveness of controls encompassing the Group's governance, operations and information systems. These include:

- accuracy, reliability and integrity of financial information;
- operational effectiveness and efficiency;
- identification of opportunities to improve the operations and processes;
- safeguarding of assets, and
- compliance with statutory requirements and written internal policies and procedures.

Although management is responsible for ensuring that corrective actions are taken within the required time frame, IAD carries out follow up reviews to ensure the previously reported issues have been adequately addressed by Management and the results of such reviews are also periodically reported to the Audit Committee.

All the internal audit activities were performed in-house and total cost of RM0.4 million incurred by IAD for the financial year ended 31 March 2014.

None of the internal control weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Annual Report.

This Audit Committee Report is made in accordance with the resolution of the Board of Directors' meeting held on 19 June 2014.

# ADDITIONAL COMPLIANCE INFORMATION

To comply with the Listing Requirements of Bursa Securities, the following additional information is provided:

## i) Material Contracts

Save as otherwise disclosed in Note 40 to the Financial Statements pertaining to the interest of Tan Sri Mohamed Azman bin Yahya, during the financial year ended 31 March 2014, there were no material contracts outside the ordinary course of business entered into by the Company and its subsidiaries, involving the interest of the Directors or Major Shareholders.

## ii) Utilisation of Proceeds

There were no proceeds raised from corporate proposals during the financial year ended 31 March 2014.

## iii) Share Buybacks

The details of the shares bought back during the financial year were as follows :

Month	No. of shares bought back and retained as treasury shares	Lowest price paid per share (RM)	Highest price paid per share (RM)	Average cost per share (RM)	Total Cost (RM)	No. of treasury shares distributed as dividend in specie	No. of cumulative treasury shares held
Apr-13	–	–	–	–	–	–	15,091,364
May-13	10,000	1.17	1.17	1.17	11,786	–	15,101,364
Oct-13	–	–	–	–	–	(14,743,035)	358,329
Dec-13	10,000	1.10	1.10	1.10	11,080	–	368,329
	<b>20,000</b>				<b>22,866</b>	<b>(14,743,035)</b>	<b>368,329</b>

## iv) Options, Warrants or Convertible Securities

On 19 November 2013, the Company issued 107,407,888 Warrants pursuant to the resolution where one warrant is granted for every four existing ordinary shares of RM1.00 each held by the shareholders. The warrants include 12,500,000 free warrants and 17,500,000 free warrants were granted to the Employee Share Trust Scheme and to the directors of the Company respectively. Each warrant entitled the holder to subscribe for 1 new ordinary share at an exercise price of RM1.10 each. The warrants are traded at Bursa Malaysia Securities Berhad.

## v) American Depositary Receipt (ADR) or Global Depositor Receipt (GDR) Programme

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

## vi) Imposition of Sanctions/Penalties

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management arising from any significant breach of the rules/guidelines/legislation by the relevant regulatory bodies during the financial year.

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## ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

### vii) Non-Audit Fees

The amount of non-audit fees paid or payable to the external auditors, Messrs. Ernst & Young by the Company and its subsidiaries for the financial year ended 31 March 2014 is RM8,000.

### viii) Profit Estimate, Forecast or Projection

There is no material variance between the results for the financial year and the unaudited results previously announced by the Company. The Company did not issue any profit estimate, forecast or projection for the financial year.

### ix) Profit Guarantee

There is no profit guarantee received by the Company during the financial year.

### x) Revaluation of Landed Properties

The Company does not adopt a policy on regular revaluation.

### xi) Recurrent Related Party Transaction of Revenue or Trading Nature

The list of recurrent related party transactions of a revenue or trading nature entered into by the Group is disclosed in the Note 40 to the financial statements. For the financial year ended 31 March 2013, no shareholders' mandate was required for the recurrent related party transactions of a revenue or trading nature entered into by the Symphony Life Group pursuant to Paragraph 10.09 (1)(b) of the Listing Requirement of Bursa Securities.



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# STATEMENT OF DIRECTORS' RESPONSIBILITY

## IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities to ensure that the annual audited financial statements of the Group and of the Company are drawn up in accordance with the requirements of the applicable approved Financial Reporting Standards issued by Malaysian Accounting Standards Board and the provisions of the Companies Act, 1965 to give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year.

In the preparation of the financial statements, the Directors have:

- adopted appropriate accounting policies which are consistently applied;
- made judgements and estimates that are prudent and reasonable;
- ensure applicable approved accounting standards have been followed; and
- prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existences in the foreseeable future.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and of the Company and, in that context, to have proper regard to the establishment of appropriate systems of internal control with a view to prevent and detect fraud and other irregularities.

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# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

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

## Principal activities

The principal activities of the Company are property development, property investment and investment holding.

The principal activities of the subsidiaries and associates are set out in Notes 21 and 22 to the financial statements respectively.

There were no significant changes in the nature of these principal activities during the financial year.

## Results

	Group RM'000	Company RM'000
Profit for the year	50,914	32,511
Attributable to:		
Equity holders of the Company	51,453	32,511
Non-controlling interests	(539)	–
	50,914	32,511

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

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

## Dividends

The amount of dividend paid by the Company since 31 March 2013 was as follows:

In respect of the financial year ended 31 March 2013 as reported in the directors' report for that financial year:-

	RM'000
First and final dividend in respect of the financial year ended 31 March 2013, 3 sen less 25% taxation paid on 30 October 2013	6,045

Dividend-in-specie by way of distribution of treasury shares on 30 October 2013 as share dividend on the basis of one (1) treasury share for every twenty (20) existing ordinary shares of RM1.00 each held in the Company amounting to RM11,879,000 where RM5,437,000 was accounted for in equity as a reduction in the share premium account while the remaining RM6,442,000 was distributed from the retained profits.

At the forthcoming Annual General Meeting, a first and final single-tier dividend of 4.0 sen per share in respect of the financial year ended 31 March 2014, amounting to RM12.4 million will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect the proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2015.



## DIRECTORS' REPORT (CONT'D)

### Employee Share Trust Scheme

The Employee Share Trust Scheme ("ESTS" or "Scheme") was approved by the Board of Directors on 31 July 2007 to purchase up to 15 million issued ordinary shares ("ESTS Shares") of the Company. The commencement date of the ESTS was 1 October 2007 and shall be in force for a period of 3 years ("ESTS Period"). In year 2010, the ESTS Period was extended for a period of 2 years. In year 2012, it was further extended for a period of 2 years. During the financial year, the ESTS was subsequently extended for a further period of 3 years.

The ESTS would provide an opportunity for eligible employees who had contributed to the growth and development of the Group to participate in the equity of the Company.

The main features of the ESTS, inter-alia, are as follows:

- (a) Beneficiaries of the ESTS are eligible employees who are full-time employees under the category of executives of the Group, which may include Executive Directors of the Company, who have been in employment with the Company for at least 6 months and are on the payroll of the Company and its subsidiaries during the ESTS Period.
- (b) The aggregate number of shares to be acquired under the ESTS shall not exceed 15 million of the issued ordinary shares of the Company for the time being and the amount required to purchase the first tranche of 10 million issued ordinary shares of the Company shall not exceed RM14 million.
- (c) The beneficiaries shall be entitled to any distribution rights (including but not limited to dividends, bonus and rights issues but shall exclude cash capital repayments) in relation to the ESTS Shares. However, such dividends, if any, are automatically waived in favour of the Company as settlement of any cost incurred in implementing and maintaining the Scheme.
- (d) The beneficiaries shall not be entitled to any voting rights in relation to the ESTS Shares as the voting rights lie with the appointed Trustee who shall take into consideration the recommendations of the adviser appointed by the ESTS Committee before voting.
- (e) The award to the beneficiaries is through the realisation of any gains arising from the disposal of the ESTS Shares held in the ESTS Trust (as further defined in Note 33 to the financial statements). The net gains from such disposal after repayment of the corresponding portion of the loan granted by the Company are to be allocated to the beneficiaries based on the beneficiaries' achievement of their respective performance targets as determined by the Company.

The Company appointed RHB Trustees Berhad (formerly known as OSK Trustees Berhad) as the Trustee of the Scheme and entered into a Trust Deed on 24 September 2007.

Subsequently, the following were entered into to amend certain clauses/definitions of the Scheme:

- (a) First Supplemental Deed dated 10 February 2009 to amend the definition of "Eligible Employees" to exclude the Executive Directors and persons connected to the Executive Directors;
- (b) Second Supplemental Deed dated 12 March 2009 to extend the maturity period of the ESTS for a further 2 years to 30 September 2012;
- (c) Third Supplemental Deed dated 18 September 2012 to extend the maturity period of the ESTS for a further 2 years to 30 September 2014; and
- (d) Fourth Supplemental Deed dated 12 November 2013 to extend the maturity period of the ESTS for a further 3 years to 30 September 2017.

### Employee Share Trust Scheme (cont'd)

The Board had on 3 February 2009 resolved to increase the total shares to be purchased under the ESTS by 5 million to 20 million ordinary shares and the amount required to purchase the total shares shall not exceed RM19 million.

On 26 May 2010, the Board further resolved to increase the total shares to be purchased under the ESTS to 25 million ordinary shares and the amount required to purchase the shares shall not exceed RM25 million. Subsequently on 28 April 2011, the Board further resolved to increase the amount required to purchase the ESTS Shares from RM25 million to RM27 million.

During the financial year, the Trustee received 1,312,499 ordinary shares of the Company being dividend-in-specie by way of distribution of treasury shares on the basis of one (1) treasury share for every twenty (20) existing ESTS Shares held.

### Directors

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

Tan Sri Mohamed Azman bin Yahya  
Wing Kwong @ Chan Wing Kwong  
Tan Sri Nik Mohamed bin Nik Yaacob  
Dato' Robert Teo Keng Tuan  
Chin Jit Pyng  
Lee Siew Choong

### Directors' benefits

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 7 to the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any 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 as disclosed in Note 40 to the financial statements.

### Directors' interests

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

	Number of ordinary shares of RM1 each			31 March 2014
	1 April 2013	During the year Bought	Sold	
<b>The Company</b>				
<b>Direct interest:</b>				
Tan Sri Mohamed Azman bin Yahya	7,757,400	542,600 415,000*	–	8,715,000
Wing Kwong @ Chan Wing Kwong	938,300	41,915*	(308,700)	671,515
Chin Jit Pyng	11,971,686	598,584*	–	12,570,270

## DIRECTORS' REPORT (CONT'D)

### Directors' interests (cont'd.)

	1 April 2013	Number of ordinary shares of RM1 each During the year		31 March 2014
		Bought	Sold	
<b>Indirect interest:</b>				
Tan Sri Mohamed Azman bin Yahya	57,225,000	75,000 2,865,000*	–	60,165,000
Wing Kwong @ Chan Wing Kwong#	115,185	5,759*	–	120,944
Chin Jit Pyng	8,400,000	420,000*	–	8,820,000
Dato' Robert Teo Keng Tuan	10,500	525*	–	11,025

# Pursuant to Section 134(12)(c) of the Companies Act, 1965

\* Share dividend received on the basis of one (1) treasury share for every twenty (20) ordinary shares of RM1.00 each held

	19 November 2013	Number of Warrants 2013/2020 During the year		31 March 2014
		Bought	Sold	
<b>Direct interest:</b>				
Tan Sri Mohamed Azman bin Yahya	17,178,749	–	–	17,178,749
Wing Kwong @ Chan Wing Kwong	720,053	–	(437,812)	282,241
Tan Sri Nik Mohamed bin Nik Yaacob	500,000	–	(200,000)	300,000
Dato' Robert Teo Keng Tuan	500,000	–	(500,000)	–
Chin Jit Pyng	3,642,567	–	–	3,642,567
Lee Siew Choong	500,000	–	–	500,000
<b>Indirect interest:</b>				
Tan Sri Mohamed Azman bin Yahya	15,041,250	–	–	15,041,250
Wing Kwong @ Chan Wing Kwong	30,236	–	–	30,236
Chin Jit Pyng	2,205,000	–	–	2,205,000
Dato' Robert Teo Keng Tuan	2,756	–	–	2,756

By virtue of his interest in the shares of the Company, Tan Sri Mohamed Azman bin Yahya is deemed to be interested in the shares of all the subsidiaries of the Company to the extent that the Company has an interest.

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

### Treasury shares

During the financial year, the Company purchased 20,000 of its issued ordinary shares from the open market at an average price of RM1.14 per share. The total consideration paid for the purchase was RM23,000. The purchase transactions were financed by internally generated funds. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

The Company had on 30 October 2013 paid a dividend-in-specie by way of distribution of treasury shares as share dividend on the basis of one (1) treasury share of the Company for every twenty (20) existing ordinary shares of RM1.00 each held in the Company, fractional of a share arising from the dividend-in-specie was disregarded.

Of the total 310,000,000 (2013: 310,000,000) issued and fully paid ordinary shares as at 31 March 2014, 368,329 (2013: 15,091,364) are held as treasury shares by the Company. As at 31 March 2014, the number of ordinary shares in issue less the treasury shares is 309,631,671 (2013: 294,908,636) ordinary shares of RM1.00 each.



### Warrants 2013/2020

On 19 November 2013, the Company issued 107,407,888 warrants ("the warrants") pursuant to the resolution where one warrant is granted for every four existing ordinary shares of RM1.00 each held by the shareholders. The warrants include 12,500,000 free warrants and 17,500,000 free warrants were granted to the Employee Share Trust Scheme and to the directors of the Company respectively. Each warrant entitled the holder to subscribe for 1 new ordinary share at an exercise price of RM1.10 each.

The main features of the Warrants are as follows:

- (i) Each Warrant entitles the registered holder at any time during the exercise period to subscribe for one new ordinary shares of RM1.00 each in the Company at an exercise price of RM1.10.
- (ii) The Warrants shall be exercisable at any time within 7 years commencing on and including the date of the issuance of the Warrants. Any Warrants which are not exercised during the exercise period shall thereafter lapse and cease to be valid.
- (iii) The exercise price and the number of Warrants are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions set out in the deed poll.
- (iv) All new ordinary shares to be issued arising from the exercise of the Warrants shall rank *pari passu* in all respects with the then existing ordinary shares of the Company except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares arising from the exercise of the Warrants.

### Other statutory information

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
  - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
  - (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in these financial statements inadequate to any substantial extent; and
  - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
  - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

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## DIRECTORS' REPORT (CONT'D)

### Other statutory information (cont'd.)

(f) In the opinion of the directors:

- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

### Significant events during the financial year

Details of the significant events during the financial year are disclosed in Note 41 to the financial statements.

### Subsequent events

Details of the subsequent events are disclosed in Note 42 to the financial statements.

### Auditors

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

Signed for and on behalf of the Board in accordance with a resolution of the directors dated 19 June 2014.

Tan Sri Mohamed Azman bin Yahya

Wing Kwong @ Chan Wing Kwong

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# STATEMENTS BY DIRECTORS

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

We, Tan Sri Mohamed Azman bin Yahya and Wing Kwong @ Chan Wing Kwong, being two of the directors of Symphony Life Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 66 to 147 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2014 and of the results and the cash flows of the Group and of the Company for the year then ended.

Further to the statement by directors pursuant to Section 169(15) of the Companies Act, 1965, the information set out in Note 48 on page 148 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad's Main Market Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed for and on behalf of the Board in accordance with a resolution of the directors dated 19 June 2014.

Tan Sri Mohamed Azman bin Yahya

Wing Kwong @ Chan Wing Kwong

# STATUTORY DECLARATION

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

I, Hazurin bin Harun, being the officer primarily responsible for the financial management of Symphony Life Berhad, do solemnly and sincerely declare that the accompanying financial statements as set out on pages 66 to 148 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the  
abovenamed Hazurin bin Harun at Kuala Lumpur  
in the Federal Territory on 19 June 2014

Hazurin bin Harun

Before me,

Mohamed Pudzil Bin Hj Mohd Wahi  
No: W520  
Commissioner for Oaths

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# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SYMPHONY LIFE BERHAD  
(Incorporated in Malaysia)

## Report on the financial statements

We have audited the financial statements of Symphony Life Berhad, which comprise the statements of financial position as at 31 March 2014 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 66 to 147.

## *Directors' responsibility for the financial statements*

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

## *Auditors' responsibility*

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

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

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

## *Opinion*

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



# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SYMPHONY LIFE BERHAD (CONT'D)

(Incorporated in Malaysia)

## Report on other legal and regulatory requirements

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

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

## Other reporting responsibilities

The supplementary information set out in Note 48 on page 148 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

## Other matters

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

Ernst & Young  
AF: 0039  
Chartered Accountants

Kuala Lumpur, Malaysia  
19 June 2014

Nik Rahmat Kamarulzaman bin Nik Ab. Rahman  
No. 1759/02/16(J)  
Chartered Accountant

# STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	3	391,191	406,906	23,234	36,518
Cost of sales	4	(281,442)	(288,033)	–	–
<b>Gross profit</b>		<b>109,749</b>	<b>118,873</b>	<b>23,234</b>	<b>36,518</b>
Other income	5	19,070	62,247	16,885	15,941
Employee benefits expense	6	(27,250)	(29,076)	(14,142)	(15,308)
Depreciation and amortisation	8	(2,477)	(2,539)	(816)	(742)
Other expenses	9	(35,831)	(39,534)	(6,486)	(13,023)
<b>Operating profit</b>		<b>63,261</b>	<b>109,971</b>	<b>18,675</b>	<b>23,386</b>
Other investing activities results	10	6,919	(2,580)	26,510	(2,681)
Share of results of associates and jointly controlled entities	11	(1,586)	7,868	–	–
Finance costs	12	(4,202)	(5,308)	(12,350)	(13,617)
<b>Profit before taxation</b>		<b>64,392</b>	<b>109,951</b>	<b>32,835</b>	<b>7,088</b>
Income tax	13	(13,478)	(24,053)	(324)	(518)
<b>Profit net of tax</b>		<b>50,914</b>	<b>85,898</b>	<b>32,511</b>	<b>6,570</b>
<b>Other comprehensive income</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total comprehensive income for the year</b>		<b>50,914</b>	<b>85,898</b>	<b>32,511</b>	<b>6,570</b>
<b>Profit attributable to:</b>					
Equity holders of the Company		51,453	86,591	32,511	6,570
Non-controlling interests		(539)	(693)	–	–
		50,914	85,898	32,511	6,570
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		51,453	86,591	32,511	6,570
Non-controlling interests		(539)	(693)	–	–
		50,914	85,898	32,511	6,570
<b>Earnings per share attributable to equity holders of the Company</b>					
- basic, for profit for the year	14	18.71 sen	32.61 sen		

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2014

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	16	46,880	47,849	795	1,351
Land held for property development	17(a)	198,635	192,525	–	–
Investment properties	18	9,030	9,030	–	–
Land use rights	19	4,857	4,926	–	–
Goodwill	20	10,327	10,327	–	–
Investments in subsidiaries	21	–	–	489,690	489,690
Investments in associates	22	62	64	102	102
Investments in jointly controlled entities	23	54,715	65,715	60,631	60,631
Investment securities	24	19,032	14,359	15,044	8,533
Other receivable	26	51,541	66,242	–	–
Deferred tax assets	37	2,913	3,583	42	42
		397,992	414,620	566,304	560,349
<b>Current assets</b>					
Property development costs	17(b)	304,477	239,131	–	–
Inventories	25	7,605	12,193	–	–
Investment securities	24	447	305	–	–
Trade and other receivables	26	142,138	116,133	400,993	399,489
Other current assets	27	83,391	156,890	1,856	329
Tax recoverable		5,632	3,080	–	1,116
Cash and bank balances	29	145,969	112,633	46,788	30,920
		689,659	640,365	449,637	431,854
<b>Total assets</b>		1,087,651	1,054,985	1,015,941	992,203

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2014 (CONT'D)

