Annual Report 2014

Integrated Group

Integrated Logistics Berhad (229690 K)

CONTENTS

CORPORATE INFORMATION

Board Of Directors

Datuk R. Karunakaran
Chairman
Independent Non-Executive Director

Tee Tuan Sem
Executive Director
Chief Executive Officer

Makoto Takahashi
Executive Director

Dato' Haji Wazir bin Haji Muaz
Independent Non-Executive Director

Lee Kay Loon
Independent Non-Executive Director

Wan Azfar bin Dato' Wan Annuar
Non-Independent Non-Executive Director

COMPANY SECRETARY
Amarjit Singh A/L Banta Singh
FCCA, ACIS, CA(M)

REGISTERED OFFICE
B-25-2, Block B, Jaya One
No. 72A, Jalan Universiti
46200 Petaling Jaya
Selangor Darul Ehsan
Tel. No.: 03-7955 0955, Fax. No.: 03-7955 0959

BUSINESS OFFICE
Indera Subang
Jalan USJ 6/2L
47610 UEP Subang Jaya
Selangor Darul Ehsan
Tel. No.: 03-5631 7377, Fax. No.: 03-5631 6403

SHARE REGISTRAR
Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
Tel. No.: 03-7841 8000, Fax. No. 03-7841 8008

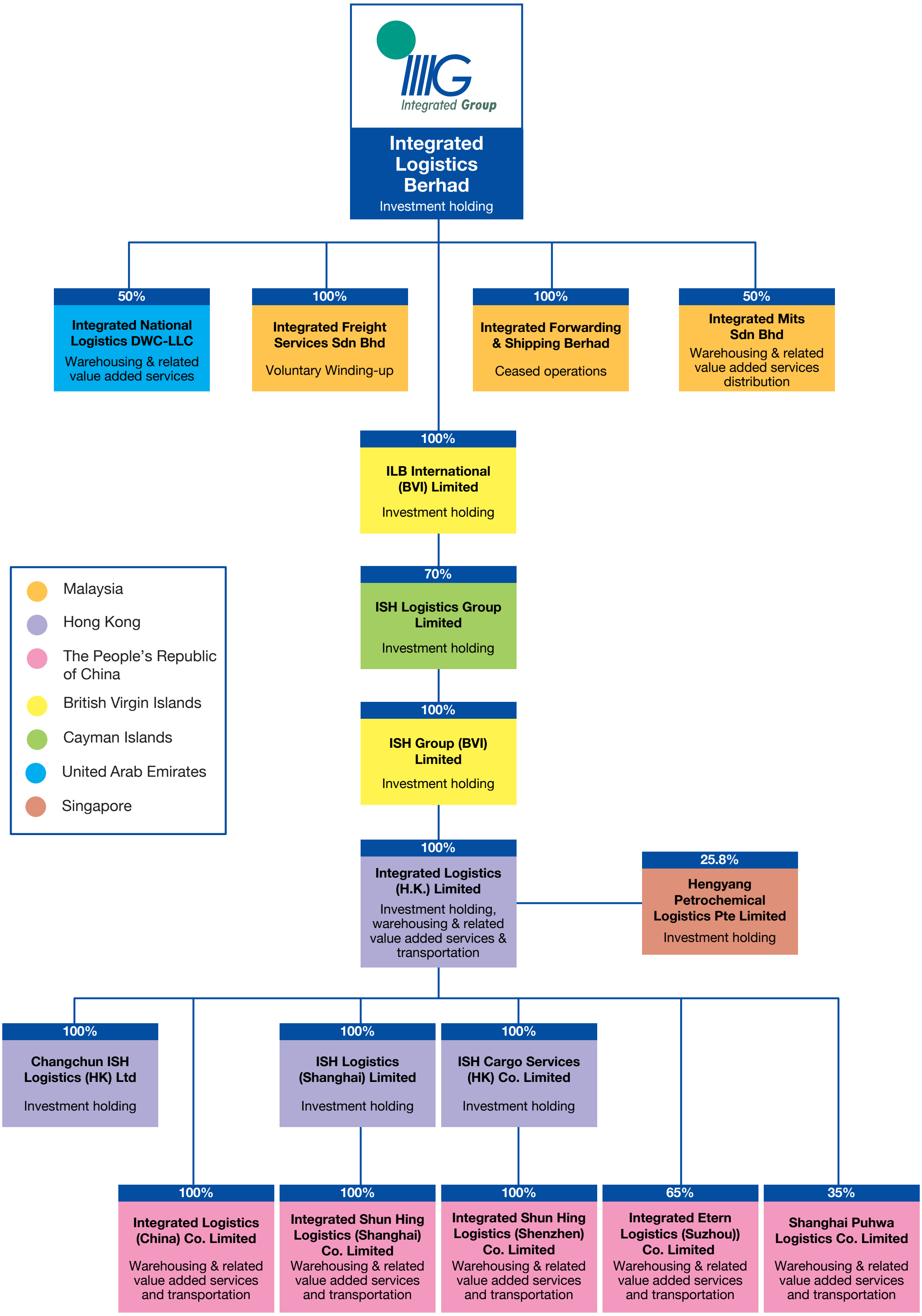
SOLICITORS
Messrs Kadir, Andri & Partners
Level 10, Menara BRDB
285, Jalan Maarof, Bukit Bandaraya
50900 Kuala Lumpur

AUDITORS
Messrs Baker Tilly AC (AF001826)
Chartered Accountants
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Berhad

PRINCIPAL BANKER
CIMB Bank Berhad
G01, Empire Shopping Gallery
Jalan SS 16/1, Subang Jaya
47500 Petaling Jaya
Selangor Darul Ehsan

CORPORATE STRUCTURE



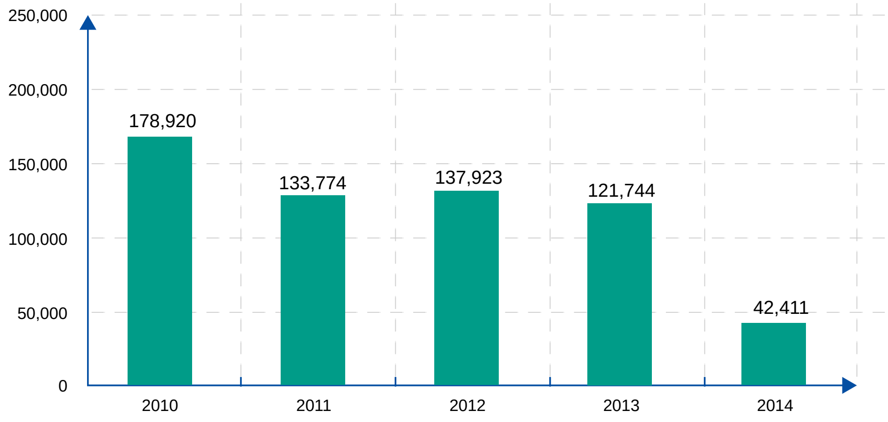
GROUP FINANCIAL HIGHLIGHTS

	2010 RM'000	2011 RM'000	2012 RM'000	2013 RM'000	2014 RM'000
Turnover	178,920	133,774	137,923	121,744	42,411
Profit/(Loss) before taxation	23,645	18,542	7,008	212,322	(53,263)
Net Profit/(Loss) Attributable to Shareholders	18,668	13,002	(102)	145,622	(41,134)
Paid-up Capital	197,026	197,026	178,026*	178,026	178,026
Total Assets	631,579	644,942	602,252	441,238	392,501
Shareholders Funds	364,098	377,077	354,426	322,215	295,964
Net Earnings/(Loss) Per Share	9.8	7.1	(0.06)	88.2	(23.3)
(sen)	1.94	2.12	2.13	1.96	1.67
Net Assets Per Share After					
Minority Interests (RM)	8.5%	5.0%	5.0%	118.93%	3.5%
Gross Dividend (%)	1 : 20	-	-	8 : 100	-
Share Dividend (Ratio)	0.960	0.680	0.905	0.760	0.710
Share Price as at 31 Dec (RM)					

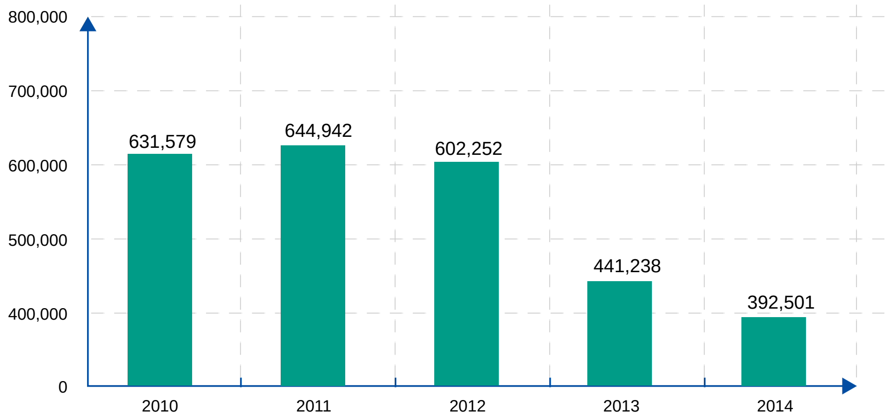
* After cancellation of 19,000,000 treasury shares.

GROUP FINANCIAL HIGHLIGHTS

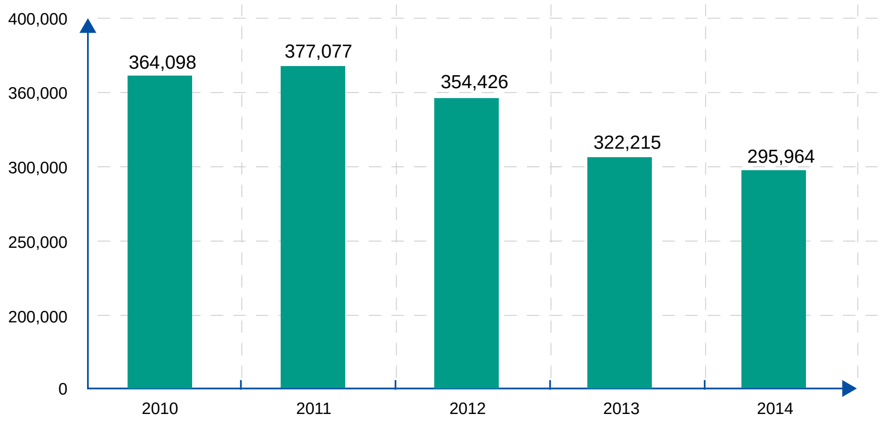
Turnover



Total Assets



Shareholders' Fund



Chairman's Statement

Dear Shareholders,

On behalf of the Board Directors of Integrated Logistics Berhad (ILB), I am pleased to present the Annual Report for the year 2014, incorporating the Audited Financial Statements of the Group and the Company for the financial year ended 31 December 2014.

PERFORMANCE REVIEW

Having disposed of most of the China operations in the previous year, the Group recorded a lower revenue of RM42.4 million for the year under review as compared with a revenue of RM121.7 million in the previous year. The Group incurred a Net Loss of RM41.1 million for the year compared with a Net Profit of RM145.6 million in the previous year.

CHINA

Upon completion of the Disposal of the warehouses in Shenzhen & Henan in 2013, the remaining operations of the Group are in Wujiang, Shenzhen and Hong Kong. The Group also has an equity interest of 25.8% in the equity of Hengyang Petrochemical Logistics Ltd. (Hengyang), a company listed on the Catalist Board of the Singapore Stock Exchange. The current year's pre-tax loss is mainly attributable to a RM41.55 million provision for the impairment in value of the Hengyang investment.

PROSPECTS

DUBAI

The Group holds 50% equity of a joint venture company, Integrated National Logistics DWC-LLC ("INL"). INL provides a wide range of high quality warehouse & coldroom facilities and valued added logistics services catering to customers across the MENA (Middle East & North Africa) region.

INL's warehouse facilities achieved average occupancy of 52% for the full year 2014. The demand for INL's facilities continues to rise and we expect the occupancy rate to improve further in 2015. However, the sharp plunge in crude oil prices since the last quarter of 2014 has brought increased volatility to the market and the extent of the impact on the Group's operations are still being assessed.

CHINA

Although China's Gross Domestic Product (GDP) growth for 2015 is expected to be slightly higher at 7.2% as compared with 2014's 7.0%, the slowdown of the global economy is expected to bring new challenges for the Group's remaining China operations. However, it is to be noted that the contribution from the China operations to the Group has been significantly reduced upon the disposal of the Shenzhen & Henan warehouses in the previous financial year.

As all the Company's six warehouses in Wujiang are enjoying full occupancy, the company is proceeding to construct three additional warehouses at a cost of RM56 million. These warehouses are scheduled to be ready in financial year 2015 and would add an additional 32,786 sq metres of warehouse space which would contribute to group revenue in the following financial year.

DUBAI

The United Arab Emirates is expected to achieve a higher GDP growth of 4.5% for 2015 as compared to 2014's 4.0%. This higher GDP growth is expected to generate additional demand for warehouse and logistics services in Dubai. However, the sharp slide in global oil prices had impacted major world economies in the 4th Quarter of 2014 and this is expected to affect the utilization of INL's facilities. As such, the Board expects 2015 to be another challenging year for the Group.

However, Dubai's new Al Maktoum International Airport is now fully operational & INL is expected to benefit from the close proximity of INL's warehouses to the new airport with increased demand for logistics services generated by the new airport. In addition, the World Expo to be hosted by Dubai in 2020 is expected to boost the demand for a wide spectrum of logistics services in Dubai in the coming years & INL is poised to benefit from the resultant demand for warehouse facilities and logistics services created by the World Expo.

DIVIDENDS

Share Dividend

During the year, the Board declared a Special Share Dividend of 8 treasury shares for every 100 existing ordinary shares of RM1.00 each which was duly credited to all shareholders accounts with Bursa Malaysia Depository Sdn Bhd on the 3 March 2014.

Cash Dividend

Subsequent to the year end, the Board had on the 25 February 2015 declared an interim single tier Dividend of 3.5 sen per share in respect of the financial year ending 31 December 2014, payable on the 27 March 2015.

SHARE BUY-BACK

During the financial year ended 31 December 2014, the Company purchased a total of 833,200 ordinary shares of RM1.00 each of the issued & paid up share capital from the open market at an average price of RM0.745 per share. The total consideration for the share buy-back was RM620,559 and was financed by internally generated funds.

All the shares purchased during the financial year had been retained as treasury shares and the total number of shares retained as treasury shares as at 31 December 2014 was 1,309,375 ordinary shares of RM1.00 each.

ACKNOWLEDGEMENTS

I wish to express the Board's appreciation to the management and staff of the Group for their continuing dedication, commitment and diligence during the year. Our sincere appreciation is also extended to our valued customers, business associates, shareholders and other stakeholders.

Datuk R. Karunakaran
CHAIRMAN

DIRECTORS PROFILE

Datuk R. Karunakaran

Chairman

Independent Non-Executive Director (Malaysian)

Datuk R. Karunakaran, aged 65, was appointed to the Board on the 1 July 2008 as an Independent Non-Executive Director and subsequently elected as Chairman of the Board on the 19 February 2010. He graduated from the University of Malaya with a Bachelor of Economics (Accounting) Hons. in 1972. He was formerly the Director General of MIDA and retired in June 2008 after serving 36 years and had held various important and prominent positions. He had also served as Director of MIDA Singapore, Cologne (Germany) and London (England) and was also responsible for co-ordinating the development of the manufacturing and service sectors including promoting domestic and foreign investments in Malaysia.

Datuk Karunakaran is also the Chairman of the Nomination & Remuneration Committee. He also sits as an Independent Non-Executive Director on the Boards of Malayan Banking Berhad, Bursa Malaysia Berhad, IOI Corporation Berhad, Maybank Asset Management Group Berhad and Etiqa Insurance Berhad.

Datuk Karunakaran does not have any interest in the securities of the Company and its subsidiaries. He has no family relationships with any other Director and/or major shareholder of the Company.

Tee Tuan Sem

Chief Executive Officer

Executive Director (Malaysian)

Mr Tee Tuan Sem, aged 63, the Chief Executive Officer, was appointed to the Board on the 9 June 1992. He is a member of the Malaysian Institute of Accountants and a Fellow of the Chartered Association of Certified Accountants. He joined Tet O Chong & Co., an established firm of public accountants, in 1976 and joined Integrated Forwarding & Shipping Berhad as Chief Accountant in 1981. He was promoted to the position of Finance Director in 1998 and subsequently appointed as the Chief Executive Officer in 2001. He does not hold any other directorships of public companies.

Mr Tee has a direct interest in 18,630,851 fully paid ordinary shares of RM1.00 each in the Company. He also has an indirect interest in 381,931 fully paid ordinary shares of RM1.00 each in the Company held through his wife, Yang Chiew Bi. He has no family relationship with any other Director and/or major shareholder of the Company.

DIRECTORS PROFILE

Makoto Takahashi
Executive Director (Japanese)

Mr Makoto Takahashi, Executive Director, aged 47, holds a Bachelor of Science degree from the University of San Francisco. He has 2 years working experience with a Japanese logistics company in Kobe, Japan and 5 years working experience with a trading company in Hong Kong. He joined ILB in 1998 as General Manager of Sales & Marketing and joined the Board as an Executive Director of ILB on the 17 September 2001.

Mr Makoto has a direct interest in 18,701,090 fully paid ordinary shares of RM1.00 each in the Company. He does not hold any other directorships of public companies and has no family relationship with any other Director and/or major shareholder of the Company.

Dato' Haji Wazir bin Haji Muaz
Independent Non-Executive Director (Malaysian)

Dato' Haji Wazir bin Haji Muaz, aged 64, was appointed to the Board on the 5 November 2007 as an Independent Non-Executive Director. He holds a Masters in Public Administration (M.P.A.) from American University Washington D.C. USA, Ijazah Sarjana Muda Sastera (Kepujian), University Malaya and a Diploma in Textile Technology, Salford College of Technology, England. He was formerly the Deputy Director General of Royal Customs and Excise, Malaysia, and retired in May 2007 after having served for 34 years. During his tenure, he had introduced several changes in the Customs working procedure namely Golden Counter, Pre-clearance and others. He had held various important and prominent positions dealing in all aspects of Customs enforcement.

Dato' Haji Wazir is also a member of the Audit & Risk Management Committee and the Nomination & Remuneration Committee. He does not hold any other directorships of public companies and does not have interest in the securities of the Company and its subsidiaries. He has no family relationship with any other Director and/or major shareholder of the Company.

DIRECTORS PROFILE

Lee Kay Loon

Independent Non-Executive Director (Malaysian)

Mr Lee Kay Loon aged 63, was appointed to the Board as an Independent Non-Executive Director on the 1 June 2010. He is a Fellow of the Chartered Association of Certified Accountants, member of the Malaysian Institute of Accountants and the Malaysian Institute of Chartered Secretaries & Administrators. Mr Lee has vast corporate and financial management experience having worked in a quasi government organisation, a local bank and a life and general insurance company. He has held various senior management positions which included internal auditor, accountant, Director of Finance, Brand and Communication Director and Director of Project Management. Mr Lee retired in 2007 after a career spanning more than 30 years.

Mr Lee is the Chairman of the Audit & Risk Management Committee and a member of the Nomination & Remuneration Committee. He does not hold any directorships of other public companies and does not have any interest in the securities of the Company or its subsidiaries. He has no family relationship with any other Director and/or major shareholder of the Company.

Wan Azfar bin Dato' Wan Annuar

Non-Independent Non-Executive Director (Malaysian)

En Wan Azfar bin Dato' Wan Annuar, aged 65, was appointed to the Board as an Executive Director on the 17 September 2001. He resigned as an Executive Director on the 26 March 2003 but remained as a Non-Executive Non-Independent Director. A Naval Officer by training, having been through Britannia Royal College, Dartmouth, United Kingdom and HMS Mercury, Royal Navy's School of Maritime Operations, Petersfield, United Kingdom, he has some 16 years service at sea and ashore. His military appointments included 2 warship commands, staff duties at Ministry of Defence, Kuala Lumpur, Naval Headquarters in Singapore and as Naval Attache at the Malaysian High Commission, London. After leaving the Royal Malaysian Navy, he joined Malayan United Industries Berhad group of companies and pioneered the hotel division.

En Wan Azfar is also a member of the Audit & Risk Management Committee and the Nomination & Remuneration Committee. He does not hold any directorships of other public companies and does not have any interest in the securities of the Company or its subsidiaries. He has no family relationship with any other Director and/or major shareholder of the Company.

Notes
1. None of the Directors have entered into any transaction, whether directly or indirectly, which has a conflict of interest with the Company.
2. None of the Directors have any convictions for any offences within the past 10 years other than traffic offences.

CORPORATE GOVERNANCE STATEMENT

The Malaysian Code of Corporate Governance (MCCG) defines corporate governance as: “the process and structure used to direct and manage the business and affairs of the company towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value, whilst taking into account the interests of the other stakeholders.” The Board of Directors (Board) remains committed to subscribe to the principles of good corporate governance that is central to the effective operation of the Company and to ensure the highest standards of accountability and transparency.

The Board supports the framework which is designed to promote the best Corporate Governance culture and which assists the Board in the discharge of its corporate governance responsibilities. The Board continues to improve existing practices and incorporate the principles and recommendations of the MCCG into the existing Corporate Governance framework.

This Statement outlines the Group’s main corporate governance practises and policies which are in line with the principles and recommendations laid out in the MCCG as follows :-

i. Clear Roles and Responsibilities
ii. Strengthen Composition of the Board and various Board Committees
iii. Reinforce Independence
iv. Foster Commitment
v. Uphold Integrity in Financial reporting
vi. Recognise and Manage Risks
vii. Ensure Timely and high Quality Disclosures
viii. Strengthen Relationship Between the Company and its Shareholders

The Board is pleased to report below on the principles and best practices of the Code were applied throughout the financial year ended 31 December 2014.

CLEAR ROLES AND RESPONSIBILITIES

Board Role and Responsibilities

The Company has an experienced Board comprising two Executive Directors, three Independent Non-Executive Directors and one Non-independent Non-Executive Director.

The Board of Directors is primarily responsible for charting and reviewing the strategic direction of the Group, It delegates and monitors the implementation of these directions to the management.

The independent non-executive directors are considered independent of any business or other relationship or circumstances that could interfere with the execution of their independent judgement and decision making in the best interests of the Company.

Re-election of Directors - The Company’s Articles of Association state that one third of the Directors shall retire from office by rotation at each Annual General Meeting (AGM) and all Directors shall retire from office at least once every three years but shall be eligible to offer themselves for re-election.

The Company is also in compliance with Sections 129(2) and 129(6) of the Companies Act, 1965, which states that a Director who is over 70 years of age shall retire at every AGM and may offer himself for re-appointment to hold office until the company’s next AGM.

CORPORATE GOVERNANCE STATEMENT

The responsibilities of the Board are inclusive of but not limited to:

i. Charting the strategic direction, and setting out short term and long term plans for the Group.
ii. Promoting ethical and best corporate governance culture in the Group.
iii. Monitoring and reviewing compliance with internal control policies and risk management systems.
iv. Monitoring compliance with relevant laws & regulations and accounting standards within the corporate and business environment.
v. Overseeing and review of business operations within a systematic and controlled environment.
vi. Approving and monitoring the annual budget and financial performance of the Group.
vii. Appointing and determining the remuneration, duration and relevant appointment terms of the Executive Directors.
viii. Assessing the performance of and developing the succession plan for the Executive Directors.

The Board composition represents a mix of knowledge, skills, and expertise which assist the Board in effectively discharging its stewardship and responsibilities. The profiles of the members of the Board are set out in the Annual Report.

The Board had delegated to the CEO and his management team the day to day management of the Group.