	Note	Group		Company	
		2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Equity and liabilities</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital	30	310,000	310,000	310,000	310,000
Share premium	30	–	5,437	–	5,437
Treasury shares	30	(300)	(12,156)	(300)	(12,156)
Capital reserve	31	30,815	10,815	10,815	10,815
Other reserves	31	(29,913)	(32,188)	2,275	–
Retained profits	32	275,271	253,139	80,650	57,460
Shares held by ESTS Trust	33	(25,444)	(25,444)	(25,444)	(25,444)
Shareholders' equity		560,429	509,603	377,996	346,112
Non-controlling interests		2,737	2,727	–	–
<b>Total equity</b>		<b>563,166</b>	<b>512,330</b>	<b>377,996</b>	<b>346,112</b>
<b>Non-current liabilities</b>					
Borrowings	34	195,050	242,072	172,912	242,072
Other payables and deferred income	35	35,799	38,132	–	–
		230,849	280,204	172,912	242,072
<b>Current liabilities</b>					
Trade and other payables	35	166,316	166,686	399,523	340,019
Other current liabilities	36	9,495	6,146	–	–
Borrowings	34	109,055	80,000	65,500	64,000
Current tax payable		8,770	9,619	10	–
		293,636	262,451	465,033	404,019
<b>Total liabilities</b>		<b>524,485</b>	<b>542,655</b>	<b>637,945</b>	<b>646,091</b>
<b>Total equity and liabilities</b>		<b>1,087,651</b>	<b>1,054,985</b>	<b>1,015,941</b>	<b>992,203</b>

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



# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Attributable to equity holders of the Company									
	Non-distributable									
	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Other reserves RM'000	Capital reserve RM'000	Distributable retained profits RM'000	Shares held by ESTS Trust RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>Group</b>										
<b>As at 1 April 2012</b>	310,000	16,796	(21,805)	(5,965)	10,815	166,548	(25,444)	450,945	4,197	455,142
<b>Total comprehensive income</b>	-	-	-	-	-	86,591	-	86,591	(693)	85,898
<b>Transactions with owners</b>										
Premium on acquisition of non-controlling interests	-	-	-	(26,223)	-	-	-	(26,223)	(777)	(27,000)
Distribution of share dividend	-	(11,359)	11,359	-	-	-	-	-	-	-
Treasury shares purchased	-	-	(1,710)	-	-	-	-	(1,710)	-	(1,710)
<b>Total transactions with owners</b>	-	(11,359)	9,649	(26,223)	-	-	-	(27,933)	(777)	(28,710)
<b>As at 31 March 2013</b>	310,000	5,437	(12,156)	(32,188)	10,815	253,139	(25,444)	509,603	2,727	512,330
<b>Total comprehensive income</b>	-	-	-	-	-	51,453	-	51,453	(539)	50,914
<b>Additional subscription of shares by non-controlling interest in subsidiaries</b>	-	-	-	-	-	-	-	-	549	549
<b>Arising from disposal of warrants held by ESTS Trust</b>	-	-	-	-	-	3,166	-	3,166	-	3,166
<b>Grant of equity-settled share options to directors</b>	-	-	-	2,275	-	-	-	2,275	-	2,275
<b>Effect on redemption of preference share in a subsidiary</b>	-	-	-	-	20,000	(20,000)	-	-	-	-
<b>Transactions with owners</b>										
Dividends	-	(5,437)	11,879	-	-	(6,442)	-	-	-	-
- distribution of share dividend	-	-	-	-	-	(6,045)	-	(6,045)	-	(6,045)
- cash	-	-	(23)	-	-	-	-	(23)	-	(23)
Treasury shares purchased	-	(5,437)	11,856	-	-	(12,487)	-	(6,068)	-	(6,068)
<b>Total transactions with owners</b>	-	(5,437)	11,856	(29,913)	30,815	275,271	(25,444)	560,429	2,737	563,166
<b>As at 31 March 2014</b>	310,000	-	(300)	(29,913)	30,815	275,271	(25,444)	560,429	2,737	563,166

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONT'D)

Company	Note	Attributable to equity holders of the Company						
		<----- Non-distributable ----->			>----- Distributable ----->			
		Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Other reserves RM'000	Capital reserve RM'000	Distributable retained profits RM'000	Shares held by ESTS Trust RM'000
<b>As at 1 April 2012</b>		310,000	16,796	(21,805)	-	10,815	50,890	(25,444)
<b>Total comprehensive income</b>		-	-	-	-	-	6,570	-
<b>Transactions with owners</b>								
Distribution of share dividend	15	-	(11,359)	11,359	-	-	-	-
Treasury shares purchased	30	-	-	(1,710)	-	-	-	-
<b>Total transactions with owners</b>		-	(11,359)	9,649	-	-	-	-
<b>As at 31 March 2013</b>		310,000	5,437	(12,156)	-	10,815	57,460	(25,444)
<b>Total comprehensive income</b>		-	-	-	-	-	32,511	-
Arising from disposal of warrants held by ESTS Trust	33	-	-	-	-	-	3,166	-
Grant of equity-settled share options to directors		-	-	-	2,275	-	-	-
<b>Transactions with owners</b>								
Dividends	15	-	(5,437)	11,879	-	-	(6,442)	-
- distribution of share dividend	15	-	-	-	-	-	(6,045)	-
- cash	30	-	-	(23)	-	-	-	-
Treasury shares purchased		-	(5,437)	11,856	-	-	(12,487)	-
<b>Total transactions with owners</b>		-	(5,437)	11,856	-	-	(12,487)	-
<b>As at 31 March 2014</b>		310,000	-	(300)	2,275	10,815	80,650	(25,444)
								377,996

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

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Cash flows from operating activities</b>				
Profit before taxation:	<b>64,392</b>	109,951	<b>32,835</b>	7,088
Adjustments for:				
Amortisation of land use rights	<b>69</b>	72	–	–
Depreciation of property, plant and equipment	<b>2,408</b>	2,467	<b>816</b>	742
Dividend income	<b>(15)</b>	(11)	<b>(9,916)</b>	(21,983)
Net gain on disposals of:				
- property, plant and equipment	–	(57,708)	–	(17)
- financial assets at fair value through profit or loss	<b>(289)</b>	(13)	–	–
Grant of equity-settled share options to directors	<b>2,275</b>	–	<b>2,275</b>	–
Interest expense	<b>13,648</b>	16,583	<b>12,350</b>	13,617
Interest income	<b>(4,494)</b>	(2,654)	<b>(16,837)</b>	(15,875)
Fair value adjustments on financial assets at fair value through profit or loss	<b>(6,630)</b>	2,593	<b>(6,510)</b>	2,681
(Write back)/allowance for impairment on:				
- property development costs	–	(1,567)	–	–
- land held for property development	–	1,823	–	–
- investment securities	<b>2,140</b>	360	–	360
Allowance for doubtful debts	<b>14</b>	3,402	–	–
Provision for liquidated ascertained damages	<b>8,576</b>	5,665	–	–
Property, plant and equipment written off	<b>176</b>	–	–	–
Share of results of:-				
- associates	<b>2</b>	3	–	–
- jointly controlled entities	<b>1,584</b>	(7,871)	–	–
Write back of allowance for doubtful debts	<b>(696)</b>	(781)	–	–
Operating profit/(loss) before working capital changes	<b>83,160</b>	72,314	<b>15,013</b>	(13,387)
Changes in working capital:				
Land held for property development	<b>(6,110)</b>	(108,821)	–	–
Property development costs	<b>(65,782)</b>	(31,466)	–	–
Inventories	<b>4,588</b>	11,467	–	–
Receivables	<b>54,387</b>	(44,419)	<b>(3,031)</b>	(208,295)
Payables	<b>(7,930)</b>	37,392	<b>59,504</b>	31,158
Interest paid	<b>(13,648)</b>	(16,583)	<b>(12,350)</b>	(13,617)
Interest received	<b>4,494</b>	2,654	<b>16,837</b>	15,875
Net taxes (paid)/refunded	<b>(16,198)</b>	(9,838)	<b>801</b>	(262)
Net cash generated/(used in) from operating activities	<b>36,961</b>	(87,300)	<b>76,774</b>	(188,528)

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 (CONT'D)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Cash flows from investing activities</b>				
Dividends received from:				
- jointly controlled entity	9,416	19,483	9,416	19,483
- subsidiary	–	–	500	2,500
- equity instrument (quoted)	15	11	–	–
Additional subscription of shares by non-controlling interest in subsidiaries	549	–	–	–
Proceeds from disposals of:				
- property, plant and equipment	–	635	–	25
- financial assets held through profit or loss	405	224	–	–
Purchase of:				
- property, plant and equipment	(1,179)	(40,197)	(260)	(115)
- financial assets at fair value through profit or loss	(441)	(219)	–	–
Acquisition of non-controlling interests (Notes 21(a) and 21(b))	–	(27,000)	–	–
Payment in respect of prior year acquisition of non-controlling interests	–	(2,625)	–	–
Net cash inflow from disposal of a subsidiary	8,479	–	–	–
Net cash generated/(used in) from investing activities	17,244	(49,688)	9,656	21,893
<b>Cash flows from financing activities</b>				
Net drawdown/(repayment) of:				
- term loans	11,033	158,698	(38,660)	161,198
- other short term borrowings	(29,000)	(5,000)	(29,000)	8,000
Proceeds from disposal of warrants held by ESTS	3,166	–	3,166	–
Dividend paid	(6,045)	–	(6,045)	–
Purchase of treasury shares	(23)	(1,710)	(23)	(1,710)
Net cash (used in)/generated from financing activities	(20,869)	151,988	(70,562)	167,488
<b>Net increase in cash and cash equivalents</b>	33,336	15,000	15,868	853
<b>Cash and cash equivalents at beginning of the financial year</b>	112,633	97,633	30,920	30,067
<b>Cash and cash equivalents at end of the financial year (Note 29)</b>	145,969	112,633	46,788	30,920

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



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# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014

## 1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company are located at Level 9, Symphony House, Dana 1 Commercial Centre, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal activities of the Company are property development, property investment and investment holding.

The principal activities of the subsidiaries and associates are as set out in Notes 21 and 22.

There were no significant changes in the nature of these principal activities during the financial year.

The financial statements, which are presented in Ringgit Malaysia, were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 19 June 2014.

## 2. Significant accounting policies

### 2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2013 as described fully in Note 2.2.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

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

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# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 2. Significant accounting policies (cont'd)

### 2.2 Changes in accounting policies

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

On 1 April 2013, the Group and the Company adopted the following new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2013.

#### **Effective for financial periods beginning on or after 1 July 2012**

Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

#### **Effective for financial periods beginning on or after 1 January 2013**

Amendments to FRS 101 Presentation of Financial Statements (Improvements to FRSs (2012)

FRS 10 Consolidated Financial Statements

FRS 11 Joint Arrangements

FRS 12 Disclosure of Interests in Other Entities

FRS 13 Fair Value Measurement

FRS 119 Employee Benefits

FRS 127 Separate Financial Statements

FRS 128 Investment in Associate and Joint Ventures

Amendment to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Improvements to FRSs (2012)

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Amendments to FRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities

Amendments to FRS 1 First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs (2012)

Amendments to FRS 116 Property, Plant and Equipment (Improvements to FRSs (2012)

Amendments to FRS 132 Financial Instruments: Presentation (Improvements to FRSs (2012)

Amendments to FRS 134 Interim Financial Reporting (Improvements to FRSs (2012)

Amendments to FRS 10 Consolidated Financial Statements: Transition Guidance

Amendments to FRS 11 Joint Arrangements: Transition Guidance

Amendments to FRS 12 Disclosure of Interests in Other Entities: Transition Guidance

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application. The nature of changes in accounting policy are described below:

## 2. Significant accounting policies (cont'd.)

### 2.2 Changes in accounting policies (cont'd.)

#### FRS 10 Consolidated Financial Statements

FRS 10 replaces part of FRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation - Special Purpose Entities.

Under FRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its involvement with the investee, and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. Under FRS 127 Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

FRS 10 includes detailed guidance to explain when an investor has control over the investee. FRS 10 requires the investor to take into account all relevant facts and circumstances.

#### FRS 11 Joint Arrangements

FRS 11 replaces FRS 131 Interests in Joint Ventures and IC Interpretation 113 Jointly-Controlled Entities - Non-monetary Contributions by Venturers.

The classification of joint arrangements under FRS 11 is determined based on the rights and obligations of the parties to the joint arrangements by considering the structure, the legal form, the contractual terms agreed by the parties to the arrangement and when relevant, other facts and circumstances. Under FRS 11, joint arrangements are classified as either joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

FRS 11 removes the option to account for jointly controlled entities ("JCE") using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

A joint operator shall account for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with FRSS applicable to the particular assets, liabilities, revenues and expenses.

#### FRS 12 Disclosures of Interests in Other Entities

FRS 12 includes all disclosure requirements for interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

#### FRS 127 Separate Financial Statements

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

#### FRS 128 Investment in Associate and Joint Ventures

As a consequence of the new FRS 11 and FRS 12, FRS 128 is renamed as FRS 128 Investment in Associates and Joint Ventures. This new standard describes the application of the equity method to investments in joint ventures in addition to associates.

#### Amendments to FRS 101 Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)

The amendments to FRS 101 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position and performance.

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# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 2. Significant accounting policies (cont'd.)

### 2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

#### **Effective for financial periods beginning on or after 1 January 2014**

Amendments to FRS 132 Offsetting Financial Assets and Financial Liabilities

Amendments to FRS 10, FRS 12 and FRS 127 Investment Entities

Amendments to FRS 136 Impairment of Assets-Recoverable Amount Disclosure for Non-Financial Assets'

#### **Effective for financial periods beginning on or after 1 January 2015**

FRS 9 Financial Instruments Activities

#### FRS 9 Financial Instruments: Classification and Measurement

FRS 9 reflects the first phase of the work on the replacement of FRS 139 Financial Instruments: Recognition and Measurement and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139 Financial Instruments: Recognition and Measurement. The adoption of the first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with other phases, when the final standard including all phases is issued.

The directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application.

#### **Malaysian Financial Reporting Standards (MFRS Framework)**

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

The MFRS Framework is a fully IFRS-compliant framework which is applicable for all non-private entities for annual periods beginning on or after 1 January 2012, other than Transitioning Entities (TEs), which may defer adoption in view of potential changes on the horizon which may change current accounting treatments.

TEs are non-private entities within the scope of MFRS 141 - Agriculture and IC Interpretation 15 - Agreements for the Construction of Real Estate, including their parent, significant investor and venturer. The Group being a TE, will adopt the MFRS Framework with effect from 1 April 2015.

The Group considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2016.



## 2. Significant accounting policies (cont'd.)

### 2.4 Summary of significant accounting policies

#### (a) Basis of consolidation

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

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

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

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

- (i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Company, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full unless there are indication of impairment, in which case, unrealised losses may not be eliminated.

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

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

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

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# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 2. Significant accounting policies (cont'd.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (b) Business combinations (cont'd.)

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

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

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

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2(e).

#### (c) Investment in subsidiaries

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

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

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

## 2. Significant accounting policies (cont'd.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (d) Investment in associates and joint ventures

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

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

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

An associate or a joint venture is equity accounted for from the date on which the investee becomes an associate or a joint venture.

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 2. Significant accounting policies (cont'd.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (e) Goodwill

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

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

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

#### (f) Property, plant and equipment and depreciation

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

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses except for the revaluation of certain freehold land. These freehold land of the Group have not been revalued since. The directors have not adopted a policy of regular revaluation of such asset and no later valuation has been recorded.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Long term leasehold land	59 to 99 years
Short term leasehold land	21 to 22 years
Buildings	2% - 10%
Buildings improvements	10%
Furniture, fittings and equipment	10% - 25%
Motor vehicles	15% - 20%
Plant, machinery and equipment	7.5% - 40%
Computer and peripherals	20%
Renovations	10% - 25%
Quarry development	2 years

## 2. Significant accounting policies (cont'd.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (f) Property, plant and equipment and depreciation (cont'd.)

Work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

Development cost is incurred in relation to the development of quarry operations and is stated at cost less accumulated amortisation. Development cost incurred is written off on a straight-line basis over the economic useful lives of the quarry site upon commencement of extraction. The development is normally undertaken in phases and the useful lives of each phase is approximately two years.

#### (g) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Investment properties are stated at cost less accumulated depreciation and impairment.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at cost less accumulated depreciation.

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

#### (h) Land held for property development and property development costs

##### (i) Land held for property development

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

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 2. Significant accounting policies (cont'd.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (h) Land held for property development and property development costs

##### (ii) Property development costs

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

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

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

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

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

The excess of revenue recognised in the profit or loss over billings to purchasers is classified as accrued billings within other current assets and the excess of billings to purchasers over revenue recognised in the profit or loss is classified as progress billings within other current liabilities.

##### (i) Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

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

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When the total of costs incurred on construction contracts plus, recognised profits (less recognised losses), exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

## 2. Significant accounting policies (cont'd.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (j) Impairment of non-financial assets

The carrying amounts of the Group's assets, other than investment properties, construction contract assets, property development costs, inventories, deferred tax assets and non-current assets (or disposal groups) held for sale, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

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

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

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset, other than goodwill, is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset, other than goodwill, is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

#### (k) Inventories

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

The cost of construction materials and raw materials comprises costs of purchase and other direct charges. The costs of completed properties, determined on the specific identification basis, comprise cost of land, construction and appropriate development expenditure.

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

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 2. Significant accounting policies (cont'd.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (l) Fair value measurement

The Group measures financial instruments, such as, derivatives financial assets at fair value at each reporting date.

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

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

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

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

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

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

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

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

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

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

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

## 2. Significant accounting policies (cont'd.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (m) Financial assets

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

##### (i) Financial assets at fair value through profit or loss

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

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

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

##### (ii) Loans and receivables

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

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

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

##### (iii) Held-to-maturity investments

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

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest 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.

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

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 2. Significant accounting policies (cont'd.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (m) Financial assets (cont'd.)

##### (iv) 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. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss.

Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

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

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

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

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

#### (n) Impairment of financial assets

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

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

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



## 2. Significant accounting policies (cont'd.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (n) Impairment of financial assets (cont'd.)

##### (i) Trade and other receivables and other financial assets carried at amortised cost (cont'd.)

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

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

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

##### (ii) Unquoted equity securities carried at cost

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

##### (iii) Available-for-sale financial assets

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

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

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

#### (o) Leases

##### (i) As lessee

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

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# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 2. Significant accounting policies (cont'd.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (o) Leases (cont'd.)

##### (i) As lessee (cont'd.)

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

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

##### (ii) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

#### (p) Financial liabilities

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

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

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

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

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

## 2. Significant accounting policies (cont'd.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (p) Financial liabilities (cont'd.)

##### (ii) Other financial liabilities

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

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

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

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

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

#### (q) Financial guarantee contracts

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

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

#### (r) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 2. Significant accounting policies (cont'd.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (s) Income tax

##### (i) Current tax

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

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

##### (ii) Deferred tax

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

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

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

## 2. Significant accounting policies (cont'd.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (s) Income tax (cont'd.)

##### (ii) Deferred tax (cont'd.)

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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

#### (t) Provisions

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

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

#### (u) Employee benefits

##### (i) Short term benefits

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

##### (ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into statutory pension scheme. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund.

##### (iii) Equity compensation benefits

The Company established the Employee Share Trust Scheme ("ESTS" or "Scheme") for the benefit of eligible employees.

Pursuant to the Scheme, a trustee was appointed, who is entitled from time to time to accept financial assistance from the Company, upon such terms and conditions as the Company and the trustee may agree, to purchase the Company's shares from the open market for the purpose of the Scheme.



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# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 2. Significant accounting policies (cont'd.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (u) Employee benefits (cont'd.)

##### (iii) Equity compensation benefits (cont'd.)

The shares repurchased are measured and carried at cost of acquisition on initial recognition and subsequently thereon. The ESTS Shares is consolidated into the Group's consolidated financial statements as a deduction from equity and classified as "Shares held by ESTS Trust". Dividends received by the ESTS Shares are to be paid back to the Company as deduction against the aggregate of dividends paid and proposed by the Company.

#### (v) Foreign currencies

##### (i) Functional and presentation currency

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

##### (ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the reporting 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 translated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in either the functional currency of the reporting entity or the foreign operation, are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operation, where that monetary item is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, are recognised in profit or loss for the period. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation, regardless of the currency of the monetary item, are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

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

## 2 . Significant accounting policies (cont'd.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (w) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### (i) Sale of properties

Revenue from sale of properties under development is accounted for by the stage of completion method as described in Note 2.4(h)(ii).

Sale of completed property units is recognised when the risk and reward associated with ownership transfers to the property purchasers.

##### (ii) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.4(i).

##### (iii) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

##### (iv) Sale of goods

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

##### (v) Property management

Property management income is recognised as and when the services are performed.

##### (vi) Dividend income

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

##### (vii) Interest income

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

##### (viii) Tribute income

Tribute income is recognised as and when ultimate collection is certain.

#### (x) Contingencies

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

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

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# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 2. Significant accounting policies (cont'd.)

### 2.4 Summary of significant accounting policies (cont'd.)

#### (y) Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms.

#### (z) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

#### (aa) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. These segmental information are reviewed by the chief operating decision maker. Additional disclosures on each of these segments are shown in Note 47, including the factors used to identify the reportable segments and the measurement basis of segment information.

#### (ab) Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

#### (ac) Warrants

The issue of ordinary shares upon exercise of the warrants are treated as new subscriptions of ordinary shares for the consideration equivalent to the warrants exercise price and subsequently be classified as equity.

### 2.5 Significant accounting judgements and estimates

#### (a) Critical judgements made in applying accounting policies

The following is the judgement made by management in the process of applying the Group's accounting policies that has the most significant effect on the amounts recognised in the financial statements:

##### Operating lease commitments – the Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

## 2. Significant accounting policies (cont'd.)

### 2.5 Significant accounting judgements and estimates (cont'd.)

#### (b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that may have significant risks of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below:

##### (i) Impairment of investment securities and other investments

The management determines whether the carrying amounts of its investment securities and other investments are impaired at reporting date. This involves measuring the recoverable amounts which includes fair value less costs to sell and valuation techniques. Valuation techniques include amongst others, discounted cash flows analysis and in some cases, based on published analysts' reports and current market indicators and estimates that provide reasonable approximations to the computation of recoverable amounts.

##### (ii) Construction contracts

The Group recognises construction revenue and costs, including rendering of services, in the statements of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs and completion of a physical proportion of the contract work.

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

##### (iii) Property development

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

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

##### (iv) Useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets.

In addition, the estimation of the useful lives of property, plant and equipment are based on the internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timings of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 2. Significant accounting policies (cont'd.)

### 2.5 Significant accounting judgements and estimates (cont'd.)

#### (b) Key sources of estimation uncertainty (cont'd.)

##### (v) Income taxes

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

##### (vi) Deferred tax assets

Deferred tax assets are recognised for all unabsorbed tax losses to the extent that it is probable that taxable profits will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. Further details are provided for in Note 37.

##### (vii) Provision for claims receivable from contractor on late completion and payable for late delivery

The provision for claims payable was in respect of a project undertaken by a subsidiary which completion was delayed resulting in late delivery to its customers. The delay in completion was caused by a contractor and the amount of claimed is based on practical date of completion as advised by a qualified external party. Significant judgement is therefore used in determining the amounts of damages receivable from the contractor for the delayed completion and provision for claims payable for late delivery to the affected house purchasers.

The directors have carefully assessed the terms of the contract, advice from the qualified external party, the amount of damages against the contractor and the estimated claims payable for late delivery. Based on the directors' assessment, the Group estimated with reasonable certainty the amounts of claims that are expected to be payable and receivable for the project are RM2.2 million and RM3.8 million respectively.

##### (viii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units ("CGU") to which goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill in respect of subsidiaries as at 31 March 2014 was RM10,327,000 (2014: RM10,327,000). Further details are disclosed in Note 20.



## 2. Significant accounting policies (cont'd.)

### 2.5 Significant accounting judgements and estimates (cont'd.)

#### (b) Key sources of estimation uncertainty (cont'd.)

##### (ix) Due from subsidiaries

The Company determines the recoverability of the amounts due from certain subsidiaries when these debts exceeded their capital investments. The cost of investment carried by the Company is assessed for impairment, if any, based on the present value of the future cash flows expected to be derived from the cash generating units of the investment in the reorganisation of the investment in subsidiaries. The directors are of the opinion that no further allowance for doubtful debts needs to be made for the debts due from these subsidiaries.

As at reporting date, the debts due from certain subsidiaries exceeded their capital investments by approximately RM19,307,000 (2013: RM19,307,000).

##### (x) Disposal consideration

The fair value of the disposal consideration is calculated and estimated based on the net present value computation of the amount receivables over a period of 4 years discounted at a rate of 8% per annum. Had the discounted rate increase or decrease by 50 basis points, the net interest accreted would be higher/lower by approximately RM461,000 (2013: RM730,000)

## 3. Revenue

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Sale of properties	384,059	396,784	–	169
Property management fees	903	827	–	–
Rental income and service charges	5,062	5,231	–	–
Dividend income:				
- subsidiaries	–	–	500	2,500
- joint venture entity	–	–	9,416	19,483
- quoted investments	15	11	–	–
Tribute income	1,152	4,053	–	–
Management fees	–	–	13,318	14,366
	391,191	406,906	23,234	36,518

## 4. Cost of sales

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Cost of property development*	276,854	277,169	–	–
Cost of inventories sold	4,588	10,769	–	–
Construction contract costs	–	95	–	–
	281,442	288,033	–	–
* Included in cost of property development of the Group are as follows:				
Reversal of impairment losses for:				
- land held for property development (Note 17(a))	(119)	–	–	–
- property development costs (Note 17(b))	–	(2,495)	–	–
Writeback of provision of cost directly charged to profit or loss	(11,429)	(4,287)	–	–

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 5. Other income

Other income includes:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Gain on disposals of property, plant and equipment	–	57,708	–	17
Other interest income:				
- subsidiaries	–	–	14,100	13,890
- jointly controlled entities	1,247	911	2,494	1,822
- others	3,247	1,743	243	163
Other rental income	352	434	–	–
Write back of extinguished liability	2,833	–	–	–
Write back of allowance for doubtful debts	696	781	–	–
Liquidated ascertained damages recovered	3,894	–	–	–
Unwinding of interest	5,299	–	–	–
Bad debts recovered	18	6	–	–

## 6. Employee benefits expense

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Wages and salaries	23,578	25,058	12,268	13,016
Contributions to defined contribution plan	2,235	2,402	1,058	1,308
Social security contributions	134	108	49	37
Other benefits	1,303	1,508	767	947
	27,250	29,076	14,142	15,308

Included in employee benefits expense of the Group and of the Company are executive directors' remuneration amounting to RM5,323,000 (2013: RM4,103,000) and RM5,323,000 (2013: RM4,103,000) respectively and non-executive directors' remuneration of RM563,000 (2013: RM815,000) as further disclosed in Note 7.

## 7. Directors' remuneration

	Group/Company	
	2014 RM'000	2013 RM'000
Executive:		
Salaries and other emoluments	5,323	4,103
Non-Executive:		
Other emoluments	347	491
Fees	216	324
	563	815
Total directors' remuneration	5,886	4,918
Estimated money value of benefits-in-kind	205	179
Total directors' remuneration including benefits-in-kind	6,091	5,097

## 7. Directors' remuneration (cont'd.)

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

	Company 2014 RM'000	2013 RM'000
Executive:		
Salaries and other emoluments	4,837	3,686
Contributions to defined contribution plan	486	417
Estimated money value of benefits-in-kind	205	179
	5,528	4,282
Non-Executive:		
Other emoluments	347	491
Fees	216	324
	6,091	5,097

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

	Number of Directors	
	2014	2013
Executive directors:		
RM1,250,001 - RM1,300,000	1	–
RM1,600,001 - RM1,650,000	–	1
RM2,600,001 - RM2,650,000*	–	1
RM4,250,001 - RM4,300,000**	1	–
Non-executive directors:		
RM100,001 - RM150,000	4	4
RM250,001 - RM300,000	–	2

\* include gratuity payment of RM1,488,770 to an executive director.

\*\* include grant of equity-settled share options amounting to RM1,950,000 to a director.

## 8. Depreciation and amortisation

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Amortisation of land use rights (Note 19)	69	72	–	–
Depreciation of property, plant and equipment (Note 16)	2,408	2,467	816	742
	2,477	2,539	816	742

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 9. Other expenses

The following amounts have been included in other expenses:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Auditors' remuneration:				
- statutory audit	347	330	51	50
- other services	8	8	–	–
Allowance for doubtful debts	14	3,402	–	–
Islamic medium term note related expenses	–	7,043	–	7,043
Impairment loss on:				
- land held for development	–	1,823	–	–
- property development costs	–	928	–	–
- investment securities	2,140	360	–	360
Operating leases on minimum lease payments for land and buildings	2,019	1,509	929	832
Property, plant and equipment written off	176	–	–	–
Provision for liquidated ascertained damages	8,576	5,665	–	–

Included in the other expenses of the Group is direct operating expenses (including repair and maintenance) arising from income generating investment properties amounting to RM1,661,000 (2013: RM1,481,000).

## 10. Other investing activities results

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Gain on disposals of financial assets held through profit or loss	(289)	(13)	–	–
Effect of capital distribution by a subsidiary	–	–	(20,000)	–
Fair value adjustments on financial assets held through profit or loss	(6,630)	2,593	(6,510)	2,681
	(6,919)	2,580	(26,510)	2,681

## 11. Share of results of associates and jointly controlled entities

	Group 2014 RM'000	2013 RM'000
Share of results (net of tax) of:		
- associates	(2)	(3)
- jointly controlled entities	(1,584)	7,871
	<b>(1,586)</b>	<b>7,868</b>

## 12. Finance costs

	Group 2014 RM'000	2013 RM'000	Company 2014 RM'000	2013 RM'000
Interest expense on:				
- Islamic medium term note	6,345	2,121	6,345	2,121
- revolving credits	3,100	3,668	2,339	2,915
- term loans	4,203	7,073	3,666	4,860
- bridging loan	–	3,721	–	3,721
	<b>13,648</b>	<b>16,583</b>	<b>12,350</b>	<b>13,617</b>
Less: Interest capitalised in:				
Property development costs (Note 17(b))	(4,203)	(11,292)	–	–
Land held for development (Note 17(a))	(5,359)	–	–	–
Add: Loan related expenses	116	17	–	–
	<b>4,202</b>	<b>5,308</b>	<b>12,350</b>	<b>13,617</b>

## 13. Income tax

	Group 2014 RM'000	2013 RM'000	Company 2014 RM'000	2013 RM'000
<b>Continuing operations</b>				
Malaysian income tax:				
- current year	15,333	17,718	457	161
- (over)/under provision in prior years	(2,525)	376	(133)	357
Real property gains tax	–	7,408	–	–
	<b>12,808</b>	<b>25,502</b>	<b>324</b>	<b>518</b>
Deferred taxation (Note 37):				
- relating to origination and reversal of temporary differences	661	(1,262)	–	–
- under/(over) provision in prior years	9	(187)	–	–
	<b>670</b>	<b>(1,449)</b>	<b>–</b>	<b>–</b>
Total income tax expense	<b>13,478</b>	<b>24,053</b>	<b>324</b>	<b>518</b>



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 13. Income tax (cont'd.)

### Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2014 and 2013 is as follows:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	64,392	109,951	32,835	7,088
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	16,098	27,488	8,209	1,772
Income not subject to tax	(3,014)	(1,257)	(8,986)	(5,375)
Income subject to real property gains tax	–	(14,360)	–	–
Expenses not deductible for tax purposes	3,566	3,761	1,167	3,764
Deferred tax assets not recognised during the year	1,126	2,791	67	–
Tax effects on share of results of associates and jointly controlled entities	396	(1,967)	–	–
Utilisation of previously unrecognised deferred tax assets (Over)/Under provision in prior years:	(2,178)	–	–	–
- income tax	(2,525)	376	(133)	357
- deferred tax	9	(187)	–	–
Real property gains tax	–	7,408	–	–
Income tax expense for the year	13,478	24,053	324	518

Current income tax is calculated at the statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the year. Income tax expense for the year in respect of the Company relates to non-business income.

The amount of tax savings arising from the utilisation of unabsorbed tax losses brought forward are as follows:

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Unabsorbed tax losses	8,712	–	–	–

## 14. Earnings per share

Basic earnings per share amounts are calculated by dividing profit for the year attributable to equity holders of the Company by weighted average number of ordinary shares in issue during the financial year, excluding treasury shares and ESTS Shares held by the Company.

	Group	
	2014	2013
	RM'000	RM'000
Profit attributable to equity holders of the Company	51,453	86,591
Weighted average number of ordinary shares in issue ('000)	275,050	265,513
	sen	sen
Basic earnings per share	18.71	32.61

#### 14. Earnings per share (cont'd)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

The diluted earnings per share is not presented as the effect of the assumed conversion of warrants outstanding will be anti dilutive and as such, the diluted earnings per share is the same as the basic earnings per share. The Company has no other dilutive potential ordinary shares in issue as at end of the reporting period.

#### 15. Dividends

	Group/Company Net sen per share	Total amount RM'000
<b>Year ended 31 March 2014</b>		
First and final dividend in respect of the financial year ended 31 March 2013, 3 sen less 25% taxation paid on 30 October 2013	<b>2.25</b>	<b>6,045</b>

Dividend-in-specie by way of distribution of treasury shares on 30 October 2013 as share dividend on the basis of one (1) treasury share for every twenty (20) existing ordinary shares of RM1.00 each held in the Company amounting to RM11,879,000 where RM5,437,000 was accounted for in equity as a reduction in the share premium account while the remaining RM6,442,000 was distributed from the retained profits.

#### Year ended 31 March 2013

Dividend-in-specie by way of distribution of treasury shares as share dividend on the basis of one (1) treasury share for every twenty (20) existing ordinary shares of RM1.00 each held in the Company amounting to RM11,359,000 was accounted for in equity as a reduction in the share premium account.

At the forthcoming Annual General Meeting, a first and final single-tier dividend of 4.0 sen per share in respect of the financial year ended 31 March 2014, amounting to RM12.4 million will be proposed for shareholders' approval.

The financial statements for the current financial year do not reflect the proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2015.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 16. Property, plant and equipment

Group	Freehold land RM'000	Leasehold land RM'000	Buildings and improvements RM'000	Office equipment, furniture, fixtures and fittings RM'000	Motor vehicles RM'000	Plant, machinery and equipment RM'000	Work-in-progress RM'000	Renovations RM'000	* Other asset RM'000	Total RM'000
<b>Cost</b>										
At 1 April 2012	773	-	42,326	6,553	2,258	9,412	-	4,103	708	66,133
Additions	-	38,880	137	301	442	-	408	29	-	40,197
Reclassified from land use rights (Note 19)	-	4,620	-	-	-	-	-	-	-	4,620
Disposals	(323)	(29,002)	-	(204)	(147)	-	-	-	-	(29,676)
At 31 March 2013	450	14,498	42,463	6,650	2,553	9,412	408	4,132	708	81,274
Additions	-	-	-	481	698	-	-	-	-	1,179
Reclassified from property development costs (Note 17 (b))	76	-	360	-	-	-	-	-	-	436
Written off	-	-	(252)	(1,257)	(33)	(65)	-	(378)	-	(1,985)
At 31 March 2014	<b>526</b>	<b>14,498</b>	<b>42,571</b>	<b>5,874</b>	<b>3,218</b>	<b>9,347</b>	<b>408</b>	<b>3,754</b>	<b>708</b>	<b>80,904</b>

## 16. Property, plant and equipment (cont'd.)

Group (cont'd.)	Freehold land RM'000	Leasehold land RM'000	Buildings and improvements RM'000	Office equipment, furniture, and fittings RM'000	Motor vehicles RM'000	Plant, machinery and equipment RM'000	Work-in-progress RM'000	Renovations RM'000	*Other asset RM'000	Total RM'000
<b>Accumulated depreciation and impairment</b>										
At 1 April 2012	-	-	11,707	5,808	2,103	8,991	-	2,148	708	31,465
Charge for the year (Note 8)	-	305	783	435	122	216	-	606	-	2,467
Disposals	-	(175)	-	(186)	(146)	-	-	-	-	(507)
At 31 March 2013	-	130	12,490	6,057	2,079	9,207	-	2,754	708	33,425
Charge for the year (Note 8)	-	133	808	455	233	205	-	574	-	2,408
Written off	-	-	(76)	(1,257)	(33)	(65)	-	(378)	-	(1,809)
At 31 March 2014	-	263	13,222	5,255	2,279	9,347	-	2,950	708	34,024
<b>Net carrying amount</b>										
At 31 March 2014	526	14,235	29,349	619	939	-	408	804	-	46,880
At 31 March 2013	450	14,368	29,973	593	474	205	408	1,378	-	47,849

\* Other asset comprised quarry development costs.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 16. Property, plant and equipment (cont'd.)

Company	Office equipment, furniture, fixtures and fittings RM'000	Motor vehicles RM'000	Renovations RM'000	Total RM'000
<b>Cost</b>				
At 1 April 2012	1,443	1,571	2,735	5,749
Additions	115	–	–	115
Disposals	(21)	(146)	–	(167)
At 31 March 2013	1,537	1,425	2,735	5,697
Additions	260	–	–	260
At 31 March 2014	<b>1,797</b>	<b>1,425</b>	<b>2,735</b>	<b>5,957</b>
<b>Accumulated depreciation</b>				
At 1 April 2012	1,012	1,569	1,182	3,763
Charge for the year (Note 8)	195	–	547	742
Disposals	(13)	(146)	–	(159)
At 31 March 2013	1,194	1,423	1,729	4,346
Charge for the year (Note 8)	269	–	547	816
At 31 March 2014	<b>1,463</b>	<b>1,423</b>	<b>2,276</b>	<b>5,162</b>
<b>Net carrying amount</b>				
At 31 March 2014	<b>334</b>	<b>2</b>	<b>459</b>	<b>795</b>
At 31 March 2013	343	2	1,006	1,351

The net book values of the property, plant and equipment pledged as securities for borrowings as disclosed in Note 34 are as follows:

	Group	
	2014 RM'000	2013 RM'000
Leasehold land	<b>14,235</b>	14,368
Buildings and improvements	<b>28,091</b>	29,803
	<b>42,326</b>	44,171



## 17. Land held for property development and property development costs

## (a) Land held for property development

Group	Freehold land RM'000	Leasehold land RM'000	Development expenditure RM'000	Total RM'000
<b>Cost</b>				
At 1 April 2012	97,378	138	19,118	116,634
Additions	–	103,748	7,721	111,469
Disposals	(1,857)	–	(791)	(2,648)
Reclassified from land use rights (Note 19)	–	12,327	–	12,327
Reclassification	(2,059)	–	2,059	–
At 31 March 2013	93,462	116,213	28,107	237,782
Additions	–	–	6,422	6,422
Disposals	(345)	–	(86)	(431)
At 31 March 2014	<b>93,117</b>	<b>116,213</b>	<b>34,443</b>	<b>243,773</b>
<b>Accumulated impairment</b>				
At 1 April 2012	43,434	–	–	43,434
Impairment loss for the year	–	137	1,686	1,823
At 31 March 2013	43,434	137	1,686	45,257
Reversal of impairment losses (Note 4)	(119)	–	–	(119)
At 31 March 2014	<b>43,315</b>	<b>137</b>	<b>1,686</b>	<b>45,138</b>
<b>Carrying amount</b>				
At 31 March 2014	<b>49,802</b>	<b>116,076</b>	<b>32,757</b>	<b>198,635</b>
At 31 March 2013	50,028	116,076	26,421	192,525

Capitalised within property development expenditure of the year are finance costs of RM5,359,000 (2013: RM nil).

Freehold land and leasehold land of the Group with carrying amounts of RM136,659,000 (2013: RM128,083,000) are pledged as securities for borrowings as disclosed in Note 34.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 17. Land held for property development and property development costs (cont'd.)