The Company has a clear distinction and separation of roles between the Chairman and the CEO, with clear division of responsibilities. The Board of Directors is headed by Datuk R. Karunakaran, an independent non-executive chairman, who has broad exposure and extensive experience in the international trade and investment arena. As Chairman, he plays a vital role in leading and guiding the Board, and also serves as the communication point between the Board and the CEO.

The CEO, Mr Tee Tuan Sem, and his management team is responsible for implementing the plans chartered out and the day to day management of the Group, with clear authority delegated by the Board.

Board Meetings

The Board meets on a quarterly basis with additional meetings being convened as when necessary to address issues deemed urgent. The Board met on five occasions during the year ended 31 December 2014 and the details of attendance at Board Meetings held during the financial year are set out below.

ATTENDANCE	Number of Meetings Attended	Total Number of Meetings
EXECUTIVE DIRECTORS		
TEE TUAN SEM	5	5
MAKOTO TAKAHASHI	5	5
INDEPENDENT NON-EXECUTIVE DIRECTORS		
DATUK R. KARUNAKARAN	5	5
DATO’ HAJI WAZIR BIN HAJI MUAZ	5	5
LEE KAY LOON	5	5
NON-INDEPENDENT NON-EXECUTIVE DIRECTOR		
WAN AZFAR BIN DATO’ WAN ANNUAR	5	5

During the financial year, all the Directors have complied with the minimum attendance requirements as stipulated by the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

CORPORATE GOVERNANCE STATEMENT

Supply of Information

The Board has timely access to relevant information pertaining to the Group. Prior to each Board meeting, the Agenda for the meeting together with comprehensive management reports & proposal papers are furnished to all Directors for their perusal at least 3 days before of the Board meeting in order to be better informed. Directors can obtain further clarifications where necessary from the management and the Secretary. sSenior management and external advisors may be invited to attend Board Meetings to provide further details, clarifications and/or advise the Board as and when required on matters to be deliberated. Should any of the Directors be unable to attend any Board meeting, he may give his opinion in writing in advance, and such opinion will be considered in the decision making process at the Board meeting.

Board meetings are held at the Company's premises. During the year under review, some of the Board members visited the company's operations in Dubai, United Arab Emirates.

All matters discussed and resolutions passed at each Board meeting are recorded in the minutes of the meeting. These minutes are circulated to all Directors for their perusal and confirmation and any Director can request for further clarification on the minutes prior to their confirmation.

The members of the Board also evaluate business propositions and corporate proposals that require Board approval. The Board is regularly updated and advised on new statutory as well as regulatory requirements relating to the duties and responsibilities of Directors. Further advice can be obtained from the Company Secretary or from external professionals where necessary.

Company Secretary

The Company Secretary is responsible for the secretarial function such as ensuring compliance with all statutory & regulatory requirements, recording the proceedings of all Board and Committee meetings, and proper maintenance of secretarial records.

Corporate Social Responsibility (CSR)

The Group recognises its commitment to contribute to the community and society.

STRENGTHEN COMPOSITION

Board Committees

The Company has two Board Committees to assist the Board. They are delegated specific functions and are governed by their Terms of Reference. The two Committees are :-

i. Audit & Risk Management Committee

ii. Nomination & Remuneration Committee

Both Committees have a majority of independent non-executive Directors, and submit their respective reports and minutes to the Board for approval. Their responsibilities and functions are set out below.

CORPORATE GOVERNANCE STATEMENT

Audit & Risk Management Committee

The Audit & Risk Management Committee oversees the integrity of the financial statements, compliance with relevant accounting standards and the group's risk management and internal controls. The Committee had four meetings during the financial year 2014 and comprises:-

1	Lee Kay Loon	- Independent Non-Executive Director, Chairman
2	Dato' Haji Wazir bin Haji Muaz	- Independent Non-Executive Director
3	Wan Azfar bin Dato' Wan Annuar	- Non-Independent Non-Executive Director

Nomination & Remuneration Committee

The Nomination & Remuneration Committee does an annual review of the composition of the Board and makes recommendations to the Board accordingly, keeping in mind the need to meet current and future requirements of the Group.

The Committee also reviews the remuneration of the Board and Management from time to time with a view to ensuring the company is fair and able to attract and retain talent who can add value to the Company. Fees paid to Non-Executive Directors is tabled at the Company's AGM for approval.

The Chairman of the Committee is Datuk R. Karunakaran, an Independent Non-Executive Director. All the Committee members are Non-Executive, with a majority being independent.

The terms and reference of the Committee are as follows:

1. Primary Purpose

1.1 Nomination

(i) Propose and recommend suitable candidates to the Board and to fill the seats on Board committees.

(ii) Review the composition and effectiveness of the Board and the Board Committees in terms of the required mix of skills, expertise, attributes and core competencies of the Directors as well as the contribution of each individual Director on an annual basis.

1.2 Remuneration

(i) Recommend to the Board the policy framework on terms of employment and on all elements of the remuneration of Executive Directors and Senior Management.

(ii) Review and recommend to the Board the annual bonus and salary increment of the Executive Directors and the remuneration of the Non-Executive Directors.

Individual Directors shall abstain from deliberations and voting on their own remuneration at the Board and Committee meetings.

2. Composition

(i) The Committee shall be wholly comprised of Non-Executive directors, a majority of whom must be Independent.

(ii) Members of the Committee are appointed by the Board and comprise Board members who will not benefit personally from their decisions and who will give due regard to the interests of shareholders and other stakeholders.

CORPORATE GOVERNANCE STATEMENT

3. Responsibilities

3.1 Nomination

(i) Ensure an appropriate balance of experience and abilities on the Board.

(ii) Review from time to time the size and composition of the Board.

(iii) Consider candidates for appointment, whether as Executive or Non-Executive Directors.

(iv) Make recommendations to the Board on the re-appointment of Non-Executive Directors at the end of their term.

(v) Advise the Board and the Chief Executive Officer on the issue of succession planning.

3.2 Remuneration

(i) Recommend to the Board a competitive compensation and remuneration package for Executive Directors in order to attract talent and experience needed for the continued progress of the Group.

(ii) Recommend to the Board a competitive remuneration package for Non-Executive Directors who have the necessary skills and experience to bring independent judgement to bear on the issues of strategy, performance and resources for the success of the Group.

(iii) Review and recommend annual compensation and reward for all Directors. A Director should abstain from discussion on his/her own remuneration.

4. Authority

The Committee is authorized by the Board to act on all matters within its terms of reference and other matters as may be approved by the Board from time to time.

5. Reporting

In discharging the above responsibilities, the Committee shall report to the Board on :-

(i) The effectiveness of the present size of the Board of Directors.

(ii) The effectiveness of the composition of the Board of Directors and the mix of Executive and Non-Executive Directors.

(iii) The existence of, or potential conflicts of interest involving the Board members.

(iv) The contribution of individual Directors in decision making at the Board level.

(v) A continuous education program for Board members to upgrade their skills and enhance their effectiveness.

6. Meetings

(i) Meetings of the Committee shall be held as and when necessary but at least twice a year.

(ii) The Committee shall be provided with sufficient resources to undertake its duties. It shall have access to the services of the Company Secretary including assisting in planning the committee's work, drawing up meeting agendas, maintenance of minutes, collection and distribution of information and provision of any necessary logistical support.

(iii) The meetings of the Committee shall be transparent, with all proceedings recorded and actions documented.

CORPORATE GOVERNANCE STATEMENT

The Committee had undertaken the following responsibilities during the year under review:

a) Facilitated annual assessment and reviewed the performance of individual Directors, effectiveness of the Board as a whole and Board Committees for recommendation to the Board.

b) Facilitated the Board on the annual review of the required skills, experience and other qualities including core competencies which Non-Executive Directors should bring to the Board.

c) Conducted assessment on Directors who are subject to re-appointment or re-election and recommended to the Board for approval.

d) Reviewed the Terms of Reference of the Nomination & Remuneration Committee and recommended to the Board for approval.

e) Conducted annual assessment on Independent Directors.

f) Assisted the Board in assessing the training needs of the Directors during the year.

g) Recommended a framework of remuneration for Directors, Chief Executive Officer and other key management personnel.

h) Reviewed and deliberated on the quantum of Directors' annual fees.

i) Reviewed annually the performance of the Chief Executive Officer and other key management personnel, and recommended to the Board their remunerations to commensurate with their performance and contributions to the Group.

The Committee is satisfied with the current size of the Board and with the mix of qualifications, skills & experience of its Board members. Part of the evaluation criteria is the commitment displayed, the depth of contribution, ability to communicate and undertake assignments on behalf of the Board. The Committee had three meetings during the financial year. The Committee comprises:-

1	Datuk R. Karunakaran	- Independent Non-Executive Director, Chairman
2	Dato' Haji Wazir bin Haji Muaz	- Independent Non-Executive Director
3	Lee Kay Loon	- Independent Non-Executive Director
3	Wan Azfar bin Dato' Wan Annuar	- Non-Independent Non-Executive Director

Details of Directors remuneration for the financial year ended 31 December, 2014 are as follows:-

Particulars	Executive Directors	Non-Executive Directors	Total (RM)
Salaries & other emoluments	2,375,856	-	2,375,856
Fees	-	388,000	388,000
Total (RM)	2,375,856	388,000	2,763,856

CORPORATE GOVERNANCE STATEMENT

Directors remuneration analysed into bands of RM50,000 is as follows :-

Range of Remuneration *	Number of Directors		
	Executive	Non-Executive Independent	Non-Executive Non-Independent
RM 50,001 to RM 100,000	-	1	1
RM 100,001 to RM 150,000	-	2	-
RM 700,001 to RM 750,000	1	-	-
RM1,600,001 to RM1,650,000	1	-	-

** Total remuneration received by the Directors from the Company and its subsidiaries.*

REINFORCE INDEPENDENCE

The Non-Executive Directors are not employees of the Company and do not participate in the day to day management of the Company. Three of the four Non-Executive Directors, including the Chairman, are independent directors and are able to express their views without any constraint. This strengthens the Board which benefits from the independent views expressed before any decisions are taken. Should any director have an interest in any matter under deliberation, he is required to disclose his interest and abstain from participating in discussions on the matter.The Nomination & Remuneration Committee has reviewed the performance of the independent directors and is satisfied they have been able to discharge their responsibilities in an independent manner.

None of the current independent board members had served the company for more than 9 years. As recommended by the MCCG 2012, should the tenure of any independent director reach nine years, shareholders approval will be sought at a General Meeting if the services of the director concerned are still required, or the director concerned will be re-designated as a non-independent director.

FOSTER COMMITMENT

During the year, all the Non-Executive directors have committed sufficient time to carry out their duties during the tenure of their appointments.

Continuing Development Program

All new appointees to the Board are given an introduction to familiarize themselves with the Group’s operations so as to assist them in discharging their duties and responsibilities. They are required to attend the Mandatory Accreditation Programme required by Bursa Malaysia and thereafter to continually upgrade their knowledge and exposure through in-house training programmes as well as courses conducted by external parties. All Directors have completed the Mandatory Accreditation Programme as stipulated by Bursa Malaysia.

During the year, Board members attended a seminar with topic on “Common Offences Committed by Directors Under Companies Act 1965 - The Pitfalls and Remedies” conducted by Ms Samantha Tai Yit Chan of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).

CORPORATE GOVERNANCE STATEMENT

The Chairman, Datuk R. Karunakaran also attended other training programmes during the year as follows :-

No.	Training Programmes	Conducted By
1	FIDE Program : Human Capital Management in the Boardroom & "C" Suite Programme Tools and Techniques for Nominating and Remuneration Committees	ICLIF Leadership & Governance Centre
2	CCM Group Directors and Senior Management Training 2014 on Corporate Integrity	Chemical Company of Malaysia Berhad
3	Annual Directors Duties, Governance and Regulatory Updates Seminar 2014	Malaysia Institute of Corporate Governance
4	2014 Invest Malaysia Kuala Lumpur	Bursa Malaysia Berhad
5	Derivatives Trading, Global Trends and Moving Forward	Bursa Malaysia Berhad
6	Annual Risk Workshop	Malayan Banking Berhad
7	Environmental, Social & Governance (ESG) Index	Bursa Malaysia Berhad
8	Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) Refresher	Asian Institute of Chartered Bankers
9	Emerging Risk Surrounding the Financial Risk Industry	Malayan Banking Berhad
10	Peeking into the Future	Bursa Malaysia Berhad

Mr Lee Kay Loon attended a session on "Enhancing Internal Audit Practice conducted by Bursa Malaysia and Mr Motohiko Tachibana, the Group Risk Officer attended a session on "Enhanced Understanding of Risk Management and Internal Control" conducted by Bursa Malaysia during the year.

UPHOLD INTEGRITY IN FINANCIAL REPORTING

The Board strives to provide true, fair and comprehensive financial reporting of the Group's performance in the audited financial statements and quarterly financial reports together with material disclosures in the notes to accounts, in accordance with the MFRS and Bursa Malaysia requirements.

The Audit & Risk Management Committee exercises professional oversight of the integrity of the financial reports before presenting the financial statements to the Board for approval. The Committee also provides assurance to the Board, with support and clarifications from the external auditors that all the financial statements and reports presented are in compliance with applicable laws and accounting standards and give a true and fair view of the Group's performance and financial position.

The Board has a formal and transparent relationship with the auditors. The Audit & Risk Management Committee recommends to the Board on the appointment of the external auditors which is subject to the approval of shareholders at the AGM whilst their remuneration is determined by the Board. The role of the Committee is further set out in their Report.

The Board has private sessions and dialogues through the Committee with the external auditors, in the absence of the executive directors and the management. For the year under review, there were two such dialogue sessions with the external auditors.

CORPORATE GOVERNANCE STATEMENT

Relevant Internal control systems are implemented for the day to day operations of the group. The Internal Audit Department has an independent reporting channel to the Audit & Risk Management Committee and is authorised to conduct independent audits of all the departments and offices within the group. It reports the findings to the Audit & Risk Management Committee at the end of each quarter.

The Audit & Risk Management Committee reviews, deliberates and evaluates the effectiveness and efficiency of the internal control systems in the organization which are designed to manage and mitigate rather than eliminate risks in achieving the company's corporate objectives, safeguarding the company's assets as well as investors interests.

ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Board monitors all price sensitive information potentially required to be released to Bursa Malaysia and makes material announcements to Bursa Malaysia in a timely manner as required. In line with best practices, the Board strives to disclose price sensitive information to the public as soon as praticable through Bursa, the media and the company's website.

Price sensitive information is defined as any information that on becoming generally available would tend to have a material effect on the market price of the Company's listed securities. The Company Secretary is responsible to compile such information for the approval of the Board soonest possible and release such information to the market as stipulated by Bursa Malaysia.

Apart from the provisions relating to the "closed period" for dealing in the company's shares, the directors and senior management privy to price sensitive information are prohibited from dealing in the shares of the company until such information is publicly available.

STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

The Annual General Meeting is the principal forum for dialogue and interaction with the shareholders of the company. The Board is committed to provide shareholders with comprehensive timely information about the Group's activities and performance to enable investors make informed decisions. Shareholders are encouraged to attend Annual General Meetings and use the opportunity to ask questions on resolutions being proposed during the meeting and on the progress, performance and future prospects of the company. The Chairman and Board members, with the assistance of the external auditors, are responsible to respond and provide explanations on matters raised.

Information on the Group's activities is provided in the Annual Report and Financial Statements which are despatched to shareholders. The Company also encourages shareholders and investors to access online the company's Annual report and up to date announcements, which are made available at the Bursa Malaysia website and the company's own website at www.ilb.com.my

Investors and the public who wish to contact the Group on any enquiry, comment or proposal can channel them through e-mail or contact the following persons:-

Name	Contact No.	E-mail address
Amarjit Singh, Company Secretary	03-5631 7377	amarjit@ilb.com.my
Lee Pei Sze, Group Chief Financial Officer	03-5631 7377	leepeisze@ilb.com.my

OTHER DISCLOSURES

Depository Receipt Programme

The Company did not sponsor any depository receipt programme during the financial year.

Sanctions and/or Penalties

There were no sanctions and/or penalties imposed on the Company & its subsidiaries, directors or management by the relevant regulatory bodies during the financial year.

Profit Estimates, Forecasts and Projections

The Company did not release any profit estimate, forecast or projection for the financial year. There is no variance of 10% or more between the results for the financial year and the unaudited results previously released by the Company.

Profit Guarantee

During the financial year, there was no profit guarantee given by the Company to any party.

Material Contracts

There were no material contracts entered into by the Group which involved directors and/or major shareholders interests during the financial year.

Non-Audit Fees

The amount of non-audit fees paid to external auditors for the financial year ended 31 December 2014 was RM22,200.

Share Buy-Back

During the financial year ended 31 December 2014, the Company purchased a total of 833,200 ordinary shares of RM1.00 each of the issued share capital from the open market at an average price of RM0.745 per share. The total consideration for the share buy-back was RM620,559 and was financed by internally generated funds.

On 3 March 2014, a total of 13,089,325 treasury shares costing RM12,513,394.70 (determined based on weighted average cost of the treasury shares) were distributed to shareholders pursuant to a special share dividend for the financial year ended 31 December 2013 on the basis of 8 treasury shares for every 100 existing ordinary shares of RM1.00 each. All the shares purchased during the financial year had been retained as treasury shares and the total number of shares retained as treasury shares as at 31 December 2014 was 1,309,375 ordinary shares of RM1.00 each.

OTHER DISCLOSURES

Information on the shares purchased by the Company during the financial year ended 31 December 2014 is as follows:

Month	No. of Shares Purchased	Purchase Price Per Share (RM)		Average Cost Per Share	Total Consideration
		Lowest	Highest	(RM)	(RM)
January 2014	833,200	0.730	0.750	0.745	620,558.45
Total	**833,200**			**0.745**	**620,558.45**

STATEMENT ON COMPLIANCE WITH THE REQUIREMENTS OF BURSA MALAYSIA IN RELATION TO APPLICATION OF PRINCIPLES AND ADOPTION OF BEST PRACTICES LAID DOWN IN THE MALAYSIAN CODE OF CORPORATE GOVERNANCE 2012 (MCCG 2012)

The board is pleased to report to its shareholders that the Group is committed to attaining the highest possible standards through the continuous adoption of the principles and best practises of the MCCG 2012 and all other applicable laws.

This Corporate Governance Statement is made in accordance with the resolution of the Board of Directors dated 25 February 2015.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

COMPOSITION AND ATTENDANCE

The Audit & Risk Management Committee ("Committee") comprises the following members and details of attendance at meetings held during the financial year ended 31 December 2014 are as follows :-

Composition of the Committee	Attendance at Committee meetings
Lee Kay Loon (Chairman / Independent Non-Executive Director)	4 out of 4
Dato' Haji Wazir bin Haji Muaz (Member / Independent Non-Executive Director)	4 out of 4
Wan Azfar bin Dato' Wan Annuar (Member / Non-Independent Non-Executive Director)	4 out of 4

TERMS OF REFERENCE

1.0 OBJECTIVES

The primary objective of the Committee is to assist the Board of Directors (Board) in fulfilling its fiduciary responsibilities relating to the corporate accounting and reporting practices of the Company and its subsidiary companies. In addition, the Committee shall :-

a) Promote integrity and accountability of the operation within the group towards safeguarding the rights and interests of shareholders and investors.

b) Oversee and appraise the quality of the audit conducted by the Company's external Auditors.

c) Contribute towards improving the group operations and business efficiency, strengthen public confidence in the accuracy of accounting & audit function and transparency in the Group's reported financial results.

d) Maintain a direct line of communication between the Board of Directors and the external Auditors as well as the Internal Auditors through regular meetings.

e) Ensure the independence of the external and internal audit functions.

f) Review regularly the adequacy of the Group's administrative, operating and accounting controls.

g) Ensure the Risk Management Structure is embedded in all operating companies of the Group and is responsive to changes in the business environment.

h) Ensure the Risk Management Structure adopted is consistent throughout the Group and is within the parameters established by the Board.

i) Ensure the Risk Management Structure adopted is in compliance with the requirements of Bursa Malaysia and the Securities Commission.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

2.0 COMPOSITION

The Committee shall be appointed by the Board from amongst their members and shall be composed of at least three (3) and not more than five (5) members who shall:-

a) be Non-Executive Directors of the Company, a majority of which are independent.

b) not comprise persons having a relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the functions of the Committee.

One member of the Committee shall be appointed Chairman by the Board. In the absence of such an appointment, one of the independent members shall be elected as Chairman by the Committee members.

Where the composition of the Committee is reduced to less than three members for any reason, the Board shall within three months of the event appoint such number of new members as may be required to make up the minimum number of three members.

At least one member of the Committee must meet the criteria set by the Main Market Listing Requirements of Bursa Malaysia:

a) must be a member of the Malaysian Institute of Accountants or

b) if not a member of the Malaysian Institute of Accountants, must have at least three years' working experience, and:

   (i) must have passed the examination specified in Part 1 of the 1st Schedule of the Accountants Act 1967; or

   (ii) must be a member of one of the associations of accountants specified in Part II of the 1st Schedule of the Accountants Act 1967.

An assessment shall be conducted on the members of the Committee by the Board to determine whether the Committee has carried out its duties and responsibilities in accordance with its terms of reference.

No alternate director shall be appointed to the Committee.

3.0 AUTHORITY

The Committee is authorised by the Board to investigate any activity within its terms of reference. It has free access to all information and documents it requires from all employees, the group's properties, books, accounts, records and other information of the group in whatever form for the purpose of discharging its responsibilities.

The Committee is to have direct communication channels with the external and internal auditors and may obtain outside legal or other independent professional advice as it considers necessary.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

4.0 DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee shall be :-

a) To review : -

- the financial statements and annual reports prior to recommending acceptance or otherwise by the Board.
- the Group's quarterly results prior to recommending acceptance or otherwise by the Board.
- the compliance with and adequacy of the guidelines and procedures established to monitor Recurrent Related Party Transactions (RRPTs).
- the planning, scope and area of internal and external audits and their respective audit findings.
- the adequacy and effectiveness of the systems of internal control and the risk management function of the group

b) to review the appointment of the external Auditors, Head of Internal Audit and their respective remuneration.

c) to meet the external and internal auditors at least twice an year in the absence of the Executive Directors, the CEO and senior management to discuss issues or reservations arising from the audits and any other matters that the auditors may wish to present for the attention of the Committee, where necessary.

d) to report to the Board of its compliance with laws and regulations, related party transactions, code of ethics, material activities, significant results and findings from internal and external audit, internal control, corporate governance and risk management functions.

e) to undertake such other responsibilities as may be agreed to by the Board.

5.0 MEETINGS

a) The Committee shall meet at least four times a year.

b) In addition, the chairperson shall convene a meeting of the Committee if requested to do so by any member, the management or the internal or external auditors to consider any matter within the scope and responsibilities of the Committee.

6.0 ATTENDANCE

a) Meetings shall be attended by the Executive Directors, the Head of Internal Audit, and a representative of the external auditors.

b) Other participants may be invited from time to time to attend the meetings.

7.0 QUORUM

A quorum shall consist of two members, both being independent non-executive directors.

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

8.0 SECRETARY

The Secretary of the Committee shall be the Company Secretary, who shall be responsible to draw up the agenda for each meeting for the Committee chairman's approval. The agenda shall be forwarded to all members of the Committee at least 3 days before each meeting together with all relevant documentations.

All minutes of Committee meetings shall be distributed, confirmed and signed by the chairman of the meeting at the next meeting. The said signed minutes shall be kept at the registered office of the company under the custody of the Company Secretary.

The minutes shall be available for inspection by the members of the Board, the external auditors and any other persons deemed appropriate by the chairman of the Committee.

MEETINGS

The Committee met four times during the Financial Year in accordance with the requirements of the Committee's Terms of Reference.

The Internal Auditor and the Company Secretary who is also the secretary to the Committee were in attendance during the meetings. Executive Directors and other officers were also invited to attend the meetings to deliberate on relevant matters as and when required.