### (b) Property development costs

Group	Freehold land RM'000	Leasehold land RM'000	Development expenditure RM'000	Total RM'000
<b>Cumulative property development costs</b>				
At 1 April 2012	68,308	85,167	311,258	464,733
Acquisition of a subsidiary (Note 21 (b))	40,260	–	355	40,615
Costs incurred during the year	–	–	274,802	274,802
Reversal for completed projects	(8,079)	(644)	(51,877)	(60,600)
Transfer to inventories	–	–	(657)	(657)
Reclassification	–	(928)	928	–
At 31 March 2013	100,489	83,595	534,809	718,893
Costs incurred during the year	4,663	–	349,086	353,749
Reversal for completed projects	(4,885)	–	(24,048)	(28,933)
Transfer to property, plant and equipment	(76)	–	(360)	(436)
At 31 March 2014	<b>100,191</b>	<b>83,595</b>	<b>859,487</b>	<b>1,043,273</b>
<b>Accumulated impairment</b>				
At 1 April 2012	(2,520)	–	–	(2,520)
Impairment loss for the year	–	–	(928)	(928)
Reversal of impairment losses (Note 4)	2,495	–	–	2,495
Transfer to inventories	25	–	–	25
At 31 March 2013 & 31 March 2014	<b>–</b>	<b>–</b>	<b>(928)</b>	<b>(928)</b>
<b>Cumulative costs recognised in profit or loss</b>				
At 1 April 2012	(19,266)	(1,284)	(234,933)	(255,483)
Recognised during the year	(26,544)	(3,957)	(253,450)	(283,951)
Reversal for completed projects	8,079	644	51,877	60,600
At 31 March 2013	(37,731)	(4,597)	(436,506)	(478,834)
Recognised during the year	(4,469)	(18,663)	(264,835)	(287,967)
Reversal for completed projects	4,885	–	24,048	28,933
At 31 March 2014	<b>(37,315)</b>	<b>(23,260)</b>	<b>(677,293)</b>	<b>(737,868)</b>
<b>Property development costs at 31 March 2014</b>	<b>62,876</b>	<b>60,335</b>	<b>181,266</b>	<b>304,477</b>
<b>Property development costs at 31 March 2013</b>	<b>62,758</b>	<b>78,998</b>	<b>97,375</b>	<b>239,131</b>

Capitalised within property development expenditure of the year are finance costs of RM4,203,000 (2013: RM11,292,000).

The cost of land of the Group amounting to RM200,058,000 (2013: RM127,732,000) are charged to financial institutions to secure credit facilities obtained as disclosed in Note 34.

**18. Investment properties**

	Group 2014 RM'000	2013 RM'000
At 1 April/31 March	9,030	9,030
Estimated fair value	25,395	25,395

The estimated fair value is based on comparable market value for properties within the location and taking into consideration on the assumption that there is no significant rental growth for this property.

**19. Land use rights**

Group	Lease prepayment RM'000	Short term land use rights RM'000	Total RM'000
<b>Net carrying amount</b>			
At 1 April 2012	4,931	17,014	21,945
Amortisation for the year (Note 8)	(61)	(11)	(72)
Reclassified to land held for development	–	(12,327)	(12,327)
Reclassified to property, plant and equipment	–	(4,620)	(4,620)
At 31 March 2013	4,870	56	4,926
Amortisation for the year (Note 8)	(61)	(8)	(69)
At 31 March 2014	4,809	48	4,857

The lease prepayment is in respect of a lump sum payment of rental to Lembaga Pembangunan Langkawi for the lease of a parcel of leasehold land with a 90-year tenure.

In previous financial year, the Group obtained approvals from the relevant authorities to convert and extend the land lease term previously classified as short term usage rights to industrial development. Accordingly, the carrying amount of the short term usage rights was reclassified to land held for development and property, plant and equipment. The cost to convert and extend the lease period of the land was RM142.6 million and in the previous financial year, the Group entered into an agreement to dispose of a portion of the land to Batu Tiga Quarry Sdn. Bhd..

**20. Goodwill**

	Group 2014 RM'000	2013 RM'000
At 1 April/31 March	10,327	10,327

**(a) Allocation of goodwill**

Goodwill had been allocated to the Group's Cash Generating Unit ("CGU") according to the subsidiaries concerned.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 20. Goodwill (cont'd.)

### (b) Key assumptions used in value-in-use calculations

The recoverable amount of a CGU is determined based on value-in-use calculations using cash flow projections based on financial budgets approved by management covering a 5-year period. The key assumptions used for each of the CGU's value-in-use calculations are:

Gross margin		Growth rate		Discount rate	
2014	2013	2014	2013	2014	2013
10 - 20%	10 - 20%	5%	5%	10%	10%

#### (i) Gross margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year, adjusted for market and economic conditions and internal resource efficiency.

#### (ii) Growth rate

The average growth rate used is based on the annual growth rate of 5% (2013: 5%) which is the industry average growth rate.

#### (iii) Discount rate

The discount rate used is 10% (2013: 10%) which approximates the CGUs' average cost of funds.

### (c) Sensitivity to changes in assumptions

The management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the goodwill to materially exceed its recoverable amount.

## 21. Investments in subsidiaries

	Company	
	2014 RM'000	2013 RM'000
Unquoted shares:		
- Ordinary shares, at cost	40,301	40,301
- Cumulative redeemable preference shares, at cost	451,277	451,277
	491,578	491,578
Less: Accumulated impairment losses	(1,888)	(1,888)
	489,690	489,690

As at the reporting date, the carrying value of investments in a subsidiary exceeded its combined net assets by approximately RM500,000 (2013: RM500,000). The cost of investment carried by the Company is assessed for impairment, if any, based on the present value of the future cash flows expected to be derived from the cash generating units of the investment in the subsidiaries. As such, the directors believe that there is no permanent impairment in value of these investments.

## 21. Investments in subsidiaries (cont'd.)

Details of the subsidiaries, all of which are incorporated in Malaysia unless otherwise stated, are as follows:

Name of subsidiaries	% of ownership interest held by the Group		% of ownership interest held by non-controlling interests		Principal activities
	2014 %	2013 %	2014 %	2013 %	
Held by the Company:					
Campbell Shopping Complex Sdn. Bhd. <sup>[1]</sup>	–	100	–	–	Ceased operations
Goldenprop Management Sdn. Bhd.	100	100	–	–	Property management services
Kenneison Brothers Sdn. Bhd.	100	100	–	–	Investment holding
Langkawi Fair Sdn. Bhd.	100	100	–	–	Rental of property
Midah Jaya Realty Sdn. Bhd.	100	100	–	–	Property investment
Noble Senawang Sdn. Bhd.	100	100	–	–	Share trading
Prima Istimewa Sdn. Bhd.	100	100	–	–	Investment holding
Prima Panorama (M) Sdn. Bhd.	100	100	–	–	Ceased operations
Primtrax Sdn. Bhd.	100	100	–	–	Investment holding
Symphony Assets Management Sdn. Bhd.	100	100	–	–	Property management services
Symphony Estates Sdn. Bhd.	100	100	–	–	Investment holding
Symphony Projects Management Sdn. Bhd.	100	100	–	–	Project management services
Symphony Sales & Marketing Sdn. Bhd.	100	100	–	–	Marketing services
Tijani (Bukit Tunku) Sdn. Bhd.	100	100	–	–	Property development
Subsidiaries of Symphony Estates Sdn. Bhd.					
Bcom Holdings Sdn. Bhd.	100	100	–	–	Property development
Brilliant Armada Sdn. Bhd.	51	51	49	49	Property development
Cahadinar Sdn. Bhd.	100	100	–	–	Investment holding
Dexview Sdn. Bhd. <sup>[2]</sup>	50% + 1 share	–	50% – 1 share	–	Property development
Gaya Arena Sdn. Bhd.	100	100	–	–	Dormant
GLM Property Development Sdn. Bhd.	100	100	–	–	Property development
Keat Ann Realty Sdn. Bhd.	100	100	–	–	Property development
Kejora Harta Properties Sdn. Bhd.	100	100	–	–	Dormant
Ketapang Realty Sdn. Bhd.	100	100	–	–	Property development
Majestic Focus Sdn. Bhd.	100	100	–	–	Investment holding
Midah Istimewa Sdn. Bhd.	100	100	–	–	Property development
Midahmas Realty Sdn. Bhd.	100	100	–	–	Property investment
Parkrose Holdings Sdn. Bhd.	100	100	–	–	Property development and property investment



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 21. Investments in subsidiaries (cont'd.)

Name of subsidiaries	% of ownership interest held by the Group		% of ownership interest held by non-controlling interests		Principal activities
	2014 %	2013 %	2014 %	2013 %	
<b>Subsidiaries of Symphony Estates Sdn. Bhd. (cont'd.)</b>					
Prestige Capital Sdn. Bhd.	100	100	–	–	Property investment
Senawang Mewah Sdn. Bhd.	100	100	–	–	Property development
TWY Development Sdn Bhd. (formerly known as Seni Buluh Sdn. Bhd.)	100	*	–	–	Property development
Symphony Crescent Sdn. Bhd.	100	100	–	–	Property development
Vista Prisma Sdn. Bhd. <sup>[3]</sup>	–	100	–	–	Property development
Vistayu Sdn. Bhd. <sup>[4]</sup>	55	100	45	–	Property investment
Vital Capacity Sdn. Bhd. <sup>[2]</sup>	100	–	–	–	Dormant
Winmin Builders Sdn. Bhd.	100	100	–	–	Property development
51G Development Sdn. Bhd.	50% + 1 share	50% + 1 share	50% – 1 share	50% – 1 share	Property development
<b>Subsidiary of Cahadinar Sdn. Bhd.:</b>					
Kejora Harta Bhd.	100	100	–	–	Property development and investment holding
<b>Subsidiary of Langkawi Fair Sdn. Bhd.:</b>					
Vista Wirama Sdn. Bhd.	100	100	–	–	Dormant
<b>Subsidiary of Majestic Focus Sdn. Bhd.:</b>					
Prima Nova Harta Development Sdn. Bhd.	100	100	–	–	Property development
<b>Subsidiary of Prima Istimewa Sdn. Bhd.:</b>					
Skyline Concepts Sdn. Bhd.	100	100	–	–	Ceased operations

## 21. Investments in subsidiaries (cont'd.)

Name of subsidiaries	% of ownership interest held by the Group		% of ownership interest held by non-controlling interests		Principal activities
	2014 %	2013 %	2014 %	2013 %	
<b>Subsidiaries of Primtrax Sdn. Bhd.:</b>					
Pele Development Limited (Incorporated in Myanmar)	100	100	—	—	Dormant
Pele Investment Holdings Limited (Incorporated in Myanmar)	100	100	—	—	Dormant
<b>Subsidiary of Kejora Harta Bhd.:</b>					
Kejora Harta Development Sdn. Bhd.	100	100	—	—	Dormant
<b>Subsidiaries of Skyline Concepts Sdn. Bhd.:</b>					
BakerBrosCorp Sdn. Bhd. <sup>[1]</sup>	—	100	—	—	Ceased operations
Multivenu Sdn. Bhd.	100	100	—	—	Ceased operations
RanchCorp Sdn. Bhd. <sup>[1]</sup>	—	100	—	—	Ceased operations
Skyline Concepts Restaurants Sdn. Bhd. <sup>[1]</sup>	—	100	—	—	Ceased operations
<b>Subsidiary of Skyline Concepts Restaurants Sdn. Bhd.:</b>					
SlimsCorp Sdn. Bhd. <sup>[1]</sup>	—	100	—	—	Ceased operations
<b>Subsidiaries of Kenneison Brothers Sdn. Bhd.:</b>					
Innovative Pavement Technology Sdn. Bhd.	100	100	—	—	Ceased operations

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 21. Investments in subsidiaries (cont'd.)

Name of subsidiaries	% of ownership interest held by the Group		% of ownership interest held by non-controlling interests		Principal activities
	2014 %	2013 %	2014 %	2013 %	
<b>Subsidiaries of Kenneison Brothers Sdn. Bhd. (cont'd.):</b>					
Kenneison Brothers Construction Sdn. Bhd.	100	100	–	–	Civil engineering and construction works
Kenneison Properties Sdn. Bhd.	100	100	–	–	Property holding
Kenneison Quarries Sdn. Bhd.	100	100	–	–	Ceased operations
Kenneison RI Sdn. Bhd.	100	100	–	–	Dormant
Power Gas Systems Sdn. Bhd.	98.2	98.2	1.8	1.8	Ceased operations
Traders Acceptances Sdn. Bhd.	100	100	–	–	Investment holding
<b>Subsidiary of Kenneison Brothers Construction Sdn. Bhd.:</b>					
Kenneison Engineering Sdn. Bhd.	100	100	–	–	Construction works
<b>Subsidiary of Power Gas System Sdn. Bhd.:</b>					
LPG System Sdn. Bhd.	98.2	98.2	1.8	1.8	Ceased operations

[1] Subsidiaries dissolved during the year

[2] Subsidiary acquired during the year

[3] Subsidiary disposed off during the year

[4] Dilution of interest during the year with no material impact to the financial statements

\* Symphony Estates Sdn. Bhd. had 100% voting rights in TWY Development Sdn. Bhd. (formerly known as Seni Buluh Sdn. Bhd.)

**21. Investments in subsidiaries (cont'd.)****(a) Acquisition and incorporation of subsidiaries**

- (i) The Company through its wholly owned subsidiary, Symphony Estates Sdn. Bhd. ("SESB") incorporated Dexview Sdn. Bhd. with an initial paid up capital RM2. Subsequently during the year, Dexview Sdn. Bhd. increased its paid up share capital to RM1,000,000 comprising 1,000,000 ordinary shares of RM1 each where SESB subscribed 500,001 ordinary shares of RM1 each and the non-controlling interest subscribed the other 499,999 ordinary shares of RM1 each.

In addition, non-controlling interest subscribed 49,000 ordinary share of RM1 each in other subsidiary Brilliant Armada Sdn. Bhd.

- (ii) During the year, SESB acquired Vital Capacity Sdn. Bhd. as disclosed in Note 41. The acquisition did not have any significant impact to the financial statements.
- (iii) The summarised financial information presented below is the amount before inter-company elimination for subsidiaries which have non-controlling interests that are individually not significant but material in aggregate to the Group is set out below.

**(i) Summarised statements of financial position****At 31 March 2014**

	51G Development Sdn. Bhd. RM'000	Dexview Sdn. Bhd. RM'000	Brilliant Armada Sdn. Bhd. RM'000	Total RM'000
Current assets	27,811	26,060	3,289	57,160
Cash and cash equivalent	264	704	75	1,043
Total Assets	28,075	26,764	3,364	58,203
Current liabilities	20,562	25,782	3,274	49,618
Non-current liabilities	3,111	–	–	3,111
Total Liabilities	23,673	25,782	3,274	52,729
Net Assets	4,402	982	90	5,474
Equity attributable to owners of the Company	2,201	491	45	2,737
Non-controlling interests	2,201	491	45	2,737
	4,402	982	90	5,474

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 21. Investments in subsidiaries (cont'd.)

### (a) Acquisition and incorporation of subsidiaries (cont'd.)

#### (i) Summarised statements of financial position (cont'd.)

At 31 March 2013

	51G Development Sdn. Bhd. RM'000
Current assets	27,682
Cash and cash equivalent	695
Total Assets	28,377
Current liabilities	19,812
Non-current liabilities	3,111
Total Liabilities	22,923
Net Assets	5,454
Equity attributable to owners of the Company	2,727
Non-controlling interests	2,727
	5,454

#### (ii) Summarised statements of comprehensive income

At 31 March 2014

	51G Development Sdn. Bhd. RM'000	Dexview Sdn. Bhd. RM'000	Brilliant Armada Sdn. Bhd. RM'000	Total RM'000
Revenue	—	—	—	—
Loss for the year	(700)	(16)	(42)	(758)
Equity attributable to owners of the Company	(350)	(8)	(21)	(379)
Non-controlling interests	(350)	(8)	(21)	(379)
	(700)	(16)	(42)	(758)

## 21. Investments in subsidiaries (cont'd.)

## (a) Acquisition and incorporation of subsidiaries (cont'd.)

## (ii) Summarised statements of comprehensive income (cont'd.)

	51G Development Sdn. Bhd. RM'000
<b>At 31 March 2013</b>	
Revenue	–
Loss for the year	(1,386)
Equity attributable to owners of the Company	(693)
Non-controlling interests	(693)
	<u>(1,386)</u>

## (iii) Summarised statements of cash flows

## At 31 March 2014

	51G Development Sdn. Bhd. RM'000	Dexview Sdn. Bhd. RM'000	Brilliant Armada Sdn. Bhd. RM'000	Total RM'000
Cash flows from operating activities	(349)	(296)	(15)	(660)
Cash flows from financing activities	8	1,000	–	1,008
Net increase in cash and cash equivalents	(341)	704	(15)	348
Cash and cash equivalents at beginning of the financial year	605	–	90	695
Cash and cash equivalents at end of the financial year	264	704	75	1,043

	51G Development Sdn. Bhd. RM'000
<b>At 31 March 2013</b>	
Cash flows from operating activities	(1,447)
Cash flows from investing activities	4
Cash flows from financing activities	1,642
Net increase in cash and cash equivalents	199
Cash and cash equivalents at beginning of the financial year	406
Cash and cash equivalents at end of the financial year	<u>605</u>



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 21. Investments in subsidiaries (cont'd.)

### (b) Disposal of a subsidiary

On 15 July 2013, Symphony Estates Sdn. Bhd. ("SESB") entered into a Share Sale Agreement with Encik Asri bin Abu Zarin (4,606,998 ordinary shares of RM 1.00 each) and Encik Azuan bin Awin (3,803,002 ordinary shares of RM 1.00 each) for disposal of the entire 7,690,000 ordinary shares of RM1.00 each, representing 100% equity interest in Vista Prisma Sdn. Bhd. for a total consideration of RM8,490,000. The disposal was completed during the year and accordingly, Vista Prisma ceased to be a subsidiary of the Company.

The disposal has the following effects on the financial positions of the Group as at the end of the financial year:

	2014 RM'000
Trade and other receivables	8,479
Tax recoverable	11
Net assets disposed	8,490
Total disposal proceeds	(8,490)
	—
Disposal proceeds was settled by:	
Cash	8,490

## Acquisitions of non-controlling interests and disposal of a subsidiary in the previous financial year

### (a) Acquisitions of non-controlling interests

On 17 April 2012, Symphony Estates Sdn Bhd. ("SESB") entered into a Share Sale Agreement with a non-controlling shareholder for the acquisition of 15% equity interest in Prestige Capital Sdn. Bhd. ("Prestige") for a total consideration of RM15,000,000.

On 20 November 2012, SESB entered into a Share Sale Agreement with a non-controlling shareholder for the acquisition of the remaining 10% equity interest in Prestige for a total consideration of RM12,000,000.

The above transactions with the non-controlling shareholders were accounted for as transactions with owners and the difference between the consideration and the book value of the net assets acquire was recognised directly in equity.

## 21. Investments in subsidiaries (cont'd.)

### Acquisitions of non-controlling interests and disposal of a subsidiary in the previous financial year (cont'd.)

#### (b) Acquisitions of subsidiaries

The Company had on 25 October 2012 announced that its wholly-owned subsidiary, SESB had entered into a Conditional Share Sales Agreement ("SSA") for the proposed acquisition of 1,000 ordinary shares of RM1.00 each, representing the entire equity in Seni Buluh Sdn. Bhd. ("SBSB") with Syed Azmin bin Mohd Nursin @ Syed Nor and Muhamad Najmi bin Mohd Aris ("the Vendors") for a total maximum consideration of RM4,400,000.

SBSB was considered as a subsidiary of the Group as it met the definition of a subsidiary under FRS127 paragraph 3 as follows:-

Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control. Control also exists when the parent owns half or less of the voting power of an entity when there is:

- (i) power over more than half of the voting rights by virtue of an agreement with other investors;
- (ii) power to govern the financial and operating policies of the entity under a statute or an agreement;
- (iii) power to appoint or remove the majority of the members of the board of directors or equivalent governing body and control of the entity is by that board or body; or
- (iv) power to cast the majority of votes at meetings of the board of directors or equivalent governing body and control of the entity is by that board or body.

The fair values of the identifiable assets and liabilities of SBSB as at the date of acquisition were:

	Fair value recognised RM'000	Acquiree's carrying amount RM'000
<b>2013</b>		
Property development costs (Note 17)	40,615	36,044
Other payables	(36,215)	(36,216)
Fair value of net assets	4,400	(172)
	<b>RM'000</b>	

The effect of the acquisition on cash flows is as follows:

Total cost of acquisition	4,400
Less: Cash and cash equivalent of subsidiary acquired	—
	4,400
Less: Deferred consideration (Note 35)	(4,400)
Net cash outflow on acquisition	—

The acquisitions of the other subsidiaries, Gaya Arena Sdn. Bhd. and Vistayu Sdn. Bhd. in previous year did not have significant impact to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 22. Investments in associates

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unquoted shares, at cost	910	910	910	910
Less: Accumulated impairment losses	(400)	(400)	(808)	(808)
	510	510	102	102
Share of post-acquisition losses	(448)	(446)	–	–
	62	64	102	102

Details of associates, which are incorporated in Malaysia, are as follows:

Name of associates	Principal activities	Equity ownership interest		Proportion of voting power	
		2014 %	2013 %	2014 %	2013 %
Held by the Company:					
Marak Unggul Sdn. Bhd.	Dormant	20	20	20	20
Progresif Setia Sdn. Bhd.	Property development	40	40	40	40

The associates have a financial year-end of 31 December 2013 to conform with those of their holding company's financial year-end. The financial statements of the associates for the 3-month interim period ended 31 March 2014 have been used for the purpose of applying the equity method of accounting.

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

	Group	
	2014 RM'000	2013 RM'000
<b>Assets and liabilities</b>		
Current assets, representing total assets	64	65
Current liabilities, representing total liabilities	(2)	(2)
<b>Results</b>		
Loss for the year	(2)	(3)

## 23. Investments in jointly controlled entities

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unquoted shares, at cost	62,876	62,876	62,876	62,876
Less: Accumulated impairment losses	(2,245)	(2,245)	(2,245)	(2,245)
	60,631	60,631	60,631	60,631
Add: Share of post-acquisition profits	22,983	24,567	–	–
Less: Dividend from jointly controlled entities	(28,899)	(19,483)	–	–
	54,715	65,715	60,631	60,631

Details of the jointly controlled entities are as follows:

Name of jointly controlled entities	Country of incorporation	Equity ownership interest		Principal activities
		2014 %	2013 %	
Continental Estates Sdn. Bhd.	Malaysia	15.81	15.81	Estate and property development
Alpine Return Sdn. Bhd.	Malaysia	50.00	50.00	Property development

The Group's aggregate share of current assets, non-current assets, current liabilities and non-current liabilities, income and expenses of the jointly controlled entities are as follows:

## (i) Summarised statements of financial position

	Alpine Return		Continental Estates		Group	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Assets and liabilities</b>						
Current assets	184,128	170,604	1,612	1,428	185,740	172,032
Cash and cash equivalent	3,126	2,549	9,661	60,656	12,787	63,205
Non-current assets	1,236	265	241,147	240,880	242,383	241,145
Total assets	188,490	173,418	252,420	302,964	440,910	476,382
Current liabilities	(58,950)	(132,618)	–	–	(58,950)	(132,618)
Non-current liabilities	(95,000)	–	(15,579)	(16,342)	(110,579)	(16,342)
Total liabilities	(153,950)	(132,618)	(15,579)	(16,342)	(169,529)	(148,960)
Net assets	34,540	40,800	236,841	286,622	271,381	327,422
Proportion of Group's ownership	50.00%	50.00%	15.81%	15.81%		
Group's proportion/share of net assets of the jointly controlled entities	17,270	20,400	37,445	45,315	54,715	65,715

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 23. Investments in jointly controlled entities (cont'd.)

### (ii) Summarised statements of comprehensive income

	Alpine Return		Continental Estates		Group	
	2014	2013	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	–	–	9,012	69,132	9,012	69,132
Other income	5,256	756	2,364	1,816	7,620	2,572
Admin expenses	(11,433)	(562)	(1,508)	(4,416)	(12,941)	(4,978)
Finance cost	(17)	–	(737)	(1,017)	(754)	(1,017)
(Loss)/Profit before tax	(6,194)	194	9,131	65,515	2,937	65,709
Income tax expense	(29)	–	531	(16,379)	502	(16,379)
(Loss)/Profit after tax	(6,223)	194	9,662	49,136	3,439	49,330
Share of results of jointly controlled entities	(3,112)	97	1,528	7,769	(1,584)	7,866

## 24. Investment securities

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
<b>Non current</b>				
<i>Financial assets at fair value through profit or loss</i>				
Equity instrument (quoted in Malaysia)	15,209	8,396	14,553	8,042
Equity instrument (unquoted in Malaysia)#	10,000	10,000	–	–
Golf clubs corporate membership	1,034	1,034	824	824
Subordinated bonds#	8,360	8,360	8,360	8,360
	34,603	27,790	23,737	17,226
Less: Accumulated impairment losses				
- Unquoted shares#	(6,878)	(4,738)	–	–
- Golf clubs corporate membership	(333)	(333)	(333)	(333)
- Subordinated bonds#	(8,360)	(8,360)	(8,360)	(8,360)
	(15,571)	(13,431)	(8,693)	(8,693)
	19,032	14,359	15,044	8,533
<b>Current</b>				
<i>Financial assets at fair value through profit or loss</i>				
Equity instrument (quoted in Malaysia)	447	305	–	–
Total	19,479	14,664	15,044	8,533
<b>At market value</b>				
Quoted shares:				
Non current	15,209	8,396	14,553	8,042
Current	447	305	–	–

# The fair value information has not been disclosed for these financial instruments as their fair value cannot be measured reliably.

**24. Investment securities (cont'd.)**

The fair value of the unquoted investment securities has not been disclosed as its fair value cannot be measured reliably due to the lack of quoted market price in an active market. The assumptions required for valuing this financial instruments using valuation techniques by management would result in the range of fair value estimates to be significant and the probability of the various estimates cannot be reasonably assessed. Accordingly, the carrying amount of the investment continues to be stated at cost.

Certain quoted shares of the Group and of the Company with carrying values of RM14,192,000 (2013: RM7,843,000) and RM14,192,000 (2013: RM7,843,000) respectively were pledged as securities for credit facilities granted to the Group and the Company as disclosed in Note 34.

The RM8,360,000 (2013: RM8,360,000) impairment loss recognised represented the write-down of the Subordinated Bonds to their recoverable amounts. The Subordinated Bonds were subscribed pursuant to a collateralised loan obligations transaction for a 5-year unsecured fixed rate term loan of RM60,000,000 in previous years. The bonds were issued by a special purpose vehicle and the term loans were disbursed by the lenders to the Company and other borrowers. As advised by the trustee of the bonds, certain borrowers have defaulted in the repayments of their term loan obligations, resulting in the aforesaid impairment.

**25. Inventories**

	Group 2014 RM'000	2013 RM'000
<b>At cost:</b>		
Completed properties	7,605	12,193

Completed properties of the Group amounting to nil (2013: RM1,085,000) were charged to financial institutions to secure credit facilities granted to the Group and the Company as disclosed in Note 34.

**26. Trade and other receivables**

	Group 2014 RM'000	2013 RM'000	Company 2014 RM'000	2013 RM'000
<b>Non current</b>				
<b>Other receivable</b>				
Disposal consideration	51,541	66,242	—	—
<b>Current</b>				
<b>Trade receivables</b>				
Third parties	85,990	63,295	—	165
Retention sums	2,066	2,066	—	—
	88,056	65,361	—	165
Less: Allowance for doubtful debts				
Third parties	(10,253)	(11,382)	—	—
Trade receivables, net	77,803	53,979	—	165



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 26. Trade and other receivables (cont'd.)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Other receivables</b>				
Amounts due from related parties:				
Subsidiaries	–	–	410,887	407,830
Jointly controlled entities	27,624	28,855	27,624	28,855
	27,624	28,855	438,511	436,685
Deposits	12,945	10,292	388	498
Disposal consideration	20,000	10,000	–	–
Sundry receivables	4,102	13,343	170	217
	64,671	62,490	439,069	437,400
Less: Allowance for doubtful debts	(336)	(336)	(38,076)	(38,076)
Other receivables, net	64,335	62,154	400,993	399,324
Trade and other receivables (current)	142,138	116,133	400,993	399,489
Grand total	193,679	182,375	400,993	399,489

### Ageing analysis of trade receivables

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

	Group	
	2014 RM'000	2013 RM'000
Neither past due nor impaired	58,060	39,515
1 to 30 days past due not impaired	4,672	5,877
31 to 120 days past due not impaired	8,351	5,775
More than 121 days past due not impaired	6,720	2,812
	19,743	14,464
Impaired	10,253	11,382
	88,056	65,361

### Receivables that are neither past due nor impaired

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

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

**26. Trade and other receivables (cont'd.)**Receivables that are impaired

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

	Group Individually impaired	
	2014 RM'000	2013 RM'000
Trade receivables	10,253	11,382
Less: Allowance for doubtful debts	(10,253)	(11,382)
	–	–

Movement in allowance for doubtful debts:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Trade receivables</b>				
At 1 April	11,382	8,769	–	–
Add/(less):				
Allowance during the year	14	3,402	–	–
Allowance written off	(447)	(8)	–	–
Write back to profit or loss	(696)	(781)	–	–
At 31 March	10,253	11,382	–	–
<b>Other receivables</b>				
At 1 April/31 March	336	336	38,076	38,076

Receivables that were past due but not impaired

The receivables that are past due but not impaired are unsecured in nature. The directors are of the opinion that these debts should be realised in full without material losses in the ordinary course of business as these customers do not have any financial difficulties nor have defaulted on payments.

**(a) Credit risk**

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to mitigate and minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing.

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# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 26. Trade and other receivables (cont'd.)

### (b) Amounts due from related parties

Other balances with subsidiaries that are non-trade in nature attract interest rates ranging from 0% to 6.25% (2013: 0% to 6.25%) per annum. All balances with subsidiaries are repayable on demand.

Amounts due from a jointly controlled entity is repayable on demand and attracts interest rate at 7.60% (2013: 7.60%) per annum.

All other amounts due from related parties are non-interest bearing and are repayable on demand. All related party receivables are unsecured and are to be settled in cash.

As at reporting date, debts due from certain subsidiaries which have exceeded their capital investments amounted to approximately RM25,502,000 (2013: RM19,307,000). The directors are of the opinion that no further allowance for doubtful debts needs to be made for the debts due from these subsidiaries as these subsidiaries are expected to generate future profits based on the financial budgets approved by directors covering a 5-year period.

The principal assumptions used in the forecast include:

#### (i) Expenditure

The basis used to determine the expenditure of the subsidiaries is the actual expenditure incurred in the previous financial year and adjusted for inflationary factor.

#### (ii) Growth rate

The weighted growth rates used are consistent with the historically long-term average growth rate. The subsidiaries are expected to achieve an average growth rate of 5% (2013: 5%) over the period of the cash flow projections.

#### (iii) Discount rate

The discount rate of 10% (2013: 10%) on a pre-tax basis is used in the assumption.

The directors are continuously monitoring the achievability of the forecast and if actual results fall short of forecast, immediate allowance for doubtful debts will be made in the financial statements of the Company.

Further details on related party transactions are disclosed in Note 40.

**26. Trade and other receivables (cont'd.)****(c) Disposal consideration**

	Group 2014 RM'000	2013 RM'000
Amount receivable from disposal of property, plant and equipment		
Upon registrable of memorandum of transfer	–	10,000
By way of equal instalments	80,000	80,000
Less: Interest accretion	(8,459)	(13,758)
	<b>71,541</b>	<b>76,242</b>
Maturity of receivable:		
Within 1 year	20,000	10,000
More than 1 year and less than 2 years	18,519	18,519
More than 2 years and less than 5 years	33,022	47,723
	<b>71,541</b>	<b>76,242</b>
Analysed as:		
Due within 12 months	20,000	10,000
Due after 12 months	51,541	66,242
	<b>71,541</b>	<b>76,242</b>

The equal instalments are scheduled over a 4-year period.

Interest accretion is calculated and estimated based on discount rate of 8% per annum.

**27. Other current assets**

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Prepayments	2,486	573	1,856	329
Accrued billings in respect of property development costs	80,905	156,317	–	–
	<b>83,391</b>	<b>156,890</b>	<b>1,856</b>	<b>329</b>

**28. Due from customers on contracts**

	Group 2014 RM'000	2013 RM'000
Construction costs incurred to date	233,163	233,163
Attributable profits	11,226	11,226
	<b>244,389</b>	<b>244,389</b>
Less: Progress billings	(244,389)	(244,389)
	<b>–</b>	<b>–</b>

The construction of the above project has completed but pending final certification from the relevant parties.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 29. Cash and cash equivalents

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Housing Development Accounts	19,176	17,957	1	1
Cash on hand and at banks	80,514	34,379	8,427	7,994
Deposits with licensed banks	46,279	60,297	38,360	22,925
Cash and bank balances	145,969	112,633	46,788	30,920
<b>Deposits:</b>				
Weighted average interest rates (%)	2.92	3.00	2.89	2.87
Weighted average maturity (days)	16	17	17	20

Cash under the Housing Development Accounts are held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and are therefore restricted from use in other operations.

Included in deposits of the Group are deposits of nil (2013: RM127,000) pledged to financial institutions for credit facilities granted to certain subsidiaries, and hence are not available for general use.

Other information on financial risks of cash and cash equivalents are disclosed in Note 43.

## 30. Share capital, share premium and treasury shares

	Number of ordinary shares of RM1 each		Amount	
	2014 '000	2013 '000	2014 RM'000	2013 RM'000
<b>Authorised share capital</b>				
At 1 April/31 March	1,000,000	1,000,000	1,000,000	1,000,000

	Number of ordinary shares of RM1 each		Amount			
	Share capital (issued and fully paid) '000	Treasury shares '000	Share capital (issued and fully paid) RM'000	Share premium RM'000	Total Share capital and share premium RM'000	Treasury shares RM'000
At 1 April 2012	310,000	27,084	310,000	16,796	326,796	(21,805)
Dividend-in-specie	—	(14,116)	—	(11,359)	(11,359)	11,359
Purchase of treasury shares	—	2,123	—	—	—	(1,710)
At 31 March 2013	310,000	15,091	310,000	5,437	315,437	(12,156)
Dividend-in-specie	—	(14,743)	—	(5,437)	(5,437)	11,879
Purchase of treasury shares	—	20	—	—	—	(23)
At 31 March 2014	310,000	368	310,000	—	310,000	(300)

### 30. Share capital, share premium and treasury shares (cont'd.)

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

#### Treasury shares

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

The shareholders of the Company, by an ordinary resolution passed at the Annual General Meeting held on 5 September 2013, renewed their approval for the Company's plan to purchase its own ordinary shares. The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the purchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company purchased 20,000 of its issued ordinary shares from the open market at an average price of RM1.14 per share. The total consideration paid for the purchase was RM23,000. The purchase transactions were financed by internally generated funds. The shares purchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

The Company had on 30 October 2013 paid a dividend-in-specie by way of distribution of treasury shares as share dividend on the basis of one (1) treasury share of the Company for every twenty (20) existing ordinary shares of RM1.00 each held in the Company, fractional of a share arising from the dividend-in-specie was disregarded.

Of the total 310,000,000 (2013: 310,000,000) issued and fully paid ordinary shares as at 31 March 2014, 368,329 (2013: 15,091,364) are held as treasury shares by the Company. As at 31 March 2014, the number of ordinary shares in issue less the treasury shares is 309,631,671 (2013: 294,908,636) ordinary shares of RM1.00 each.

#### Warrants 2013/2020

On 19 November 2013, the Company issued 107,407,888 Warrants ("the warrants") pursuant to the resolution where one warrant is granted for every four existing ordinary shares of RM1.00 each held by the shareholders. The warrants include 12,500,000 free warrants and 17,500,000 free warrants granted to the Employee Share Trust Scheme and to the directors of the Company respectively.

The main features of the Warrants are as follows:

- (i) Each Warrant entitles the registered holder at any time during the exercise period to subscribe for one new ordinary shares of RM1.00 each in the Company at an exercise price of RM1.10.
- (ii) The Warrants shall be exercisable at any time within 7 years commencing on and including the date of the issuance of the Warrants. Any Warrants which are not exercised during the exercise period shall thereafter lapse and cease to be valid.
- (iii) The exercise price and the number of Warrants are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions set out in the deed poll.
- (iv) All new ordinary shares to be issued arising from the exercise of the Warrants shall rank *pari passu* in all respects with the then existing ordinary shares of the Company except that such new ordinary shares shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares arising from the exercise of the Warrants.

The warrants are traded on the Bursa Malaysia Securities Berhad and no warrants were converted to ordinary share, during the financial year.



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 31. Capital and other reserves

	Group Capital reserves RM'000	Other reserves RM'000
As at 1 April 2012	10,815	(5,965)
Premium on acquisition of non-controlling interests	–	(26,223)
As at 31 March 2013	10,815	(32,188)
Effect on redemption of preference share in a subsidiary	20,000	–
Grant of equity-settled share options to directors	–	2,275
As at 31 March 2014	<b>30,815</b>	<b>(29,913)</b>

## 32. Retained profits

The Company may distribute dividends out of its retained profits as at 31 March 2014 under the single tier system.

## 33. Shares held by ESTS Trust

The Company established a trust ("ESTS Trust") for its eligible executives pursuant to the establishment of an ESTS. The ESTS Trust is administered by an appointed Trustee. The Trustee will be entitled from time to time to accept financial assistance from the Company upon such terms and conditions, as the Company and the Trustee may agree, to purchase shares in the Company from the open market for the purposes of this trust. The shares purchased for the benefit of the Group's employees are recorded as Shares held by ESTS Trust in the Group's and the Company's statements of financial position as a deduction in arriving at the shareholders' equity.

The main features of the ESTS, inter-alia, are as follows:

- Beneficiaries of the ESTS are eligible employees who are full-time employees under the category of executives of the Group, which may include executive directors of the Company, who have been in employment with the Company for at least 6 months and are on the payroll of the Company and its subsidiaries during the ESTS Period.
- The aggregate number of shares to be acquired under the ESTS shall not exceed 15 million of the issued ordinary shares of the Company for the time being and the amount required to purchase the first tranche of 10 million issued ordinary shares of the Company shall not exceed RM14 million.
- The Scheme shall be in force for a period of 3 years, effective from 1 October 2007.
- The beneficiaries shall be entitled to any distribution rights (including but not limited to dividends, bonus and rights issues but shall exclude cash capital repayments) in relation to the ESTS Shares. However, such dividends, if any, are automatically waived in favour of the Company as settlement of any cost incurred in implementing and maintaining the Scheme.
- The beneficiaries shall not be entitled to any voting rights in relation to the ESTS Shares as the voting rights lie with the appointed Trustee who shall take into consideration the recommendations of the adviser appointed by the ESTS Committee before voting.
- The award to the beneficiaries is through the realisation of any gains arising from the disposal of the ESTS Shares held in the ESTS Trust. The net gains from such disposal, after repayment of the corresponding portion of the loan granted by the Company are to be allocated to the beneficiaries based on the beneficiaries' achievement of their respective performance targets as determined by the Company.

### 33. Shares held by ESTS Trust (cont'd.)

The Company appointed RHB Trustees Berhad (formally known as OSK Trustees Berhad) as the Trustee of the Scheme and entered into a Trust Deed on 24 September 2007.

Subsequently, the following were entered into to amend certain clauses/definitions of the Scheme:

- (a) First Supplemental Deed dated 10 February 2009 to amend the definition of "Eligible Employees" to exclude the Executive Directors and persons connected to the Executive Directors;
- (b) Second Supplemental Deed dated 12 March 2009 to extend the maturity period of the ESTS for a further 2 years to 30 September 2012;
- (c) Third Supplemental Deed dated 18 September 2012 to extend the maturity period of the ESTS for a further 2 years to 30 September 2014; and
- (d) Fourth Supplemental Deed dated 12 November 2013 to extend the maturity period of the ESTS for a further 3 years to 30 September 2017.

The Board had on 3 February 2009 resolved to increase the total shares to be purchased under the ESTS by 5 million to 20 million ordinary shares and the amount required to purchase the total shares shall not exceed RM19 million.

On 26 May 2010, the Board further resolved to increase the total shares to be purchased under the ESTS to 25 million ordinary shares and the amount required to purchase the total shares shall not exceed RM25 million.

Subsequently on 28 April 2013, the Board further resolved to increase the amount required to purchase the ESTS Shares from RM25 million to RM27 million.