After each meeting, the Chairman of the Committee submits reports on the matters deliberated, rectifications required and relevant recommendations based on the issues discussed to the attention of the Board for their information and further action.

SUMMARY OF ACTIVITIES OF THE AUDIT & RISK MANAGEMENT COMMITTEE

Risk Management

- Reviewed and deliberated on the risk management audit conducted on the Group's operations. The risk management coverage included management procedures, improvements in ISO, Safety, Health and Environmental (SHE) training requirements, electrical systems safety evaluation and review & improvement in the Standard Operating Procedures (SOP).

Internal Audit

- Reviewed and approved the Group Internal Audit Plan.

- Performed a quarterly review of Internal Audit Report covering both internal and external risk management, corporate governance, effectiveness and efficiency of operations, Safety, Health and Environment aspects as well as compliance with laws and regulations.

- Reviewed and assessed the adequacy and efficiency of corrective action taken by the management on outstanding Internal Audit issues raised in previous reports.

- Reviewed the Terms of Reference of the Committee

AUDIT & RISK MANAGEMENT COMMITTEE REPORT

External Audit

- Reviewed and approved the External Auditors audit plan and scope of audit works.
- Deliberated on the results of the annual audit report and reported to the Board.
- Assessed the performance of the External Auditors and recommended their re-appointment to the Board.
- Held meetings with the External Auditors, without the presence of the Executive Directors and management, to discuss matters affecting the audit and the Committee's duties.

Financial Results

- Reviewed the quarterly and annual financial statements with recommendation to the Board for approval.
- Deliberated on the full implementation of Malaysian Financial Reporting Stardards (MFRS) requirements.

Related Party Transactions

- Reviewed the Related Party Transactions during the period
- Reviewed the system of identifying, monitoring and meeting disclosure requirements of Related Party Transactions.

Statutory Reporting

- Reviewed and recommended to the Board for approval the Statement on Corporate Governance, Statement on Risk Management & Internal Control (SORMIC) and Committee reports.

Others

- Visited the Dubai operations at Dubai Logistics City, DWC Dubai, United Arab Emirates to have better awareness of the operations of the Joint Venture Company.
- Conducted discussions with key management to better understand operations and areas needing improvement.
- Reviewed all litigation involving the Company and their potential impact on the Group's financial statements.

RISK MANAGEMENT AND INTERNAL CONTROL REVIEWS

During the financial year under review, the Committee had reviewed a total of eight reports covering assignments and audits implemented within the Group.

Recommendations and advice on best practises were also given to the management.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BOARD RESPONSIBILITY

The Board of Directors is responsible for the adequacy and effectiveness of the Group's Risk Management and Internal Control System. The Board recognises the importance of good corporate governance and is committed to maintaining a sound system of internal controls and risk management. This includes the establishment of an appropriate control environment and risk management framework, processes and structures, and continually reviewing the adequacy and integrity of the said systems to safeguard shareholders' investment and the Group's assets. The Board is pleased to provide the following statement, which outlines the nature and scope of risk management and internal controls of the Group during the year.

The system of risk management and internal controls covers risk management, finance, operations, management information systems and compliance with relevant laws, both local and foreign, all other regulations, policies and procedures.

Whilst acknowledging its responsibilities, the Board is aware of the limitations that are inherent in any system of internal control and risk management, such system being designed to manage, rather than eliminate, the risk that may impede the achievement of the Group's business objectives. Accordingly, it can only provide a reasonable combination of preventive, detective and corrective measures but not absolute assurance against material misstatement or losses, fraud or breaches of laws or regulations.

The Group's risk management and internal control framework has been in place for identifying, evaluating and managing significant risks faced or potentially to be encountered by the Group. The process is regularly reviewed by the Board.

The implementation of the risk management and internal control system within the Group inclusive of design, operation, identification, assessment, mitigation and control of risks, are operated with the assistance of the Management throughout the period. The Board has received assurance from the Chief Executive Officer and the Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively in all material aspects.

The key features of the internal control systems which are operated with the assistance of the Management are described as below :-

Risk Management Framework

The Group has in place processes for the identification, evaluation, reporting, treatment, monitoring and review of the major strategic, business and operation risks within the Group, covering both wholly and partially owned subsidiaries (excluding associates and jointly controlled entities). Both the Audit & Risk Management Committee ("ARMC") and Board of Directors review the risk management and internal controls on a regular basis.

The following material associate has not been dealt with as part of the Group for the purposes of the Statement on Risk Management & Internal Control :-

- Hengyang Petrochemical Logistics Limited (Associate)

For the period under review, the ARMC is assisted by the Chief Risk Officer. The framework is continually monitored to ensure it is responsive to the changes in the Group's Corporate Structure.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Internal Control Structure

The Group has an established internal control structure and is committed to maintaining the structure to ensure effective control over the Group's business operations and to safeguard the value and security of the Group's assets. There is a clearly defined operating structure with lines of responsibilities and delegation of authority in place to assist the Board to maintain a proper control environment, supported by the following activities:-

- **Organisation Structure**

  The organization structure clearly outlines the authority, responsibility, segregation of duties and accountability to ensure the Group achieves its strategies and operational objectives.

- **Group Policies and Procedures**

  The Group has procedures and controls to ensure the reporting of complete and accurate financial information. These procedures and controls include obtaining authority for major transactions and ensuring compliance with laws and regulations that have significant financial implications. Procedures are also in place to ensure that assets are subject to proper physical controls and compliance with safety requirements.

- **Management Information System**

  The Board recognizes the importance of information and communication technologies to promote effective and efficient business operations & timely and accurate communications to enhance the business interests of the Group.

- **Quarterly Budget versus Actual Financial Reporting**

  There is a comprehensive budgeting system with an annual budget approved by the respective Boards of the operating subsidiaries at the commencement of the financial year. Management accounts containing actual operation results versus forecasted results for the year are prepared and reported to the Board on a quarterly basis. These reports are reviewed and explanations obtained for variances before the Quarterly Results are approved for release to Bursa Malaysia for announcement to the public.

- **Audit & Risk Management Committee (ARMC)**

  The ARMC comprises non-executive directors, with a majority being independent directors, and provides direction and oversight over the internal audit function to enhance its independence. The Committee meets each quarter to review internal audit findings, discuss risk management issues and ensures that weaknesses and issues highlighted are appropriately addressed by the management.

- **Internal Audit**

  An annual internal audit plan is reviewed and approved by the ARMC at the beginning of the year. The objectives of the said audit plan are to ensure, through regular internal audit reviews, that the Group's policies and procedures are being complied with in order to provide assurance on the adequacy and effectiveness of the Group's system of internal controls. Follow-up reviews and deliberation of internal audit reports are carried out to ensure that appropriate action is taken to address internal control weaknesses highlighted.

  The Chief Risk Officer has an independent status in the Group and reports functionally to the Board through the ARMC. Where necessary, internal audit assignments are outsourced to facilitate the transfer of internal audit knowledge and coverage of areas where technical skills and resources are not available internally.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

- **Operational Monitoring and Controls**

  The monitoring and control procedures are regularly reviewed by the Management responsible for reporting to the Board. These are supplemented by independent reviews undertaken by the internal audit department on the controls in operation in each individual business and independently reported to the ARMC. Regular reports are produced for the Board to assess the impact of control issues and appropriate actions recommended.

- **Control Environment**

  The Board believes that a sound internal control system reduces, but cannot eliminate, the possibility of poor judgement in decision making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Conclusion

During the year, the Audit & Risk Management Department has performed its duties in accordance with its audit plan. Some weaknesses in internal control were detected. After due inquiry and based on the subsequent rectification actions and assurances provided, the Board is satisfied that all necessary actions have been taken. The weaknesses highlighted have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report.

This statement is made in accordance with the resolution of the Board of Directors dated 25 February 2015.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act, 1965 ("the Act") to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and the results and cash flow of the Group and of the Company for the financial year. As required by the Act and the Main Market Listing Requirements of the Bursa Malaysia Securities Berhad, the financial statements have been prepared in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Act.

In preparing those financial statements, the Company's Directors have:

- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable approved accounting standards have been followed.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act, 1965. The Directors are also responsible for the assets of the Company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CONTENTS

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
(Loss)/Profit for the financial year	(53,806,216)	6,533,680
Loss attributable to shareholders:-		
Owners of the parent	(41,133,822)	
Non-controlling interests	(12,672,394)	
	(53,806,216)	

DIVIDENDS

The amount of dividend declared and paid by the Company since the end of the previous financial year was as follows:-

	RM
In respect of the financial year ended 31 December 2013:-	
Special share dividend on the basis of eight treasury shares for every one hundred existing ordinary shares	12,513,395

The directors declared a single tier interim dividend of 3.5% per ordinary share, amounting to RM6,185,069 in respect of the current financial year and payable to the shareholders on 27 March 2015 whose names appeared on the Record of Depositors on 12 March 2015. The financial statements of the current financial year do not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

The directors do not recommend payment of any final dividend in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

DIRECTORS' REPORT

BAD AND DOUBTFUL DEBTS

Before the statements of profit or loss and other comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there were no known bad debts and that no provision for doubtful debts was required.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Group and of the Company.

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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 liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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

DIRECTORS' REPORT

ITEMS OF AN UNUSUAL NATURE

In the opinion of the directors:-

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except for the impairment loss of RM41,553,037 recognised on the investment in an associate as disclosed in Note 6 to the financial statements; and

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

ISSUE OF SHARES OR DEBENTURES

During the financial year, no new issues of shares or debentures was made by the Company.

TREASURY SHARES

During the financial year, the Company repurchased 833,200 of its issued ordinary shares from the open market at an average price of RM0.745 per ordinary share. The total consideration paid for the shares repurchased including transaction costs was RM620,559. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965 in Malaysia.

As at 31 December 2014, the Company held a total of 1,309,375 ordinary shares of its 178,025,503 issued ordinary shares as treasury shares. Such treasury shares are held at a carrying amount of RM1,252,427 and further relevant details are disclosed in Note 23 to the financial statements.

DIRECTORS OF THE COMPANY

The directors in office since the date of the last report are:-

DATO' HAJI WAZIR BIN HAJI MUAZ
DATUK KAROWNAKARAN @ KARUNAKARAN
LEE KAY LOON
MAKOTO TAKAHASHI
TEE TUAN SEM
WAN AZFAR BIN DATO' WAN ANNUAR

DIRECTORS' REPORT

DIRECTORS' INTERESTS

The interests of directors in office at the end of the financial year in the ordinary shares of the Company during the financial year are as follows:-

	Number of Ordinary Shares of RM1 Each			
	At 1.1.2014	**Bought**	**Sold**	**At 31.12.2014**
Direct Interest				
Makoto Takahashi	15,750,176	2,950,914	-	18,701,090
Tee Tuan Sem	2,000,000	-	(2,000,000)	-
Indirect Interest				
Being shares held through nominees, persons connected to directors and corporations in which the directors are interested				
Tee Tuan Sem *#	13,948,710	5,064,072	-	19,012,782

** held through spouse of the director*
 # held through corporations in which the directors are interested

By virtue of their interests in the Company and pursuant to Section 6A of the Companies Act, 1965 in Malaysia, Makoto Takahashi and Tee Tuan Sem are deemed to have interests in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

The other directors in office at the end of the financial year did not have any interest in the ordinary shares of the Company or of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full time employee of the Company as disclosed in Note 6 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

DIRECTORS' REPORT

AUDITORS

The auditors, Messrs. Baker Tilly AC, have expressed their willingness to continue in the office.

Signed on behalf of the Board in accordance with a resolution dated 20 March 2015.

TEE TUAN SEM **MAKOTO TAKAHASHI**

STATEMENT BY DIRECTORS

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

We, the undersigned, being two of the directors of the Company, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 42 to 138 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the financial year then ended.

The supplementary information set out on page 139 has been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and presented based on the format as prescribed by Bursa Malaysia Securities Berhad.

Signed on behalf of the Board in accordance with a resolution dated 20 March 2015.

TEE TUAN SEM **MAKOTO TAKAHASHI**

STATUTORY DECLARATION

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

I, Tee Tuan Sem, being the director primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements as set out on pages 42 to 138 and the supplementary information set out on page 139 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at
Kuala Lumpur in the Federal Territory
on 20 March 2015

Before me

TEE TUAN SEM

TAN KIM CHOOI
Commissioner of Oaths (W661)
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTEGRATED LOGISTICS BERHAD

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Integrated Logistics Berhad, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 42 to 138.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal controls 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 about whether the financial statements are free from material misstatement.

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

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

Opinion

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INTEGRATED LOGISTICS 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 Companies Act, 1965 in Malaysia to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Companies Act, 1965 in Malaysia.

b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 13 to the financial statements.

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

d) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Companies Act, 1965 in Malaysia.

Other Reporting Responsibilities

The supplementary information set out on page 139 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("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 contents of this report.

BAKER TILLY AC
AF 001826
Chartered Accountants

LOCK PENG KUAN
2819/10/16(J)
Chartered Accountant

Kuala Lumpur
20 March 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 RM	2013 RM (Restated)
Continuing operations			
Revenue	4	42,410,810	41,653,503
Direct operating costs		(36,696,133)	(30,910,208)
Gross profit		5,714,677	10,743,295
Other income		7,524,785	266,029,932
Administrative costs		(13,363,742)	(55,130,190)
Other expenses		(42,941,122)	(344,649)
		(56,304,864)	(55,474,839)
(Loss)/Profit from operations		(43,065,402)	221,298,388
Finance costs	5	(805,458)	(1,431,534)
Share of results of associates		(1,254,284)	(1,524,219)
Share of results of jointly controlled entities		(8,137,855)	(11,344,740)
(Loss)/Profit before tax	6	(53,262,999)	206,997,895
Tax expense	7	(543,217)	(816,812)
(Loss)/Profit for continuing operations		(53,806,216)	206,181,083
Discontinued operations			
Profit from discontinued operations, net of tax	8	-	2,456,273
(Loss)/Profit for the financial year		(53,806,216)	208,637,356
Attributable to:-			
Owners of the parent			
- from continuing operations		(41,133,822)	143,902,943
- from discontinued operations		-	1,719,391
		(41,133,822)	145,622,334
Non-controlling interests		(12,672,394)	63,015,022
(Loss)/Profit for the financial year		(53,806,216)	208,637,356

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014(cont'd)

	Note	2014 RM	2013 RM (Restated)
(Loss)/Profit for the financial year		(53,806,216)	208,637,356
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		18,665,065	37,960,942
Fair value adjustment of available-for-sale financial assets		(437,700)	231,032
Reclassification of foreign currency translation reserve to profit or loss upon disposal of subsidiaries		-	(15,889,781)
Total other comprehensive income for the financial year, net of tax		18,227,365	22,302,193
Total comprehensive income for the financial year		(35,578,851)	230,939,549
Total comprehensive income attributable to:			
Owners of the parent		(26,119,689)	157,035,462
Non-controlling interests		(9,459,162)	73,904,087
Total comprehensive income for the financial year		(35,578,851)	230,939,549
(Loss)/Earnings per share attributable to owners of the parent (sen)	9		
Basic and diluted: -			
Continuing operations		(23.270)	87.194
Discontinued operations		-	1.042
		(23.270)	88.236

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014

	Note	2014 RM	2013 RM
ASSETS			
Non-current assets			
Property, plant and equipment	10	59,875,758	56,633,404
Land use rights	11	15,783,542	15,175,063
Interest in associates	14	42,952,227	82,757,034
Interest in a jointly controlled entity	15	28,261,690	34,100,427
Other investments	16	1,446,936	1,816,062
Amounts owing by a jointly controlled entity	18	52,354,500	37,901,500
		200,674,653	228,383,490
Current assets			
Receivables	19	17,728,278	17,539,176
Amounts owing by a jointly controlled entity	18	17,134,200	11,593,400
Tax assets	21	598,716	344,216
Other investments	16	42,083,348	16,520,888
Cash and cash equivalents	22	114,281,945	166,856,368
		191,826,487	212,854,048
TOTAL ASSETS		392,501,140	441,237,538

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014 *(cont'd)*

	Note	2014 RM	2013 RM
EQUITY AND LIABILITIES			
Share capital	23	178,025,503	178,025,503
Share premium	24	15,096,203	27,609,598
Treasury shares	23	(1,252,427)	(13,145,263)
Retained earnings		43,427,558	84,753,174
Reserves	24	60,666,978	44,972,385
Equity attributable to owners of the parent		295,963,815	322,215,397
Non-controlling interests		50,500,869	59,374,705
Total Equity		346,464,684	381,590,102
Liabilities			
Non-current liabilities			
Unsecured loan from a corporate shareholder	26	27,674,361	38,602,901
Deferred tax liabilities	28	498,291	46,204
		28,172,652	38,649,105
Current liabilities			
Payables	29	17,210,335	15,836,075
Term loan	25	-	4,667,677
Unsecured loan from a corporate shareholder	26	150,676	242,225
Tax payables		502,793	252,354
		17,863,804	20,998,331
Total Liabilities		46,036,456	59,647,436
TOTAL EQUITY AND LIABILITIES		392,501,140	441,237,538

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Total equity RM	Equity attributable to owners of the parent RM	Share capital RM	Share premium RM	Treasury shares RM	Retained earnings RM	Total reserves RM	Asset revaluation reserve RM	Statutory reserve fund RM	Foreign exchange translation reserve RM	Fair value reserve RM	Other reserve RM	Capital reserve RM	Non-controlling interests RM
At 1.1.2013		431,623,144	354,425,816	178,025,503	27,609,598	(11,413,477)	73,553,464	86,650,728	52,474,013	15,375,171	(432,882)	234,426	-	19,000,000	77,197,328
Comprehensive Income															
Profit for the financial year, as previously stated		192,747,575	129,732,553	-	-	-	129,732,553	-	-	-	-	-	-	-	63,015,022
Reclassification of foreign currency translation reserve to profit or loss upon disposal of subsidiaries		15,889,781	15,889,781	-	-	-	15,889,781	-	-	-	-	-	-	-	-
Profit for the financial year, restated		208,637,356	145,622,334	-	-	-	145,622,334	-	-	-	-	-	-	-	63,015,022
Other comprehensive income															
Foreign currency translation differences		37,960,942	27,141,186	-	-	-	-	27,141,186	(1,657,082)	790,246	28,008,022	-	-	-	10,819,756
Fair value adjustment of available-for-sale financial assets		231,032	161,723	-	-	-	-	161,723	-	-	-	161,723	-	-	69,309
Total other comprehensive income for the financial year, as previously stated		38,191,974	27,302,909	-	-	-	-	27,302,909	(1,657,082)	790,246	28,008,022	161,723	-	-	10,889,065
Reclassification of foreign currency translation reserve to profit or loss upon disposal of subsidiaries		(15,889,781)	(15,889,781)	-	-	-	-	(15,889,781)	-	-	(15,889,781)	-	-	-	-
Total other comprehensive income for the financial year, restated		22,302,193	11,413,128	-	-	-	-	11,413,128	(1,657,082)	790,246	12,118,241	161,723	-	-	10,889,065
Total comprehensive income for the financial year, restated		230,939,549	157,035,462	-	-	-	145,622,334	11,413,128	(1,657,082)	790,246	12,118,241	161,723	-	-	73,904,087
Balance carried down		662,562,693	511,461,278	178,025,503	27,609,598	(11,413,477)	219,175,798	98,063,856	50,816,931	16,165,417	11,685,359	396,149	-	19,000,000	151,101,415

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (cont'd)

	Note	Total equity RM	Equity attributable to owners of the parent RM	Share capital RM	Share premium RM	Treasury shares RM	Retained earnings RM	Total reserves RM	Asset revaluation reserve RM	Statutory reserve fund RM	Foreign exchange translation reserve RM	Fair value reserve RM	Other reserve RM	Capital reserve RM	Non-controlling interests RM
Balance brought down		662,562,693	511,461,278	178,025,503	27,609,598	(11,413,477)	219,175,798	98,063,856	50,816,931	16,165,417	11,685,359	396,149	-	19,000,000	151,101,415
Transactions with owners															
Transfer to statutory reserve fund		-	-	-	-	-	(26,688)	26,688	-	26,688	-	-	-	-	-
Transfer on disposal of subsidiaries, restated		(28,214,765)	(26,569,693)	-	-	-	46,777,913	(73,347,606)	(48,699,138)	(8,758,687)	(15,889,781)	-	-	-	(1,645,072)
Purchase of treasury shares	23	(1,731,786)	(1,731,786)	-	-	(1,731,786)	-	-	-	-	-	-	-	-	-
Realisation of revaluation on disposal of subsidiaries		(198,558)	(90,344)	-	-	-	-	(90,344)	(90,344)	-	-	-	-	-	(108,214)
Dividends	32	(181,173,849)	(181,173,849)	-	-	-	(181,173,849)	-	-	-	-	-	-	-	-
Dividends paid to non-controlling interests		(91,872,000)	-	-	-	-	-	-	-	-	-	-	-	-	(91,872,000)
Surplus on remeasurement of non-controlling interests in associates		6,328,586	4,430,010	-	-	-	-	4,430,010	-	-	-	-	4,430,010	-	1,898,576
Total transactions with owners, as previously stated		(296,862,372)	(205,135,662)	-	-	(1,731,786)	(134,422,624)	(68,981,252)	(48,789,482)	(8,731,999)	(15,889,781)	-	4,430,010	-	(91,726,710)
Reclassification of foreign currency translation reserve to profit or loss upon disposal of subsidiaries		15,889,781	15,889,781	-	-	-	-	15,889,781	-	-	15,889,781	-	-	-	-
Total transactions with owners, restated		(280,972,591)	(189,245,881)	-	-	(1,731,786)	(134,422,624)	(53,091,471)	(48,789,482)	(8,731,999)	-	-	4,430,010	-	(91,726,710)
At 31.12.2013		381,590,102	322,215,397	178,025,503	27,609,598	(13,145,263)	84,753,174	44,972,385	2,027,449	7,433,418	11,685,359	396,149	4,430,010	19,000,000	59,374,705

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014(cont'd)

	Note	Total equity RM	Equity attributable to owners of the parent RM	Share capital RM	Share premium RM	Treasury shares RM	Retained earnings RM	Total reserves RM	Asset revaluation reserve RM	Statutory reserve fund RM	Foreign exchange translation reserve RM	Fair value reserve RM	Other reserve RM	Capital reserve RM	Non-controlling interests RM
At 31.12.2013		381,590,102	322,215,397	178,025,503	27,609,598	(13,145,263)	84,753,174	44,972,385	2,027,449	7,433,418	11,685,359	396,149	4,430,010	19,000,000	59,374,705
Comprehensive Loss															
Loss for the financial year		(53,806,216)	(41,133,822)	-	-	-	(41,133,822)	-	-	-	-	-	-	-	(12,672,394)
Other comprehensive income															
Foreign currency translation differences		18,681,979	15,382,437	-	-	-	-	15,382,437	-	506,024	14,578,562	-	297,851	-	3,299,542
Reversal of foreign exchange translation difference in respect of foreign operations		(16,914)	(16,914)	-	-	-	-	(16,914)	-	-	(16,914)	-	-	-	-
Fair value adjustment of available-for-sale financial assets		(437,700)	(351,390)	-	-	-	-	(351,390)	-	-	-	(351,390)	-	-	(86,310)
Total other comprehensive income for the financial year		18,227,365	15,014,133	-	-	-	-	15,014,133	-	506,024	14,561,648	(351,390)	297,851	-	3,213,232
Total comprehensive income for the financial year		(35,578,851)	(26,119,689)	-	-	-	(41,133,822)	15,014,133	-	506,024	14,561,648	(351,390)	297,851	-	(9,459,162)
Balance carried down		346,011,251	296,095,708	178,025,503	27,609,598	(13,145,263)	43,619,352	59,986,518	2,027,449	7,939,442	26,247,007	44,759	4,727,861	19,000,000	49,915,543

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014(cont'd)