Details of the ESTS Shares bought back during the financial years were as follows:

Month	Number of shares '000	Total consideration RM'000
<b>At 1 April 2012</b>	25,000	25,444
July 2012	* 1,250	–
<b>At 31 March 2013</b>	26,250	25,444
October 2013	* 1,313	–
<b>At 31 March 2014</b>	<b>27,563</b>	<b>25,444</b>
	<b>2014</b>	<b>2013</b>
Average share price per share (RM)	<b>0.92</b>	0.97

\* Dividend-in-specie

During the year, as disclosed in Note 30, the ESTS obtained 12,500,000 free warrants of which the warrants were disposed off in the market and the gain arising from the disposal of RM3.166 million was recognised as an equity transaction.

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 34. Borrowings

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Short term borrowings</b>				
Secured:				
Term loans	58,055	–	30,500	–
Revolving credits	51,000	80,000	35,000	64,000
	<b>109,055</b>	<b>80,000</b>	<b>65,500</b>	<b>64,000</b>
<b>Long term borrowings</b>				
Secured:				
Term loans	45,050	92,072	22,912	92,072
Islamic medium term note	150,000	150,000	150,000	150,000
	<b>195,050</b>	<b>242,072</b>	<b>172,912</b>	<b>242,072</b>
	<b>304,105</b>	<b>322,072</b>	<b>238,412</b>	<b>306,072</b>
<b>Total borrowings</b>				
Term loans	103,105	92,072	53,412	92,072
Revolving credits	51,000	80,000	35,000	64,000
Islamic medium term note	150,000	150,000	150,000	150,000
	<b>304,105</b>	<b>322,072</b>	<b>238,412</b>	<b>306,072</b>
<b>Maturity of borrowings:</b>				
Within 1 year	109,055	80,000	65,500	64,000
More than 1 year and less than 2 years	45,050	92,072	22,912	92,072
More than 2 years and less than 5 years	20,000	20,000	20,000	20,000
More than 5 years	130,000	130,000	130,000	130,000
	<b>304,105</b>	<b>322,072</b>	<b>238,412</b>	<b>306,072</b>

The term loans, revolving credits and Islamic medium term notes are secured by charges on certain assets of the Group and of the Company as follows:

- (i) freehold land, leasehold land and buildings
- (ii) land held for property development
- (iii) development and completed properties
- (iv) present and future assets of certain subsidiaries
- (v) security sharing agreement and trust deed
- (vi) certain quoted investments and unquoted shares

The borrowings are also secured by way of corporate guarantees given by the Company.

The repayment terms vary from a single repayment in full, monthly instalments to quarterly instalments over a period of five years or by redemption of development units' selling price of certain residential development of subsidiaries.

### 34. Borrowings (cont'd.)

Other information on financial risks on borrowings are as follows:

	Type	Weighted average interest rate			Fair value	
		2014	2013		2014	2013
		%	%	Maturity	RM'000	RM'000
Group						
Term loans	Floating	5.23	5.25	2015 - 2018	103,105	92,072
Revolving credits	Floating	4.53	4.76	On demand	51,000	80,000
Islamic medium term note (IMTN)	Fixed	4.20	4.20	2017 - 2019	150,000	150,000
Company						
Term loans	Floating	5.30	5.25	2015 - 2018	53,412	92,072
Revolving credits	Floating	4.45	4.70	On demand	35,000	64,000
Islamic medium term note (IMTN)	Fixed	4.20	4.20	2017 - 2019	150,000	150,000

These IMTN with total face value of RM150,000,000 are secured. Details of the IMTN are as follows:

Coupon rate	Issue date	Issue size (RM'000)	Maturity date
4.1%	30.11.2012	20,000	30.11.2017
4.2%	30.11.2012	65,000	30.11.2018
4.3%	30.11.2012	65,000	30.11.2019

The IMTN is in accordance with Shariah principles of Musharakah.

The IMTN have a combined aggregate nominal value of up to RM230 million and revolving credit facility of up to RM140 million.

The proceeds from the IMTN issuance shall be utilized for the part financing to a subsidiary for the acquisition of land and to refinance the borrowings.

The IMTN has been accorded a long term rating of AAA (with stable outlook) respectively by Malaysian Rating Corporation Berhad.

On 30 Nov 2012, the Company completed the issuance of the first tranche comprising RM150 million nominal value IMTNs under the Shariah principle. The IMTN issued under the first tranche have a tenure of seven (7) years from the date of issuance with a periodic distribution (coupon) rate as disclosed above.

The terms of the IMTN contain various covenants including the following:

The Group shall maintain a Debt to Equity Ratio ("D:E Ratio") not exceeding 1.25 times throughout the tenure of the Sukuk Programmes. The D:E Ratio is the ratio of indebtedness of the Group represented by:

- (i) the aggregate face value of all outstanding IMTNs, and all outstanding principal amount payable under the IMTNs; and
- (ii) all other indebtedness of the Group for borrowed monies (be it actual or contingent) for principal only, hire purchase obligations, finance lease obligations, fair value of financial derivatives in connection with borrowed monies recognised by the Group in its audited consolidated financial statements and other contingent liabilities of the Group calculated in accordance with the applicable accounting standards; but excluding any inter-company loans which are subordinated to the IMTN,

to the equity of the Group including, if any, preference equity, subordinated shareholders' advances/loans and retained earnings or accumulated losses less goodwill (if any).

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 34. Borrowings (cont'd.)

The D:E Ratio shall be calculated on a yearly basis and as and when such calculations are required to be made under the terms of the transaction documents during the tenor of the IMTN such calculations shall be based on the latest audited consolidated financial statements of the Group and in the case of D:E Ratio calculated at any other times, the calculations shall be based on the latest audited consolidated financial statement of the Group.

Other information on financial risks of borrowings are disclosed in Note 43.

## 35. Trade, other payables and deferred income

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>Trade payables</b>				
Third parties (Note (a))	117,595	103,859	450	450
<b>Other payables</b>				
Amounts due to related parties (Note(b)):				
Subsidiaries	–	–	393,863	333,053
	–	–	393,863	333,053
Accruals	29,528	41,529	4,843	6,457
Sundry payables	19,193	16,898	367	59
Deferred consideration (Note 21)	–	4,400	–	–
	48,721	62,827	399,073	339,569
	166,316	166,686	399,523	340,019
<b>Non-current</b>				
<b>Other payables</b>				
Sundry payables	–	2,333	–	–
Deferred income (Note (c))	35,799	35,799	–	–
	35,799	38,132	–	–
Total trade and other payables	202,115	204,818	399,523	340,019
Add: Loans and borrowings (Note 34)	304,105	322,072	238,412	306,072
Less: Deferred income	(35,799)	(35,799)	–	–
Total financial liabilities carried at amortised cost	470,421	491,091	637,935	646,091

**35. Trade, other payables and deferred income (cont'd)****(a) Trade payables**

Trade payables are generally non-interest bearing and the normal trade credit terms range from 30 to 90 (2013: 30 to 90) days.

**(b) Amounts due to related parties**

Amounts due to related parties are non-interest bearing and are repayable on demand. The amounts are unsecured and are to be settled in cash.

**(c) Deferred income**

Deferred income is in respect of unrealised profit arising from the disposal of the land ("Mayang Land") to Alpine Return Sdn. Bhd. ("Alpine") in prior years. The income will be realised upon sale of the land when sold to third parties or when the Company disposes of its investment in Alpine. There were no sales in respect of the land recognised by Alpine during the current and previous financial years.

Further details on related party transactions are disclosed in Note 40.

**36. Other current liabilities**

	Group 2014 RM'000	2013 RM'000
Progress billings in respect of property development costs	9,495	6,146

**37. Deferred taxation**

	Group 2014 RM'000	2013 RM'000	Company 2014 RM'000	2013 RM'000
At 1 April	(3,583)	(2,134)	(42)	(42)
Recognised in profit or loss (Note 13)	670	(1,449)	—	—
At 31 March	(2,913)	(3,583)	(42)	(42)

	Group 2014 RM'000	2013 RM'000	Company 2014 RM'000	2013 RM'000
<b>Presented after appropriate offsetting as follows:</b>				
Deferred tax assets	(11,028)	(11,854)	(262)	(262)
Deferred tax liabilities	8,115	8,271	220	220
	(2,913)	(3,583)	(42)	(42)



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 37. Deferred taxation (cont'd.)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

### Deferred tax liabilities of the Group

	Accelerated capital allowances RM'000	Fair value of freehold land on consolidation RM'000	Total RM'000
At 1 April 2012	558	8,716	9,274
Recognised in profit or loss	20	(1,023)	(1,003)
At 31 March 2013	578	7,693	8,271
Recognised in profit or loss	(156)	–	(156)
At 31 March 2014	<b>422</b>	<b>7,693</b>	<b>8,115</b>

### Deferred tax assets of the Group

	Deferred income RM'000	Unused tax losses RM'000	Unabsorbed capital allowances RM'000	Provisions RM'000	Total RM'000
At 1 April 2012	(9,308)	(576)	(290)	(1,234)	(11,408)
Recognised in profit or loss	–	576	–	(1,022)	(446)
At 31 March 2013	(9,308)	–	(290)	(2,256)	(11,854)
Recognised in profit or loss	–	(432)	–	1,258	826
At 31 March 2014	<b>(9,308)</b>	<b>(432)</b>	<b>(290)</b>	<b>(998)</b>	<b>(11,028)</b>

### Deferred tax liabilities of the Company

	Accelerated capital allowances RM'000
At 1 April 2012, 31 March 2013 and 31 March 2014.	<b>220</b>

**37. Deferred taxation (cont'd.)****Deferred tax assets of the Company**

	Unused tax losses RM'000	Unabsorbed capital allowances RM'000	Provisions RM'000	Total RM'000
At 1 April 2012, 31 March 2013 and 31 March 2014	(116)	(99)	(47)	(262)

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

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Unused tax losses	59,357	53,001	26,859	26,850
Unabsorbed capital allowances	2,367	1,953	2,046	1,787
Other deductible temporary differences	49,989	60,965	–	–
	111,713	115,919	28,905	28,637

The unused tax losses and unabsorbed capital allowances are available indefinitely for offset against future taxable profits of the subsidiaries in which those items arose, subject to guidelines issued by the tax authority.

Deferred tax assets have not been recognised where it is not probable that future taxable profits will be available against which the subsidiaries can utilise the benefits as it is subject to the tax authorities allowing such utilisation against future taxable profit arising from similar business activity.

**38. Financial guarantee**

Financial guarantee given to financial institutions for credit facilities granted to subsidiaries are secured by charges as disclosed in Note 34.

**39. Capital commitments**

	Group	
	2014 RM'000	2013 RM'000
Approved and contracted for:		
Purchase of land	29,714	–

**40. Related party disclosures**

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>(a) Transactions with subsidiaries</b>				
- interest income receivables	–	–	14,100	13,890
- management fees	–	–	13,318	14,367

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 40. Related party disclosures (cont'd.)

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
<b>(b) Transactions with a company connected to a Director</b>				
Symphony Assets Sdn. Bhd. <sup>#</sup> - rental expense	(1,571)	(1,416)	(929)	(832)
<b>(c) Transactions with a jointly controlled entity</b>				
Alpine Return Sdn. Bhd. - interest on advances	1,247	911	2,494	1,822
- advances to	4,900	5,950	4,900	5,950
<b>(d) Transactions with certain directors of the Company</b>				
Sale of properties to certain directors	—	3,582	—	—

# The company in which Tan Sri Mohamed Azman bin Yahya, a director of the Company, is deemed to have substantial interest.

The directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Information regarding the outstanding balances arising from the related party transactions as at 31 March 2014 are disclosed in Notes 26 and 35.

### (e) Compensation of key management personnel

The remuneration of members of key management other than directors during the year was as follows:

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Wages and salaries	3,770	2,746	2,555	1,794
Contributions to defined contribution plan	521	413	375	299
Social security contributions	5	4	3	2
Other benefits	520	347	372	224
	4,816	3,510	3,305	2,319

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. Remuneration of directors is as disclosed in Note 7.

#### 41. Significant events during the financial year

- (a) The Company had on 21 November 2012 announced that its wholly-owned subsidiary, Symphony Estates Sdn. Bhd. ("SESB") had entered into a Shareholders' Agreement with Mobuild Sdn. Bhd. ("MSB") to govern the material aspect of the proposed development of four (4) pieces of contiguous country lease land located at Daerah Kota Kinabalu, Sabah ("the Land"), including the planning, design, construction, financing, management and sale of the individual units to be erected on the Land ("Proposed Joint Development"). The Proposed Joint Development will be carried out via a joint venture company, Brilliant Armada Sdn. Bhd. ("BASB"). MSB had on even date subscribed for 49% equity interest in BASB.

BASB had also on even date entered into a Project Development Agreement ("PDA") with MSB to undertake the Proposed Joint Development. The PDA has yet to become unconditional pending fulfilment of the conditions precedent and BASB and MSB have mutually agreed to extend the conditions period of the PDA for a further period of six (6) months to expire on 20 November 2014 to fulfill the conditions precedent as stated in the PDA.

- (b) The Company had on 25 January 2013 announced that SESB had entered into a Shareholders' Agreement with Paramount Blossom Sdn. Bhd. ("PBSB") to govern the material aspects of the joint venture company, Gaya Arena Sdn. Bhd. ("GASB"). GASB is currently a wholly-owned subsidiary of SESB.

Concurrently, GASB had also entered into a Development Agreement ("DA") with PBSB to develop two (2) pieces of land in Seremban 2, Negeri Sembilan, measuring approximately 77-acres held under H.S. (D) 96366, P.T. No. 9213 and GRN 119433, Lot No. 22912, all in Mukim Rasah, Daerah Seremban, Negeri Sembilan ("the Said Land") at an entitlement consideration of RM75,000,000 for the rights and authority granted by PBSB to GASB to develop the Said Land.

The Company had on 10 March 2014 announced that the SA and DA were mutually terminated due to the non-fulfilment of the conditions precedent as stated in the DA dated 25 January 2013. The Company had also recovered the RM1.5 million deposits upon termination of the DAM.

- (c) The Company had on 15 April 2013 announced that SESB had entered into a Joint Venture Agreement ("JVA") with Euro Saga Sdn. Bhd. ("ESSB") as shareholders in a joint venture company, Dexview Sdn. Bhd. ("DSB").

ESSB had secured a Development Agreement ("DA") with the Kelantan State Government ("the State") to develop 4 parcels of leasehold land measuring approximately 15-acres held under PT 424, PT 425, PT 426 and PT 427, all at Seksyen 20, Bandar Kota Bharu, Jajahan Kota Bharu, Kelantan Darul Naim.

On 21 May 2013, SESB had subscribed for 50,001 ordinary shares of RM1.00 each in DSB, representing 50% + 1 ordinary share of the total paid-up capital of DSB ("the Subscription").

Pursuant to the Subscription, DSB became a subsidiary of SESB.

The JVA has yet to become unconditional pending fulfilment of the conditions precedent. Meanwhile, SESB and ESSB have mutually agreed to extend the Cut-Off Date of the JVA for a further six (6) months to expire on 14 July 2014, to fulfill the conditions precedent.

- (d) On 27 November 2013, the Company announced that SESB and HTP Utama Sdn. Bhd. ("HTPU") have agreed to jointly develop two (2) parcels of leasehold land measuring approximately 1.786 acres held under Pajakan Negeri 3675, Lot 31 and Pajakan Negeri 3676, Lot 32, both in Seksyen 13, Bandar Petaling Jaya, Petaling, Selangor Darul Ehsan ("the Land"). The Proposed Development will be carried out via a joint-venture company, Vistayu Sdn. Bhd. ("VSB").

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 41. Significant events during the financial year (cont'd.)

Concurrently, SESB and VSB had also on even date entered into the following agreements:

- (i) SESB had entered into a Shareholders' Agreement with HTPU to govern the rights, obligations and reserved matters as shareholders of VSB in relation to the Proposed Development ("Proposed Joint Venture");
- (ii) VSB had entered into Property Sale and Purchase Agreements with Mountville Construction Sdn. Bhd. ("MCSB") to acquire the Land for a total consideration for RM33,015,000 ("Proposed Acquisition"); and
- (iii) VSB had entered into a Call Option Agreement with Al-Ambia Sdn. Bhd., Top Ground Sdn. Bhd., Hong Eng Hock, Ucar Sdn. Bhd., Mok Chok Wah (collectively "MCSB Shareholders"), Tang Juang Yew, Sze To Kok Yin @ See Tho Kok Yin and Pong Wah Cheong (collectively "Additional Warrantors"), granting VSB the option to acquire 1,543,000 ordinary shares in MCSB, representing 100% of the issued and paid share capital in MCSB for an exercise period of one (1) year ("Proposed Call Option").

(collectively referred to as "the Proposals")

The Proposals are pending, subject to the conditions precedent.

- (e) The Company's wholly owned subsidiary, SESB had on 24 March 2014 acquired 100% equity interest in Vital Capacity Sdn. Bhd. comprising 2 ordinary shares of RM1.00 each.

## 42. Subsequent events

- (a) The Company had on 28 April 2014 announced that VSB, a 55% joint venture company of SESB, had paid the balance of the purchase price in relation to the Proposed Acquisition. Accordingly, the Proposed Acquisition was completed and the Proposed Joint Venture had become unconditional.
- (b) On 26 May 2014, the Company announced that SESB and Pink Corner Sdn Bhd ("PCSB") have agreed to jointly develop a parcel of freehold land measuring 1.732 hectares held under Geran 314187, Lot 73535, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor ("the Said Land") ["Proposed Joint Development"]. The Proposed Joint Development will be carried out via a joint-venture company, Vital Capacity Sdn. Bhd. ("VCSB") ("Joint Venture"), currently a wholly-owned subsidiary of SESB.

Concurrently, SESB, PCSB and VCSB had also on even date entered into the following agreements:

- (i) SESB entered into a Shareholders' Agreement with PCSB to govern the rights, obligations and reserved matters as shareholders of VCSB in relation to the Proposed Joint Development; and
- (ii) VCSB entered into a Development Agreement ("DA") with PCSB to undertake the Proposed Joint Development at an entitlement of RM17,245,423 for the exclusive rights and authority granted by PCSB to VCSB to develop the Said Land.

The Proposed Joint Development has yet to become unconditional pending fulfillment of conditions precedent.

- (c) On 27 May 2014, the Company announced that its wholly-owned subsidiary, Symphony Crescent Sdn. Bhd. had entered into a sale and purchase agreement with Mr. Ow Chee Cheoon and Mr. Ng Kit Heng ("Vendors") for the proposed acquisition of a parcel of commercial leasehold land measuring 2.27 acres forming part of the master title held under PN24318, Lot 63977 together with an adjacent land measuring approximately 0.68 acres located in Pekan Penaga, District of Petaling, Selangor Darul Ehsan for a total cash consideration of RM58.2 million ("Proposed Acquisition").

The Proposed Acquisition has yet to become unconditional pending fulfillment of conditions precedent.

#### 43. Financial risk management objectives and policies

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

The Board of Directors reviews and agrees on the policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

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

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

##### (a) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short-term in nature and have been mostly placed in fixed deposits.

The Group has minimal exposure to interest rate risk at the reporting date. The table as disclosed in Note 34 sets out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at the reporting date and the remaining maturities of the Group's and of the Company's financial instruments that are exposed to interest rate risk.

##### Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM682,000 (2013: RM510,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

##### (b) Foreign exchange risk

The Group has no material exposure to any foreign exchange risk.

##### (c) Liquidity risk

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

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 43. Financial risk management objectives and policies (cont'd.)

### (d) Credit risk

The Group's credit risk is primarily attributable to trade receivables. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

#### Exposure to credit risk

The credit risk of the trade and other receivables are disclosed in Note 26.

#### Credit risk concentration profile

The Group's concentration of risk also includes the amount receivable as disclosed in Note 26 and the Group minimise its credit risk by continuous monitoring of receivable balances.

#### Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 26.

#### Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 26.

## 44. Fair values

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

	<u>Note</u>
Trade and other receivables	26
Trade and other payables	35

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

Information regarding fair values of unquoted investment securities is disclosed in Note 24.