	Note	Total equity RM	Equity attributable to owners of the parent RM	Share capital RM	Share premium RM	Treasury shares RM	Retained earnings RM	Total reserves RM	Asset revaluation reserve RM	Statutory reserve fund RM	Foreign exchange translation reserve RM	Fair value reserve RM	Other reserve RM	Capital reserve RM	Non-controlling interests RM
Balance brought down		346,011,251	296,095,708	178,025,503	27,609,598	(13,145,263)	43,619,352	59,986,518	2,027,449	7,939,442	26,247,007	44,759	4,727,861	19,000,000	49,915,543
Transactions with owners															
Transfer to statutory reserve fund		-	-	-	-	-	(191,794)	191,794	-	191,794	-	-	-	-	-
Purchase of treasury shares	23	(620,559)	(620,559)	-	-	(620,559)	-	-	-	-	-	-	-	-	-
Surplus on revaluation of buildings		1,073,992	488,666	-	-	-	-	488,666	488,666	-	-	-	-	-	585,326
Share dividend of eight treasury shares for every hundred existing ordinary shares	32	-	-	-	(12,513,395)	12,513,395	-	-	-	-	-	-	-	-	-
Total transactions with owners		453,433	(131,893)	-	(12,513,395)	11,892,836	(191,794)	680,460	488,666	191,794	-	-	-	-	585,326
At 31.12.2014		346,464,684	295,963,815	178,025,503	15,096,203	(1,252,427)	43,427,558	60,666,978	2,516,115	8,131,236	26,247,007	44,759	4,727,861	19,000,000	50,500,869

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 RM	2013 RM (Restated)
Cash Flows from Operating Activities			
(Loss)/Profit before tax: -			
- continuing operations		(53,262,999)	206,997,895
- discontinued operations	8	-	5,324,418
		(53,262,999)	212,322,313
Adjustments for:-			
Amortisation of land use rights		345,432	1,201,032
Bad debts written off		-	307,700
Depreciation of property, plant and equipment		1,883,873	8,630,527
Deposits written off		10,520	-
Gain on disposal of subsidiaries	8	-	(261,803,101)
Gain on disposal of property, plant and equipment		(69,460)	(56,162)
Gain on unrealised foreign exchange		(26,771)	(5,956)
Government grant income		-	(109,772)
Impairment loss on investment in associate		41,553,037	-
Interest income		(4,042,187)	(2,292,076)
Interest expense		805,458	2,760,667
Property, plant and equipment written off		3	13
Provision for employee benefits		3,587	3,736
Share of results of associates		1,254,284	1,524,219
Share of results of jointly controlled entities		8,137,855	11,344,740
Operating loss before working capital changes		(3,407,368)	(26,172,120)
Receivables		(199,622)	7,598,690
Payables		1,370,673	186,094,042
Cash (used in)/generated from operations		(2,236,317)	167,520,612
Interest paid		(913,293)	(2,826,617)
Tax paid, net of tax refunded		(474,224)	(6,339,936)
Net cash (used in)/from operating activities carried down		(3,623,834)	158,354,059

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014(cont'd)

	Note	2014 RM	2013 RM (Restated)
Net cash (used in)/from operating activities brought down		(3,623,834)	158,354,059
Cash Flows from Investing Activities			
Effect of disposal of subsidiaries, net of cash disposed	8	-	341,176,714
Proceeds from disposal of property, plant and equipment		70,680	134,700
Withdrawal/(Placement) of time deposits		85,603,911	(81,437,389)
Capital work-in-progress incurred	12	-	(5,423,938)
Purchase of property, plant and equipment	10	(196,644)	(1,303,488)
Advances to jointly controlled entities		(15,886,641)	(16,815,003)
Interest received		4,042,187	2,292,076
Net cash from investing activities		73,633,493	238,623,672
Cash Flows from Financing Activities			
Dividends paid		-	(181,173,849)
Dividends paid to non-controlling interests		-	(91,872,000)
Repayments of unsecured loan from a corporate shareholder		(13,524,000)	(15,206,400)
Treasury shares repurchased	23	(620,559)	(1,731,786)
Drawdown of term loans		-	7,964,612
Repayments of term loans		(4,981,508)	(63,693,664)
Net cash used in financing activities		(19,126,067)	(345,713,087)
Net change in cash and cash equivalents		50,883,592	51,264,644
Effects of exchange rates changes on cash and cash equivalents		624,009	3,464,064
Cash and cash equivalents at beginning of financial year		77,810,147	23,081,439
Cash and cash equivalents at end of financial year	22	129,317,748	77,810,147

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 RM	2013 RM
Revenue	4	-	187,358,000
Other income		15,165,455	17,337,247
		15,165,455	204,695,247
Administrative costs		(7,244,328)	(5,509,090)
Other expenses		(1,388,085)	(776,636)
		(8,632,413)	(6,285,726)
Profit from operations		6,533,042	198,409,521
Finance costs	5	-	(50,473)
Profit before tax	6	6,533,042	198,359,048
Tax credit/(expense)	7	638	(263,000)
Profit for the financial year		6,533,680	198,096,048
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation differences		(2,361)	8,928
Fair value adjustment of available-for-sale financial assets		(150,000)	-
Other comprehensive income for the financial year, net of tax		(152,361)	8,928
Total comprehensive income for the financial year		6,381,319	198,104,976

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	2014 RM	2013 RM
ASSETS			
Non-current assets			
Property, plant and equipment	10	526,215	877,600
Subsidiaries	13	20,841,195	37,019,115
Interest in associates	14	11,007,500	11,007,500
Interest in a jointly controlled entity	15	58,222,917	56,738,130
Other investments	16	494,256	635,168
Amounts owing by subsidiaries	17	58,361,567	84,404,921
Amount owing by a jointly controlled entity	18	52,354,500	37,901,500
		201,808,150	228,583,934
Current assets			
Receivables	19	4,224,430	2,547,849
Amount owing by a jointly controlled entity	18	17,134,200	11,593,400
Tax assets	21	598,716	344,216
Other investments	16	42,083,348	16,520,888
Cash and cash equivalents	22	276,570	252,921
		64,317,264	31,259,274
TOTAL ASSETS		266,125,414	259,843,208

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014(cont'd)

	Note	2014 RM	2013 RM
EQUITY AND LIABILITIES			
Equity attributable to the owners of the parent			
Share capital	23	178,025,503	178,025,503
Share premium	24	15,096,203	27,609,598
Treasury shares	23	(1,252,427)	(13,145,263)
Retained earnings		53,556,997	47,023,317
Reserves	24	19,074,807	19,227,168
Total Equity		264,501,083	258,740,323
Liabilities			
Current liabilities			
Payables	29	1,624,331	1,102,885
Total Liabilities		1,624,331	1,102,885
TOTAL EQUITY AND LIABILITIES		266,125,414	259,843,208

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Total equity RM	Share capital RM	Share premium RM	Treasury shares RM	Retained earnings RM	Total reserves RM	Foreign exchange translation reserve RM	Capital reserve RM	Fair value reserve RM
At 1.1.2013		243,540,982	178,025,503	27,609,598	(11,413,477)	30,101,118	19,218,240	(6,567)	19,000,000	224,807
Comprehensive Income										
Profit for the financial year		198,096,048	-	-	-	198,096,048	-	-	-	-
Other comprehensive income										
Foreign currency translation differences		8,928	-	-	-	-	8,928	8,928	-	-
Total other comprehensive income for the financial year		8,928	-	-	-	-	8,928	8,928	-	-
Total comprehensive income for the financial year		198,104,976	-	-	-	198,096,048	8,928	8,928	-	-
Transactions with owners										
Dividends	32	(181,173,849)	-	-	-	(181,173,849)	-	-	-	-
Purchase of treasury shares	23	(1,731,786)	-	-	(1,731,786)	-	-	-	-	-
Total transactions with owners		(182,905,635)	-	-	(1,731,786)	(181,173,849)	-	-	-	-
At 31.12.2013		258,740,323	178,025,503	27,609,598	(13,145,263)	47,023,317	19,227,168	2,361	19,000,000	224,807

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014 (cont'd

	Note	Total equity RM	Share capital RM	Share premium RM	Treasury shares RM	Retained earnings RM	Total reserves RM	Foreign exchange translation reserve RM	Capital reserve RM	Fair value reserve RM
At 31.12.2013		258,740,323	178,025,503	27,609,598	(13,145,263)	47,023,317	19,227,168	2,361	19,000,000	224,807
Comprehensive Income										
Profit for the financial year		6,533,680	-	-	-	6,533,680	-	-	-	-
Other comprehensive income										
Reversal of foreign exchange reserves differences		(2,361)	-	-	-	-	(2,361)	(2,361)	-	-
Fair value adjustment of available-for-sale financial assets		(150,000)	-	-	-	-	(150,000)	-	-	(150,000)
Total other comprehensive income for the financial year		(152,361)	-	-	-	-	(152,361)	(2,361)	-	(150,000)
Total comprehensive income for the financial year		6,381,319	-	-	-	6,533,680	(152,361)	(2,361)	-	(150,000)
Transactions with owners										
Purchase of treasury shares	23	(620,559)	-		(620,559)	-	-	-	-	-
Share dividend of eight treasury shares for every hundred existing ordinary shares of RM1 each	32	-	-	(12,513,395)	12,513,395	-	-	-	-	-
Total transactions with owners		(620,559)	-	(12,513,395)	11,892,836	-	-	-	-	-
At 31.12.2014		264,501,083	178,025,503	15,096,203	(1,252,427)	53,556,997	19,074,807	-	19,000,000	74,807

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 RM	2013 RM
Cash Flows from Operating Activities			
Profit before tax		6,533,042	198,359,048
Adjustments for: -			
Bad debts written off		-	407,500
Deposits written off		10,520	-
Depreciation of property, plant and equipment		394,172	376,858
Dividend income		-	(187,358,000)
Gain on disposal of property, plant and equipment		(31,999)	-
Gain on unrealised foreign exchange		(9,081,257)	(11,640,489)
Gain on voluntary winding-up of subsidiaries		(267)	(395)
Impairment loss on investment in subsidiaries		-	32,000
Interest income		(3,303,940)	(4,082,481)
Interest expense		-	50,473
Property, plant and equipment written off		3	13
Provision for employee benefits		3,587	3,736
Operating loss before working capital changes		(5,476,139)	(3,851,737)
Receivables		(1,687,101)	(1,537,682)
Payables		517,859	(724,046)
Cash used in operations		(6,645,381)	(6,113,465)
Interest paid		-	(50,473)
Tax paid		(253,862)	(193,400)
Net cash used in operating activities carried down		(6,899,243)	(6,357,338)

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014(cont'd)

	Note	2014 RM	2013 RM
Net cash used in operating activities brought down		(6,899,243)	(6,357,338)
Cash Flows from Investing Activities			
Advances to jointly controlled entities		(15,886,641)	(16,815,003)
Net cash received from voluntary winding-up of subsidiaries	13	267	1,010,397
Repayments from subsidiaries		45,699,140	21,682,600
Purchase of property, plant and equipment	10	(42,791)	(430,881)
Proceeds from disposal of property, plant and equipment		32,000	-
Dividend received		-	187,358,000
Interest received		3,303,940	4,082,481
Net cash from investing activities		33,105,915	196,887,594
Cash Flows from Financing Activities			
Repayments to subsidiaries		-	(1,012,000)
Dividend paid		-	(181,173,849)
Treasury shares repurchased	23	(620,559)	(1,731,786)
Net cash used in financing activities		(620,559)	(183,917,635)
Net change in cash and cash equivalents		25,586,113	6,612,621
Effects of exchange rates changes on cash and cash equivalents		(4)	5,956
Cash and cash equivalents at beginning of finanical year		16,773,809	10,155,232
Cash and cash equivalents at end of financial year	22	42,359,918	16,773,809

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 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 Bursa Malaysia Securities Berhad.

The registered office is located at B-25-2, Block B, Jaya One, No. 72A, Jalan Universiti, 46200 Petaling Jaya, Selangor Darul Ehsan and the principal place of business is located at Indera Subang Condominium, Ground Floor, Club House, Jalan USJ 6/2L, 47610 UEP Subang Jaya, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 13. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors dated 20 March 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except as otherwise disclosed in the significant accounting policies.

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reported period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int")

(a) Adoption of Amendments/Improvements to MFRSs and New IC Int

The Group and the Company had adopted the following amendments/improvements to MFRSs and new IC Int that are mandatory for the current financial year:-

Amendments/Improvements to MFRSs

MFRS 10	Consolidated Financial Statements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 127	Separate Financial Statements
MFRS 132	Financial Instruments: Presentation
MFRS 136	Impairment of Assets
MFRS 139	Financial Instruments: Recognition and Measurement

New IC Int
IC Int 21 Levies

The adoption of the above amendments/improvements to MFRSs and new IC Int do not have any effect on the financial statements of the Group and of the Company except for those as discussed below.

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 127 Separate Financial Statements

Amendments to MFRS 10 introduce an exception to the principle that all subsidiaries shall be consolidated. The amendments define an investment entity and require a parent that is an investment entity to measure its investment in particular subsidiaries at fair value through profit or loss in accordance with MFRS 139 Financial Instruments: Recognition and Measurement instead of consolidating those subsidiaries in its consolidated financial statements. Consequently, new disclosure requirements related to investment entities are introduced in amendments to MFRS 12 and MFRS 127.

In addition, amendments to MFRS 127 also clarify that if a parent is required, in accordance with paragraph 31 of MFRS 10, to measure its investment in a subsidiary at fair value through profit or loss in accordance with MFRS139, it shall also account for its investment in that subsidiary in the same way in its separate financial statements.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (cont'd)

(a) Adoption of Amendments/Improvements to MFRSs and New IC Int (cont'd)

Amendments to MFRS 132 Financial Instruments: Presentation

Amendments to MFRS 132 do not change the current offsetting model in MFRS 132. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off', that the right of set-off must be available today (not contingent on a future event) and legally enforceable for all counterparties in the normal course of business. The amendments clarify that some gross settlement mechanisms with features that are effectively equivalent to net settlement will satisfy the MFRS 132 offsetting criteria. These amendments only impact the presentation in the financial statements but has no impact on the financial results and positions of the Group and of the Company.

Amendments to MFRS 136 Impairment of Assets

Amendments to MFRS 136 clarify that disclosure of the recoverable amount (based on fair value less costs of disposal) of an asset or cash generating unit is required to be disclosed only when an impairment loss is recognised or reversed. In addition, there are new disclosure requirements about fair value measurement when impairment or reversal of impairment is recognised.

Amendments to MFRS 139 Financial Instruments: Recognition and Measurement

Amendments to MFRS 139 provide relief from discontinuing hedge accounting in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. As a result of the amendments, continuation of hedge accounting is permitted if as a consequence of laws or regulations, the parties to hedging instrument agree to have one or more clearing counterparties replace their original counterparty and the changes to the terms arising from the novation are consistent with the terms that would have existed if the novated derivative were originally cleared with the central counterparty.

IC Int 21 Levies

IC Int 21 addresses the accounting for a liability to pay a government levy (other than income taxes and fine or other penalties that imposed for breaches of the legislation) if that liability is within the scope of MFRS 137 Provisions, Contingent Liabilities and Contingent Assets. This interpretation clarifies that an entity recognises a liability for a levy when the activity that triggers the payment of the levy, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is recognised progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be recognised before the specific minimum threshold is reached. The adoption of IC Int 21 has no significant impact to the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted

The Group and the Company have not adopted the following new MFRSs and amendments/improvements to MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") as at the date of authorisation of these financial statements but are not yet effective for the Group and the Company:-

		Effective for financial periods beginning on or after
New MFRSs		
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2017
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 July 2014
MFRS 2	Share-based Payment	1 July 2014
MFRS 3	Business Combinations	1 July 2014
MFRS 5	Non-current Asset Held for Sale and Discontinued Operations	1 January 2016
MFRS 7	Financial Instruments: Disclosures	1 January 2016
MFRS 8	Operating Segments	1 July 2014
MFRS 10	Consolidated Financial Statements	1 January 2016
MFRS 11	Joint Arrangements	1 January 2016
MFRS 12	Disclosures of Interests in Other Entities	1 January 2016
MFRS 13	Fair Value Measurement	1 July 2014
MFRS 101	Presentation of Financial Statements	1 January 2016
MFRS 116	Property, Plant and Equipment	1 July 2014/ 1 January 2016
MFRS 119	Employee Benefits	1 July 2014/ 1 January 2016
MFRS 124	Related Party Disclosures	1 July 2014
MFRS 127	Separate Financial Statements	1 January 2016
MFRS 128	Investments in Associates and Joint Ventures	1 January 2016
MFRS 138	Intangible Assets	1 July 2014/ 1 January 2016
MFRS 140	Investment Property	1 July 2014
MFRS 141	Agriculture	1 January 2016

A brief discussion on the above significant new MFRSs and amendments/improvements to MFRSs are summarised below. Due to the complexity of these new standards, the financial effects of their adoption are currently still being assessed by the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (cont'd)

MFRS 9 Financial Instruments

MFRS 9 introduces a package of improvements which includes a classification and measurement model, a single forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

Classification and measurement
MFRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statement of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statement of financial position.

Impairment
MFRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (cont'd)

MFRS 9 Financial Instruments *(cont'd)*

Hedge accounting

MFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

- Identify the contracts with a customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations in the contract.
- Recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted

MFRS 15 Revenue from Contracts with Customers *(cont'd)*

The following MFRSs and IC Interpretations will be withdrawn on the application of MFRS 15:

MFRS 111	Construction Contracts
MFRS 118	Revenue
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 131	Revenue – Barter Transactions Involving Advertising Services

Amendment to MFRS 2 Share-based Payment

Amendment to MFRS 2 clarifies the definition of 'vesting conditions' by separately defining 'performance condition' and 'service condition' to ensure consistent classification of conditions attached to a share-based payment.

Amendments to MFRS 3 Business Combinations

Amendments to MFRS 3 clarify that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to MFRS 132 Financial Instruments: Presentation. It also clarifies that contingent consideration that is classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

In addition, Amendments to MFRS 3 clarify that MFRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in MFRS 11 Joint Arrangements) in the financial statements of the joint arrangement itself.

Amendments to MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 7 provide additional guidance to clarify whether servicing contracts constitute continuing involvement for the purposes of applying the disclosure requirements of MFRS 7.

The Amendments also clarify the applicability of Disclosure – Offsetting Financial Assets and Financial Liabilities (Amendments to MFRS 7) to condensed interim financial statements.

Amendment to MFRS 8 Operating Segments

Amendment to MFRS 8 requires an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments. This includes a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics.

The Amendment also clarifies that an entity shall provide reconciliations of the total reportable segments' assets to the entity's assets if the segment assets are reported regularly to the chief operating decision maker.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (cont'd)

Amendments to MFRS 11 Joint Arrangements

Amendments to MFRS 11 clarify that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in MFRS 3 Business Combinations, it shall apply the relevant principles on business combinations accounting in MFRS 3, and other MFRSs, that do not conflict with MFRS 11. Some of the impact arising may be the recognition of goodwill, recognition of deferred tax assets/liabilities and recognition of acquisition-related costs as expenses. The Amendments do not apply to joint operations under common control and also clarify that previously held interests in a joint operation are not re-measured if the joint operator retains joint control.

Amendment to MFRS 13 Fair Value Measurement

Amendment to MFRS 13 relates to the IASB's Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarifies that when IASB issued IFRS 13, it did not remove the practical ability to measure short-term receivables and payables with no stated interest rate at invoice amounts without discounting, if the effect of discounting is immaterial.

The Amendment also clarifies that the scope of the portfolio exception of MFRS 13 includes all contracts accounted for within the scope of MFRS 139 Financial Instruments: Recognition and Measurement or MFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in MFRS 132 Financial Instruments: Presentation.

Amendments to MFRS 101 Presentation of Financial Statements

Amendments to MFRS 101 improves the effectiveness of disclosures. The Amendments clarifies guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.

Amendments to MFRS 116 Property, Plant and Equipment

Amendments to MFRS 116 clarify the accounting for the accumulated depreciation/amortisation when an asset is revalued. It clarifies that:

- the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; and
- the accumulated depreciation / amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

Amendments to MFRS 116 prohibit revenue-based depreciation because revenue does not reflect the way in which an item of property, plant and equipment is used or consumed.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (cont'd)

(b) New MFRSs and Amendments/Improvements to MFRSs that are issued, but not yet effective and have not been early adopted (cont'd)

Amendment to MFRS 124 Related Party Disclosures

Amendment to MFRS 124 clarifies that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity.

Amendments to MFRS 127 Separate Financial Statements

Amendments to MFRS 127 allow a parent and investors to use the equity method in its separate financial statements to account for investments in subsidiaries, joint ventures and associates, in addition to the existing options.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the Amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not), as defined in MFRS 3 Business Combinations. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

2.3 Basis of consolidation and Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and all its subsidiaries which are disclosed in Note 13 made up to the end of the financial year. The financial statements of the Company and its subsidiaries are all drawn up to the same reporting date.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Specifically, the Group controls an investee if and only if the Group has:-

(a) Power over the investee;
(b) Exposure, or rights, to variable returns from its involvement with the investee; and
(c) The ability to use its power over the investee to affect its returns.

If the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:-

(a) The contractual arrangement with the other vote holders of the investee;
(b) Rights arising from other contractual agreements; and
(c) The voting rights of the Group and potential voting rights.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Basis of consolidation and Subsidiaries (cont'd)

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The assets, liabilities and contingent liabilities assumed from a subsidiary are measured at their fair values at the date of acquisition and these values are reflected in the consolidated financial statements. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses, unless the investments are classified as held for sale (or included in a disposal group that is classified as held for sale). Acquisition related costs are recognised as expenses in the period in which the costs are incurred. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in profit or loss.

All intra-group balances, transactions and resulting unrealised profits and losses (unless cost cannot be recovered) are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at the acquisition date either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

The Group has applied the revised MFRS 127 prospectively on 1 January 2011 in accordance with the transitional provisions. Accordingly, transactions with non-controlling interests prior to the respective effective date have not been restated to comply with the Standard.

Business combination involving entities under common control are accounted for by applying the pooling-of-interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the acquired entity is reflected within equity as reverse acquisition reserve. The statement of profit or loss and other comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities had always been combined.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.4 Transactions with non-controlling interests

Non-controlling interests represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributable to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2.5 Foreign currency

(a) Functional and presentation currency

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

(b) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in Ringgit Malaysia using the exchange rates prevailing at the dates of the transactions. Monetary items denominated in foreign currencies at the reporting date are translated to the functional currencies at the exchange rates on the reporting date. Non-monetary items denominated in foreign currencies are not retranslated at the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Exchange differences arising on the settlement of monetary items, and on the translation 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.

(c) Foreign Operations Denominated in Functional Currencies other than Ringgit Malaysia

The results and financial position of foreign operations that have a functional currency different from the presentation currency ("RM") of the consolidated financial statements are translated into RM as follows:-

(i) Assets and liabilities for each reporting date presented are translated at the closing rate prevailing at the reporting date;

(ii) Income and expenses are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

(iii) All resulting exchange differences are taken to other comprehensive income.

Exchange differences arising on monetary items that form part of the Group's net investment in 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 operations are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Foreign currency (cont'd)

(c) Foreign Operations Denominated in Functional Currencies other than Ringgit Malaysia (cont'd)

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 translation 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.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rate prevailing at the date of acquisition.

Upon disposal of a foreign subsidiary, the cumulative amount of translation differences at the date of disposal of the subsidiary is taken to the consolidated profit or loss.

2.6 Revenue

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

Commissions and revenue from services are recognised when services are rendered.

Rental revenue is recognised on an accrual basis.

Dividends from subsidiaries, associates and other investments are recognised when the right to receive payment is established.

Interest revenue is recognised on a time proportion basis that reflects the effective yield of the asset.

2.7 Employee benefits

(a) Short term employee benefits

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

(b) Defined contribution plans

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

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Borrowing costs

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

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

2.9 Tax expense

Tax expense in profit or loss represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the year, using tax rates enacted or substantially enacted by the reporting date, and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantially enacted by the reporting date.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. 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 be available for the assets to be utilised.

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

2.10 Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed or is held for sale or distribution, or is a subsidiary acquired exclusively with a view to resale. Classification as a discounted operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as discounted operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.11 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 of, 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, plant and equipment and furniture and fixtures are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such part as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. Buildings are measured at valuation less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the valuation of the freehold land and buildings at the reporting date.

Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. The revaluation surplus included in the asset revaluation reserve in respect of an asset is transferred directly to retained earnings on retirement of disposal of the asset.

Depreciation is computed on a straight-line basis over the principal annual rates used for this purpose as follows:-

Warehouse and office buildings	2% - 5%
Machinery, equipment, furniture and fittings	20% - 33 1/3%
Motor vehicles	20%

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The policy of recognition of impairment losses is in accordance with Note 2.17.

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

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

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.12 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.

2.13 Capital work-in-progress

Capital work-in-progress consists of expenditure incurred on the construction of property, plant and equipment which take a substantial period of time to be ready for their intended use.

Capital work-in-progress is stated at cost during the period of construction. No depreciation is provided on capital work-in-progress and upon completion of the construction, the cost will be transferred to property, plant and equipment.

2.14 Associates

An associate is an entity in which the Group exercises influence, but which it does not control, generally accompanying a shareholding of between 20% and 50% of the voting rights, and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not the power to exercise control over these policies.

Investments in associate are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in profit or loss. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes. The Group's investment in associates includes goodwill identified on acquisition.

In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the interest of the Group in an associate decreases but does not result in a loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15 Goodwill

Goodwill acquired in a business combination represents the difference between purchase consideration and the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiaries at the date of acquisition.

Goodwill is allocated to cash generating units and is stated at cost less accumulated impairment losses, if any. Impairment test is performed annually. Goodwill is also tested for impairment when any indication of impairment exists. Impairment losses recognised are not reversed in subsequent periods.

Upon the disposal of an interest in a subsidiary, the related goodwill will be included in the computation of gain or loss on disposal of the interest in the subsidiary in profit or loss.

2.16 Joint arrangements

The Group has applied MFRS 11 to all joint arrangements as of 1 January 2013. Under MFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using equity method.

Under the equity method of accounting, interest in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

2.17 Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of fair value less cost to sell and the value in use, which is measured by reference to discounted future cash flows and 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 to which the asset belongs to. An impairment loss is recognised whenever the carrying amount of an item of asset exceeds its recoverable amount. An impairment loss is recognised as expense in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

Any subsequent increase in recoverable amount of an asset, other than goodwill, due to a reversal of impairment loss is restricted to the carrying amount that would have been determined (net of accumulated depreciation, where applicable) had no impairment loss been recognised in prior years. The reversal of impairment loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.18 Financial assets

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

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

The Group and the Company determine the classification of their financial assets at initial recognition, and has categorised the financial assets as loans and receivables and available-for-sale financial assets.

(a) Loans and receivables

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

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.

(b) Available-for-sale financial assets

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

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 asset 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's right to receive payment is established.

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.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.18 Financial assets (cont'd)

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired or is transferred to another party without retaining control or substantially all risks and rewards of the assets. 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 and sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place 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.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument, or where appropriate, a shorter period to the net carrying amount on initial recognition.

2.19 Impairment of financial assets

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.19 Impairment of financial assets (cont'd)

(b) 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 market are considerations to determine whether there is objective evidence that investment 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 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 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 investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2.20 Cash and cash equivalents

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

2.21 Share capital and share issuance expenses

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

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

2.22 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 sale consideration and the carrying amount is recognised in equity.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.23 Financial liabilities

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

Financial liabilities, within the scope of MFRS 139, are recognised in the 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.

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

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group and the Company have 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.

2.24 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

2.25 Government grants

Government grants are recognised in the consolidated financial statements initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in the profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised in the profit or loss as revenue on a systematic basis over the useful life of the asset. As the government grant is received for capital project, it is recognised as government grant received in advance.

2.26 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 33, including the factors used to identify the reportable segments and the measurement basis of segment information.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.27 Financial guarantee contracts

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

The Group designates corporate guarantees given to banks for credit facilities granted to subsidiaries and jointly control entities as insurance contracts as defined in MFRS 4 Insurance Contracts. The Group recognises these insurance contracts as recognised insurance liabilities when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.28 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.

The Group does not recognise contingent assets and liabilities, but discloses its existence in the financial statements, unless the possibility of an outflow of resources embodying economic benefit is remote.

2.29 Leases

(a) Finance Lease – the Group as Lessee

Assets acquired by way of finance leases where the Group assumes substantially all the benefits and risks of ownership are classified as property, plant and equipment.

Finance lease are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges. The corresponding finance lease obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance lease is depreciated in accordance with the depreciation policy for property, plant and equipment.

(b) Operating Lease – the Group as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentive provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis. The up-front payment for lease of land represents prepaid land lease payments and are amortised on a straight-line basis over the lease term.

(c) Operating Lease – the Group as Lessor

Assets leased out under operating leases are presented on the statements of financial position according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.30 Fair value measurement

The Group and the Company adopted MFRS 13 Fair Value Measurement which prescribed that fair value of an asset or a liability, is determined as 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 measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Significant areas of estimation, uncertainty and critical judgement used in applying accounting principles that have significant effect on the amount recognised in the financial statements are as follows:

(i) Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 50 years. These are common life expectancies applied generally. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets and therefore, future depreciation changes could be revised.

(ii) Impairment of available-for-sale investments

The Group reviews its unquoted investments classified as available-for-sale investments at each reporting date to assess whether they are impaired. The Group also records impairment charges on available-for-sale investments when there has been a significant or prolonged decline in the fair value below their cost.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost.

(iii) Impairment of receivables

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

(iv) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit 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 on the likely timing and level of future taxable profits together with future tax planning strategies.

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

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

Significant areas of estimation, uncertainty and critical judgement used in applying accounting principles that have significant effect on the amount recognised in the financial statements are as follows: (cont'd)

(v) Impairment of investments, amount owing by subsidiaries and joint controlled entities

The directors review the investments, amount owing by subsidiaries and jointly controlled entities for impairment when there is an indication of impairment. This involves measuring the recoverable amount which includes fair value less costs to sell and valuation techniques. Valuation techniques include discounted cash flows analysis and in some cases, based on current market indicators and estimates that provide reasonable approximations to the detailed computation. For quoted investment, the directors make impairment loss based on assessment whether the decline in the market value is of permanent in nature together with the assessment on the prospect of the business. Where expectations differ from the original estimate, the differences will impact the carrying amount of these investments.

(vi) Joint arrangements

The Group holds 50% of the voting rights of its joint arrangement. The Group has joint control over this arrangement as under the contractual agreements, unanimous consent is required from all parties to the agreements for all relevant activities.

The Group's joint arrangement is structured as a limited company and provides the Group and the parties to the agreements with rights to the net assets of the limited company under the arrangements. Therefore, this arrangement is classified as a jointly venture.

(vii) Revaluation of warehouse and office buildings

The Group carries its warehouse and office buildings, which are included in property, plant and equipment, at fair values. The Group engaged an independent professionally qualified valuer to determine fair value at a regular interval of at least once in every five years with additional valuations in the intervening years where market conditions indicate that the carrying amount materially differ from the market values.

4. REVENUE

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Continuing operations				
Warehousing and related value added services	31,912,162	29,293,477	-	-
Transportation and distribution, freight forwarding and haulage services	10,498,648	12,360,026	-	-
Dividend revenue	-	-	-	187,358,000
	42,410,810	41,653,503	-	187,358,000

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

4. REVENUE (cont'd)

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Discontinued operations				
Warehousing and related value added services	-	75,239,989	-	-
Transportation and distribution, freight forwarding and haulage services	-	4,850,609	-	-
	-	80,090,598	-	-
	42,410,810	121,744,101	-	187,358,000

5. FINANCE COSTS

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Continuing operations				
Interest expense on:-				
Term loans	87,456	289,707	-	-
Revolving credit	-	50,473	-	50,473
Shareholder's loan	718,002	1,091,354	-	-
	805,458	1,431,534	-	50,473
Discontinued operations				
Interest expense on:-				
Term loans	-	1,329,133	-	-
	805,458	2,760,667	-	50,473

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

6. LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax is arrived at after charging/(crediting):-

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Amortisation of land use rights	345,432	1,201,032	-	-
Auditors' remuneration				
- auditors of the Company				
- statutory audit	76,000	70,000	73,000	70,000
- other services	22,200	22,200	22,200	22,200
- component auditors of the Group				
- statutory audit	184,780	189,407	-	-
- other services	-	31,046	-	-
Bad debts written off				
- subsidiaries	-	-	-	407,500
- third parties	-	307,700	-	-
Depreciation of property, plant and equipment	1,883,873	8,630,527	394,172	376,858
Deposits written off	10,520	-	10,520	-
Directors' remuneration*				
- fees	388,000	351,400	388,000	351,400
- other emoluments	2,375,856	10,214,846	1,276,672	605,243
Gain on disposal of property, plant and equipment	(69,460)	(56,162)	(31,999)	-
Gain on disposal of subsidiaries	-	(261,803,101)	-	-
Gain on voluntary winding-up of subsidiaries	-	-	(267)	(395)
Government grant income (Note 27)	-	(109,772)	-	-
Government subsidies	(556,374)	(1,331,314)	-	-
Loss/(Gain) on foreign exchange				
- realised	1,320,257	(769,482)	1,337,562	309,634
- unrealised	(26,771)	(5,956)	(9,081,257)	(11,640,489)
Impairment loss on investment in:				
- associate	41,553,037	-	-	-
- subsidiaries	-	-	-	32,000
Income distribution from short term fund	(1,008,478)	(65,992)	(1,008,478)	(65,992)
Interest expense	805,458	2,760,667	-	50,473
Interest income				
- banks	(2,370,666)	(895,875)	(10)	(447,696)
- amounts owing by subsidiaries	-	-	(1,632,409)	(2,238,584)
- amount owing by a jointly controlled entity	(1,671,521)	(1,396,201)	(1,671,521)	(1,396,201)
Property, plant and equipment written off	3	13	3	13
Provision for employee benefits	3,587	3,736	3,587	3,736

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

6. (LOSS)/PROFIT BEFORE TAX (cont'd)

Loss)/Profit before tax is arrived at after charging/(crediting):- (cont'd)

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Rental of warehouse and office buildings	10,389,701	24,681,089	982,686	1,012,936
Rental of equipment	11,000	12,000	11,000	12,000
Rental of warehouse	(1,739,513)	(1,547,890)	(1,739,513)	(1,547,890)
Staff costs				
- Contribution to defined contribution plan	73,027	74,593	73,027	74,593
- Salaries and others	9,644,255	68,539,161	854,761	883,407

* Included in directors' remuneration were aggregate amounts of remuneration received and receivable by the directors of the Company during the financial year as follows:-

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Executive directors				
- other emoluments	2,375,856	10,214,846	1,276,672	605,243
Non-executive directors				
- fees	388,000	351,400	388,000	351,400
Total directors' remuneration	2,763,856	10,566,246	1,664,672	956,643

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

6. (LOSS)/PROFIT BEFORE TAX (con'd)

The monetary value of benefits-in-kind of the Group and of the Company provided to certain directors of the Company amounted to RM102,200 (2013: RM249,562) and RM102,200 (2013: RM95,200) respectively.

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

	Number of Directors	
	2014	**2013**
Executive:-		
RM700,001 - RM750,000	1	-
RM1,600,001 - RM1,650,000	1	1
RM3,350,001 - RM3,400,000	-	1
RM5,200,001 - RM5,250,000	-	1
Non-Executive:-		
Independent		
RM50,001 - RM100,000	1	2
RM100,001 - RM150,000	2	1
Non-Independent		
RM50,001 - RM100,000	1	1

7. TAX EXPENSE/(CREDIT)

	Group		Company	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Continuing operations				
Current income tax				
- Malaysian tax	-	277,000	-	277,000
- Foreign tax	455,765	541,931	-	-
- Over provision in respect of prior financial years	(638)	(7,600)	(638)	(7,600)
	455,127	811,331	(638)	269,400

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

7. TAX EXPENSE/(CREDIT) (cont'd)

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Deferred tax (Note 28)				
- Origination and reversal of temporary differences	88,090	5,781	-	(6,100)
- Relating to changes in tax rate	-	(300)	-	(300)
	88,090	5,481	-	(6,400)
Tax expense/(credit) from continuing operations	543,217	816,812	(638)	263,000
Discontinued operations				
Tax expense from discontinued operations (Note 8)	-	2,868,145	-	-
Total income tax expense/(credit) recognised in profit or loss	543,217	3,684,957	(638)	263,000

The numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable statutory income tax rate are as follows:-

	Group 2014 RM	Group 2013 RM (Restated)	Company 2014 RM	Company 2013 RM
(Loss)/Profit before tax from continuing operations	(53,262,999)	206,997,895	6,533,042	198,359,048
Profit before tax from discontinued operations (Note 8)	-	5,324,418	-	-
Total (loss)/profit before tax	(53,262,999)	212,322,313	6,533,042	198,359,048

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

7. TAX EXPENSE/(CREDIT) (cont'd)

The numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable statutory income tax rate are as follows:- (cont'd)

	Group		Company	
	2014 RM	2013 RM (Restated)	2014 RM	2013 RM
Tax at Malaysian statutory income tax rate of 25% (2013: 25%)	(13,315,700)	53,080,600	1,633,300	49,589,800
Effect of changes in tax rates on opening balance of deferred tax	1,700	(300)	1,700	(300)
Deferred tax recognised at different tax rates	-	26	-	26
Effect of different tax rates in other jurisdictions	3,916,800	(5,340,200)	-	-
Share of results of associates	(18,800)	381,100	-	-
Share of results of jointly controlled entities	2,034,500	2,836,200	-	-
Tax effect of non-taxable revenue	(761,700)	(54,517,600)	(3,348,400)	(50,674,816)
Tax effect of non-deductible expenses	8,903,255	7,086,031	1,662,500	1,355,890
Tax effect of withholding tax in foreign subsidiaries	102,000	177,300	-	-
Utilisation of deferred tax assets not recognised in prior financial years	(409,400)	(16,300)	-	-
Deferred tax assets not recognised during the financial year	91,200	5,700	50,900	-
Over provision in prior financial years				
- current income tax	(638)	(7,600)	(638)	(7,600)
Total income tax expense/(credit) recognised in profit or loss	543,217	3,684,957	(638)	263,000

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

7. TAX EXPENSE/(CREDIT) (cont'd)

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the financial year. The domestic statutory tax rate will be reduced to 24% from the current year's rate of 25% with effect from the year of assessment 2016. The computation of deferred tax as at 31 December 2014 and 31 December 2013 has reflected these changes.

Tax expense for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The Company has tax exempt income available for distribution by way of tax exempt dividend of approximately RM241,188,433 (2013: RM225,086,783). The tax exempt income is in respect of chargeable income of which income tax had been waived and second tier dividend income.

The Group has unutilised tax losses of RM51,798,700 (2013: RM48,604,600) available for set-off against future taxable profits.

8. DISCONTINUED OPERATIONS

On 28 June 2013, Integrated Logistics (H.K.) Limited ("ILHK"), an indirect 70% owned subsidiary of the Company entered into a Deed of Sale and Purchase ("Deed") with Winfair International Holdings Limited ("Winfair"), a wholly-owned subsidiary of C.J.H. Investment Company Limited who has guaranteed the performance of Winfair's obligations under the Deed, for the disposal by ILHK of its entire equity interest in ISH Logistics (Shenzhen II) Limited and Integrated Logistics Henan (H.K.) Limited (the "Target Companies") to Winfair for a total cash consideration of RMB998.0 million (equivalent to approximately RM533.93 million). Net consideration payable to ILHK pursuant to the Deed shall be the total consideration less outstanding loans and intercompany payables and subject to the adjustment of an amount equal to the net current assets (the "Adjustment Sum") of the Target Companies at the Completion Date.

The disposal was completed on 30 October 2013 upon fulfilment of all the Conditions Precedent of the Deed.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

8. DISCONTINUED OPERATIONS (cont'd)

(a) An analysis of the results of the discontinued operations are as follows:-

	Note	Group 2013 RM
Revenue	4	80,090,598
Direct operating costs		(65,861,652)
Gross profit		14,228,946
Other income		2,796,276
Administrative costs		(10,371,671)
Profit from operations		6,653,551
Finance costs	5	(1,329,133)
Profit before tax	8(c)	5,324,418
Tax expense	7	(2,868,145)
Profit for the financial year		2,456,273
Attributable to: -		
Owners of the parent		1,719,391
Non-controlling interests		736,882
Profit for the financial year		2,456,273

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

8. DISCONTINUED OPERATIONS (cont'd)

(b) Effect of disposal on the financial position of the Group:-

	Note	2013 RM (Restated)
Property, plant and equipment	10	241,777,608
Land use rights	11	60,360,109
Receivables		27,312,247
Cash and cash equivalents		11,552,982
Payables		(201,568,425)
Non-controlling interests		(1,645,072)
Government grant received in advance	27	(6,345,082)
Deferred tax liabilities	28	(24,991,397)
Translation differences		(19,446,984)
Net assets and liabilities		87,005,986
Cash consideration received		(348,809,087)
Gain on disposal of investment in subsidiaries		(261,803,101)

	2013 RM
Net cash inflow arising from disposal:-	
Cash consideration received	348,809,087
Cash and cash equivalents	(11,552,982)
Translation differences	3,920,609
	341,176,714

Included in the cash consideration received is Adjustment Sum placed by Winfair. The Adjustment Sum had been finalised resulting in an amount payable to Winfair of RM453,707 as disclosed in Note 30.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

8. DISCONTINUED OPERATIONS (cont'd)

(c) The following amounts have been included in arriving at profit before tax of the discontinued operations:-

	Group 2013 RM
Amortisation of land use rights	880,265
Auditors' remuneration	46,561
Bad debts written off	307,700
Depreciation of property, plant and equipment	6,926,180
Directors' remuneration	
- other emoluments	580,558
Gain on disposal of property, plant and equipment	(14,172)
Gain on realised foreign exchange	(832,457)
Government grant income	(109,772)
Government subsidies	(1,029,256)
Interest expense	1,329,133
Interest income	
- banks	(396,964)
Rental of warehouse and office buildings	14,767,674
Staff costs	
- Salaries and others	24,847,264

(d) The cash flows attributable to the discontinued operations are as follows:-

	Group 2013 RM
Operating activities	84,067,000
Investing activities	(280,623)
Financing activities	(83,201,957)
Net cash from discontinued operations	584,420

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

9. (LOSS)/EARNINGS PER SHARE

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

The diluted (loss)/earnings per ordinary share of the Group for the financial years ended 31 December 2014 and 2013 are same as the basic (loss)/earnings per ordinary share of the Group as the Company has no dilutive potential ordinary shares.

	Group	
	2014	**2013**
	RM	**RM**
		(Restated)
(Loss)/Profit for the financial year attributable to owners of the parent: -		
- Continuing operations	(41,133,822)	143,902,943
- Discontinued operations	-	1,719,391
	(41,133,822)	145,622,334
Weighted average number of ordinary shares for basic (loss)/earnings per share computation	176,767,239	165,036,947
Basic (loss)/earnings per ordinary share (sen)		
Continuing operations	(23.270)	87.194
Discontinued operations	-	1.042
	(23.270)	88.236

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

10. PROPERTY, PLANT AND EQUIPMENT

	Warehouse and Office Buildings RM	Machinery, Equipment, Furniture and Fittings RM	Motor Vehicles RM	Total RM
Group				
Cost/Valuation				
At 1.1.2014				
At cost	165,435	4,049,367	2,874,756	7,089,558
At valuation	55,336,806	-	-	55,336,806
	55,502,241	4,049,367	2,874,756	62,426,364
Translation differences	3,536,569	240,113	66,029	3,842,711
Additions	-	196,644	-	196,644
Adjustment on revaluation	1,432,018	-	-	1,432,018
Elimination of accumulated depreciation on revaluation	(1,318,202)	-	-	(1,318,202)
Disposals	-	(107,258)	(353,299)	(460,557)
Written off	-	(5,438)	-	(5,438)
At 31.12.2014	59,152,625	4,373,428	2,587,486	66,113,539
Representing				
At cost	175,976	4,373,428	2,587,486	7,136,890
At valuation	58,976,650	-	-	58,976,650
	59,152,626	4,373,428	2,587,486	66,113,540
Accumulated Depreciation				
At 1.1.2014	109,700	3,727,342	1,955,918	5,792,960
Translation differences	55,556	229,857	59,729	345,142
Charge for the financial year	1,300,619	182,011	401,243	1,883,873
Elimination of accumulated depreciation on revaluation	(1,318,202)	-	-	(1,318,202)
Disposals	-	(107,258)	(353,298)	(460,556)
Written off	-	(5,435)	-	(5,435)
At 31.12.2014	147,673	4,026,517	2,063,592	6,237,782
Net Carrying Amount				
At cost	28,303	346,911	523,894	899,108
At valuation	58,976,650	-	-	58,976,650
At 31.12.2014	59,004,953	346,911	523,894	59,875,758

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

10. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Warehouse and Office Buildings RM	Machinery, Equipment, Furniture and Fittings RM	Motor Vehicles RM	Total RM
Group				
Cost/Valuation				
At 1.1.2013				
At cost	838,497	20,211,681	5,414,590	26,464,768
At valuation	261,316,614	-	-	261,316,614
	262,155,111	20,211,681	5,414,590	287,781,382
Translation differences	24,452,587	1,935,079	383,455	26,771,121
Additions	130,357	562,898	610,233	1,303,488
Adjustment on revaluation	(264,748)	-	-	(264,748)
Elimination of accumulated depreciation on revaluation	(1,011,894)	-	-	(1,011,894)
Transfer from capital work-in-progress (Note 12)	25,227,273	-	-	25,227,273
Disposals	(22,457)	(613,375)	(414,465)	(1,050,297)
Written off	-	(32,904)	-	(32,904)
Disposal of subsidiaries (Note 8)	(255,163,988)	(18,014,012)	(3,119,057)	(276,297,057)
At 31.12.2013	55,502,241	4,049,367	2,874,756	62,426,364
Representing				
At cost	165,435	4,049,367	2,874,756	7,089,558
At valuation	55,336,806	-	-	55,336,806
	55,502,241	4,049,367	2,874,756	62,426,364
Accumulated Depreciation				
At 1.1.2013	704,563	16,325,654	2,972,822	20,003,039
Translation differences	11,803,968	1,646,445	245,937	13,696,350
Charge for the financial year	6,029,467	1,698,604	902,456	8,630,527
Elimination of accumulated depreciation on revaluation	(1,011,894)	-	-	(1,011,894)
Disposals	(15,345)	(567,902)	(389,475)	(972,722)
Written off	-	(32,891)	-	(32,891)
Disposal of subsidiaries (Note 8)	(17,401,059)	(15,342,568)	(1,775,822)	(34,519,449)
At 31.12.2013	109,700	3,727,342	1,955,918	5,792,960
Net Carrying Amount				
At cost	55,735	322,025	918,838	1,296,598
At valuation	55,336,806	-	-	55,336,806
At 31.12.2013	55,392,541	322,025	918,838	56,633,404

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

10. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Equipment, Furniture and Fittings RM	Motor vehicles RM	Total RM
Company			
Cost			
At 1.1.2014	285,971	1,849,446	2,135,417
Additions	42,791	-	42,791
Disposal	-	(162,200)	(162,200)
Written off	(5,438)	-	(5,438)
At 31.12.2014	323,324	1,687,246	2,010,570
Accumulated Depreciation			
At 1.1.2014	198,123	1,059,694	1,257,817
Charge for the financial year	56,723	337,449	394,172
Disposal	-	(162,199)	(162,199)
Written off	(5,435)	-	(5,435)
At 31.12.2014	249,411	1,234,944	1,484,355
Net Carrying Amount			
At 31.12.2014	73,913	452,302	526,215
Cost			
At 1.1.2013	279,225	1,458,215	1,737,440
Additions	39,650	391,231	430,881
Written off	(32,904)	-	(32,904)
At 31.12.2013	285,971	1,849,446	2,135,417
Accumulated Depreciation			
At 1.1.2013	171,881	741,969	913,850
Charge for the financial year	59,133	317,725	376,858
Written off	(32,891)	-	(32,891)
At 31.12.2013	198,123	1,059,694	1,257,817
Net Carrying Amount			
At 31.12.2013	87,848	789,752	877,600

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

10. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(a) During the financial year, the warehouse and office buildings of the Group were revalued on 31 December 2014 by an external independent valuer, having appropriate recognised professional qualification. The valuations are based on independent professional valuations replacement cost method.