## 45. Financial instruments

### (a) Financial assets at fair value through profit or loss

As stipulated in Amendments to FRS 7 : Improving Disclosure about Financial Instruments, the Group and the Company are required to classify fair value measurement using a fair value hierarchy. The fair value hierarchy would have the following levels:

Level 1 - the fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities

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

Level 3 - the fair value is measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table presents other financial assets and financial liabilities that are measured at fair value:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Group</b>				
<b>As at 31 March 2014</b>				
<b>Assets</b>				
Financial asset at fair value through profit or loss				
- Equity instrument	15,656	–	3,122	18,778
- Others	–	701	–	701
	15,656	701	3,122	19,479
<b>Company</b>				
<b>Assets</b>				
Financial asset at fair value through profit or loss				
- Equity instrument	14,553	–	–	14,553
- Others	–	491	–	491
	14,553	491	–	15,044
<b>Group</b>				
<b>As at 31 March 2013</b>				
<b>Assets</b>				
Financial asset at fair value through profit or loss				
- Equity instrument	8,701	–	5,262	13,963
- Others	–	701	–	701
	8,701	701	5,262	14,664
<b>Company</b>				
<b>Assets</b>				
Financial asset at fair value through profit or loss				
- Equity instrument	8,042	–	–	8,042
- Others	–	491	–	491
	8,042	491	–	8,533

# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 45. Financial instruments (cont'd.)

### (b) Financial instrument classified as loans and receivables

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Trade and other receivables (Note 26)	193,679	182,375	400,993	399,489
Cash and bank balances (Note 29)	145,969	112,633	46,788	30,920
Total loans and receivables	339,648	295,008	447,781	430,409

## 46. Capital management

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

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

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group considers the net debt as loans and borrowings less cash and bank balances.

		Group		Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Loans and borrowings	34	304,105	322,072	238,412	306,072
Less: Cash and bank balances	29	(145,969)	(112,633)	(46,788)	(30,920)
Aggregate indebtedness		158,136	209,439	191,624	275,152
Total equity attributable to the equity holders of the Company		560,429	509,603	377,996	346,112
Capital and net debt		718,565	719,042	569,620	621,264
Gearing ratio		22%	29%	34%	44%

#### 47. Segmental information

The Group predominantly carries out its operations in Malaysia. Accordingly, information by geographical segments on the Group's operations is not presented but is presented using the following business segments, reviewed by the chief operating decision maker:

##### **Property development**

Incorporating property development, property management and maintenance and property marketing consultancy.

##### **Property investment**

Incorporating property investment and property management and maintenance.

##### **Construction and quarry operations**

Incorporating construction works, quarry operations and receipt of tribute income.

##### **Other operations**

Other operations of the Group comprise other investments and investment holdings, none of which constitutes a separate reportable segment.

Transfer prices between business segments are in the normal course of business and at terms mutually agreed between the parties. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

#### 47. Segmental information (cont'd.)

##### Business Segments (cont'd.)

The following table provides an analysis of the Group's revenue, results, assets and liabilities and other information by business segment:

2014	Property development RM'000	Property investment RM'000	Construction and quarry operations RM'000	Other operations RM'000	Eliminations RM'000	Total RM'000
<b>Revenue</b>						
External revenue	384,059	5,965	1,152	15	-	391,191
Inter-segment sales	10,921	-	18,184	13,318	(42,423)	-
	394,980	5,965	19,336	13,333	(42,423)	391,191
<b>Results</b>						
Segment results	78,990	944	1,162	3,609	-	84,705
Unallocated corporate expenses						(21,444)
Finance costs						(4,202)
Other investing activities results						6,919
Share of results in associates	-	-	-	(2)	-	(2)
Share of results in jointly controlled entities	(1,584)	-	-	-	-	(1,584)
Profit before taxation						64,392
Income tax						(13,478)
Profit for the year						50,914
<b>Assets</b>						
Segment assets	871,596	35,893	12,920	103,920	-	1,024,329
Investments in associates	-	-	-	62	-	62
Investments in jointly controlled entities	54,715	-	-	-	-	54,715
Unallocated assets	-	-	-	-	-	8,545
Total assets						1,087,651
<b>Liabilities</b>						
Segment liabilities	228,818	3,111	13,549	270,237	-	515,715
Unallocated liabilities	-	-	-	-	-	8,770
Total liabilities						524,485

## 47. Segmental information (cont'd.)

## Business Segments (cont'd.)

The following table provides an analysis of the Group's revenue, results, assets and liabilities and other information by business segment: (cont'd.)

2013	Property development RM'000	Property investment RM'000	Construction and quarry operations RM'000	Other operations RM'000	Eliminations RM'000	Total RM'000
<b>Revenue</b>						
External revenue	396,605	6,058	4,053	190	–	406,906
Inter-segment sales	13,835	–	6,621	14,366	(34,822)	–
	410,440	6,058	10,674	14,556	(34,822)	406,906
<b>Results</b>						
Segment results	138,416	1,392	(1,714)	952	–	139,046
Unallocated corporate expenses						(29,075)
Finance costs						(5,308)
Other investing activities results						(2,580)
Share of results in associates	–	–	–	(3)	–	(3)
Share of results in jointly controlled entities	7,871	–	–	–	–	7,871
Profit before taxation						109,951
Income tax						(24,053)
Profit for the year						85,898
<b>Assets</b>						
Segment assets	838,400	36,835	22,863	84,447	–	982,545
Investments in associates	–	–	–	64	–	64
Investments in jointly controlled entities	65,715	–	–	–	–	65,715
Unallocated assets	–	–	–	–	–	6,661
Total assets						1,054,985
<b>Liabilities</b>						
Segment liabilities	211,256	2,277	13,123	306,380	–	533,036
Unallocated liabilities	–	–	–	–	–	9,619
Total liabilities						542,655



# NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2014 (CONT'D)

## 48. Supplementary explanatory note on disclosure of realised and unrealised profits

The breakdown of the retained earnings of the Group and of the Company as at 31 March 2014 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2011 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total retained earnings of the Company and its subsidiaries				
- Realised	246,848	203,193	80,692	57,502
- Unrealised	1,817	1,017	(42)	(42)
	248,665	204,210	80,650	57,460
Total share of retained earnings/ (accumulated losses) from:-				
Associated companies:				
- Realised	(448)	(446)	-	-
Jointly controlled entities:				
- Realised	22,983	24,567	-	-
	271,200	228,331	80,650	57,460
Less: Consolidation adjustments	4,071	24,808	-	-
Total retained earnings as per financial statements	275,271	253,139	80,650	57,460

The determination of realised and unrealised profits as above are solely for complying with the disclosure requirements as stipulated in the directive of Bursa Malaysia Securities Berhad and should not be applied for any other purposes.

# ANALYSIS OF SHAREHOLDINGS

AS AT 18 JULY 2014

Authorised Share Capital : RM1,000,000,000  
 Issued & Paid-up Capital : RM310,000,000  
 Class of share : Ordinary Shares of RM1.00 each  
 Voting rights : One vote per Ordinary Share

## SHAREHOLDINGS DISTRIBUTION

Size of Shareholdings	No. of Shareholders	%	No. of Shares*	% *
Less than 100	429	5.18	14,392	0.00
100 – 1,000	516	6.23	200,442	0.07
1,001 – 10,000	5,372	64.83	19,450,236	6.28
10,001 – 100,000	1,741	21.01	46,822,505	15.12
100,001 to less than 5% of issued shares	226	2.73	176,403,961	56.98
5% and above of issued shares	2	0.02	66,730,135	21.55
<b>TOTAL</b>	<b>8,286</b>	<b>100.00</b>	<b>309,621,671</b>	<b>100.00</b>

\* Excluding a total of 378,329 ordinary shares bought back by the Company and retained as treasury shares

## DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS

No.	Name of Directors	No. of Ordinary Shares Held			
		Direct Interest	% *	Indirect Interest	% *
1	Tan Sri Mohamed Azman bin Yahya	8,715,000	2.81	60,165,000 <sup>1</sup>	19.43
2	Wing Kwong @ Chan Wing Kwong	671,515	0.22	120,944 <sup>2</sup>	0.04
3	Chin Jit Pyng	12,570,270	4.06	8,820,000 <sup>3</sup>	2.85
4	Dato' Robert Teo Keng Tuan	–	–	11,025 <sup>4</sup>	0.004
5	Tan Sri Nik Mohamed bin Nik Yaacob	–	–	–	–
6	Lee Siew Choong	–	–	–	–

### Notes:

- 1 Deemed interested by virtue of his interest in Gajahrimau Capital Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.
- 2 Deemed interested by virtue of his spouse's interest in the Company pursuant to Section 134(12)(c) of the Companies Act, 1965.
- 3 Deemed interested by virtue of his interest in Billion Inspiration Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.
- 4 Deemed interested by virtue of his interest in BHP Corp. Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.

\* Excluding a total of 378,329 ordinary shares bought back by the Company and retained as treasury shares

# ANALYSIS OF SHAREHOLDINGS

AS AT 18 JULY 2014 (CONT'D)

## SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

No.	Name of Shareholders	← Direct Interest		No. of Ordinary Shares Held		→ Indirect Interest	
			% *		% *		% *
1	Gajahrimau Capital Sdn. Bhd.	60,165,000	19.43			—	—
2	RHB Trustees Berhad	27,562,499	8.90			—	—
3	Chin Jit Pyng	12,570,270	4.06			8,820,000 <sup>1</sup>	2.85
4	Tan Sri Mohamed Azman bin Yahya	8,715,000	2.81			60,165,000 <sup>2</sup>	19.43

### Notes:

1 Deemed interested by virtue of his interest in Billion Inspiration Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.

2 Deemed interested by virtue of his interest in Gajahrimau Capital Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.

\* Excluding a total of 378,329 ordinary shares bought back by the Company and retained as treasury shares

**THIRTY (30) LARGEST SHAREHOLDERS**

No.	Name of Shareholders	No. of Shares	% *
1	ABB Nominee (Tempatan) Sdn. Bhd. (Pledged Securities Account for Gajahrimau Capital Sdn. Bhd.)	49,612,500	16.02
2	Affin Nominees (Tempatan) Sdn. Bhd. (RHB Trustees Berhad)	17,117,635	5.53
3	HSBC Nominees (Asing) Sdn. Bhd. (Exempt An for Credit Suisse)	14,708,910	4.75
4	Cartaban Nominees (Tempatan) Sdn. Bhd. (Exempt An for Credit Industriel ET Commercial)	11,109,299	3.59
5	Chin Jit Pyng	10,696,020	3.45
6	Gajahrimau Capital Sdn. Bhd.	10,552,500	3.41
7	Maybank Securities Nominees (Tempatan) Sdn. Bhd. (RHB Trustees Berhad for Bolton ESTS)	10,444,864	3.37
8	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad (Exempt An for Kumpulan Sentiasa Cemerlang Sdn. Bhd.)	10,060,312	3.25
9	Billion Inspiration Sdn. Bhd.	8,820,000	2.85
10	Tan Sri Mohamed Azman bin Yahya	8,715,000	2.81
11	Cartaban Nominees (Asing) Sdn. Bhd. (Exempt An for Royal Bank of Canada, Singapore Branch – Clients Account)	6,750,958	2.18
12	Malpac Capital Sdn. Bhd.	5,512,500	1.78
13	Lee Vincent	3,021,952	0.98
14	Lock Kai Sang	2,951,900	0.95
15	Malpac Capital Sdn. Bhd.	2,848,800	0.92
16	Ho Sai Lon Mark	2,162,002	0.70
17	Chin Jit Pyng	1,874,250	0.61
18	Kwek Leng San	1,822,500	0.59
19	Follow Me Industries Sdn. Bhd.	1,650,500	0.53
20	Public Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Ng Faai @ Ng Yoke Pei)	1,599,000	0.52

# ANALYSIS OF SHAREHOLDINGS

AS AT 18 JULY 2014 (CONT'D)

## THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

No.	Name of Shareholders	No. of Shares	% *
21	Citigroup Nominees (Asing) Sdn. Bhd. (CBNY for Dimensional Emerging Markets Value Fund)	1,589,910	0.51
22	Maybank Nominees (Tempatan) Sdn. Bhd. (Low Chee Kong)	1,552,055	0.50
23	Siow Mon Mee	1,428,835	0.46
24	Public Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Ng Ngow @ Ng Soo Har)	1,260,000	0.41
25	RHB Nominees (Tempatan) Sdn. Bhd. (DMG & Partners Securities Pte. Ltd. for Lee Chee Seng)	1,201,015	0.39
26	Gina Gan	1,020,000	0.33
27	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Low Chee Kong)	1,015,550	0.33
28	Citigroup Nominees (Asing) Sdn. Bhd. (CBNY for DFA Emerging Markets Small Cap Series)	999,926	0.32
29	Tan Pan Kuang	976,815	0.32
30	Ng Faai @ Ng Yoke Pei	932,600	0.30
<b>TOTAL</b>		<b>194,008,108</b>	<b>62.66</b>

\* Excluding a total of 378,329 ordinary shares bought back by the Company and retained as treasury shares

# ANALYSIS OF WARRANT HOLDINGS

AS AT 18 JULY 2014

Number of Warrants outstanding : 107,407,888 Warrants 2013/2020

## WARRANT HOLDINGS DISTRIBUTION

Size of Warrant Holdings	No. of Warrant Holders	%	No. of Warrant Holdings	%
Less than 100	823	11.81	25,853	0.02
100 – 1,000	3,263	46.82	1,436,307	1.34
1,001 – 10,000	2,179	31.27	6,438,134	5.99
10,001 – 100,000	587	8.42	18,976,874	17.67
100,001 to less than 5% of issued shares	115	1.65	50,948,846	47.44
5% and above of issued shares	2	0.03	29,581,874	27.54
<b>TOTAL</b>	<b>6,969</b>	<b>100.00</b>	<b>107,407,888</b>	<b>100.00</b>

## DIRECTORS' WARRANT HOLDINGS AS PER THE REGISTER OF DIRECTORS

No.	Name of Directors	← No. of Warrants Held →		
		Direct Interest	%	Indirect Interest
1	Tan Sri Mohamed Azman bin Yahya	17,178,749	15.99	12,541,250 <sup>1</sup>
2	Wing Kwong @ Chan Wing Kwong	82,241	0.08	30,236 <sup>2</sup>
3	Chin Jit Pyng	2,468,562	2.30	600,000 <sup>3</sup>
4	Dato' Robert Teo Keng Tuan	–	–	2,756 <sup>4</sup>
5	Tan Sri Nik Mohamed bin Nik Yaacob	–	–	–
6	Lee Siew Choong	500,000	0.47	–

### Notes:

- 1 Deemed interested by virtue of his interest in Gajahrimau Capital Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.
- 2 Deemed interested by virtue of his spouse's interest in the Company pursuant to Section 134(12)(c) of the Companies Act, 1965.
- 3 Deemed interested by virtue of his interest in Billion Inspiration Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.
- 4 Deemed interested by virtue of his interest in BHP Corp. Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.



# ANALYSIS OF WARRANT HOLDINGS

## AS AT 18 JULY 2014 (CONT'D)

### THIRTY (30) LARGEST WARRANT HOLDERS

No.	Name of Warrant Holders	No. of Warrants	%
1	Tan Sri Mohamed Azman bin Yahya	17,178,749	15.99
2	ABB Nominee (Tempatan) Sdn. Bhd. (Pledged Securities Account for Gajahrimau Capital Sdn. Bhd.)	12,403,125	11.55
3	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Lim Geok Siew)	3,833,900	3.57
4	HSBC Nominees (Asing) Sdn. Bhd. (Exempt An for Credit Suisse)	3,775,027	3.51
5	TA Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Law Yean Chye)	3,515,000	3.27
6	Cartaban Nominees (Asing) Sdn. Bhd. (Exempt An for Royal Bank of Canada, Singapore Branch – Clients Account)	3,034,689	2.83
7	Maybank Nominees (Tempatan) Sdn. Bhd. (Low Chee Kong)	2,428,713	2.26
8	Chin Jit Pyng	2,000,000	1.86
9	Malpac Capital Sdn. Bhd.	1,378,125	1.28
10	AMSEC Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account – Ambank (M) Berhad for Dataprint Computer Supplies Sdn. Bhd.)	1,270,475	1.18
11	Siow Mon Mee	1,051,408	0.98
12	Sia Sui Engan	1,001,050	0.93
13	Martin Shim Thau Kong	1,000,000	0.93
14	Ng Faai @ Ng Yoke Pei	839,650	0.78
15	Dharmendran A/L Kathiravelu	818,000	0.76
16	CIMSEC Nominees (Tempatan) Sdn. Bhd. (CIMB Bank for Low Chee Kong)	813,000	0.76
17	Vincent Rajandran A/L V S Thamboo	800,000	0.74
18	Malpac Capital Sdn. Bhd.	682,500	0.64
19	Billion Inspiration Sdn. Bhd.	600,000	0.56
20	Ho Sai Lon Mark	540,500	0.50

## ANALYSIS OF WARRANT HOLDINGS

AS AT 18 JULY 2014 (CONT'D)

### THIRTY (30) LARGEST WARRANT HOLDERS (CONT'D)

No.	Name of Warrant Holders	No. of Warrants	%
21	Toh Chin Chai	530,000	0.49
22	Lee Siew Choong	500,000	0.47
23	CIMSEC Nominees (Tempatan) Sdn. Bhd. (CIMB Bank for Tee Chin Teck)	490,000	0.46
24	DB (Malaysia) Nominee (Asing) Sdn. Bhd. (Deutsche Bank AG Singapore for IAM Traditional Asian Growth Fund)	489,700	0.46
25	CIMSEC Nominees (Tempatan) Sdn. Bhd. (CIMB Bank for Wong Chie Kiong)	481,000	0.45
26	Citigroup Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Lee Chee Keong)	477,800	0.44
27	Ng Kik Siong	470,000	0.44
28	Chin Jit Pyng	468,562	0.44
29	Gina Gan	456,700	0.43
30	Chung Su Kiun	450,000	0.42
<b>TOTAL</b>		<b>63,777,673</b>	<b>59.38</b>

# PROPERTIES OWNED BY SYMPHONY LIFE GROUP

Title/Lot No.	Land Area (Acres)	Existing Use/Description of Building	Date of Acquisition/Revaluation	Approximate Age of Building/ Years (Tenure)	Net Book Value as at 31 March 2014 RM'000
Geran 4523, Lot 1149 Seksyen 57, Bandar Kuala Lumpur Wilayah Persekutuan	0.86	Land held for development in Jalan Ceylon, Kuala Lumpur	1983 (Revaluation)	– (Freehold)	6,131
P.T. 7338 P.T. 7339 P.T. 7340 P.T. 7341 P.T. 7342 P.T. 7343 P.T. 5678 to P.T. 5710 both in Mukim and Daerah Petaling, Selangor	29.17	Land held for mixed development in Puchong, Selangor	2001	(Leasehold/ 99 years from date of issue of title)	31,424
Lot 33244 - Lot 33263, Lot 33286 - Lot 33331 P.T. 6030, P.T. 6031, Pekan Senawang, Mukim Ampangan District of Seremban Negeri Sembilan	3.20	Land held for mixed development in Seremban, Negeri Sembilan	1996	– (Freehold)	8,211
H.S.(D) 414, Lot P.T. 294 Mukim Kuah, District of Langkawi, Kedah	8.57	2 storey shopping complex located in Kuah town, Kedah	1997	17 (Leasehold expiring on 30/12/2093)	29,078
P.T. 4476, H.S.(D) 92414, Mukim Kuala Lumpur District of Kuala Lumpur	10.60	Commercial land located at Taman Midah, Jalan Cheras, Kuala Lumpur	1991	– (Freehold)	9,030
Taman Seri Telok Emas, Lot 661, Lot 667, Lot 668, Lot 669, Lot 670, Lot 671, Lot 672, Lot 673, Lot 674 & P.T. 916 (HSM749), Mukim Pernu, District of Melaka Tengah, Melaka	6.24	Land held for mixed development in Melaka	1995	(Leasehold/ 99 years from date of issue of title)	1,167
Tijani Bukit Tunku, P.T. 106, HSD 105084 Seksyen 71, Bandar Kuala Lumpur Wilayah Persekutuan	1.28	18 units of completed luxurious condominium in Bukit Tunku, Kuala Lumpur	2004	– (Freehold)	25,792