The net carrying amount of these property, plant and equipment had no revaluation been made are as follows:-

	Group	
	2014	**2013**
	RM	**RM**
Warehouse and office buildings	57,402,456	55,200,427

(b) The net carrying amount of property, plant and equipment pledged to the financial institutions as security for borrowing facilities (Note 25) are as follows:-

	Group	
	2014	**2013**
	RM	**RM**
Warehouse and office buildings	-	55,336,806

(c) The fair value of warehouse and office buildings of the Group are categorised as follows:

	Level 1	**Level 2**	**Level 3**	**Total**
	RM	**RM**	**RM**	**RM**
Group				
31.12.2014				
Warehouse and office buildings	-	-	58,976,650	58,976,650
31.12.2013				
Warehouse and office buildings	-	-	55,336,806	55,336,806

The valuation of warehouse and office buildings as at 31 December 2014 is determined using replacement cost approach which determines the cost to replace an asset at current prices. In the view of the lack of comparable market data of similar buildings in the vicinity where the Group's warehouse and office buildings are situated, the valuation was based on significant unobservable inputs and is therefore recognised under level 3 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

10. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(c) The directors and the professional valuer consider that it is appropriate to use the replacement cost approach since the directors will use the warehouse and office buildings for long –term yield from production of logistics services for best utilisation of the buildings for maximisation of returns rather than primarily for rental income and will not dispose the warehouse and office buildings in the short run.

The key unobservable inputs of the valuation include average construction cost per square meter of RM1,273 (equivalent to RMB2,300), direct administrative cost of approximately 3%, interest rate on financing of approximately 3% and depreciated rates of 89% and 97%. These assumptions are estimated by the professional valuer based on the risk profile of the warehouse and office buildings being value.

The valuation of the leasehold buildings as at 31 December 2013 was determined by reference to valuation reports prepared by the professional valuer based on discounted cash flows of the buildings in view of the lack of comparable market data of similar buildings in the vicinity where the group's buildings were situated and the fair value was recognised as level 3 of the fair value hierarchy.

There were no transfers between level 1, level 2 and level 3 during the financial years ended 31 December 2014 and 31 December 2013.

11. LAND USE RIGHTS

	Group	
	2014	2013
	RM	RM
At 1 January	15,175,063	70,308,537
Amortisation for the financial year	(345,432)	(1,201,032)
Disposal of subsidiaries (Note 8)	-	(60,360,109)
Translation differences	953,911	6,427,667
At 31 December	15,783,542	15,175,063

At the end of the financial year, the Group has land use rights located in Suzhou in The People's Republic of China ("PRC") where the Group's warehousing facilities reside under medium lease terms for a duration of 50 years. Certain land use rights with carrying amounts of nil (2013: RM6,947,809) are charged as security for borrowing facilities as disclosed in Note 25.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

12. CAPITAL WORK-IN-PROGRESS

	Group 2013 RM
At cost,	
At 1 January	18,168,264
Additions	5,423,938
Translation differences	1,635,071
Transfer to property, plant and equipment (Note 10)	(25,227,273)
	-

This was in respect of construction of the warehouse buildings of the Group.

13. SUBSIDIARIES

	Company 2014 RM	Company 2013 RM
Unquoted shares, at cost		
At 1 January	43,806,195	44,816,197
Capital repayments	-	(1,010,000)
Voluntary winding-up	(11,490,000)	(2)
At 31 December	32,316,195	43,806,195
Less: Accumulated impairment loss		
At 1 January	22,965,000	22,933,000
Additions	-	32,000
written off	(11,490,000)	-
At 31 December	11,475,000	22,965,000
Amount owing by subsidiary	-	16,177,920
	20,841,195	37,019,115

Amount owing by subsidiary is solely from ILB International (BVI) Limited, which is non-trade in nature, unsecured and interest free. The settlement of the amount is neither planned nor likely to occur in the foreseeable future. As this amount is, in substance, part of the Company's net investment in the subsidiaries, it was stated at cost less accumulated impairment loss. This amount has been fully paid as at the financial year end.

The amount owing by subsidiary is denominated in Hong Kong Dollar.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

13. SUBSIDIARIES (cont'd)

The subsidiaries are as follows:-

	Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest 2014	2013
	Integrated Forwarding & Shipping Berhad	Malaysia	Ceased operations	100%	100%
^	Integrated Freight Services Sdn. Bhd.	Malaysia	Ceased operations	100%	100%
^&	Integrated Leasing Corporation Sdn. Bhd.	Malaysia	Ceased operations	-	100%
^&	Integrated Haulage Sdn. Bhd.	Malaysia	Ceased operations	-	100%
@	ILB International (BVI) Limited	British Virgin Islands	Investment holding	100%	100%
	Subsidiary of ILB International (BVI) Limited				
@	ISH Logistics Group Limited	Grand Cayman Island	Investment holding	70%	70%
	Subsidiary of ISH Logistics Group Limited				
@	ISH Group (BVI) Limited	British Virgin Islands	Investment holding	70%	70%
	Subsidiary of ISH Group (BVI) Limited				
@	Integrated Logistics (H.K.) Limited	Hong Kong	Investment holding, warehousing and related value added services and transportation	70%	70%

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

13. SUBSIDIARIES (cont'd)

The subsidiaries are as follows:- (cont'd)

	Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest 2014	Effective Equity Interest 2013
	Subsidiaries of Integrated Logistics (H.K.) Limited				
@	ISH Logistics (Shanghai) Limited	Hong Kong	Investment holding	70%	70%
@	Integrated Logistics (China) Company Limited	The People's Republic of China	Warehousing and related value added services and transportation	70%	70%
@	Integrated Etern Logistics (Suzhou) Company Limited	The People's Republic of China	Warehousing and related value added services and transportation	45.5%	45.5%
@	ISH Cargo Services (H.K.) Company Limited	Hong Kong	Investment holding	70%	70%
@	Changchun ISH Logistics (H.K.) Limited	Hong Kong	Dormant	70%	70%
	Subsidiary of ISH Logistics (Shanghai) Limited				
@	Integrated Shun Hing Logistics (Shanghai) Company Limited	The People's Republic of China	Warehousing and related value added services and transportation	70%	70%
	Subsidiary of ISH Cargo Services (H.K.) Company Limited				
@	Integrated Shun Hing Logistics (Shenzhen) Company Limited	The People's Republic of China	Warehousing and related value added services and transportation	70%	70%

^ The subsidiaries which were consolidated using unaudited management financial statements as they have been placed under Member's Voluntary Winding-up pursuant to Section 254(1)(b) of the Companies Act, 1965 in Malaysia.

& Integrated Leasing Corporation Sdn. Bhd. and Integrated Haulage Sdn. Bhd. was deregistered in January 2014 and December 2014 respectively.

@ Audited by other professional firms of accountants other than Baker Tilly AC.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

13. SUBSIDIARIES (cont'd)

(a) Voluntary winding-up of subsidiaries

Effect of the voluntary winding-up of subsidiaries on the financial position of the Company:-

	2014 RM	2013 RM
Cost of investment	-	1,010,002
Net cash received	(267)	(1,010,397)
Gain on voluntary winding-up of subsidiaries	(267)	(395)

(b) Details of subsidiaries disposed in the previous financial year are disclosed in Note 8.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

13. SUBSIDIARIES (cont'd)

(d) The subsidiaries of the Group that have material non-controlling interests ('NCI') are as follows:-

	Integrated Logistics (H.K.) Limited RM	Integrated Shun Hing Logistics (Shanghai) Co. Limited RM	Integrated Logistics (China) Co. Limited RM	Integrated Etern Logistics (Suzhou) Co. Limited RM	ISH Logistics Group Limited RM	Integrated Shun Hing Logistics (Shenzhen) Co. Limited RM	Other immaterial individual subsidiaries RM	Total RM
2014								
NCI percentage of ownership interest and voting interest	30%	30%	30%	54.5%	30%	30%		
Carrying amount of NCI	16,423,550	8,163,467	6,424,300	31,542,836	(25,160,130)	13,008,569	98,277	50,500,869
Profit allocated to NCI	(12,904,333)	218,397	142,931	294,757	(731,194)	270,344	36,704	(12,672,394)
2013								
NCI percentage of ownership interest and voting interest	30%	30%	30%	54.5%	30%	30%		
Carrying amount of NCI	33,916,606	7,420,139	6,019,575	29,555,665	(27,167,363)	9,734,774	(104,691)	59,374,705
Profit allocated to NCI	61,573,559	(198,717)	93,206	91,779	90,755	(298,878)	926,436	62,278,140

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

13. SUBSIDIARIES (cont'd)

(e) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows:-

	Integrated Logistics (H.K.) Limited RM	Integrated Shun Hing Logistics (Shanghai) Co. Limited RM	Integrated Logistics (China) Co. Limited RM	Integrated Etern Logistics (Suzhou) Co. Limited RM	ISH Logistics Group Limited RM	Integrated Shun Hing Logistics (Shenzhen) Co. Limited RM
2014						
Assets and liabilities						
Non-current assets	106,330,964	479,989	51,441	74,763,077	-	782,711
Current assets	59,965,813	29,250,475	32,144,303	3,051,715	129,369,127	44,625,515
Non-current liabilities	(82,544,264)	-	-	(394,225)	(83,373,667)	-
Current liabilities	(38,335,548)	(2,533,395)	(224,474)	(19,543,859)	(525,144)	(282,965)
Net assets	45,416,965	27,197,069	31,971,270	57,876,708	45,470,316	45,125,261
Results						
Revenue	15,747,973	19,476,481	2,428,250	4,420,502	-	4,845
Profit for the financial year	(29,253,355)	854,211	476,437	976,074	(2,437,314)	1,054,809
Total comprehensive income	(29,253,355)	854,211	476,437	976,074	(2,437,314)	1,054,809
Cash flows from operating activities	(1,110,471)	1,500,984	(10,290,549)	6,848,728	(2,455,557)	7,371,996
Cash flows from investing activities	32,423,803	16,874,489	29,641,377	163	-	31,937,305
Cash flows from financing activities	(46,417,755)	-	-	(4,824,592)	2,423,057	-
Effects of exchange rate changes on cash and cash equivalents	-	(78,117)	(98,195)	65,960	-	(133,825)
Net change in cash and cash equivalents	(15,104,423)	18,297,356	19,252,633	2,090,259	(32,500)	39,175,476

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

13. SUBSIDIARIES (cont'd)

(e) The summarised financial information before intra-group elimination of the subsidiaries that have material NCI as at the end of each reporting period are as follows:- (cont'd)

	Integrated Logistics (H.K.) Limited RM	Integrated Shun Hing Logistics (Shanghai) Co. Limited RM	Integrated Logistics (China) Co. Limited RM	Integrated Etern Logistics (Suzhou) Co. Limited RM	ISH Logistics Group Limited RM	Integrated Shun Hing Logistics (Shenzhen) Co. Limited RM
2013						
Assets and liabilities						
Non-current assets	107,104,188	412,632	97,616	70,528,852	-	938,212
Current assets	103,736,175	26,197,051	30,132,926	1,030,223	211,325,692	52,124,431
Non-current liabilities	(122,230,858)	-	-	(33,919)	(153,087,410)	-
Current liabilities	(38,492,775)	(1,874,618)	(638,814)	(18,652,415)	(1,047,790)	(413,838)
Net assets	50,116,730	24,735,065	29,591,728	52,872,741	57,190,492	52,648,805
Results						
Revenue	18,240,153	17,617,022	3,613,243	3,143,654	-	57,564
Profit for the financial year	298,363,807	2,788	310,687	168,402	293,922,230	257,638
Total comprehensive income	298,363,807	2,788	310,687	168,402	293,922,230	257,638
Cash flows from operating activities	7,343,664	12,665,173	25,995,321	6,174,979	293,856,663	(367,176)
Cash flows from investing activities	350,554,368	(90,746)	(4,384)	(1,714,119)	8,097,000	-
Cash flows from financing activities	(319,170,964)	(759,245)	-	(5,999,312)	(302,021,397)	498,121
Effects of exchange rate changes on cash and cash equivalents	-	-	(17,219)	-	-	-
Net change in cash and cash equivalents	38,727,068	11,815,182	25,973,718	(1,538,452)	(67,734)	130,945

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

14. INTEREST IN ASSOCIATES

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Unquoted shares, at cost				
At 1 January/ 31 December	10,988,300	10,988,300	11,007,500	11,007,500
Quoted shares outside Malaysia, at cost				
At 1 January	66,096,686	59,768,100	-	-
Surplus on remeasurement	-	6,328,586	-	-
At 31 December	66,096,686	66,096,686	-	-
Less: Accumulated impairment loss				
At 1 January	(136,242)	(136,242)	-	-
Additions	(41,553,037)	-	-	-
At 31 December	(41,689,279)	(136,242)	-	-
Share of results:				
At 1 January	3,372,457	4,896,676	-	-
Additions	(1,254,284)	(1,524,219)	-	-
At 31 December	2,118,173	3,372,457	-	-
Exchange differences	5,438,347	2,435,833	-	-
	42,952,227	82,757,034	11,007,500	11,007,500
Market value:				
Quoted shares outside Malaysia	29,869,955	24,821,055		

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

14. INTEREST IN ASSOCIATES (cont'd)

The associates are as follows:-

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest 2014	Effective Equity Interest 2013
Integrated Mits Sdn. Bhd.	Malaysia	Warehousing and related value added services	50%	50%
Interest held through Integrated Logistics (H.K.) Limited				
*^ Shanghai Puhwa Logistics Company Limited	The People's Republic of China	Warehousing and transportation	24.5%	24.5%
* Hengyang Petrochemical Logistics Limited	Singapore	Investment holding	18.1%	18.1%

* Audited by other professional firms of accountants other than Baker Tilly AC.

^ The audited financial statements and auditors' report for the financial year were not available. The Group has not recognised losses relating to Shanghai Puhwa Logistics Company Limited where it had been fully impaired in the previous financial years and its share of losses exceeds the Group's interest in this associate.

(a) The summarised financial information of the associates is as follows:-

	Hengyang Petrochemical Logistics Limited RM	Integrated Mits Sdn. Bhd. RM	Total RM
2014			
Assets and liabilities			
Non-current assets	954,861,563	20,726,565	975,588,128
Current assets	79,639,777	9,355,191	88,994,968
Non-current liabilities	(407,570,759)	(3,860,100)	(411,430,859)
Current liabilities	(262,652,458)	(55,998)	(262,708,456)
Net assets	364,278,123	26,165,658	390,443,781
Results			
Revenue	102,124,386	1,753,371	103,877,757
(Loss)/Profit for the financial year	(6,865,592)	150,531	(6,715,061)
Total comprehensive (loss)/income	(7,092,495)	150,531	(6,941,964)

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

14. INTEREST IN ASSOCIATES (cont'd)

(a) The summarised financial information of the associates is as follows:- (cont'd)

	Hengyang Petrochemical Logistics Limited RM	Integrated Mits Sdn. Bhd. RM	Total RM
2013			
Assets and liabilities			
Non-current assets	715,020,979	26,508,864	741,529,843
Current assets	150,521,818	3,624,342	154,146,160
Non-current liabilities	(313,751,539)	(3,999,000)	(317,750,539)
Current liabilities	(212,622,221)	(119,078)	(212,741,299)
Net assets	339,169,037	26,015,128	365,184,165
Results			
Revenue	64,964,094	1,751,621	66,715,715
(Loss)/Profit for the financial year	(8,337,485)	225,155	(8,112,330)
Total comprehensive (loss)/income	(8,337,485)	225,155	(8,112,330)

(b) The reconciliation of net assets of the associates to the carrying amount of the investment in associates are as follows:-

	Hengyang Petrochemical Logistics Limited RM	Integrated Mits Sdn. Bhd. RM	Total RM
2014			
Group's share of net assets	54,828,720	11,848,510	66,677,230
Goodwill	11,292,167	1,233,762	12,525,929
Exchange differences	5,438,347	-	5,438,347
Less: Accumulated impairment losses	(41,689,279)	-	(41,689,279)
Carrying amount in the statement of financial position	29,869,955	13,082,272	42,952,227
Group's share of results	(1,329,550)	75,266	(1,254,284)
2013			
Group's share of net assets	56,850,041	11,773,244	68,623,285
Goodwill	10,600,396	1,233,762	11,834,158
Exchange differences	2,435,833	-	2,435,833
Less: Accumulated impairment losses	(136,242)	-	(136,242)
Carrying amount in the statement of financial position	69,750,028	13,007,006	82,757,034
Group's share of results	(1,637,389)	113,170	(1,524,219)

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

14. INTEREST IN ASSOCIATES (cont'd)

(c) The results of Hengyang Petrochemical Logistics Limited ("Hengyang") have been accounted for based on the public announcement of Hengyang for the financial years ended 31 December 2014 and 31 December 2013.

(d) The surplus on remeasurement in the previous financial year was arising from the change in ownership interest of Hengyang Holding Pte. Ltd. ("HHPL"), a subsidiary of Hengyang where MEGCIF Investments 5 Limited, a company owned by Macquarie Everbright Greater China Infrastructure Fund L.P. had subscribed for 35% equity share of HHPL in the previous financial year for a cash consideration of RMB275.21 million (equivalent to approximately RM138.76 million).

15. INTEREST IN A JOINTLY CONTROLLED ENTITY

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Unquoted shares, at cost				
At 1 January/ 31 December	35,066,081	35,066,081	34,716,902	34,716,902
Share of results:				
At 1 January	(22,037,195)	(10,692,455)	-	-
Additions	(8,137,855)	(11,344,740)	-	-
At 31 December	(30,175,050)	(22,037,195)	-	-
Exchange differences	(135,356)	(949,687)	-	-
	4,755,675	12,079,199	34,716,902	34,716,902
Amount owing by a jointly controlled entity	23,506,015	22,021,228	23,506,015	22,021,228
	28,261,690	34,100,427	58,222,917	56,738,130
The Group's investment in a jointly controlled entity is represented by:-				
Group's share of net assets	28,261,690	34,100,427		

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

15. INTEREST IN A JOINTLY CONTROLLED ENTITY (cont'd)

The amount owing by a jointly controlled entity is solely due from Integrated National Logistics DWC-LLC ("INL") which is non-trade in nature, unsecured and interest free. The settlement of the amount is neither planned nor likely to occur in the foreseeable future. The Group's intention is to provide adequate funds to the jointly controlled entity to meet its liabilities as and when they fall due. As this amount is, in substance, part of the Group's net investment in the jointly controlled entity, it is stated at cost less accumulated impairment losses.

The amount owing by a jointly controlled entity is denominated in United Arab Emirates Dirham.

(a) The details of jointly controlled entities are as follows:-

Name of Company	Country of Incorporation	Principal Activities	Effective Equity Interest 2014	Effective Equity Interest 2013
* Integrated National Logistics DWC-LLC	United Arab Emirates	Warehousing and related value added services	50%	50%

* Audited by other professional firm of accountants other than Baker Tilly AC.

(b) The summarised financial information of INL, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are as follows:-

	Group 2014 RM	Group 2013 RM
Assets and liabilities		
Non-current assets	288,609,557	259,484,109
Current assets	19,603,898	12,366,667
Non-current liabilities	(194,611,399)	(150,207,416)
Current liabilities	(56,723,531)	(53,107,856)
Net assets	56,878,525	68,535,504
Proportion of the ownership of the Group	50%	50%
Carrying amount of the investment in jointly controlled entities	28,261,690	34,100,427

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

15. INTEREST IN A JOINTLY CONTROLLED ENTITY (cont'd)

(b) The summarised financial information of INL, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are as follows:- (cont'd)

	Group	
	2014	2013
	RM	RM
Results		
Revenue	32,442,696	21,938,979
Cost of sales	(27,280,356)	(24,820,792)
Gross profit/(loss)	5,162,340	(2,881,813)
Other income	198,549	88,353
Administrative expenses	(14,037,216)	(11,767,541)
Finance costs	(7,599,382)	(8,128,481)
Loss before tax	(16,275,709)	(22,689,482)
Tax expense	-	-
Loss for the financial year	(16,275,709)	(22,689,482)
Group's share of results	(8,137,855)	(11,344,740)

16. OTHER INVESTMENTS

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Non-current				
Available-for-sale financial assets				
Golf club memberships				
At 1 January	1,816,062	1,485,464	635,168	626,240
Translation differences	68,574	86,991	9,088	8,928
Change in fair value	(437,700)	243,607	(150,000)	-
At 31 December	1,446,936	1,816,062	494,256	635,168
Current				
Held for trading investment				
Short term fund	42,083,348	16,520,888	42,083,348	16,520,888
Market value of quoted investments	42,083,348	16,520,888	42,083,348	16,520,888

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

16. OTHER INVESTMENTS (cont'd)

Short term fund represents investments in highly liquid market, which are readily convertible to a known amounts of cash and subject to an insignificant risk of changes in value.

The short term funds are mainly designed to manage free cash flows and optimise working capital so as to provide a steady stream of income returns. It is an integrated part of the overall cash management.

17. AMOUNTS OWING BY SUBSIDIARIES

The amounts owing by subsidiaries are solely from ISH Group (BVI) Limited, which is denominated in Hong Kong Dollar, is non-trade in nature, unsecured and bears effective interest at rates ranging from 2.37% to 2.39% (2013: 2.39%) per annum and is repayable commencing from year 2017.

18. AMOUNTS OWING BY A JOINTLY CONTROLLED ENTITY

The amount owing by a jointly controlled entity, INL, which are denominated in United Arab Emirates Dirham, are non-trade in nature, unsecured, interest free except for an amount of RM52,354,500 (2013: RM37,901,500) which bears effective interest at a rate of 4.0% (2013: 4.0%) per annum and is repayable commencing from year 2021.

19. RECEIVABLES

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Trade receivables				
- external parties	9,585,803	11,339,894	-	-
Other receivables, deposits and prepayments (Note 20)	8,142,475	6,199,282	4,224,430	2,547,849
	17,728,278	17,539,176	4,224,430	2,547,849

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

The foreign currency exposure profile of trade receivables for the Group is as follows:-

	Hong Kong Dollar RM	United States Dollar RM	Total RM
Functional currency of the Group entities			
2014			
Chinese Renminbi	3,189,287	956,875	4,146,162
2013			
Chinese Renminbi	4,387,007	719,883	5,106,890

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

19. RECEIVABLES (cont'd)

Ageing analysis of trade receivables

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

	Group	
	2014	**2013**
	RM	**RM**
Neither past due nor impaired	2,608,178	8,685,478
90 to 180 days past due not impaired	4,307,897	2,540,944
181 to 360 days past due not impaired	2,669,728	113,472
	6,977,625	2,654,416
Impaired	-	-
	9,585,803	11,339,894

Receivables that are neither past due nor impaired

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

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

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM6,977,625 (2013: RM2,654,416) that are past due at the reporting date but not impaired.

No impairment loss on trade receivables has been made as, in the opinion of the management, the debts would be collected in full within the next twelve months.

The Group does not hold any collateral or other credit enhancements over these balances.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

20. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Other receivables				
- external parties	1,850,969	610,776	306,538	294,849
- subsidiaries	-	-	417,014	559,216
- associate	198	-	198	-
- jointly controlled entity	3,498,380	1,680,964	3,498,380	1,680,964
	5,349,547	2,291,740	4,222,130	2,535,029
Deposits	2,132,477	3,212,232	2,300	12,820
Prepayments	660,451	695,310	-	-
	8,142,475	6,199,282	4,224,430	2,547,849

Receivables from subsidiaries, associate and a jointly controlled entity are non-trade in nature, unsecured, interest free and are repayable on demand by cash.

The foreign currency exposure profile for the Group is as follows:-

	Hong Kong Dollar	United Arab Emirates Dirham	Total
	RM	RM	RM
Functional currency of the Group entities			
2014			
Ringgit Malaysia	351,576	3,336,793	3,688,369
Chinese Renminbi	131,351	-	131,351
	482,927	3,336,793	3,819,720
2013			
Ringgit Malaysia	530,946	1,665,272	2,196,218
Chinese Renminbi	130,313	-	130,313
	661,259	1,665,272	2,326,531

21. TAX ASSETS

This amount is in respect of tax paid in advance to the tax authorities.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

22. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Deposits with licensed banks (Note (a))	78,412,417	42,251,257	-	-
Time deposits (Note (b))	22,990,800	101,753,341	-	-
Cash at banks and on hand	12,878,728	22,851,770	276,570	252,921
Cash and cash equivalents as reported in the statements of financial position	114,281,945	166,856,368	276,570	252,921
Add: Short term funds (Note 16)	42,083,348	16,520,888	42,083,348	16,520,888
Less: Time deposits (Note (b))	(22,990,800)	(101,753,341)	-	-
Pledged bank deposits (Note (a))	(4,056,745)	(3,813,768)	-	-
Cash and cash equivalents as reported in the statements of cash flows	129,317,748	77,810,147	42,359,918	16,773,809

(a) Deposits with licensed bank are placement made a period of three months or less, depending on the immediate cash requirements of the Group and bear interest rates ranging from 0.37% to 2.60% (2013: 0.27%) per annum.

Included in the deposits with licensed banks of the Group is an amount of RM4,056,745 (2013: RM3,813,768) pledged to banks to secure the operating lease payment to the landlord for the leased warehouse and cost in relation to transportation service.

(b) Time deposits are deposits placed with licensed bank for periods more than 3 months and bear effective interest rates ranging from 0.52% to 1.00% (2013: 2.85%) per annum.

(c) At the end of the financial year, the deposits with licensed banks and bank balances of the Group denominated in Renminbi ("RMB"), which are held in People Republic of China amounted to RM Nil (2013: RM74,086,141) and RM81,798,527 (2013: RM4,174,547) respectively. RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

22. CASH AND CASH EQUIVALENTS (cont'd)

(d) The foreign currency exposure profile for the Group is as follows:-

	Hong Kong Dollar RM	United States Dollar RM	Japanese Yen RM	Singapore Dollar RM	Total RM
Functional currency of the Group entities					
2014					
Chinese Renminbi	25,976,427	2,101,691	1,551	27,244	28,106,913
2013					
Ringgit Malaysia	-	1,275	-	-	1,275
Chinese Renminbi	84,552,407	3,709,295	1,639	22,682	88,286,023
	84,552,407	3,710,570	1,639	22,682	88,287,298

23. SHARE CAPITAL AND TREASURY SHARES

	Number of ordinary shares of RM1 each		<-----------Amount------------>	
	Issued and fully paid	(Treasury Shares)	Issued and fully paid RM	(Treasury Shares) RM
At 1 January 2013	178,025,503	(11,682,600)	178,025,503	(11,413,477)
Repurchase of shares	-	(1,882,900)	-	(1,731,786)
At 31 December 2013	178,025,503	(13,565,500)	178,025,503	(13,145,263)
Repurchase of shares	-	(833,200)	-	(620,559)
Distribution of special dividends	-	13,089,325	-	12,513,395
At 31 December 2014	178,025,503	(1,309,375)	178,025,503	(1,252,427)

Share capital

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

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

23. SHARE CAPITAL AND TREASURY SHARES (cont'd)

Treasury shares

The shareholders of the Company, by special resolution passed in a general meeting held on 4 April 2014 approved the Company to repurchase its own shares. The directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 833,200 ordinary shares of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.745 per ordinary share. The total consideration paid for the share buy-back was RM620,559. The repurchase transactions were financed by internally generated funds. The shares repurchased were retained as treasury shares.

On 28 January 2014, the directors declared a special dividend on the basis of eight treasury shares for every one hundred existing ordinary shares of RM1 each and fractions of treasury shares to be disregarded.

As at 31 December 2014, the Company held a total of 1,309,375 ordinary shares of its 178,025,503 issued ordinary shares as treasury shares.

24. RESERVES

(a) Asset revaluation reserve

The asset revaluation reserve represents increase in the fair value of warehouse and office buildings, net of tax, and decrease to the extent that such decrease relates to an increase on the same asset previously recognised in other comprehensive income.

(b) Statutory reserve fund

In accordance with the Foreign Enterprise Law applicable to the subsidiaries in The People's Republic of China ("PRC"), the subsidiaries are required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory income after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

(c) Foreign exchange translation reserve

The foreign exchange translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(d) Fair value reserve

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

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

24. RESERVES (cont'd)

(e) Capital reserve

Capital reserve comprises mainly reserve arising from the cancellation of treasury shares.

(f) Share premium

This reserve comprises the premium paid on subscription of shares in the Company over and above the par values of the shares.

(g) Other reserve

Other reserve represents the surplus arising from the change in ownership interest of a subsidiary of an associate, Hengyang Petrochemical Logistics Limited during the financial year as disclosed in Note 14(e). It is not distributable and the balance in other reserve will be recycled to the profit or loss when the associate is disposed.

25. TERM LOANS

	Group	
	2014	**2013**
	RM	**RM**
Current liabilities		
Secured short-term loan	-	4,667,677

The foreign currency exposure profile of term loans for the Group is as follows:

	2014	**2013**
	RM	**RM**
United States Dollar	-	4,667,677

In the previous financial year, the term loans amounting to RM4,667,677 bore effective interest at rates ranging from 3.05% to 3.50% per annum and were secured and supported as follows:-

(a) legal charges over the respective subsidiaries' land use rights (Note 11) and warehouse and office buildings (Note 10); and

(b) corporate guarantees by the Company.

26. UNSECURED LOAN FROM A CORPORATE SHAREHOLDER

The unsecured loan from Shun Hing China Investments Limited, a corporate shareholder of a subsidiary, is denominated in Hong Kong Dollar, is non-trade in nature, bears interest at a rate of from 2.37% to 2.39% (2013: 2.39%) per annum. The unsecured loan is extended for a period of 2 years upon its maturity on 31 December 2014 and is automatically rolled over for another period of 2 years subsequent to each maturity unless otherwise informed by the corparate shareholder.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

27. GOVERNMENT GRANT RECEIVED IN ADVANCE

The government grant was received from Henan Xinxan Hi-tech Development Administration Committee in China for capital expenditure incurred on land use rights and warehouse buildings by a subsidiary in Henan, which was subsequently disposed in the previous financial year. Movements in government grant received in advance in the previous financial year were as follows:-

	Group 2013 RM
At 1 January	6,031,992
Grant received	-
Translation differences	422,862
Less : Income recognised	(109,772)
Disposal of subsidiaries (Note 8)	(6,345,082)
At 31 December	-

28. DEFERRED TAX LIABILITIES

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
At 1 January	(46,204)	(24,347,619)	-	(6,400)
Translation differences	(5,972)	(1,689,917)	-	-
Recognised in profit or loss (Note 7)				
- continuing operations	(88,090)	(5,481)	-	6,400
Withholding tax on payment of dividends	-	939,226	-	-
(Provision)/Reversal on revaluation surplus	(358,025)	66,190	-	-
Disposal of subsidiaries (Note 8)	-	24,991,397	-	-
At 31 December	(498,291)	(46,204)	-	-

This is in respect of estimated deferred tax liabilities arising from temporary differences as follows:-

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Deferred tax liabilities				
PRC distributable profits	(104,067)	(33,919)	-	-
Surplus arising from revaluation of warehouse and office buildings	(394,224)	(12,285)	-	-
	(498,291)	(46,204)	-	-

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

28. DEFERRED TAX ASSETS/(LIABILITIES)(cont'd)

Pursuant to the China Enterprise Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. The Group is liable for withholding taxes at 5% on dividends from subsidiaries established in the PRC in respect of earnings generated since 1 January 2009.

The estimated temporary differences for which no deferred tax assets have been recognised in the financial statements are as follows:-

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Unutilised tax losses	51,798,700	1,641,300	158,100	-
Deductible temporary differences in respect of expenses	44,700	-	44,700	-
Unabsorbed capital allowances claimed on property, plant and equipment	9,300	-	9,300	-
	51,852,700	1,641,300	212,100	-

29. PAYABLES

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Trade payables	2,482,268	2,450,802	-	-
Other payables, deposits and accruals (Note 30)	14,707,368	13,368,161	1,603,632	1,085,773
Provisions (Note 31)	20,699	17,112	20,699	17,112
	17,210,335	15,836,075	1,624,331	1,102,885

The normal trade credit terms granted to the Group and the Company ranges from 45 to 60 days (2013: 45 to 60 days).

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

29. PAYABLES (cont'd)

The foreign currency exposure profile of trade payables for the Group is as follows:-

	Hong Kong Dollar RM	United States Dollar RM	Total RM
Functional currency of the Group entities			
2014			
Chinese Renminbi	1,363,254	-	1,363,254
2013			
Chinese Renminbi	2,450,802	-	2,450,802

30. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Other payables				
- external parties	9,556,199	7,426,372	17,945	-
- associate	217,421	275,895	217,421	275,895
	9,773,620	7,702,267	235,366	275,895
Rental and utilities deposits	2,262,411	2,319,441	-	-
Accruals	2,671,337	3,346,453	1,368,266	809,878
	14,707,368	13,368,161	1,603,632	1,085,773

Included in other payables in the previous financial year was an amount of RM453,707 owing to a third party, Winfair for which Adjustment Sum is placed by Winfair pursuant to the Deed upon completion of the disposal of subsidiaries as disclosed in Note 8.

The foreign currency exposure profile of other payables, deposits and accruals for the Group is as follows:-

	Hong Kong Dollar RM	United States Dollar RM	Total RM
Functional currency of the Group entities			
2014			
Chinese Renminbi	1,535,159	-	1,535,159
2013			
Chinese Renminbi	2,157,207	7,204	2,164,411

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

31. PROVISIONS

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Employee benefits				
At 1 January	17,112	13,376	17,112	13,376
Provision made during the financial year	3,587	3,736	3,587	3,736
At 31 December	20,699	17,112	20,699	17,112

Employee benefits are in respect of short term accumulating compensated absences.

32. DIVIDENDS

	Group and Company	
	2014	2013
	RM	RM
Recognised during the financial year:		
Dividends on ordinary shares		
- Special share dividend on the basis of eight treasury shares for every hundred existing ordinary shares in respect of financial year ended 31 December 2013	12,513,395	-
- Special dividend comprising a franked dividend of 35.72% per ordinary share less 25% tax and a single tier dividend of 83.21% per ordinary share in respect of financial year ended 31 December 2013	-	181,173,849
	12,513,395	181,173,849

The directors declared a single tier interim dividend of 3.5% per ordinary share, amounting to RM6,185,069 in respect of the current financial year and payable to the shareholders on 27 March 2015, whose names appeared on the Record of Depositors on 12 March 2015. The financial statements of the current financial year do not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

33. SEGMENT ANALYSIS

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

(i) Warehousing and related value added services	- rental of warehouses, handling and providing logistics solution services
(ii) Freight forwarding	- sea and air freight forwarding and shipping agent
(iii) Transportation and distribution	- trucking and container haulage

Other non-reportable segments comprise of investment holding and management services.

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets and liabilities information are neither included in the internal management reports nor provided regularly to the management. Hence, no disclosures are made on segment assets and liabilities.

Transfer prices between operating segments are carried out on negotiated terms.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

33. SEGMENT ANALYSIS (cont'd)

(a) Operating Segments

	Warehousing and Related Value Added Services		Freight Forwarding		Transportation and Distribution		Others		Adjustments and Eliminations		Notes	Total	
	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM	2014 RM	2013 RM		2014 RM	2013 RM
Revenue													
External revenue	31,912,162	104,533,466	428,281	481,364	10,070,367	16,729,271	-	-	-	-	A	42,410,810	121,744,101
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	B	-	-
Total revenue	31,912,162	104,533,466	428,281	481,364	10,070,367	16,729,271	-	-	-	-		42,410,810	121,744,101
Results													
Interest income	2,370,656	448,180	-	-	-	-	3,303,940	4,082,480	(1,632,409)	(2,238,584)		4,042,187	2,292,076
Interest expense	(2,108,674)	(4,191,071)	-	-	(372,119)	(739,601)	-	(50,473)	1,675,335	2,220,478		(805,458)	(2,760,667)
Depreciation of property, plant and equipment	1,489,701	7,883,482	-	-	-	370,187	394,172	376,858	-	-		1,883,873	8,630,527
Amortisation of land use rights	345,432	1,201,032	-	-	-	-	-	-	-	-		345,432	1,201,032
Non-cash expenses (other than depreciation and amortisation)	41,553,037	307,700	-	-	-	-	14,110	435,749	-	(432,000)	C	41,567,147	311,449
Segment profit	(33,924,709)	(18,555,854)	91,431	(309)	(5,875,310)	(4,379,151)	(4,162,272)	242,802,168	(9,392,139)	(12,868,959)	D	(53,262,999)	206,997,895

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

33. SEGMENT ANALYSIS (cont'd)

(a) Operating Segments (cont'd)

A The revenue relating to disposal of subsidiaries have been excluded to arrive at amounts shown in the consolidated statements of profit or loss and other comprehensive income as they are presented separately in the statements of profit or loss and other comprehensive income within one line item, "profit from discontinued operations, net of tax".

Reconciliations of reportable segment revenues to the corresponding amounts of the Group are as follows:

	Group	
	2014	2013
	RM	RM
Revenue		
Total revenue for reportable segments	42,410,810	121,744,101
Discontinued operations (Notes 4 and 8)	-	(80,090,598)
Revenue of the Group per consolidated statement of profit or loss and other comprehensive income	42,410,810	41,653,503

B There is no inter-segment revenues.

C Other material non-cash items consist of the following:-

	2014	2013
	RM	RM
Bad debts written off	-	307,700
Deposits written off	10,520	-
Impairment loss on investment in associate	41,553,037	-
Property, plant and equipment written off	3	13
Provision for employee benefits	3,587	3,736
	41,567,147	311,449

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

	Group	
	2014	2013
	RM	RM
Share of results of associates	(1,254,284)	(1,524,219)
Share of results of jointly controlled entities	(8,137,855)	(11,344,740)
	(9,392,139)	(12,868,959)

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

33. SEGMENT ANALYSIS (cont'd)

(a) Operating Segments (cont'd)

D Reconciliations of reportable segment (loss)/profit to the corresponding amounts of the Group are as follows:

	Group 2014 RM	Group 2013 RM
Revenue		
Total revenue for reportable segments	42,410,810	121,744,101
Discontinued operations (Notes 4 and 8)	-	(80,090,598)
Revenue of the Group per consolidated statement of profit or loss and other comprehensive income	42,410,810	41,653,503

(b) Geographical Segments

The Group operates in three principal geographical areas of the world:-

(i) Malaysia
(ii) The People's Republic of China (including Hong Kong)
(iii) United Arab Emirates

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments (including interests in associates and a jointly controlled entity) and deferred tax assets.

	Revenue 2014 RM	Revenue 2013 RM
The People's Republic of China (including Hong Kong)	42,410,810	41,653,503

	Non-current assets 2014 RM	Non-current assets 2013 RM
Malaysia	526,215	877,600
The People's Republic of China (including Hong Kong)	75,133,085	70,930,867
	75,659,300	71,808,467

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

33. SEGMENT ANALYSIS (cont'd)

(b) Geographical Segments (cont'd)

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:

	2014 RM	2013 RM
Property, plant and equipment	59,875,758	56,633,404
Land use rights	15,783,542	15,175,063
	75,659,300	71,808,467

(c) Major Customers

Revenue from two major individual customers of the Group's warehousing and related value added services segment of approximately RM7 million each individually represent 10% of the Group's total revenue in The People's Republic of China (2013: RM31 million and RM27 million respectively).

34. CAPITAL AND OTHER COMMITMENTS

	Group	
	2014 RM	2013 RM
Approved and contracted for:		
- share of jointly controlled entity's capital commitments in relation to enhancement of logistics warehouse facility	5,431,338	6,471,587

35. CONTINGENT LIABILITY

The Company is contingently liable for corporate guarantees granted to financial institutions to secure credit facilities granted to subsidiaries and a jointly controlled entity amounting to RM Nil (2013: RM4,667,677) and RM49,489,281 (2013: RM41,947,838) respectively.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

36. OPERATING LEASE ARRANGEMENTS

(i) As lessor

The Group had contracted with lessees under non-cancellable operating leases in respect of the Group's warehouse and office buildings. As at the end of the financial year, the future minimum lease payments receivable by the Group under the non-cancellable operating leases with its tenants are as follows:-

	Group	
	2014	2013
	RM	RM
Within one year	4,710,041	4,744,113
Between two to five years	7,180,324	4,531,261
	11,890,365	9,275,374

(ii) As lessee

The Group leases certain of its office properties under operating lease arrangements.

As at the end of the financial year, the Group had future minimum outstanding commitments payable under non-cancellable operating leases in respect of land and buildings, which fall due as follows:-

	Group	
	2014	2013
	RM	RM
Within one year	7,223,547	8,305,974
Between two to five years	5,718,587	397,583
	12,942,134	8,703,557

37. SIGNIFICANT INTER COMPANY AND RELATED PARTY TRANSACTIONS

(a) For the purpose of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability to directly control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. The Company has a related party relationship with its subsidiaries, associate, director related companies and key management personnel. Director related companies refer to companies in which directors of the Company have substantial financial interests.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

37. SIGNIFICANT INTER COMPANY AND RELATED PARTY TRANSACTIONS (cont'd)

(b) Significant inter-company transactions with subsidiaries are as follows:-

	Company	
	2014	**2013**
	RM	**RM**
(Received or receivable from)/Paid or payable to subsidiaries		
Non-trade		
- Interest	(1,632,410)	(2,238,584)
- Gross dividends	-	(187,358,000)
- Gain on voluntary winding up of subsidiaries	(267)	(395)
- Bad debts written off	-	407,500
(Received or receivable from)/Paid or payable to a jointly controlled entity and an associate		
Non-trade		
- Interest	(1,671,521)	(1,396,201)
- Rental of premises	862,686	832,936

(c) Compensation of the key management personnel

Key management personnel include personnel having authority and responsibility for planning, directing and controlling the activities of the entity, including any director of the Company.

The remuneration of the key management personnel other than those as disclosed in Note 6 is as follow:-

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Other key management personnel:				
Short-term employee benefits	508,966	7,983,250	376,859	412,500
Post-employment benefits	34,574	50,176	34,574	50,176
	543,540	8,033,426	411,433	462,676

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are exercised by the Executive Directors and the Financial Controller. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

The Group's and the Company's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are discussed below:-

i. Foreign Currency Risk

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

The Group has transactional currency exposures arising from loans and borrowings that are denominated in a currency other than the functional currencies of the Group entities, primarily RM, Chinese Renminbi ("RMB") and Hong Kong Dollar ("HKD"). The foreign currencies in which these transactions are denominated in are United States Dollar ("USD") and United Arab Emirates Dirham ("UAE").

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

As at the end of the financial year, if RMB had strengthened or weakened 100 basis points against HKD and USD with all other variables held constant, the Group's profit after tax for the financial year would increase/(decrease) by the following amounts.

	Group	
	2014	2013
	RM	RM
RMB/HKD - strengthen	(10,698)	(342,124)
- weaken	10,698	342,124
RMB/USD - strengthen	(22,939)	1,843
- weaken	22,939	(1,843)

As at the end of the financial year, if Ringgit Malaysia had strengthened or weakened 100 basis points against UAE and HKD with all other variables held constant, the Company's profit after tax for the financial year would increase/(decrease) by the following amounts.

	Company	
	2014	2013
	RM	RM
RM/UAE - strengthen	546,191	383,701
- weaken	(546,191)	(383,701)
RM/HKD - stengthen	440,349	758,353
- weaken	(440,349)	(758,353)

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

i Foreign Currency Risk (cont'd)

The net unhedged financial assets and financial liabilities of the Group and of the Company that are not denominated in their functional currencies are disclosed in Notes 13, 14, 15, 16, 17, 18, 19, 20, 22, 25, 26, 29 and 30.

ii. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk relates to interest bearing financial assets and liabilities.

Interest bearing financial assets includes deposits placed with licensed banks which are placed for better yield returns than cash at banks and advances to a jointly controlled entity at fixed rate which expose the Group to fair value risk.

The Group's interest bearing financial liabilities comprise bank borrowings and loan from a corporate shareholder at floating rate which expose the Company to cash flows risk.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets.

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

As at the end of the financial year, a change of 100 basis points in interest rates, with all other variables held constant, would decrease or increase the equity and profit after tax by approximately RM nil (2013: RM35,008) arising mainly as a result of lower/higher interest income on floating deposits rate and lower/higher interest expense on floating rate loans and borrowings.

iii. Credit Risk

Credit risk is the risk of a financial loss to the Group that may arise if a customer or counterparty to a financial instrument default on its contractual obligations. The Group's exposure to credit risk arises principally from its receivables. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and the financial guarantees given.

Receivables

The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

The Group's maximum exposure to credit risk arising from the receivables is represented by the carrying amounts in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

iii. Credit Risk (cont'd)

Receivables (cont'd)

The exposure of credit risk for receivables as at the end of the financial year by geographic region is as follows:-

	Group			
	2014		2013	
	RM	% of total	RM	% of total
The People's Republic of China	9,585,803	100%	11,339,894	100%

The Group does not have any significant exposure to any individual customer. A significant portion of its trade receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. The ageing of trade receivables as at the end of the financial year is disclosed in Note 19.

Financial Guarantees

The Company provides unsecured corporate guarantees to banks in respect of banking facilities granted to certain subsidiaries and a jointly controlled entity.

The Company monitors on an ongoing basis the repayments made by the subsidiaries and a jointly controlled entity and their financial performance.

The maximum exposure to credit risk amounts to RM4,667,677 in the previous financial year and RM49,489,281 (2013: RM41,947,838) representing the outstanding banking facilities of the subsidiaries and a jointly controlled entity as at the end of the financial year.

As at the end of the financial year, there was no indication that any of these subsidiaries and a jointly controlled entity would default on repayment.

The financial guarantee has not been recognised in the financial statements of the Company since the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiaries' and of the jointly controlled entity's borrowings in view of the security pledged by the subsidiaries and a jointly controlled entity and it is unlikely that the subsidiaries and the jointly controlled entity will default within the guarantee period.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

iii. Credit Risk (cont'd)

Receivables (cont'd)

Inter-Company/Related Party Balances

The Company provides unsecured loans and advances to subsidiaries and a jointly controlled entity. The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position as at the end of the financial year.

As at the end of the financial year, there was no indication that the loans and advances to the subsidiaries and jointly controlled entities are not recoverable.

iv. Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from loans and borrowings.

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. The Group strives to maintain available banking facilities of a reasonable level to its overall debt position.