Title/Lot No.	Land Area (Acres)	Existing Use/ Description of Building	Date of Acquisition/ Revaluation	Approximate Age of Building/ Years (Tenure)	Net Book Value as at 31 March 2014 RM'000
Lot 9018, Lot 9019, Lot 9020, Lot 9021 Lot 9022 & Lot 9038 Mukim Batu, District of Gombak Selangor	13.68	Vacant agricultural land located at Mukim Batu, District of Gombak, Selangor	2000	99 year lease expiring in 2059	48
Lot PT 12269 to PT 12274 Mukim and District of Ulu Langat, Selangor	419	Quarry land for extraction of rock reserves together with office and quarry buildings located at Mukim and District of Ulu Langat, Selangor	2012	99 year lease expiring in 2111	143,183
H.S.(D) 629 / 94 P.T. 23910 District of Kuala Muda, Sungai Petani, Kedah	0.03	Land together with three storey office building located at District of Kuala Muda, Sungai Petani, Kedah	1995	17 (Freehold)	128
H.S.(D) 630 / 94 P.T. 23911 District of Kuala Muda Sungai Petani, Kedah	0.03	Land together with three storey office building located at District of Kuala Muda, Sungai Petani, Kedah	1995	17 (Freehold)	128
H.S.(D) 2770/95 P.T. 22389	259.03	Vacant development land intended for mixed development, all in the District of Kuala Muda, Sungai Petani, Kedah	1995	– (Freehold)	56,173
H.S.(D) 4252/95 P.T. 22450 to H.S.(D) 4262/95 P.T. 22460					
H.S.(D) 4110/95 P.T. 22461 to H.S.(D) 4171/95 P.T. 22522					
H.S.(D) 4032/95 P.T. 22523 to H.S.(D) 4060/95 P.T. 22551					
H.S.(D) 4070/95 P.T. 22561 to H.S.(D) 4088/95 P.T. 22579					
H.S.(D) 4089/95 P.T. 22580 to H.S.(D) 4102/95 P.T. 22593					
H.S.(D) 4234/95 P.T. 22663 to H.S.(D) 4251/95 P.T. 22680					
H.S.(D) 4263/95 P.T. 22681 to H.S.(D) 4323/95 P.T. 22741					
H.S.(D) 4337/95 P.T. 22755 to H.S.(D) 4348/95 P.T. 22766					
H.S.(D) 4364/95 P.T. 22782 to H.S.(D) 4388/95 P.T. 22806					
H.S.(D) 4424/95 P.T. 22920 to H.S.(D) 4433/95 P.T. 22929					

## PROPERTIES OWNED BY SYMPHONY LIFE GROUP (CONT'D)

Title/Lot No.	Land Area (Acres)	Existing Use/ Description of Building	Date of Acquisition/ Revaluation	Approximate Age of Building/ Years (Tenure)	Net Book Value as at 31 March 2014 RM'000
H.S.(D) 4751/95 P.T. 23091 to H.S.(D) 4764/95 P.T. 23104 to					
H.S.(D) 4993/95 P.T. 23513 to H.S.(D) 4994/95 P.T. 23514					
H.S.(D) 4841/95 P.T. 23181 to H.S.(D) 4880/95 P.T. 23220					
H.S.(D) 4721/95 P.T. 23436 to H.S.(D) 4745/95 P.T. 23460					
H.S.(D) 4941/95 P.T. 23461to H.S.(D) 4991/95 P.T. 23511					
H.S.(M) 390/94 P.T. 24207 to H.S.(M) 469/94 P.T. 24286					
H.S.(M) 526/94 P.T. 24343 to H.S.(M) 537/94 P.T. 24354					
H.S.(D) 5148/95 P.T. 24078					
H.S.(M) 299/94 P.T. 24116 to H.S.(M) 372/94 P.T. 24189					
H.S.(M) 1527/94 P.T. 25344 to H.S.(M) 1529/94 P.T. 25346					
H.S.(M) 1531/94 P.T. 25348 to H.S.(M) 1533/94 P.T. 25350					
H.S.(M) 5149/95 P.T. 25351					
H.S.(D) 5892/95 P.T. 25366					
H.S.(D) 5900/95 P.T. 25374 to H.S.(D) 5903/95 P.T. 25377					
H.S.(D) 6186/95 P.T. 25380 to H.S.(D) 6236/95 P.T. 25430					
H.S.(D) 6339/95 P.T. 25533 to H.S.(D) 6590/95 P.T. 25784					
H.S.(D) 6181/95 P.T. 26796					

Title/Lot No.	Land Area (Acres)	Existing Use/ Description of Building	Date of Acquisition/ Revaluation	Approximate Age of Building/ Years (Tenure)	Net Book Value as at 31 March 2014 RM'000
H.S.(D) 5906/95 P.T. 25785 to H.S.(D) 6169/95 P.T. 26048					
H.S.(D) 5156/95 P.T. 26049 to H.S.(D) 5397/95 P.T. 26290					
H.S.(D) 5893/95 P.T. 25367					
H.S.(D) 5896/95 P.T. 25370					
H.S. (D) 631/94 P.T. 23912	0.03	Land together with one/two/three storey office building located at District of Kuala Muda, Sungai Petani, Kedah	1995	17 (Freehold)	3,205
H.S. (D) 632/94 P.T. 23913	0.03				
H.S. (D) 561/94 P.T. 23842	0.04				
H.S.(D) 4596/95 P.T. 22821	0.03				
H.S.(D) 4395/95 P.T. 22891	0.03				
H.S.(D) 4396/95 P.T. 22892	0.03				
H.S.(D) 4397/95 P.T. 22893	0.03				
H.S.(D) 4404/95 P.T. 22900	0.03				
H.S.(D) 4405/95 P.T. 22901	0.03				
H.S.(D) 4406/95 P.T. 22902	0.03				
H.S.(D) 4413/95 P.T. 22909	0.06				
H.S.(D) 4414/95 P.T. 22910	0.04				
H.S.(D) 4415/95 P.T. 22911	0.04				
H.S.(D) 4416/95 P.T. 22912	0.04				
H.S.(D) 4417/95 P.T. 22913	0.03				
H.S.(D) 4418/95 P.T. 22914	0.03				
H.S.(D) 4419/95 P.T. 22915	0.03				
H.S.(D) 4420/95 P.T. 22916	0.03				
H.S.(D) 4021/95 P.T. 22439	0.03				
H.S.(D) 4024/95 P.T. 22442	0.03				
H.S.(D) 4029/ 95 P.T. 22447	0.03				

## PROPERTIES OWNED BY SYMPHONY LIFE GROUP (CONT'D)

Title/Lot No.	Land Area (Acres)	Existing Use/Description of Building	Date of Acquisition/Revaluation	Approximate Age of Building/ Years (Tenure)	Net Book Value as at 31 March 2014 RM'000
H.S.(D) 120640 P.T. 2267 to H.S.(D) 120647 P.T. 2274 (Un-subdivided title - H.S.(D) 90428 P.T. 48901)	161.61	Vacant development land intended for mixed development, all in the District of Kuala Muda, Sungai Petani, Kedah	2006	– (Freehold)	13,517
No. Milik 71695 Lot no. 450 Seksyen 87A Kuala Lumpur	1.03	Vacant development land intended for development of luxury condominium location at Kuala Lumpur	2008	– (Freehold)	27,770
P.T. 15283 (HSD 77573) Seksyen 2, Bandar Hulu Kelang, Daerah Gombak, Selangor Darul Ehsan	22.98	Land held for development, in Ulu Kelang, Selangor	2010	(Leasehold/ 99 years from date of issue of title)	108,730
Lot 57502 & Lot 57503 Mukim Batu Tempat Railway Line Kepong Daerah Kuala Lumpur	4.46	Land held for development in Mont' Kiara, Kuala Lumpur	2013	– (Freehold)	51,386



# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 51<sup>st</sup> Annual General Meeting of the Company will be held at the Glenmarie Ballroom A, Holiday Inn Kuala Lumpur, Glenmarie, No. 1, Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Wednesday, 10 September 2014 at 9.30 a.m. for the following purposes:

## AGENDA

### As Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 31 March 2014 together with the Reports of the Directors and Auditors thereon. *(Please see Explanatory Note A)*
2. To declare a first and final single-tier dividend of 4.0 sen per ordinary share for the financial year ended 31 March 2014. **Resolution 1**
3. To re-elect the following Directors who retire in accordance with Article 83 of the Company's Articles of Association:
  - (a) Mr. Wing Kwong @ Chan Wing Kwong **Resolution 2**
  - (b) Tan Sri Nik Mohamed bin Nik Yaacob *(Please see Explanatory Note B)* **Resolution 3**
4. To re-appoint Mr. Lee Siew Choong as a Director pursuant to Section 129(6) of the Companies Act, 1965. *(Please see Explanatory Note B)* **Resolution 4**
5. To re-appoint Messrs. Ernst & Young as Auditors of the Company and to authorise the Directors to determine their remuneration. **Resolution 5**

### As Special Business:

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

6. **Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965** **Resolution 6**

"THAT pursuant to Section 132D of the Companies Act, 1965 ("**the Act**"), the Directors be and are hereby empowered to issue shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the issued capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad ("**Bursa Securities**") and that such authority shall continue in force until the conclusion of the next Annual General Meeting ("**AGM**") of the Company."

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### 7. Proposed Renewal of Authority for Purchase of Own Shares by the Company

### Resolution 7

"THAT subject to the Act, the rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Securities and any other relevant authority, the Directors of the Company be and are hereby unconditionally and generally authorised to make purchases of ordinary shares of RM1.00 each in the Company's issued and paid-up share capital through Bursa Securities subject further to the following:

- (a) the maximum number of shares which may be purchased by the Company shall be equivalent to ten per centum (10%) of the issued and paid-up share capital of the Company for the time being, quoted on Bursa Securities;
- (b) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the audited retained profits of the Company of RM80,642,762 as at 31 March 2014;
- (c) the authority conferred by this resolution will commence immediately upon the passing of this resolution and will expire at the conclusion of the next AGM of the Company (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting or the expiration of the period within which the next AGM is required by law to be held, whichever occurs first) but not so as to prejudice the completion of purchase(s) by the Company or any person before the aforesaid expiry date and, in any event, in accordance with the Main Market Listing Requirements of Bursa Securities or any other relevant authority;
- (d) upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt with by the Directors in any manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the Main Market Listing Requirements of Bursa Securities and any other relevant authority for the time being in force;

AND THAT the Directors of the Company be and are hereby authorised to take all such steps and do all such acts (including the execution of any relevant documents) as are necessary or expedient to implement or to give effect to the aforesaid authorisation."

8. To transact any other business for which due notice shall have been given.

## NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

**NOTICE IS HEREBY GIVEN THAT** the First and Final Dividend, if approved by the shareholders at the forthcoming Annual General Meeting, will be paid on 8 October 2014 to depositors registered in the Record of Depositors at the close of business on 25 September 2014. A depositor shall qualify for entitlement to the dividend only in respect of:

- a. Shares transferred into the depositor's securities account before 4.00 p.m. on 25 September 2014 in respect of ordinary transfers; and
- b. Shares bought on Bursa Securities on a cum entitlement basis according to the rules of Bursa Securities.

### BY ORDER OF THE BOARD

**Lim Seng Yon** (MAICSA 0815774)  
Secretary

15 August 2014  
Selangor Darul Ehsan

#### Notes:

1. A proxy may but need not be a member. There shall be no restriction as to the qualification of the proxy and the provision of Section 149(1)(b) of the Act shall not apply to the Company.
2. To be valid, the Form of Proxy, duly completed must be deposited at the office of the Company not less than forty-eight (48) hours before the time for holding the meeting PROVIDED THAT in the event a member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy. You can also appoint the Chairman of the meeting as your proxy.
3. A member holding one thousand (1,000) ordinary shares or less may appoint one (1) proxy to attend and vote at a general meeting who shall represent all the shares held by such member.
4. A member holding more than one thousand (1,000) ordinary shares may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies to attend and vote at the same meeting, such appointment(s) shall be invalid unless the member specifies the proportion of his shareholding in respect of which each proxy shall represent him.
5. A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.
6. Where a member is an authorised nominee, as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with ordinary shares of the Company. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
7. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
8. If the appointor is a corporation, the Form of Proxy must be executed under its common seal or under the hand of an officer or attorney duly authorised.
9. For the purpose of determining a member who shall be entitled to attend the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors ("**ROD**") as at 3 September 2014. Only a depositor whose name appears on the ROD as at 3 September 2014 shall be entitled to attend the said meeting or appoint proxy(ies) to attend and/or vote on such depositor's behalf.
10. The lodging of the Form of Proxy does not preclude a member from attending and voting in person at the meeting should the member subsequently decides to do so.

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## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### ***Explanatory Note A***

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

### ***Explanatory Note B***

Tan Sri Nik Mohamed bin Nik Yaacob and Mr. Lee Siew Choong have been assessed by the Nominating Committee and the Board and were found to be independent as stated in the Corporate Governance Statement of the Company's 2014 Annual Report.

### ***Explanatory Notes on Special Business***

#### **Resolution No. 6 - Authority to Allot and Issue Shares Pursuant to Section 132D of the Companies Act, 1965**

The resolution, if passed, will give the Directors of the Company, from the date of the above AGM, authority to issue and allot shares from the unissued capital of the Company at any time up to an aggregate amount not exceeding ten per centum (10%) of the issued and paid-up share capital of the Company, for such purposes as the Directors may deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company. With the renewal of this authority, the Directors of the Company would be able to raise funds from the equity market at a shorter period of time and any delay arising from and cost involved in convening an extraordinary general meeting to approve such issuance of shares should be eliminated.

The authority will provide flexibility to the Company for any possible fund raising activities, but not limited to placement of shares for the purpose of funding current and/or future investment project(s), working capital and/or acquisitions or strategic opportunities involving equity deals, which may require the allotment and issuance of new shares.

As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the last AGM of the Company held on 24 September 2013 and accordingly no proceeds were raised.

#### **Resolution No. 7 - Proposed Renewal of Authority for Purchase of Own Shares by the Company**

The resolution, if passed, will empower the Directors of the Company to purchase the Company's shares up to ten per centum (10%) of the issued and paid-up share capital of the Company for the time being, quoted on Bursa Securities, by utilising the funds allocated which shall not exceed the audited retained profits and the share premium of the Company. Further information on the Proposed Renewal of Authority for Purchase of Own Shares by the Company is set out in the Statement to Shareholders dated 15 August 2014 which is despatched together with the Company's 2014 Annual Report.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Malaysia Securities Berhad

### **Details of individuals who are standing for election as Directors**

No individual is seeking for election as a Director at the forthcoming 51<sup>st</sup> Annual General Meeting of the Company.

# FORM OF PROXY



**SYMPHONY LIFE BERHAD**  
(Company No. 5572-H)  
(Incorporated in Malaysia)

CDS Account No.	
Current Contact/Tel. No.	

I/We\* ..... (NRIC No. ....)  
(Full name in capital letters)

of .....  
(Full address)

being the registered holder of ..... ordinary shares of Symphony Life Berhad (5572-H) ("SymLife" or "Company")

hereby appoint : (A) ..... (NRIC No. ....)  
(Full name in capital letters)

of ..... [.....] shares; or failing him, the Chairman  
(Full address)

of the meeting and \*(B) ..... (NRIC No. ....)  
(Full name in capital letters)

of ..... [.....] shares; or failing him, the Chairman  
(Full address)

of the meeting as my/our\* proxy/proxies\* to vote for me/us\* and on my/our\* behalf at the 51<sup>st</sup> Annual General Meeting of the Company to be held at the Glenmarie Ballroom A, Holiday Inn Kuala Lumpur, Glenmarie, No. 1, Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Wednesday, 10 September 2014 at 9.30 a.m. and at any adjournment thereof.

NO.	RESOLUTIONS	FOR	AGAINST
1.	To approve the payment of first and final dividend		
2.	Re-election of Mr. Wing Kwong @ Chan Wing Kwong as Director		
3.	Re-election of Tan Sri Nik Mohamed bin Nik Yaacob as Director		
4.	Re-appointment of Mr. Lee Siew Choong as Director		
5.	Re-appointment of Messrs. Ernst & Young as Auditors		
6.	Authority to Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965		
7.	Proposed renewal of authority for purchase of own shares by the Company		

Please indicate with an "X" in the appropriate space how you wish your vote to be cast. If you do not do so, the proxy will vote in accordance with his discretion.

As witness my/our\* hand(s) this ..... day of ..... 2014

\* Strike out whichever is not applicable.

Signature/Seal

## Notes:

- A proxy may but need not be a member. There shall be no restriction as to the qualification of the proxy and the provision of Section 149(1)(b) of the Act shall not apply to the Company.
- To be valid, the Form of Proxy, duly completed must be deposited at the office of the Company not less than forty-eight (48) hours before the time for holding the meeting PROVIDED THAT in the event a member(s) duly executes the Form of Proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy. You can also appoint the Chairman of the meeting as your proxy.
- A member holding one thousand (1,000) ordinary shares or less may appoint one (1) proxy to attend and vote at a general meeting who shall represent all the shares held by such member.
- A member holding more than one thousand (1,000) ordinary shares may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member appoints two (2) proxies to attend and vote at the same meeting, such appointment(s) shall be invalid unless the member specifies the proportion of his shareholding in respect of which each proxy shall represent him.
- A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.
- Where a member is an authorised nominee, as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds which is credited with ordinary shares of the Company. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
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- For the purpose of determining a member who shall be entitled to attend the meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors ("ROD") as at 3 September 2014. Only a depositor whose name appears on the ROD as at 3 September 2014 shall be entitled to attend the said meeting or appoint proxy(ies) to attend and/or vote on such depositor's behalf.
- The lodging of the Form of Proxy does not preclude a member from attending and voting in person at the meeting should the member subsequently decides to do so.

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AFFIX  
STAMP

The Company Secretary  
**SYMPHONY LIFE BERHAD** (5572-H)  
Level 9, Symphony House  
Dana 1 Commercial Centre  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

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# OFFICE DIRECTORY

## **SYMPHONY LIFE BERHAD** (5572-H)

Level 9, Symphony House  
Dana 1 Commercial Centre  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Tel : + 603 7844 6888  
Fax : + 603 7844 6868  
Email : [general@symphonylife.my](mailto:general@symphonylife.my)  
Website : [www.symphonylife.my](http://www.symphonylife.my)

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## **SYMPHONY LIFE STUDIO**

### **SELANGOR**

Ground Floor, Symphony House  
Dana 1 Commercial Centre  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Tel : + 603 7844 6833  
Fax : + 603 7844 6999  
Email : [general@symphonylife.my](mailto:general@symphonylife.my)  
Website : [www.symphonylife.my](http://www.symphonylife.my)

### **SELANGOR**

PT1171,  
Off Jalan PU 12/7B  
47150 Puchong, Selangor  
Tel : + 603 8068 4030  
Fax : + 603 8068 2253

### **KUALA LUMPUR**

Jalan Ukay Bistari 1,  
Ukay Perdana, 68000, Ampang  
Selangor.  
Tel : + 603 4162 2022/5022  
Fax : + 603 4162 6022

### **KUALA LUMPUR**

No. J-G-12,  
No. 2, Jalan Solaris, Solaris Mont Kiara,  
50480, Kuala Lumpur  
Tel: +603 6211 1119/1117  
Fax: +603 6201 0570

### **NEGERI SEMBILAN**

No. 162, Jalan Lavendar Heights 4  
Pusat Perniagaan Lavendar Heights  
70400 Seremban, Negeri Sembilan  
Tel : + 606 679 5349/51  
Fax : + 606 679 5346

### **KEDAH**

No. 26 & 27, Lengkok Cempaka 1  
Persiaran Cempaka  
08000 Amanjaya, Kedah  
Tel : + 604 441 2020  
Fax : + 604 441 0618

### **PULAU PINANG**

98-G-13A, Prima Tanjong Business Centre,  
Jalan Fettes  
Tanjong Tokong  
11200 Pulau Pinang  
Tel : + 604 891 2020  
Fax : + 604 891 2021