The Group employs projected cash flow analysis to manage liquidity risk by forecasting the amount of cash required and by monitoring the working capital of the Group to ensure that all liabilities due and known funding requirements could be met.

NOTES TO THE FINANCIAL STATEMENTS
–31 DECEMBER 2014

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

iv. Liquidity Risk (cont'd)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the financial year based on contractual undiscounted repayment obligations:

	Carrying amount RM	Contractual cash flows RM	On demand or within 1 year RM	2 to 5 years RM	Total RM
2014					
Group					
Financial liabilities:					
Trade and other payables	17,189,636	17,189,636	17,189,636	-	17,189,636
Unsecured loan from a corporate shareholder	27,825,037	27,825,037	150,676	27,674,361	27,825,037
	45,014,673	45,014,673	17,340,312	27,674,361	45,014,673
Company					
Financial liabilities:					
Other payables	1,603,632	1,603,632	1,603,632	-	1,603,632
2013					
Group					
Financial liabilities:					
Trade and other payables	15,818,963	15,818,963	15,818,963	-	15,818,963
Unsecured loan from a corporate shareholder	38,845,126	38,845,126	242,225	38,602,901	38,845,126
Term loan	4,667,677	4,748,671	4,748,671	-	4,748,671
	59,331,766	59,412,760	20,809,859	38,602,901	59,412,760
Company					
Financial liabilities:					
Other payables	1,085,773	1,085,773	1,085,773	-	1,085,773

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

39. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	Group 2014 RM	Group 2013 RM
Group		
Financial assets		
Loans and receivables		
- Receivables, net of prepayments	17,067,827	16,843,866
- Amounts owing by a jointly controlled entity	69,488,700	49,494,900
- Cash and cash equivalents	114,281,945	166,856,368
	200,838,472	233,195,134
Available-for-sale financial assets		
- Other investments	1,446,936	1,816,062
	202,285,408	235,011,196
Financial liabilities		
Other financial liabilities		
Payables	17,189,636	15,818,963
Term loan	-	4,667,677
Unsecured loan from a corporate shareholder	27,825,037	38,845,126
	45,014,673	59,331,766
Company		
Financial assets		
Loans and receivables		
- Receivables, net of prepayments	4,224,430	2,547,849
- Amounts owing by a jointly controlled entity	17,134,200	11,593,400
- Cash and cash equivalents	42,083,348	16,520,888
	63,441,978	30,662,137
Financial liabilities		
Other financial liabilities		
Payables	1,603,632	1,085,773

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

39. FINANCIAL INSTRUMENTS (cont'd)

(b) Fair values of financial instruments

The carrying amounts of financial instruments of the Group and of the Company as at the end of reporting period approximate their fair values.

(c) Methods and assumptions used to estimate fair value

The fair value of the following classes of financial assets and liabilities are as follows:

(i) Cash and cash equivalents, receivables and payables

The carrying amounts of cash and cash equivalents, receivables and payables are reasonable approximation of fair values due to short term nature of these financial instruments.

(ii) Other investments

The fair value of shares and short term funds quoted in an active market is determined by reference to the quoted closing bid price at the reporting date.

(iii) Borrowings

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

The carrying amount of long term floating rate loans approximates their fair value as the loans will be re-priced to market interest rate on or near reporting date.

40. FAIR VALUE HIERARCHY

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 fair value measurements are those derived from 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); and

(iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

40. FAIR VALUE HIERARCHY (cont'd)

As at 31 December 2014 and 31 December 2013, the Group held the following financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position:

During the financial years ended 31 December 2014 and 31 December 2013, there was no transfer between fair value measurement hierarchy

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value					
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
2014										
Group										
Financial assets										
Available-for-sale financial assets										
- golf club memberships	-	1,446,936	-	1,446,936	-	-	-	-	1,446,936	1,446,936
2013										
Group										
Financial assets										
Available-for-sale financial assets										
- golf club memberships	-	1,816,062	-	1,816,062	-	-	-	-	1,816,062	1,816,062
Financial liabilities										
Term loan	-	-	-	-	-	4,667,677	-	4,667,677	4,667,677	4,667,677

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

41. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that entities in the Group will be able to continue as a going concern, maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

Deposits are made at varying periods depending on the immediate cash requirements of the Group and of the Company, and earn interests at the respective short-term deposit rates.

The Group reviews the capital structure on an annual basis. As a part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debts or the redemption of existing debts.

No changes were made in the objectives, policies or processes during the financial years ended 31 December 2014 and 31 December 2013.

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Term loan	-	4,667,677	-	-
Less: Cash and cash equivalents	(129,317,748)	(77,810,147)	(42,359,918)	(16,773,809)
Net cash	(129,317,748)	(73,142,470)	(42,359,918)	(16,773,809)
Total equity	346,464,684	381,590,102	264,501,083	258,740,323
Debt-to-equity ratio	*	*	*	*

* Not meaningful as the Group and the Company are in net cash position

As disclosed in Note 24(b), certain subsidiaries of the Group is required by the Foreign Enterprise Law of the PRC to contribute and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the respective PRC's subsidiaries for the financial years ended 31 December 2014 and 31 December 2013.

NOTES TO THE FINANCIAL STATEMENTS
– 31 DECEMBER 2014

42. PRIOR YEAR ADJUSTMENT

During the financial year, the management noted that there was an error in relation to the foreign currency translation reserve upon disposal of subsidiaries in previous financial year.

Accordingly, the following comparative figures have been restated to correct the error as follows:

	Group	
	As reclassified RM	**As previously classified RM**
Statement of profit or loss and other comprehensive income		
Other income	266,029,932	250,140,151
Other comprehensive income		
Reclassification of foreign currency translation reserve to profit or loss upon disposal of subsidiaries	(15,889,781)	-
Earnings per share		
Basic and diluted:-		
Continuing operations	87.194	77.566
Statement of cash flows		
Cash flows from operating activities	158,354,059	158,288,067
Cash flows from investing activities	238,623,672	320,127,053

SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

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

The retained earnings of the Group and of the Company as at 31 December 2014 and 31 December 2013 are analysed as follow:-

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
		(Restated)		
Total retained earnings of the Company and its subsidiaries				
- Realised	74,836,289	80,743,030	53,545,552	47,017,361
- Unrealised	26,771	15,895,737	11,445	5,956
	74,863,060	96,638,767	53,556,997	47,023,317
Total share of retained earnings from associates				
- Realised	11,070,776	12,077,806	-	-
- Unrealised	(3,481,926)	(3,234,672)	-	-
	7,588,850	8,843,134	-	-
Total share of accumulated losses from jointly controlled entities				
- Realised	(26,531,169)	(18,393,314)	-	-
- Unrealised	-	-	-	-
	(26,531,169)	(18,393,314)	-	-
Less : Consolidation adjustments	(12,493,183)	(2,335,413)	-	-
Total retained earnings	43,427,558	84,753,174	53,556,997	47,023,317

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

PROPERTIES OF ILB GROUP

As at 31 December 2014

Location	Description	Age of Building (Years)	Area (sq. ft.)		Tenure	NBV @ 31-12-2014 (RM)	Year of Acquisition Or Revaluation*
Wu Guo Yong (2007) No. 07049293 Fenhu Economic Centre, East Fenhu Road, Fenhu, Wujiang, Jiangsu The People's Republic of China	Land with Warehouse Building	5.5	Land - Build-up-	718,501 286,825	Land Use Rights expiring in 2056	7,184,570 31,488,502	2013*
Wu Guo Yong (2010) No. 07049217 Fenhu Economic Centre, East Fenhu Road, Fenhu, Wujiang, Jiangsu The People's Republic of China	Land with Warehouse Building	1.7	Land - Build-up-	694,023 191,661	Land Use Rights expiring in 2060	8,598,973 27,488,148	2013*
					Total	**74,760,193**	

ANALYSIS OF SHAREHOLDINGS
As at 28 February 2015

SHARE CAPITAL

Authorised Share Capital	:	RM250,000,000
Issued and Fully Paid-up Share Capital	:	RM178,025,503
Class of Shares	:	Ordinary Shares of RM1.00 each
Voting Rights	:	One (1) vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Category	No. of Holders		No. of Shares *		Percentage (%)	
	Malaysian	Foreign	Malaysian	Foreign	Malaysian	Foreign
Less than 100	685	52	21,968	825	0.01	0.00
100 – 1,000	368	6	160,053	1,609	0.09	0.00
1,001 – 10,000	3,410	58	12,414,766	242,061	7.02	0.14
10,001 – 100,000	1,014	49	28,429,552	1,590,954	16.09	0.90
100,001 to less than 5% of issued shares	107	18	43,606,972	36,278,820	24.68	20.53
5% and above of issued shares	2	1	35,267,458	18,701,090	19.96	10.58
Total	5,586	184	119,900,769	56,815,359	67.85	32.15
Grand Total	**5,770**		**176,716,128**		**100.00**	

** Excluding a total of 1,309,375 ordinary shares of RM1.00 each bought back by the Company and retained as treasury shares*

LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Name of shareholder	No. of shares held	% of issued capital *
1.	Lembaga Tabung Haji	20,584,783	11.65
2.	Makoto Takahashi	18,701,090	10.58
3.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - AmBank (M) Berhad for Tee Tuan Sem	14,682,675	8.31
4.	Hassan Mohammad Kazem Ahmadi	8,640,000	4.89
5.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for OCBC Securities Private Limited (Client A/C-NR)	8,116,578	4.59
6.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Win Kee (8106483)	8,017,800	4.54
7.	Affin Hwang Nominees (Asing) Sdn Bhd UOB Kay Hian Pte Ltd for Shun Hing Electronic Trading Company Limited (Gainwell Securities Co. Ltd.)	6,642,000	3.76
8.	United Asia Success Limited	4,837,548	2.74
9.	TA Nominee (Tempatan) Sdn Bhd Pledged Securities Account for Tee Tuan Sem	3,948,176	2.23
10.	Beh Eng Par	3,050,000	1.73
11.	Citigroup Nominees (Asing) Sdn Bhd CBHK PBGSG for Gan Boon Hwee	2,036,426	1.15
12.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Bank Julius Baer & Co. Ltd (Singapore BCH)	1,605,174	0.91

ANALYSIS OF SHAREHOLDINGS

As at 28 February 2015

No.	Name of shareholder	No. of shares held	% of issued capital *
13.	Lee Chin Chai	1,080,486	0.61
14.	Motohiko Tachibana	941,544	0.53
15.	Goh Theow Hiang	936,735	0.53
16.	Maybank Nominees (Tempatan) Sdn Bhd Ng Chee Wai	840,000	0.48
17.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ng Faai @ Ng Yoke Pei (SRB/PMS)	817,200	0.46
18.	Wang Jim	793,800	0.45
19.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Koay Ean Chim (E/IMO)	696,300	0.39
20.	Hong Leong Assurance Berhad As Beneficial Owner (Life Par)	677,433	0.38
21.	Lim Hong Liang	668,144	0.38
22.	HLIB Nominees (Tempatan) Sdn Bhd Hong Leong Bank Bhd for Yong Jee Patt	648,000	0.37
23.	Tai Me Teck	570,996	0.32
24.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chin Kiam Hsung	560,268	0.32
25.	Yoshinori Kobe	540,000	0.31
26.	Chin Kian Fong	525,780	0.30
27.	Loo Bin Keong	500,100	0.28
28.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chua Kim Boon	500,000	0.28
29.	Gan Eng Leong	453,180	0.26
30.	Tay Guan Kee	448,200	0.25

** Excluding a total of 1,309,375 ordinary shares of RM1.00 each bought back by the Company and retained as treasury shares*

The Directors shareholdings in the Company as at 28 February 2015 are as follows :-

Name of Directors	Direct No. of Shares	Note	% of issued Capital*	Indirect No. of Shares	Note	% of issued Capital *
Datuk R. Karunakaran	-	-	-	-	-	-
Tee Tuan Sem	18,630,851	*1*	10.54	381,931	*2*	0.22
Makoto Takahashi	18,701,090	*3*	10.58	-	-	-
Wan Azfar bin Dato' Wan Annuar	-	-	-	-	-	-
Dato' Haji Wazir bin Haji Muaz	-	-	-	-	-	-
Lee Kay Loon	-	-	-	-	-	-

NOTE

1. *Held through Amsec Nominees (Tempatan) Sdn Bhd and TA Nominees (Tempatan) Sdn Bhd.*
2. *Deemed interest by virtue of the shareholdings of his wife, Yang Chiew Bi, which are held directly.*
3. *Held directly.*

ANALYSIS OF SHAREHOLDINGS

As at 28 February 2015

Substantial Shareholders

The substantial shareholders of the Company as at 28 February 2015 are as follows :-

Name of Shareholder	Direct No. of Shares	Note	% of issued Capital	Indirect No. of Shares	Note	% of issued Capital *
Lembaga Tabung Haji	20,584,783	1	11.65	-	-	-
Makoto Takahashi	18,701,090	1	10.58	-	-	-
Tee Tuan Sem	18,630,851	2	10.54	381,931	3	0.22

NOTE

1. *Held directly.*
2. *Held through Amsec Nominees (Tempatan) Sdn Bhd and TA Nominees (Tempatan) Sdn Bhd.*
3. *Deemed interest by virtue of the shareholdings of his wife, Yang Chiew Bi, which are held directly.*

** Excluding a total of 1,309,375 ordinary shares of RM1.00 each bought back by the Company and retained as treasury shares*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 23rd Annual General Meeting ("AGM") of Integrated Logistics Berhad ("ILB" or "Company") will be held at Selangor 3, Dorsett Grand Subang, Jalan SS 12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Wednesday, 15 April 2015 at 10:00 a.m. for the following purposes:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Directors' Report and Audited Financial Statements for the financial year ended 31 December 2014 and Auditors Report thereon.	Please refer to Explanatory Note 1
2. To approve the payment of Directors' Fees of RM388,000 for the year ended 31 December 2014.	(Resolution 1)
3. To re-elect the following Directors retiring by rotation in accordance with Article 80 of the Company's Articles of Association :-	
a) Datuk R. Karunakaran	(Resolution 2)
b) Wan Azfar bin Dato' Wan Annuar	(Resolution 3)
4. To re-appoint Messrs Baker Tilly AC as the Company's Auditors until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.	(Resolution 4)
5. To transact any other ordinary business of the Company for which due notice has been received.	

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following as Ordinary Resolution :-

ORDINARY RESOLUTIONS

6. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY	(Resolution 5)
THAT, subject to the Company's compliance with all applicable rules, regulations, orders and guidelines made pursuant to the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of all relevant authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to buy back and/or hold from time to time and at any time such amount of ordinary shares of RM1.00 each in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company (the Proposed Share Buy-Back") provided that :-	

NOTICE OF ANNUAL GENERAL MEETING

6. i) The maximum number of shares which may be purchased and/or held by the Company at any point of time pursuant to the Proposed Share Buy-Back shall not exceed ten (10) per cent of the total issued and paid-up share capital of the Company from time to time being quoted on Bursa Securities provided always that in the event that the Company ceases to hold all or any part of such shares as a result of, amongst others, cancellation of shares, sale of shares on the market of Bursa Securities or distribution of treasury shares to shareholders as dividend in respect of shares bought back under the previous shareholders' mandate for share buy-back which was obtained at the Annual General Meeting held on 4 April 2014, the Company shall be entitled to further purchase and/or hold such additional number of shares as shall (in aggregate with the shares then still held by the Company) not exceed ten per centum (10%) of the total issued and paid-up share capital of the Company for the time being quoted on Bursa Securities.

   ii) The maximum amount of funds to be allocated for the purchase of the shares pursuant to the Proposed Share Buy-Back shall not exceed the aggregate of retained profits and/or share premium account of the Company based on its latest audited accounts available up to the date of a transaction pursuant to the Proposed Share-Buy Back. As at 31 December 2014, the audited Retained Profits and Share Premium Account of the Company were RM53,556,997 and RM15,096,203 respectively.

   iii) The Proposed Share Buy-Back to be undertaken will be in compliance with Section 67A of the Companies Act, 1965 and the Directors will deal with the shares purchased in the following manner:-

   (a) to cancel the Shares so purchased; or

   (b) to retain the Shares so purchased as treasury shares for distribution as dividends to the shareholders of the Company and/or re-sell on Bursa Securities in accordance with the Main Market Listing Requirements of Bursa Securities and/or cancellation subsequently; or

   (c) to retain part of the Shares so purchased as treasury shares and cancel the remainder.

AND THAT such authority to purchase the Company's own shares will be effective immediately from the passing of this resolution until the conclusion of the next Annual General Meeting ("AGM") at which such resolution was passed at which time the authority would lapse unless renewed by ordinary resolution, either unconditionally or conditionally or the passing of the date on which the next AGM is required by law to be held or the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting but so as not to prejudice the completion of a purchase made before such expiry date;

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to give effect to the Proposed Share Buy-Back with full powers to amend and/assent to any conditions, modifications, variations or amendments (if any) as may be imposed by the relevant governmental/ regulatory authorities from time to time and with full power to do all such acts and things in accordance with the Companies Act, 1965, the provisions of the Company's Memorandum and Articles of Association and the Main Market Listing Requirements of Bursa Securities and all other relevant governmental/regulatory authorities.

NOTICE OF ANNUAL GENERAL MEETING

7. AUTHORITY TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 (Resolution 6)

   THAT subject to Section 132D of the Companies Act, 1965 and the approvals of the relevant governmental/regulatory authorities, 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 in any one financial year does not exceed ten per cent (10%) of the issued and paid-up share capital of the Company for the time being.

   AND THAT such authority shall commence immediately upon passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.

By Order of the Board
Amarjit Singh A/L Banta Singh
Company Secretary
Selangor Darul Ehsan
Date: 24 March 2015

NOTES

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 10th April 2015 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 23rd AGM.

2. Any member of the Company entitled to attend and vote is entitled to appoint one (1) or more proxies to attend and vote instead of him. A proxy need not be a member of the Company and where a member appoints more than one (1) proxy, the member must specify the proportion of his shareholdings to be represented by each proxy respectively, failing which the appointment shall be invalid.

3. If you wish to appoint as your proxy any person other than “the Chairman of the Meeting”, please insert the full name of the proxy (in block letters) in the space provided and delete the words “the Chairman of the Meeting”.

4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.

5. A corporation may complete the proxy form under its common seal or under the hand of an officer or attorney duly authorized.

6. The instrument appointing a proxy must reach the Business Office of the Company at Indera Subang, Jalan USJ 6/2L, 47610 UEP Subang Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the AGM. The lodging of the proxy form will not preclude shareholders from attending and voting in person at the AGM should they subsequently wish to do so.

NOTICE OF ANNUAL GENERAL MEETING

EXPLANTORY NOTES

1. **Item (1) of the Agenda**
   This Agenda item is meant for discussion only as under the provisions of Section 169(1) of the Companies Act, 1965, the audited financial statements do not require formal approval of shareholders and hence, the matter will not be put forward for voting.

2. **Item (6) of the Agenda**
   The proposed ordinary resolution, if passed, will empower the Directors of the Company to buy back and/or hold from time to time shares of the Company not exceeding ten (10) per cent of the issued and paid-up share capital of the Company from time to time being quoted on Bursa Securities as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company.

   For further information, please refer to the Share Buy-Back Statement dated 24 March 2015, which is dispatched together with the Annual Report 2014.

3. **Item (7) of the Agenda**
   (i) The proposed ordinary resolution, if passed, will empower the Directors of the Company to issue shares in the Company up to an amount not exceeding 10% of the total issued capital of the Company for the time being and for such purposes as the Directors would consider to be in the best interests of the Company. This authority, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

   (ii) This is a renewal of the general mandate for the issue of new ordinary shares in the Company which was approved at the last AGM of the Company. The Company did not issue any new shares after the previous mandate was obtained at the last AGM.

   (iii) The general mandate will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) working capital and/or acquisitions and would enable the Company to avoid delay and cost of convening further general meetings to approve the issue of shares for such purposes.

   (iv) At this juncture, there is no decision to issue any new shares. Should there be a decision to issue new shares pursuant to the general mandate obtained, the Company will make an announcement in respect of the purpose and/or utilisation of proceeds arising from such an issue of shares.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. The Directors who are standing for re-election at the Annual General Meeting of the Company in accordance with Article 80 of the Company's Articles of Association are :-

   a) Datuk R. Karunakaran
   b) Wan Azfar bin Dato' Wan Annuar

   Details of the Directors seeking re-election are set out in the Directors Profiles' section and their shareholdings in the Company are set in this Annual Report.

2. Details of attendance of Directors at Board Meetings

   Five (5) Board Meetings were held during the financial year ended 31 December 2014. Details of attendance of the Directors at Board Meetings are set out in this Annual Report.

3. Date, Time and Place of the 23rd Annual General Meeting

   Date and Time : 15 April 2015 at 10:00 a.m.

   Place : Dorsett Grand Subang (Selangor 3)
   Jalan SS 12/1
   47500 Subang Jaya
   Selangor Darul Ehsan

PROXY FORM

"I/We,"____ of ______________________

____ being a member/members of

INTEGRATED LOGISTICS BERHAD, hereby appoint ("the Chairman of the Meeting") or ____________________

________________________ NRIC No. ______________________________________

of ____

____

as my/our proxy to vote for me/us on my/our behalf, at the 23rd Annual General Meeting ("AGM") of the Company to be held at Selangor 3, Dorsett Grand Subang Hotel, Jalan SS 12/1, 47500 Subang Jaya, Selangor Darul Ehsan on Wednesday 15 April 2015 at 10.00 a.m. or any adjournment thereof and to vote as indicated below :-

AS ORDINARY BUSINESS

		FOR	AGAINST
RESOLUTION 1	To approve Directors' fee of RM388,000.		
RESOLUTION 2	To re-elect Datuk R. Karunakaran as Director in accordance with Article 80 of the Company's Articles of Association.		
RESOLUTION 3	To re-elect En Wan Azfar bin Dato' Wan Annuar as Director in accordance with Article 80 of the Company's Articles of Association.		
RESOLUTION 4	To re-appoint Messrs Baker Tilly AC as the Company's Auditors until the conclusion of the next AGM and to authorize the Directors to fix their remuneration.		

AS SPECIAL BUSINESS
ORDINARY RESOLUTION

		FOR	AGAINST
RESOLUTION 5	Proposed Renewal of Share Buy-Back Authority.		
RESOLUTION 6	To authorize the Directors to allot and issue shares in the Company pursuant to Section 132D of the Companies Act, 1965.		

Signature of Shareholder(s)______________________________ ____________________

No. of shares held

Signed this ________ day of ________________, 2015

NOTE :

1. In respect of deposited securities, only members whose names appear in the Record of Depositors as at 10th April 2015 (General Meeting Record of Depositors) shall be entitled to attend, speak and vote at this 23rd AGM.
2. Any member of the Company entitled to attend and vote is entitled to appoint one (1) or more proxies to attend and vote instead of him, and that a proxy need not be a member of the Company and where a member appoints more than one (1) proxy, the member must specify the proportion of his shareholdings to be represented by each proxy respectively, failing which the appointment shall be invalid.
3. If you wish to appoint as your proxy any person other than "the Chairman of the Meeting", please insert the full name of the proxy (in block letters) in the space provided and delete the words "the Chairman of the Meeting".
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) 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.
5. A corporation may complete the proxy form under its common seal or under the hand of an officer or attorney duly authorized.
6. Please indicate with and "X" either "For" or "Against". If neither "For" or "Against" is indicated, the proxy will vote as he thinks fit or abstain from voting.
7. The instrument appointing a proxy must reach the Business Office of the Company at Indera Subang, Jalan USJ 6/2L, 47610 UEP Subang Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the AGM. The lodging of the proxy form will not preclude shareholders from attending and voting in person at the AGM should they subsequently wish to do so.

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The Company Secretary
Integrated Logistics Berhad (229690-K)
Indera Subang, Jalan USJ 6/2L
47610 UEP Subang Jaya
Selangor Darul Ehsan

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